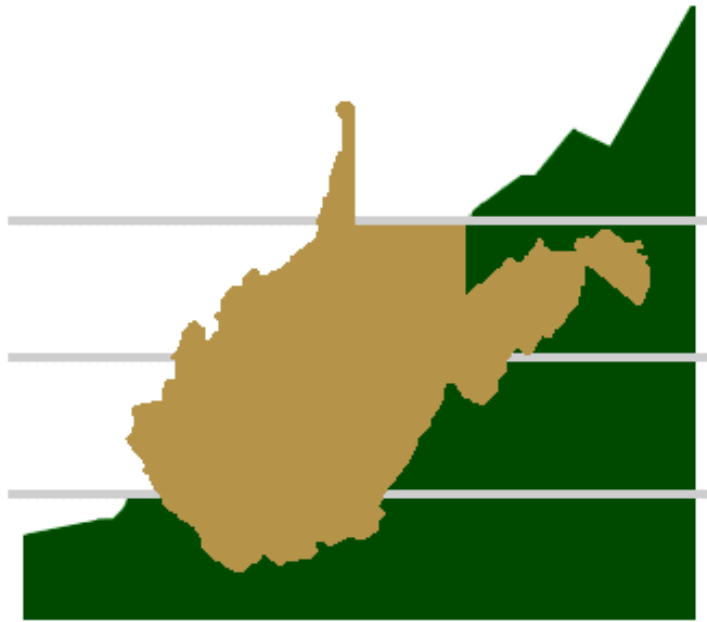

West Virginia Investment Management Board



2006 Annual Report

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DEFINITION OF TERMS AND ABBREVIATIONS

The following terms and abbreviations are used throughout the West Virginia Investment Management Board's annual report and are listed here to help with the overall readability of this document.

Board – The thirteen member Board of Trustees that governs the West Virginia Investment Management Board.

BrickStreet – BrickStreet Mutual Insurance Company, a private, for-profit employers' mutual insurance company in West Virginia.

Cap – Capitalization referring to the size of the investment market for that particular asset style.

IMB – The West Virginia Investment Management Board including the Trustees, Plan Representatives and Committee Members, and Staff.

Participant Plan – A specific group of assets entrusted to the IMB. Retirement plans, endowments, and insurance trusts, for example, are all participant plans.

Pool – Refers to the specific investment pool created and operated by the IMB for a specific investment asset class.

Introduction

West Virginia Investment Management Board

500 Virginia Street, East · Suite 200
Charleston, West Virginia 25301-2164

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

August 28, 2006

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, 2006. Please note that additional information about the Investment Management Board can be accessed electronically on its website, www.wvimb.org.

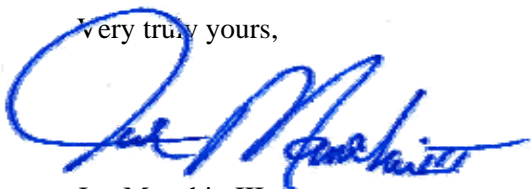
For the fiscal year 2006, I am pleased to announce that the return on our long-term assets was 9.5 percent, net of expenses (using the Public Employees' Retirement System as a proxy for all long-term assets). For the two years that I have presided over the Board it has returned 10.1 percent, net of expenses. It is as a result of great teamwork that I am able to preside over the continued good performance of this organization.

Last year, I announced the reopening of the Teachers' Defined Benefit Pension Plan to all new hires, which will, in the long-term, better allow the State to meet its financial obligations to this plan. Building on this initiative, in fiscal year 2006, the leadership in state government transferred \$265 million in excess revenue to reduce the unfunded liability in the Teachers' Defined Benefit Pension Plan. Moreover, it provided for a contingent appropriation of \$233 million for fiscal year 2007. We are particularly proud of these accomplishments and will continue to explore opportunities to diminish the unfunded liability in the future.

With staggered, six-year terms, the Board is constantly being renewed while retaining its historical continuity. In fiscal year 2006, however, the only departure was due to the resignation of Charles S. Smith. I have appointed Steven L. Smith as his replacement. Mr. Smith is a Certified Public Accountant, serving as the Administrative Manager for the West Virginia Laborers Trust Funds. Mr. Smith brings beneficial financial experience having worked in the banking industry and his current position for a number of years.

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

August 28, 2006

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 whose assets are entrusted to the IMB.
- The Audited Financial Statement, which contains the independent auditor's report, the financial statements and notes thereto, and required 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, 2006, the IMB returned 9.5 percent net of expenses for the fiscal year (using the Public Employees' Retirement System as a proxy for the other systems because of its similarity to other statewide public plans throughout the nation). This return represents value added by the IMB's trustees and staff of 1 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, 2006, the IMB's return was 11.7 percent versus the policy benchmark of 10.6 percent. Over the five years ending June 30, 2006, the IMB's return was 7.3 percent, a full 1.4 percentage points better than the policy benchmark, representing millions of dollars in value added by the trustees and staff. Over the ten-year period ending June 30, 2006, the IMB's return was 7 percent. A corresponding policy portfolio is not practically relevant as the IMB spent the first four years of that ten-year period transitioning from a portfolio made up

of 100 percent fixed income securities to one consisting of 60 percent stocks and 40 percent fixed income.

The majority of assets managed by the IMB are for 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, 2006, ranged from 9.2 percent for the Public Safety Retirement System and the State Police Retirement System, to 9.6 percent for the Teachers' 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 9.1 percent.

With regard to employment security assets, the reader will note a significant difference in returns from defined benefit plans. Although the difference in the timing of cash flows is a factor in the differences in the returns of these insurance assets versus other types of 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 Old Fund has an allocation of 30 percent to stocks and 60 percent to fixed income with 10 percent in short-term investments. The Board of Risk and Insurance Management and the Public Employees' Insurance Agency also have allocations commensurate with their needs. As a result, the return for the fiscal year ending June 30, 2006, ranged from 3 percent for the Pneumoconiosis Fund and 3.6 percent for the Board of Risk and Insurance Management. The Public Employees' Insurance Agency is a relatively new investor with the IMB and does not have a long history of returns. Please also note that the Workers' Compensation Fund no longer exists in the form it did in previous years. During the fiscal year 2006, the State privatized the management of future workers' compensation liabilities, effective January 1, 2006. Assets corresponding to liabilities arising after July 1, 2005 were transferred to BrickStreet Mutual Insurance Company. Assets allocated to liabilities arising prior to July 1, 2005, make up the Workers' Compensation Old Fund referred to above. During much of fiscal year 2006, workers compensation assets were held in short-term investment vehicles pending the transition and evaluation of the respective cash flow needs.

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 the participant plans may be found in the pages that follow.

While the IMB maintains that each participant is different, demanding an individualized approach to asset allocation, it is sometimes helpful to compare one's asset allocation with one's peers. Again, using the Public Employees' Retirement System as a proxy for the IMB because of its large and relatively healthy funded status, a comparison highlights two distinct differences. First, the IMB's allocation to fixed income is 13 percent higher than the average for its peers.

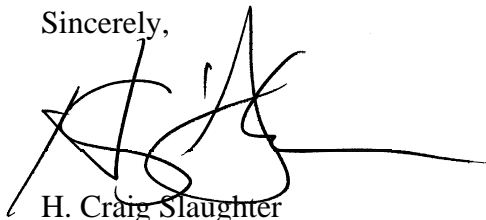
Annual Report
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August 28, 2006

While stock allocations are relatively close, within a few percentage points, the average public fund has a 10 percent allocation to what are called “alternative” assets—real estate, private equity, and hedge funds. It is important to note that this dramatic difference between the IMB’s asset allocation and that of its peers is not a result of unconstrained analysis. It is the result of artificial restrictions on the available universe of asset classes imposed by West Virginia statutes. While the “alternative” group of assets has performed extremely well in the last few years adding significant value to most public fund portfolios, in the long run their greatest contribution to a portfolio is the reduction in risk that results from greater diversification. A revision of the statute is something the IMB looks forward to in the years to come.

Probably the most significant change involving assets managed by the IMB in fiscal year 2006 was the appropriation of \$265 million and the contingent appropriation of another \$233 million in fiscal year 2007 to shore up the unfunded liability of the Teachers’ Retirement System, as referred to in the Governor’s letter to the taxpayers on the previous page. Governmental leaders, enjoying dramatic increases in tax collections over budget, made the virtually unprecedented decision to allocate a huge portion of that excess revenue to unfunded liabilities instead of creating new funding mandates. The fiscal discipline of West Virginia’s governmental leaders over the past sixteen years has been very strong. While the contributions did not solve the unfunded liability problem facing the Teachers’ Retirement System, it made a significant dent in it, and there is every reason to expect governmental leaders will continue in this vein in the future. With the effects of compounding, every dollar added now to the Teachers’ Retirement System pays huge dividends into the future.

As the IMB moves forward into the future, the staff looks forward to helping trustees fulfill the statutory mandate and fiduciary requirement to invest assets of participant plans in the best interest of beneficiaries.

Sincerely,

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

H. Craig Slaughter
Executive Director

HCS:jah

Organization

BOARD OF TRUSTEES

Joe Manchin III, Chairman
Governor of the State of West Virginia

John T. Poffenbarger, Vice-Chairman
Attorney

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

Steven L. Smith
Administrator of the West Virginia Laborers Trust Funds

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

Charles Delauder, Committee Member

Workers' Compensation Old Fund

Richard Cundy, Representative

Pneumoconiosis Fund

Melinda Kiss, Representative

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

Curtis E. Tilley, Representative

State Police Retirement System (Plan B)

David M. Lee, Representative

Death, Disability and Retirement Fund for Deputy Sheriffs

David D. Gentry, Representative

Terry Miller, Committee Member

Paul O'Dell, Jr., Committee Member

Judges' Retirement System

Vacant, Representative

1. By statute, the Consolidated Public Retirement Board and the West Virginia Insurance 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 —

Craig Slaughter, Executive Director

Matthew Jones, Chief Financial Officer / Chief Operating Officer

Kristy Watson, Chief Investment Officer

Operations Division —

Roger Summerfield, Director of Operations

Brian DuBois, Investment Accountant Supervisor

Linda Davis, Trade Analyst

Betty Hammack, Investment Accountant

Leigh Ann Moore, Investment Accountant

Brian Thaxton, Investment Accountant

Investment Division —

Rodney Livingston, Public Equity Investment Officer

Tom Sauvageot, Fixed Income Investment Officer

Support Staff —

Jo Ann Harrison, Administrative Assistant to the Executive Director

Jane Heitz, Secretary/Receptionist

Milly Torman, Administrative Assistant to the Chief Investment Officer

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 1970s 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 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 State 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

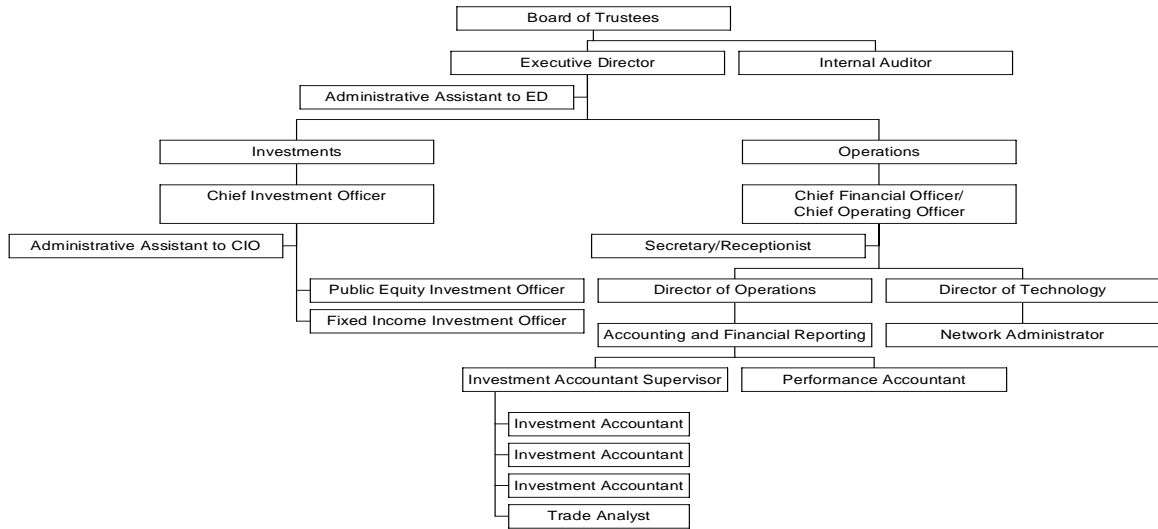
Governance of the West Virginia Investment Management Board is vested, by statute, in a thirteen-member Board of Trustees. Three members of the Board serve by virtue of their office: the Governor, the Auditor, and the Treasurer. The other ten are appointed by the Governor and confirmed by the Senate. 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 Participant Plan's interests. Likewise, the West Virginia Insurance Commission designates a representative for the Pneumoconiosis Fund and the Workers' Compensation Old Fund. 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 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 IMB 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 IMB.

The staff of the IMB is divided into two principal divisions—Operations and Investments. See the organizational chart on the following page.

West Virginia Investment Management Board Organizational Chart



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 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, 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 the 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 takes into consideration specific unique circumstances of each participant plan, such as size, liquidity needs, and financial condition (funded status) 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 and staff 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 plan’s investment program.

*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 JPMorgan Investment Advisors, Inc.

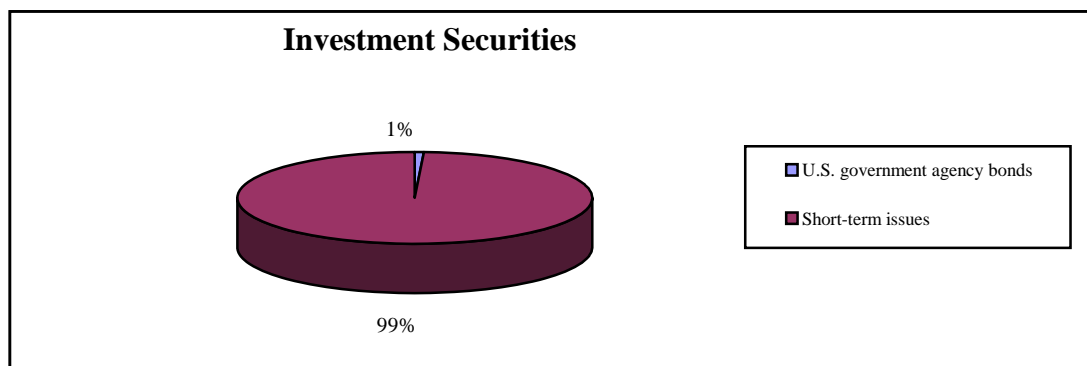
Financial Highlights

Progression of Net Assets (in \$000s)

Net assets - June 30, 2005	\$	398,535
Net increase from operations		11,747
Income distributions to unitholders		(11,756)
Net decrease from unit transactions		(566)
Net assets - June 30, 2006	\$	<u>397,960</u>

Investment Securities (in \$000s)

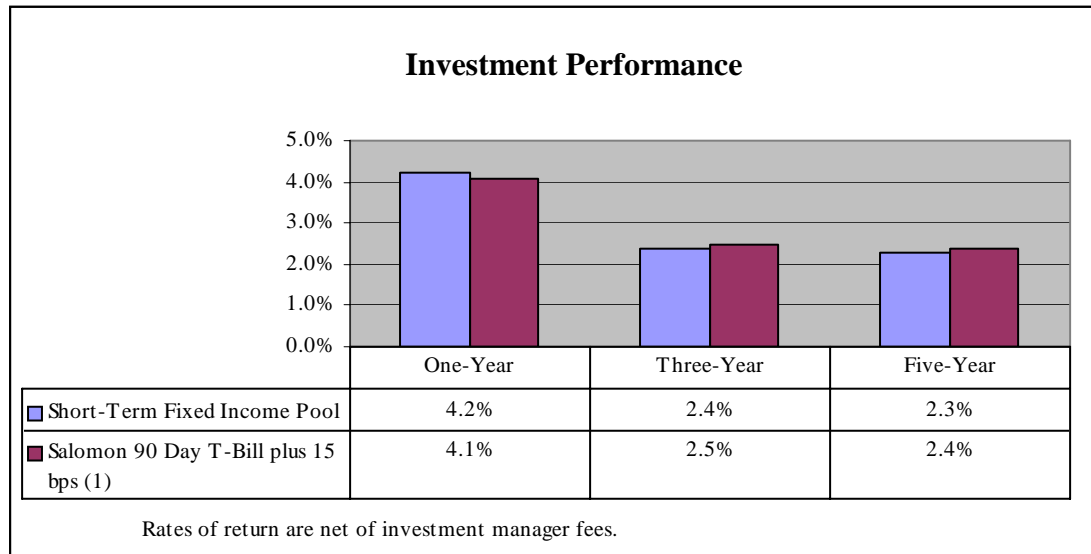
	<u>Carrying Value</u>
U.S. government agency bonds	\$ 2,974
Short-term issues	394,966
Total	<u>\$ 397,940</u>



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 Treasury Bill plus 20 basis points through June 30, 2002, and the Salomon 90-day Treasury Bill, plus 15 basis points, from that date forward.

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	4.4
Trustee fees	0.0
Custodian bank fees	0.4
Management fees	0.7
Fiduciary bond fees	0.0
Professional service fees	0.2
Total expenses	<u><u>5.7</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:

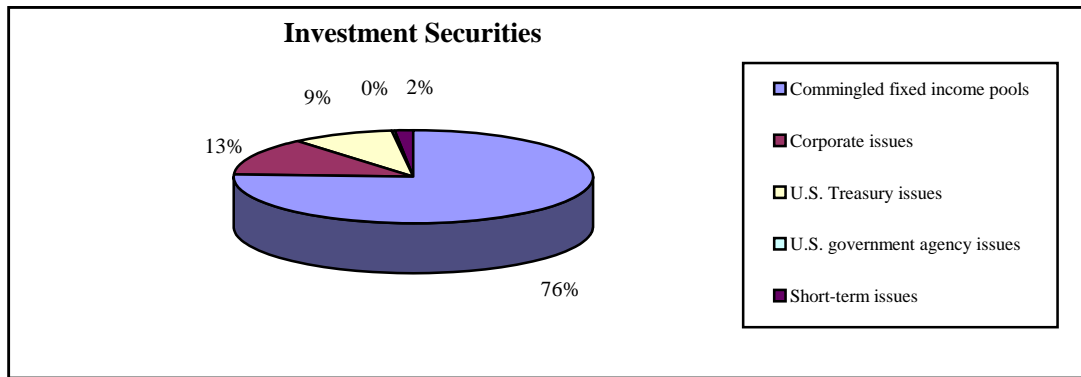
Progression of Net Assets (in \$000s)

Net assets - June 30, 2005	\$	3,229,915
Net decrease from operations		(12,093)
Income distributions to unitholders		(71,596)
Net increase from unit transactions		303,043
Net assets - June 30, 2006	\$	<u>3,449,269</u>

Fixed Income Pool (continued)

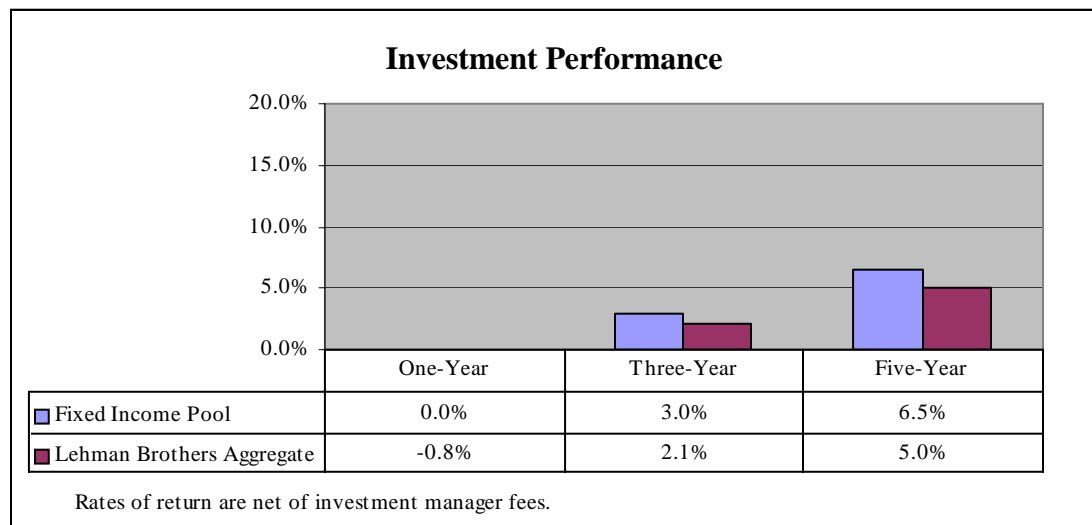
Investment Securities (in \$000s)

	Fair Value
Commingled fixed income pools	\$ 2,653,753
Corporate issues	454,401
U.S. Treasury issues	324,879
U.S. government agency issues	12,735
Short-term issues	55,191
Total	<u>\$ 3,500,959</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.



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	6.5
Trustee fees	0.1
Custodian bank fees	0.1
Management fees	3.2
Fiduciary bond fees	0.1
Professional service fees	0.9
Total expenses	<u>10.9</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 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 sub-asset classes 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>Domestic Non-Large Capitalization</u>	
Non-Large Cap Core	
Wellington Management Company, LLP	Core
Non-Large Cap Growth	
Westfield Capital Management	Small/Mid Cap Growth
Non-Large Cap Value	
Brandywine Asset Management	Structured Value
Aronson + Johnson + Ortiz, LP	Relative Value
<u>International</u>	
Developed Markets	
Silchester International Investors	Developed Country, Bottom-up Value
LSV Asset Management	All Country, Quantitative Value
Small Capitalization	
AXA Advisors	Developed Country, Quantitative Core
Wasatch Advisors, Inc.	All Country, Bottom-up Growth
Emerging Markets	
Brandes Investment Partners, Inc.	Emerging Market

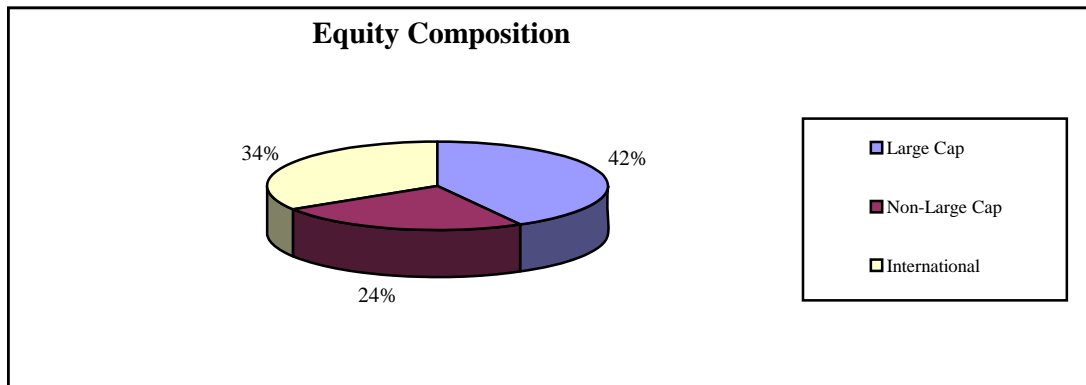
Equity Pool (continued)

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 \$000s)	Large Cap	Non-Large Cap	International
Net assets - June 30, 2005	\$ 1,500,834	\$ 895,105	\$ 1,180,814
Net increase from operations	136,203	130,316	314,709
Income distributions to unitholders	-	-	-
Net increase/(decrease) from unit transactions	90,756	(24,690)	(103,632)
Net assets - June 30, 2006	<u>\$ 1,727,793</u>	<u>\$ 1,000,731</u>	<u>\$ 1,391,891</u>

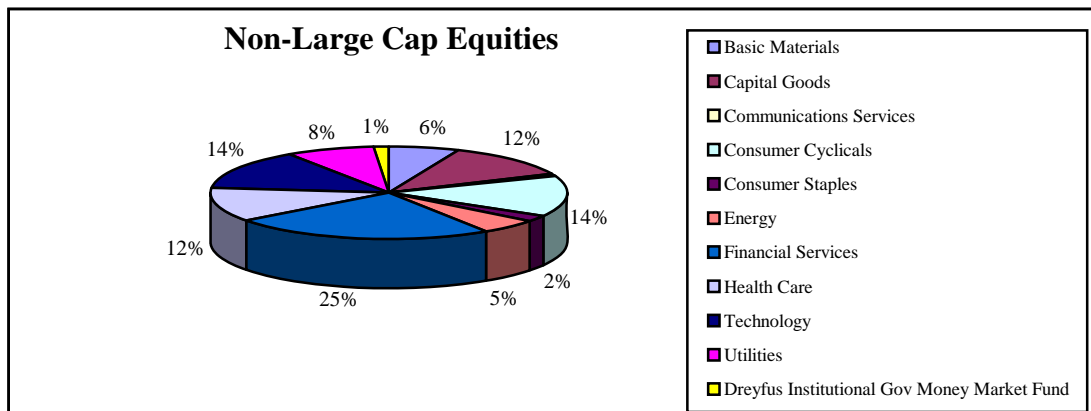
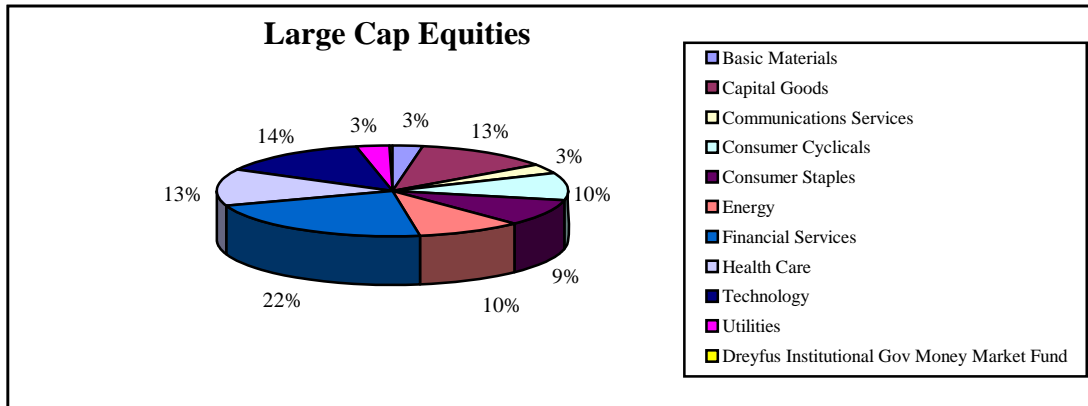


Equity Pool (continued)

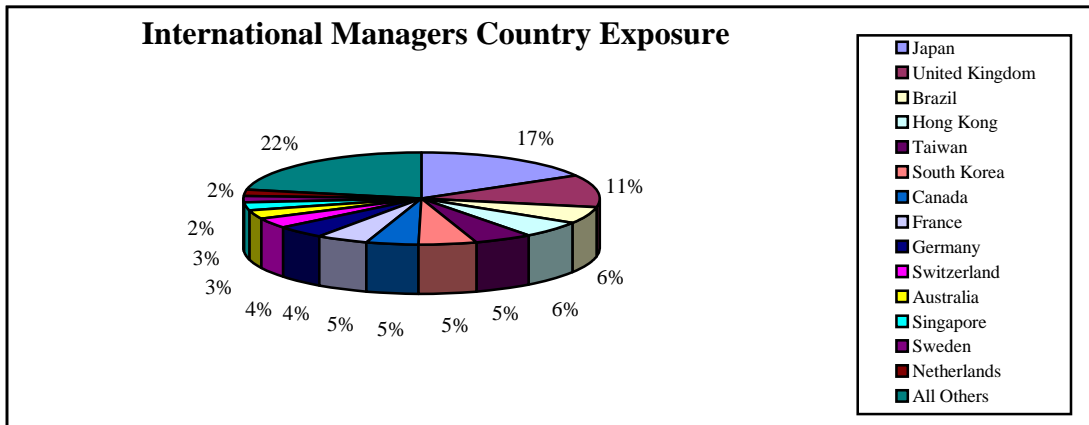
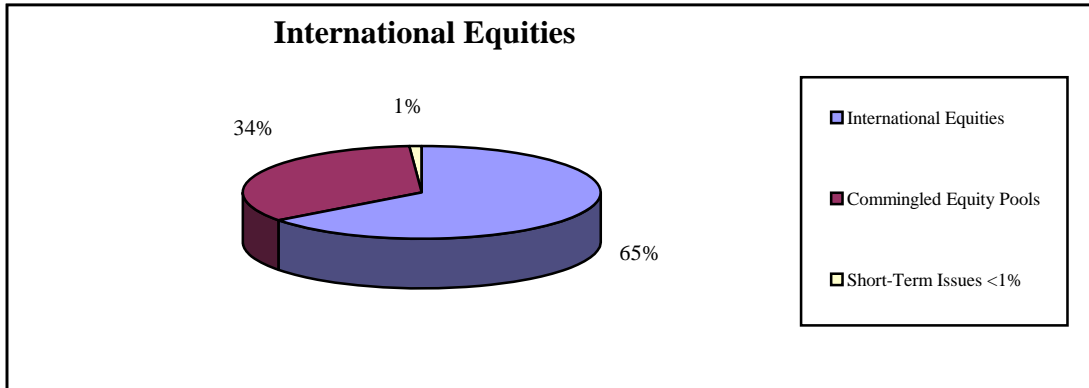
Investment Securities (in \$000s)

Fair Value

	Large Cap	Non-Large Cap	International
Domestic equities	\$ 1,720,733	\$ 984,104	\$ -
International equities	-	-	897,389
Commingled equity pools	-	-	471,275
Short-term issues	5,463	14,206	17,011
Total	\$ 1,726,196	\$ 998,310	\$ 1,385,675

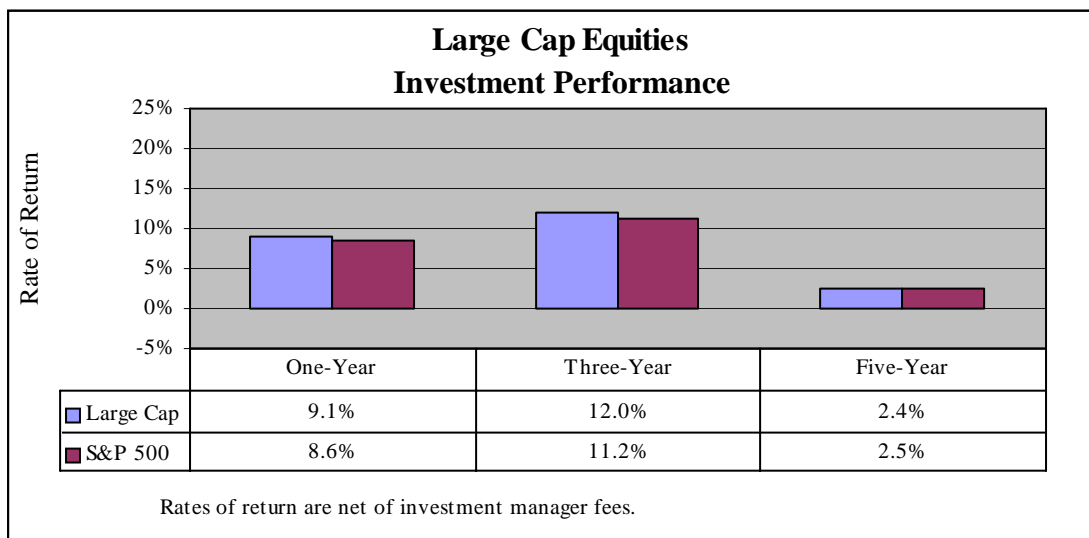


Equity Pool (continued)

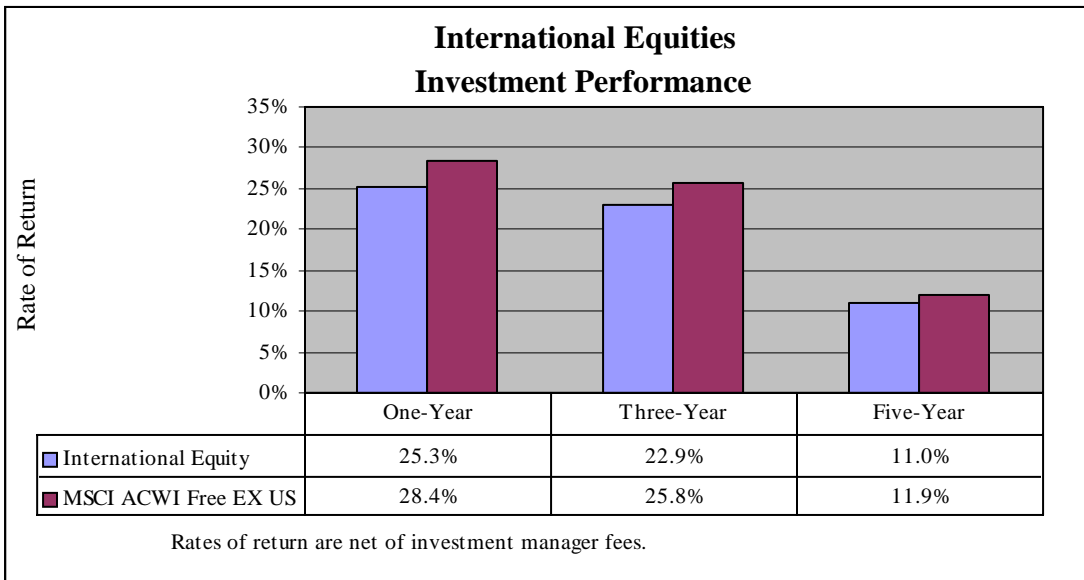
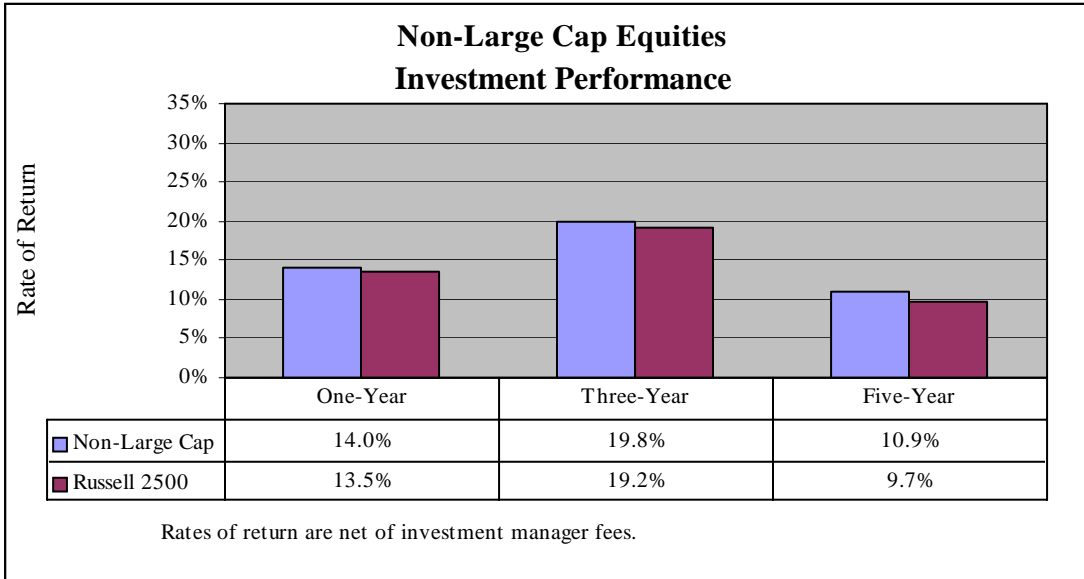


Investment Performance

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)



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	37.9	31.6	55.9
Trustee fees	0.1	0.1	0.1
Custodian bank fees	0.3	0.6	4.5
Management fees	2.9	3.4	3.0
Fiduciary bond fees	0.1	0.1	0.1
Professional service fees	0.8	0.9	0.8
Total expenses	<u>42.1</u>	<u>36.7</u>	<u>64.4</u>

Participant Plans

Death, Disability and Retirement Fund for Deputy Sheriffs

History

The Death, Disability and Retirement Fund for Deputy Sheriffs (Deputy Sheriffs) was created in 1998.

Liquidity Needs

Deputy Sheriffs currently has positive net cash flows.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Preserve the current well-funded position while not subjecting the Deputy Sheriffs to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Deputy Sheriffs. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income above)	\$250,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Death, Disability and Retirement Fund for Deputy Sheriffs.*

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

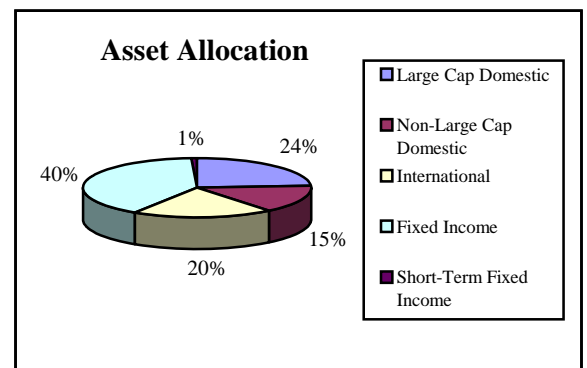
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	68,212
Contributions		5,968
Withdrawals		(3,553)
Net		<u>2,415</u>
Investment income		634
Net unrealized appreciation		5,814
June 30, 2006	\$	<u><u>77,075</u></u>

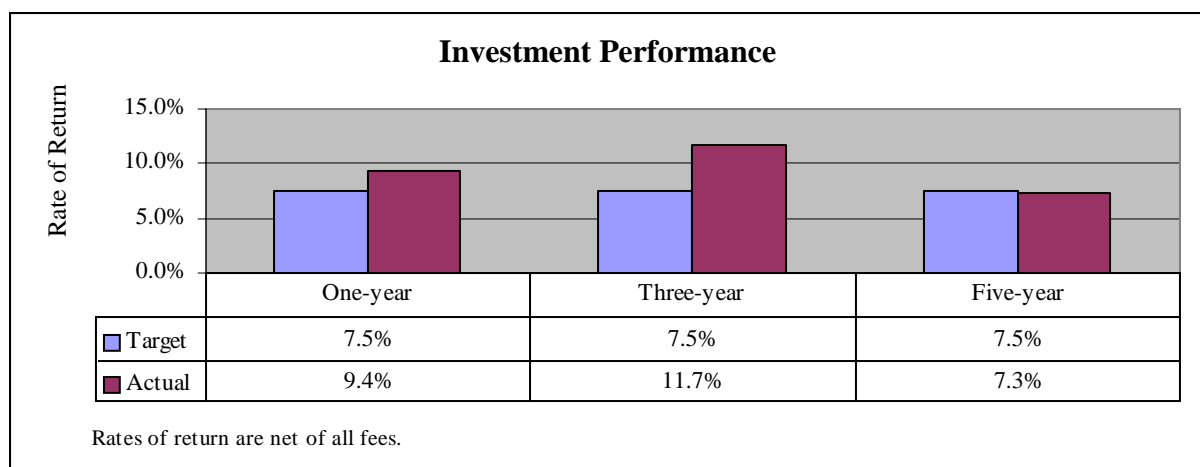
Asset Allocation (in \$000s)

Large Cap Domestic	\$	18,823	24%
Non-Large Cap Domestic		11,240	15%
International		15,290	20%
Fixed Income		31,171	40%
Short-Term Fixed Income		551	1%
Total	\$	<u><u>77,075</u></u>	100%



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.



Judges' Retirement System

History

The Judges' Retirement System (Judges) was created in 1949.

Liquidity Needs

Judges currently has a positive cash flow.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting Judges to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for Judges. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$525,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Judges' Retirement System.*

Judges' Retirement System (continued)

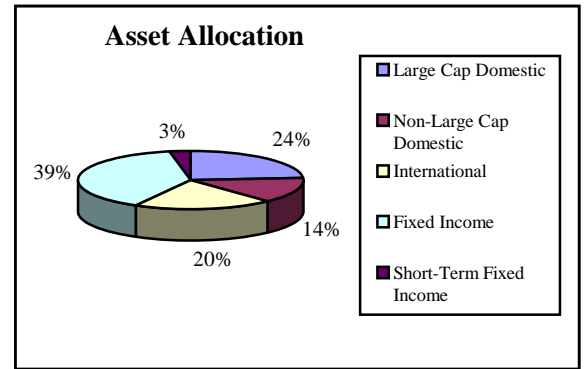
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 74,757
Contributions	7,873
Withdrawals	(3,786)
Net	<u>4,087</u>
Investment income	704
Net unrealized appreciation	6,384
June 30, 2006	<u><u>\$ 85,932</u></u>

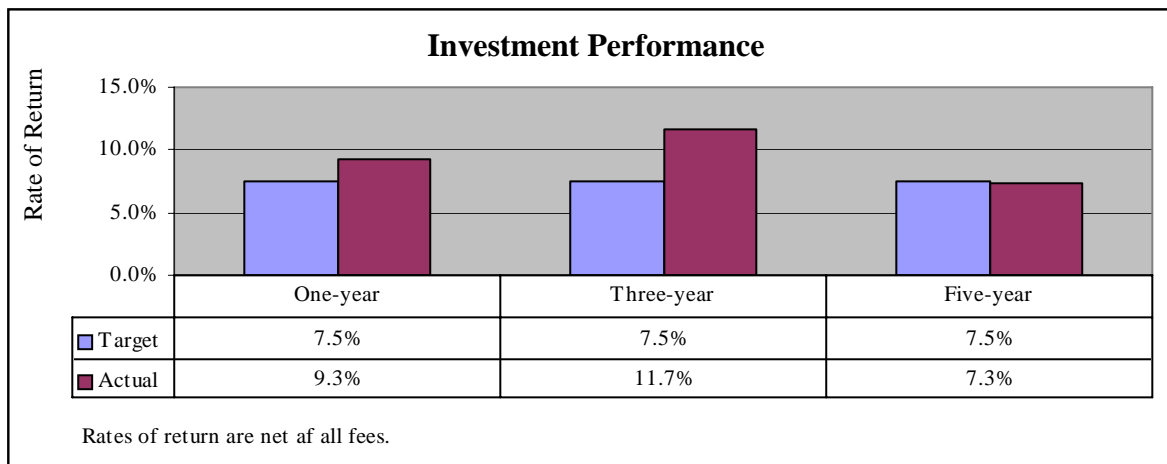
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 20,427	24%
Non-Large Cap Domestic	12,286	14%
International	16,747	20%
Fixed Income	33,838	39%
Short-Term Fixed Income	2,634	3%
Total	<u><u>\$ 85,932</u></u>	<u>100%</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.



Public Employees' Retirement System

History

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

Liquidity Needs

PERS is expected to have modest liquidity needs of approximately 1.0 percent to 2.0 percent per year for the foreseeable future.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting PERS to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PERS. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$19,500,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Public Employees' Retirement System.*

Public Employees' Retirement System (continued)

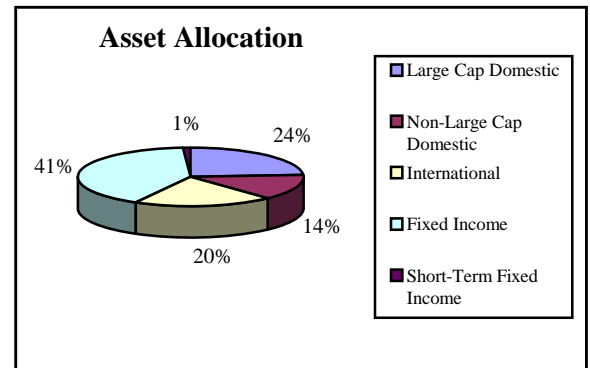
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 3,400,387
Contributions	180,128
Withdrawals	<u>(205,179)</u>
Net	(25,051)
Investment income	29,661
Net unrealized appreciation	<u>291,030</u>
June 30, 2006	<u><u>\$ 3,696,027</u></u>

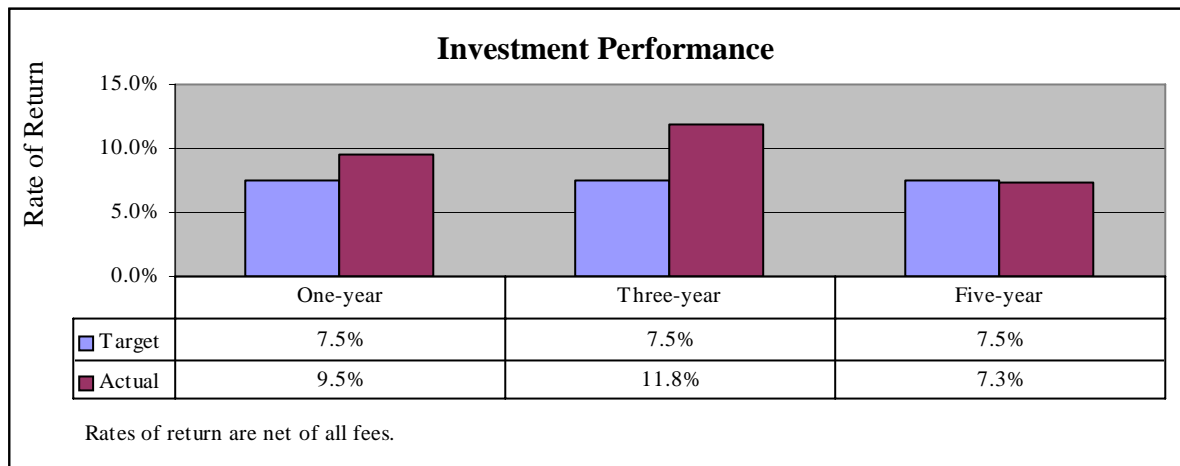
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 903,218	24%
Non-Large Cap Domestic	510,331	14%
International	738,509	20%
Fixed Income	1,520,398	41%
Short-Term Fixed Income	23,571	1%
Total	<u><u>\$ 3,696,027</u></u>	<u>100%</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.



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

History

The Public Safety Death, Disability and Retirement Fund (Public Safety) was created in 1925.

Liquidity Needs

Public Safety is expected to experience a modestly positive cash flow position.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting Public Safety to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for Public Safety. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$2,000,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Public Safety Death, Disability and Retirement Fund.*

Public Safety Death, Disability and Retirement Fund (Plan A) (continued)

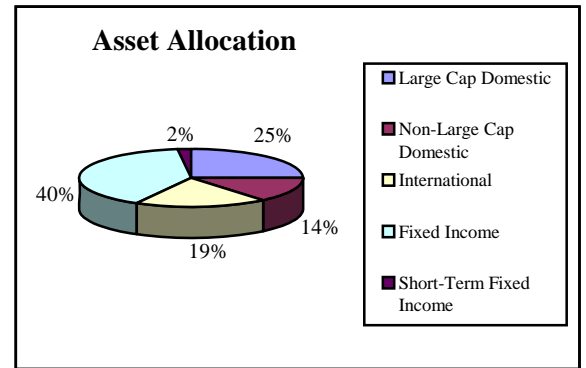
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 361,209
Contributions	79,607
Withdrawals	(24,349)
Net	<u>55,258</u>
Investment income	3,479
Net unrealized appreciation	32,420
June 30, 2006	<u><u>\$ 452,366</u></u>

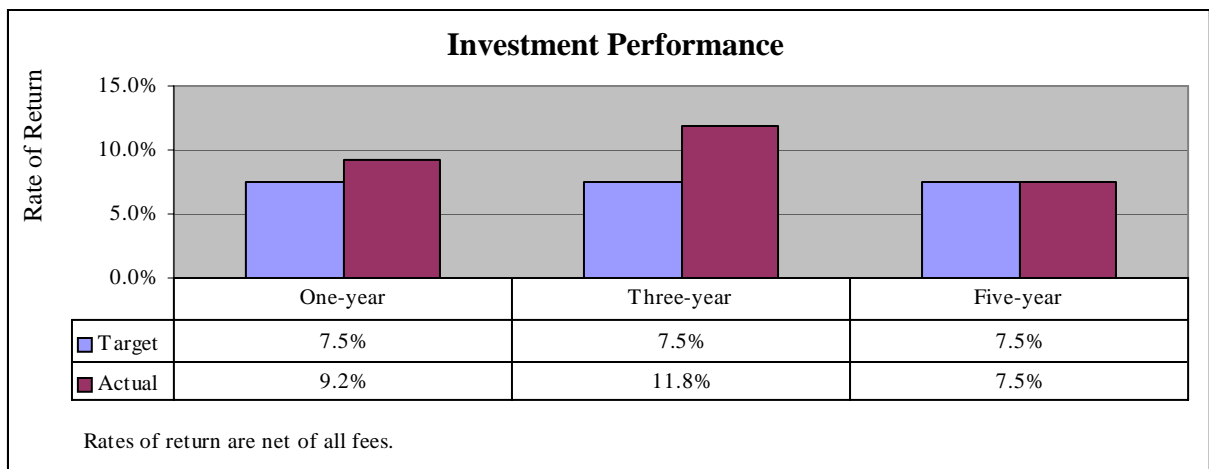
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 113,626	25%
Non-Large Cap Domestic	65,572	14%
International	84,470	19%
Fixed Income	181,560	40%
Short-Term Fixed Income	7,138	2%
Total	<u><u>\$ 452,366</u></u>	<u>100%</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.



State Police Retirement System (Plan B)

History

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

Liquidity Needs

State Police is expected to be in a positive net cash flow position for the foreseeable future.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting State Police to an undue level of risk

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for State Police. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$50,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the State Police Retirement System.*

State Police Retirement System (Plan B) (continued)

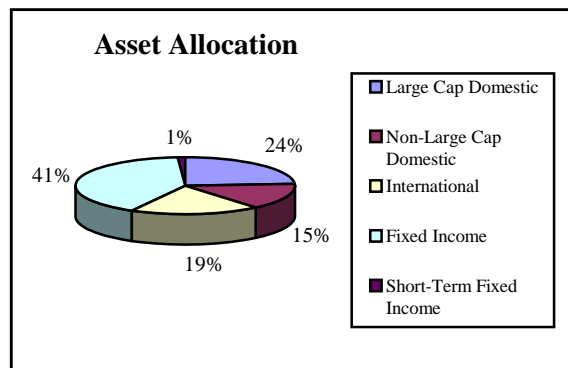
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 25,297
Contributions	3,432
Withdrawals	(393)
Net	<u>3,039</u>
Investment income	249
Net unrealized appreciation	2,159
June 30, 2006	<u><u>\$ 30,744</u></u>

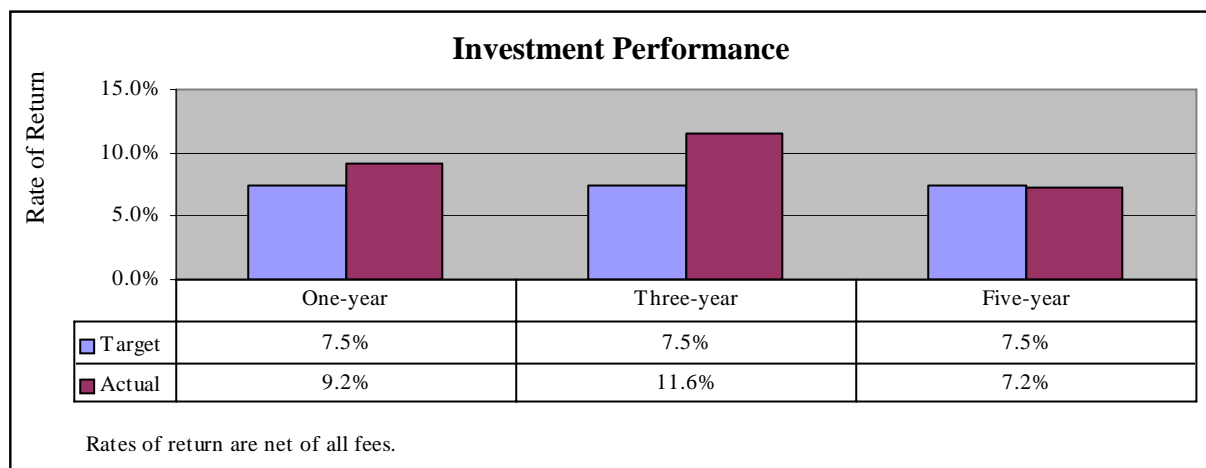
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 7,438	24%
Non-Large Cap Domestic	4,424	15%
International	5,937	19%
Fixed Income	12,519	41%
Short-Term Fixed Income	426	1%
Total	<u><u>\$ 30,744</u></u>	<u>100%</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.



Teachers' Retirement System

History

The Teachers' Retirement System (TRS) was created in 1941. It was closed to new members in 1991, but reopened to all first-time hires as of July 1, 2005. Employees hired from 1991 through June 30, 2005, joined the Teachers Defined Contribution Plan. Members of the Teachers' Defined Contribution Plan voted in March 2006 to merge into the Teachers' Retirement System effective July 1, 2006. This merger is pending until certain judicial challenges are resolved.

Liquidity Needs

TRS has a very dynamic net cash flow position, which is attributable to: (1) a current positive net cash flow position, and (2) substantial liquidity needs of at least 10 percent per year beginning in plan year 2014.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting TRS to an undue level of risk.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for TRS. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$22,000,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Teachers' Retirement System.*

Teachers' Retirement System (continued)

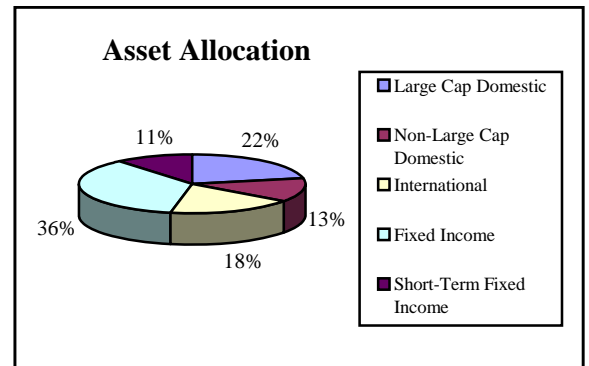
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 1,598,238
Contributions	709,633
Withdrawals	(374,420)
Net	<u>335,213</u>
Investment income	15,290
Net unrealized appreciation	130,649
June 30, 2006	<u><u>\$ 2,079,390</u></u>

Asset Allocation (in \$000s)

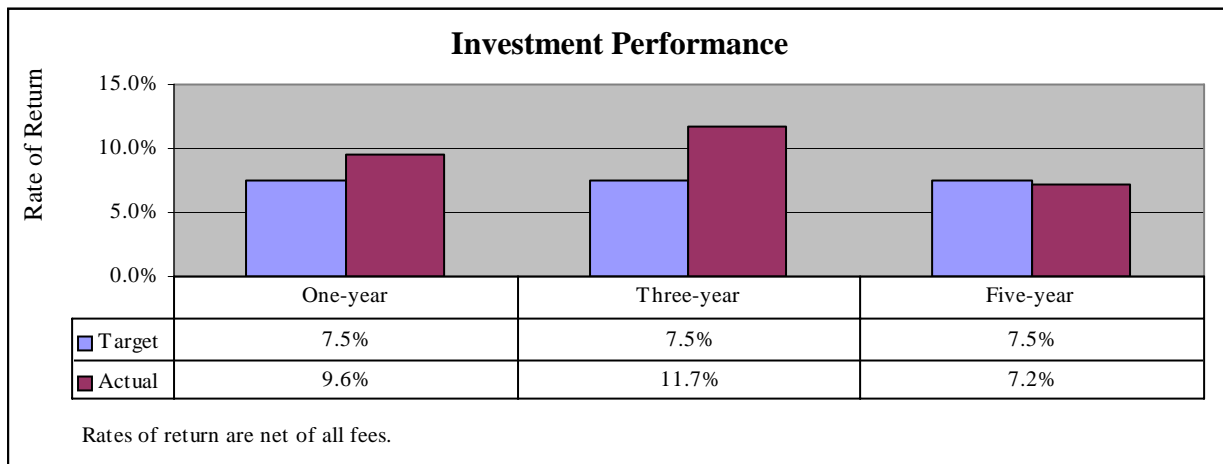
Large Cap Domestic	\$ 454,302	22%
Non-Large Cap Domestic	272,909	13%
International	367,702	18%
Fixed Income	742,827	36%
Short-Term Fixed Income	241,650	11%
Total	<u><u>\$ 2,079,390</u></u>	100%



**Allocation percentages reflect a significant contribution of cash made to the Teachers' Retirement System on June 30, 2006. Target asset allocation levels were met upon investment of these moneys on July 6, 2006.*

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.



Workers' Compensation Fund

History

In accordance with West Virginia Legislature's efforts to restructure and privatize workers compensation insurance, assets totaling \$660,033,000 were transferred to a newly created workers' compensation fund, and assets totaling \$400,000,000 were transferred to BrickStreet. Please refer to page 42 for a detailed discussion of the transfer.

Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	968,259
Contributions		327,559
Transfer out		(660,033)
Withdrawals		(648,099)
Net		<u>(980,573)</u>
Investment income		14,121
Net unrealized depreciation		<u>(1,807)</u>
June 30, 2006	\$	<u><u>-</u></u>

Investment Performance

Investment performance for the 6-month period ended December 31, 2005, was 1.0 percent. No other investment performance data is shown because the fund was closed during the year.

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Pneumoconiosis Fund

History

The Pneumoconiosis Fund was formed in 1974 to provide for insurance coverage to coal operators for their potential liability under the Federal Coal Mine Health and Safety Act of 1969. Upon termination of the Workers' Compensation Commission, the assets and liabilities of the Pneumoconiosis Fund remained with the State for administration of the run-off of the liabilities incurred during the years of operation. Effective January 1, 2006, insurance coverage for liabilities incurred under the Federal Coal Mine Health and Safety Act will be provided by BrickStreet and other private insurance carriers, and will no longer be available through the State.

Liquidity Needs

The liquidity needs are actuarially determined based on the run-off of liabilities, which are assessed annually.

Investment Objectives

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 5.0 percent per annum, net of fees.
- Preserve the current surplus position.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Pneumoconiosis Fund. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	14.0%
International Equity	6.0%
Total Equity	20.0%
Fixed Income	75.0%
Cash and Cash Equivalents	5.0%

Pneumoconiosis Fund (continued)

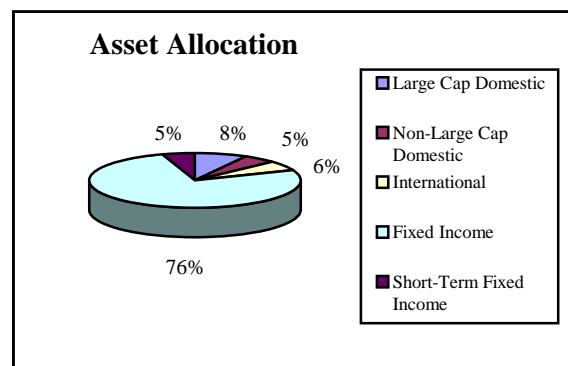
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 247,262
Contributions	8,650
Withdrawals	<u>(12,461)</u>
Net	(3,811)
Investment income	4,780
Net unrealized appreciation	<u>2,706</u>
June 30, 2006	<u><u>\$ 250,937</u></u>

Asset Allocation (in \$000s)

Large Cap Domestic	\$ 20,501	8%
Non-Large Cap Domestic	12,212	5%
International	15,756	6%
Fixed Income	191,044	76%
Short-Term Fixed Income	11,424	5%
Total	<u><u>\$ 250,937</u></u>	100%



Investment Performance

Investment performance for the 6-month period ended December 31, 2005, was 2.3 percent. After the restructuring, as explained on page 45, the investment objectives for this participant were redefined. Investment performance for the 6-month period ended June 30, 2006, was 0.7 percent.

Workers' Compensation Employers Excess Liability Fund

History

The Workers' Compensation Employers Excess Liability Fund was created in 1983 to provide insurance for employers who are liable for excess damages not covered by regular Workers' Compensation. This is a voluntary fund with limited participation.

These assets were transferred to BrickStreet as part of the restructuring and privatization of the Workers' Compensation Insurance Program. Please refer to page 42 for a detailed discussion of the transfer.

Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 26,622
Contributions	3,095
Withdrawals	<u>(30,486)</u>
Net	(27,391)
Investment income	311
Net unrealized appreciation	<u>458</u>
June 30, 2006	<u><u>\$ -</u></u>

Investment Performance

Investment performance for the 6-month period ended December 31, 2005, was 1.0 percent. No other investment performance data is shown because the fund was closed during the year.

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Workers' Compensation Old Fund

History

Formed in January 2006, the Workers' Compensation Old Fund (Old Fund) assumed responsibility for payment of all workers' compensation claims and liabilities incurred by the former West Virginia Workers' Compensation Commission prior to July 1, 2005. After July 1, 2005, any workers' compensation claims or liabilities incurred will be covered by BrickStreet.

Liquidity Needs

The Old Fund has high liquidity needs through approximately 2010, as expected operating cash outflows exceed expected operating cash inflows. Operating cash inflows will be supplemented by multiple external sources, including the BrickStreet Surplus Note repayment (starting in 2008), and statutorily pledged personal income tax and severance tax legislative transfers equal to the amount of any cash shortfall every year until full funding is achieved. For this reason, the Old Fund should maintain a flat to slightly positive net cash flow position until it is fully funded (at which time pledged legislative transfers will cease resulting in a sharp decline in net cash inflows). Liquidity needs for short-term cash (amount necessary for approximately twelve months' worth of anticipated claims) will continue to be reviewed annually with appropriate staff from the Offices of the West Virginia Insurance Commissioner.

Investment Objectives

The investment objectives are as follows:

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

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Old Fund. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	12.0%
Domestic Non-Large Cap Equity	9.0%
International Equity	9.0%
Total Equity	30.0%
Total Fixed Income	70.0%
Cash	0.0%*

**Cash levels to be reviewed as needed, at least annually, collaboratively with management staff from the Offices of the West Virginia Insurance Commissioner.*

Workers' Compensation Old Fund (continued)

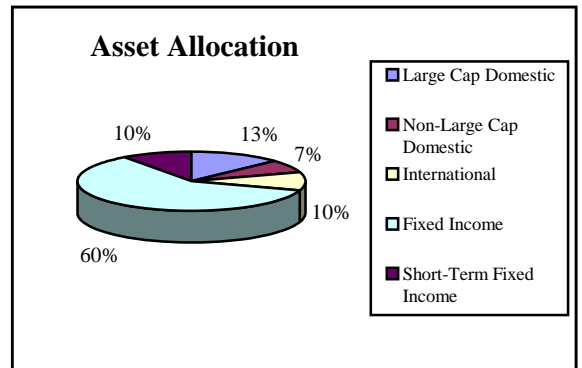
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Transfer in		660,033
Withdrawals		(18,373)
Net		<u>641,660</u>
Investment income		6,649
Net unrealized depreciation		(4,704)
June 30, 2006	\$	<u><u>643,605</u></u>

Asset Allocation (in \$000s)

Large Cap Domestic	\$	81,879	13%
Non-Large Cap Domestic		47,911	7%
International		63,013	10%
Fixed Income		387,437	60%
Short-Term Fixed Income		63,365	10%
Total	\$	<u><u>643,605</u></u>	<u>100%</u>



Investment Performance

Investment performance for the 6-month period ended June 30, 2006, was 0.3 percent. No comparison to a benchmark is presented because of the short period.

Workers' Compensation Self-Insured Guaranty Risk Pool

History

The Workers' Compensation Self-Insured Guaranty Risk Pool (Self-Insured Pool) was established on January 1, 2006, for the purpose of paying the workers' compensation claims of defaulted self-insured employers occurring on or after July 1, 2004. It consists of those funds transferred, and any future funds collected, under the authority of Senate Bill 1004.

Liquidity Needs

To date, only one employer has defaulted on its self-insured workers' compensation liabilities, thereby, creating a liability for the Self-Insured Pool. As all current and active self-insured employers are required to provide a bond, security, or other collateral to the Offices of the West Virginia State Insurance Commissioner in the event of a deteriorating financial condition, it is anticipated that the liquidity position of this fund should remain stable.

Investment Objectives

The investment objectives are as follows:

- Provide adequate liquidity to meet the cash flow requirements.
- Exceed the actuarial interest rate assumption, which is not expected to exceed 5.0 percent per annum, net of fees, once established.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Self-Insured Pool. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	0.0%
International Equity	0.0%
Total Equity	0.0%
Total Fixed Income	0.0%
Cash	100.0%

Workers' Compensation Self-Insured Guaranty Risk Pool (continued)

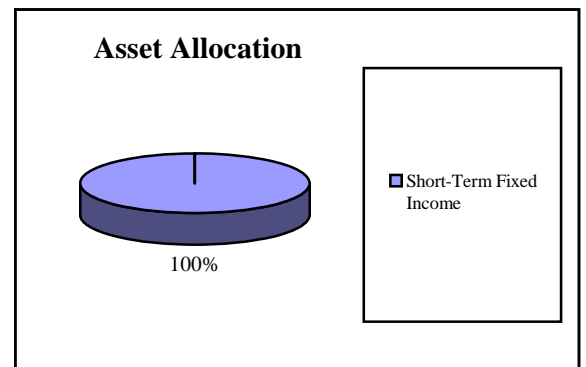
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Contributions		1,250
Withdrawals		-
Net		<u>1,250</u>
Investment income		29
June 30, 2006	\$	<u><u>1,279</u></u>

Asset Allocation (in \$000s)

Short-Term Fixed Income	\$	1,279	100%
Total	\$	<u>1,279</u>	<u>100%</u>



Investment Performance

Investment performance for the 6-month period ended June 30, 2006, was 2.3 percent. No comparison to a benchmark is presented because of the short period.

Workers' Compensation Uninsured Employers' Fund

History

The Workers' Compensation Uninsured Employers' Fund (Uninsured Fund) was established January 1, 2006, under Senate Bill 1004 to provide for the benefit of injured workers, and received initial funding of \$5,000,000 by proclamation of the Governor.

Liquidity Needs

During the early years of the Uninsured Fund, the liquidity needs will be high as the cash flows are difficult to predict until the frequency of claim activity is established.

Investment Objectives

The investment objectives are as follows:

- Provide adequate liquidity to meet the cash flow requirements.
- Exceed the actuarial interest rate assumption, which is not expected to exceed 5.0 percent per annum, net of fees, once established.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Uninsured Fund. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	0.0%
International Equity	0.0%
Total Equity	0.0%
Total Fixed Income	0.0%
Cash	100.0%

Workers' Compensation Uninsured Employers' Fund (continued)

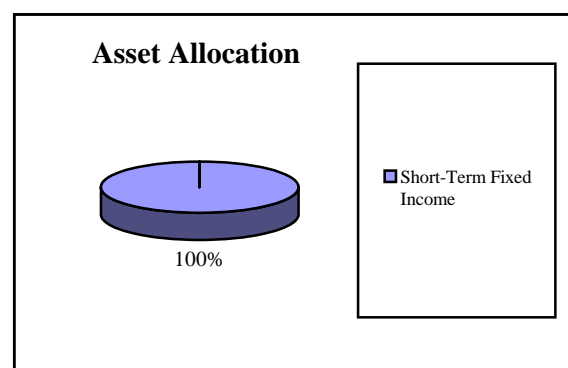
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Contributions		5,000
Withdrawals		-
Net		<u>5,000</u>
Investment income		114
June 30, 2006	\$	<u><u>5,117</u></u>

Asset Allocation (in \$000s)

Short-Term Fixed Income	\$	5,114	100%
Total	\$	<u>5,114</u>	<u>100%</u>



Investment Performance

Investment performance for the 6-month period ended June 30, 2006, was 2.3 percent. No comparison to a benchmark is presented because of the short period.

Wildlife Endowment Fund

History

The Wildlife Endowment Fund was created in 1986 to supplement the Division of Natural Resources' annual budget in support of various statewide projects.

Liquidity Needs

The liquidity needs of the Wildlife Endowment Fund will be set on an annual basis and determined by a separate Wildlife Endowment Board as established by the Division of Natural Resources.

Investment Objectives

The investment objectives are as follows:

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

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Wildlife Endowment Fund. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash and Cash Equivalents	0.0%

Wildlife Endowment Fund (continued)

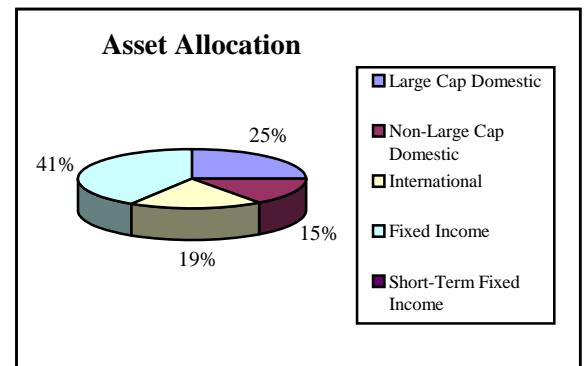
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 34,637
Contributions	805
Withdrawals	(3,206)
Net	<u>(2,401)</u>
Investment income	307
Net unrealized appreciation	2,749
June 30, 2006	<u><u>\$ 35,292</u></u>

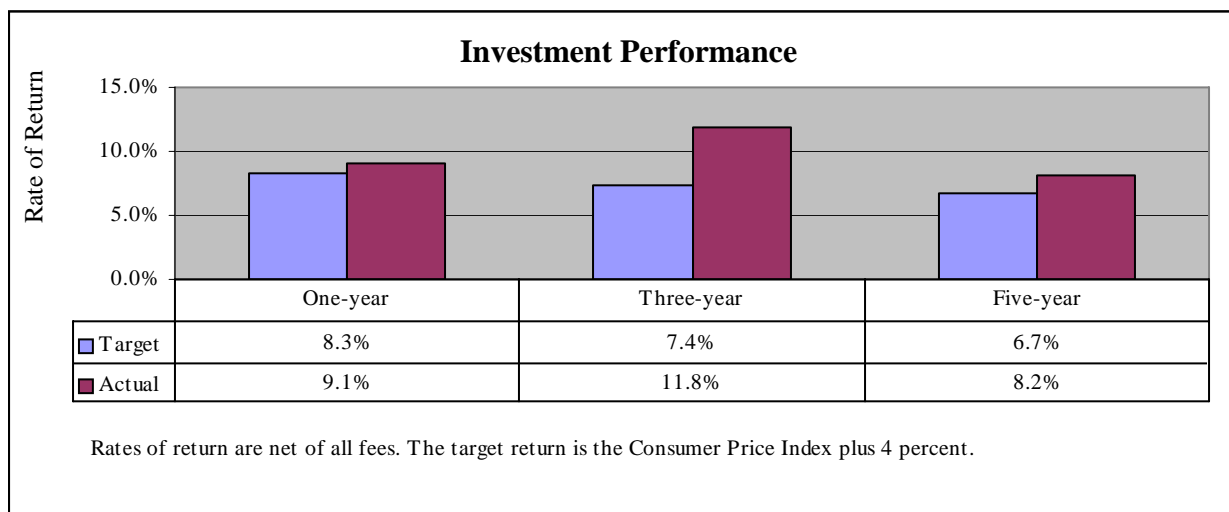
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 8,743	25%
Non-Large Cap Domestic	5,165	15%
International	6,720	19%
Fixed Income	14,610	41%
Short-Term Fixed Income	54	0%
Total	<u><u>\$ 35,292</u></u>	<u>100%</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.



West Virginia Prepaid Tuition Trust Fund and West Virginia Prepaid Tuition Trust Escrow Account

History

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

Effective March 2003, the Trust Fund was closed to new contracts unless or until the Legislature authorizes the fund to reopen. The West Virginia Prepaid Tuition Trust Escrow Account (Escrow Account) was created in 2003 in the state treasury to guarantee payment of existing prepaid tuition plan contracts which may add up to \$1,000,000 per year for a period of ten years ending June 30, 2013.

Liquidity Needs

There are rising liquidity needs for the Tuition Trust starting in calendar year 2005 and going forward. Benefits and expenses will exceed receipts from participants' monthly payments on prepaid tuition contracts starting in 2005 and will rise at an increasing rate in future years. As a result of this change in liquidity needs, another asset-liability study will be performed in 2006, and the policy allocation may be revised.

There are no current liquidity needs for the Escrow Account. In order to eliminate any actuarially-determined projected unfunded liability, the Escrow Account will receive payments from the Unclaimed Property Trust Fund over a period of ten fiscal years not to exceed \$1,000,000 per year.

Investment Objectives

The investment objectives are as follows:

West Virginia Prepaid Tuition Trust Fund

- Meet or exceed the actuarial interest rate assumption of 7.25 percent per annum, net of fees.
- Generate long-term, net of fee, returns that exceed liquidity needs.
- Build and maintain an actuarial surplus at a level recommended by the actuaries.

West Virginia Prepaid Tuition Trust Escrow Account

- The Escrow Account is mandated by law to be 100 percent invested in fixed income securities.
- No target rate of return has been established.

West Virginia Prepaid Tuition Trust Fund and West Virginia Prepaid Tuition Trust Escrow Account (continued)

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Tuition Trust. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Fixed Income	40.0%
Cash (included in Fixed Income Above)	\$10,000*

**IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the West Virginia Prepaid Tuition Trust Fund.*

West Virginia Prepaid Tuition Trust Fund

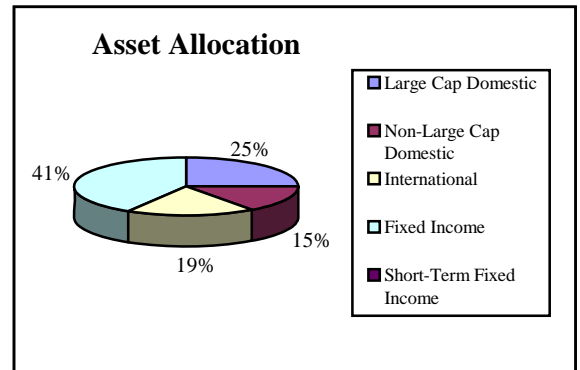
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 89,306
Contributions	-
Withdrawals	(3,600)
Net	<u>(3,600)</u>
Investment income	791
Net unrealized appreciation	7,130
June 30, 2006	<u><u>\$ 93,627</u></u>

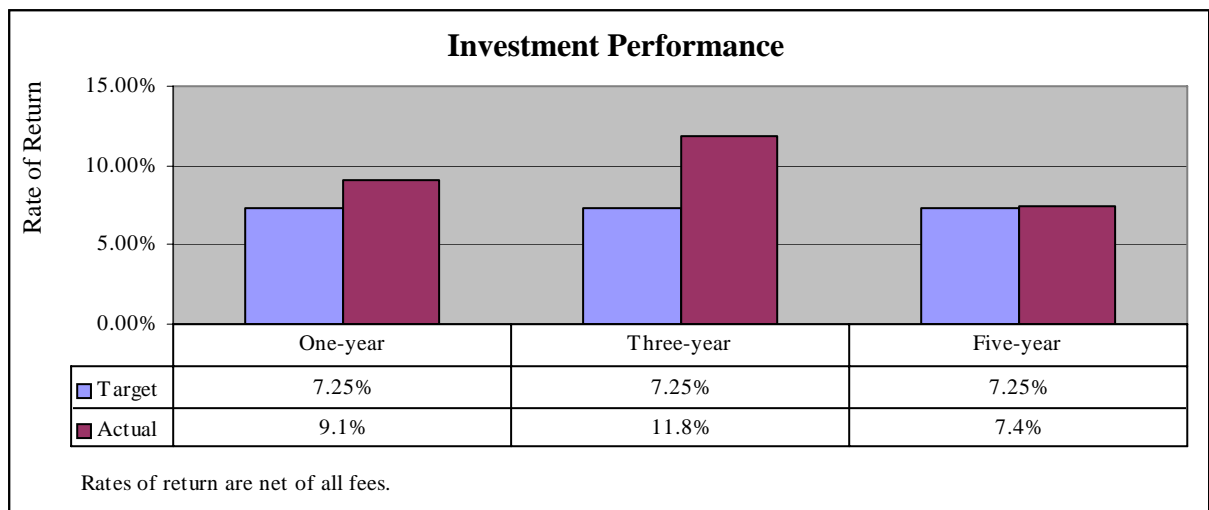
Asset Allocation (\$000s)

Large Cap Domestic	\$ 23,535	25%
Non-Large Cap Domestic	13,737	15%
International	17,572	19%
Fixed Income	38,773	41%
Short-Term Fixed Income	10	0%
Total	<u><u>\$ 93,627</u></u>	<u>100%</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.



West Virginia Prepaid Tuition Trust Escrow Account

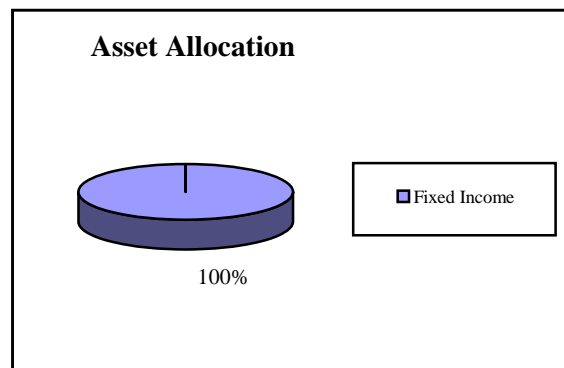
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	1,057
Contributions		500
Withdrawals		-
Net		<u>500</u>
Investment income		29
Net unrealized depreciation		<u>(33)</u>
June 30, 2006	\$	<u><u>1,553</u></u>

Asset Allocation (in \$000s)

Fixed Income	\$	1,553	100%
Total	\$	<u><u>1,553</u></u>	<u><u>100%</u></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. The rate of return for the year is negative 0.3 percent.

Revenue Shortfall Reserve Fund

History

The Revenue Shortfall Reserve Fund (Reserve Fund) was created as a result of legislation passed in the 2006 regular legislative session under *West Virginia Code §11B-2-20*. It is to be funded from State surplus revenues accrued, if any, during the most recent fiscal year. The first 50 percent of all such surplus revenues will be deposited into the Reserve Fund within 60 days of the end of each fiscal year. The Reserve Fund is not required to be additionally funded if, or when, it's balance meets or exceeds 10 percent of the State's General Revenue Fund budget for the fiscal year just ended. The West Virginia Legislature is authorized and may make an appropriation from the Reserve Fund for revenue shortfalls, for emergency revenue needs caused by acts of God or natural disasters, or for other fiscal needs as determined solely by the West Virginia Legislature.

Liquidity Needs

The Reserve Fund is intended to be co-managed between the IMB and the West Virginia Board of Treasury Investments. A cash account of \$100,000,000 must be invested throughout the life of the Participant Plan in cash with the West Virginia Board of Treasury Investments. Any assets in excess of \$100,000,000 will be invested with the IMB. The West Virginia State Budget Office will monitor these asset balances and will direct both the IMB and the West Virginia Board of Treasury Investments when the transfer of funds is necessary from one to the other.

Cash outflows are uncertain. The assets may be withdrawn, in whole or in part, at any time as directed by the West Virginia State Legislature or by executive order. Historically, cash outflows in similar state funds created for similar purposes have had withdrawals reimbursed by the State within each fiscal year.

Investment Objectives (for the assets managed by the IMB)

The investment objective is to provide for stable, long-term growth of assets, while seeking to minimize risk of loss. There is no specifically identified rate of return target, as the Reserve Fund is perpetual endowment-like with no anticipated or scheduled liabilities.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Reserve Fund. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Total Fixed Income	40.0%
Cash	0.0%*

**Statutory cash requirement of \$100,000,000 will be invested by the West Virginia Board of Treasury Investments.*

Revenue Shortfall Reserve Fund (continued)

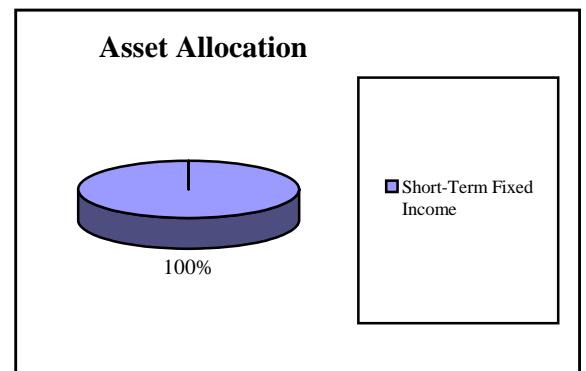
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Contributions		24,153
Withdrawals		-
Net		<u>24,153</u>
Investment income		72
June 30, 2006	\$	<u><u>24,225</u></u>

Asset Allocation (in \$000s)

Short-Term Fixed Income	\$	24,225	100%
Total	\$	<u>24,225</u>	<u>100%</u>



Investment Performance

Investment performance for this fund is not shown because the assets were invested for less than one month.

Revenue Shortfall Reserve Fund - Part B

History

The Revenue Shortfall Reserve Fund - Part B (Reserve Fund - Part B), created by legislation passed in the 2006 regular legislative session under *West Virginia Code §11B-2-20*, was funded using the entire balance of the assets in the former Tobacco Settlement Medical Trust Fund. The West Virginia Legislature is authorized and may make expenditures from the Reserve Fund - Part B for the purposes set forth in *West Virginia Code §4-11A-3* or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

Liquidity Needs

The Reserve Fund - Part B is intended to experience no cash outflows, but this is not entirely certain, as the West Virginia Legislature may appropriate a qualified expenditure as noted above. Cash inflows are expected to be minimal and emanate from loan repayments from the Physicians' Mutual Insurance Company (*West Virginia Code §33-20F*), as well as other insurance tax payments.

Investment Objectives

The investment objective is to provide for stable, long-term growth of assets, while seeking to minimize risk of loss. There is no specifically identified rate of return target, as the Reserve Fund - Part B is perpetual endowment-like with no anticipated or scheduled liabilities.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Reserve Fund - Part B. (Policy targets are established on a market value basis.)

Asset Class	Policy Target
Domestic Equity	42.0%
International Equity	18.0%
Total Equity	60.0%
Total Fixed Income	40.0%
Cash	0.0%

Revenue Shortfall Reserve Fund - Part B (continued)

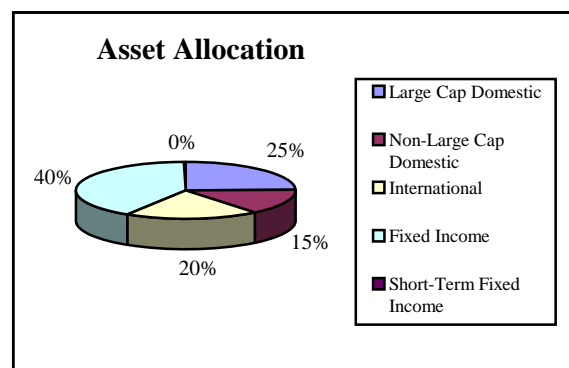
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Contributions		-
Withdrawals		-
Transfers in		234,898
Net		<u>234,898</u>
Investment income		2
Net unrealized depreciation		(287)
June 30, 2006	\$	<u><u>234,613</u></u>

Asset Allocation (in \$000s)

Large Cap Domestic	\$	57,693	25%
Non-Large Cap Domestic		34,257	15%
International		46,232	20%
Fixed Income		95,594	40%
Short-Term Fixed Income		837	0%
Total	\$	<u><u>234,613</u></u>	<u>100%</u>



Investment Performance

Investment performance for this fund is not shown because the assets were invested for less than one month.

Tobacco Settlement Medical Trust Fund

History

In accordance with the provisions of acts of the 2006 West Virginia State Legislature, all Tobacco Settlement Medical Trust Fund assets were transferred effective June 9, 2006, to the Revenue Shortfall Reserve Fund. Please refer to page 54 for a detailed discussion of this new plan.

Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 212,982
Contributions	1,175
Withdrawals	-
Transfers out	<u>(234,898)</u>
Net	<u>(233,723)</u>
Investment income	1,925
Net unrealized appreciation	<u>18,816</u>
June 30, 2006	<u><u>\$ -</u></u>

Investment Performance

Investment performance for the period from July 1, 2005, to June 9, 2006, was 9.7 percent. No other performance data is presented because the fund was closed.

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Board of Risk and Insurance Management Fund

History

The Board of Risk and Insurance Management (BRIM) is a State entity charged with providing insurance coverage to all State agencies, as well as, cities, counties, and non-profit organizations throughout West Virginia 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.

Liquidity Needs

There are no current liquidity needs for BRIM since cash inflows from operations are currently sufficient to pay claims and expenses. BRIM requires a cash reserve account for collateral purposes amounting to approximately 15 percent of the funds for investment. This amount is held in the Consolidated Fund, which is administered by the West Virginia Board of Treasury Investments and utilized at BRIM's discretion. BRIM advises the IMB staff of the amounts in this cash reserve account.

Investment Objectives

The investment objectives are as follows:

- Achieve a total rate of return of at least 4.9 percent per annum, net of fees.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the BRIM. (Policy targets are 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%
Fixed Income	80.0%

Board of Risk and Insurance Management Fund (continued)

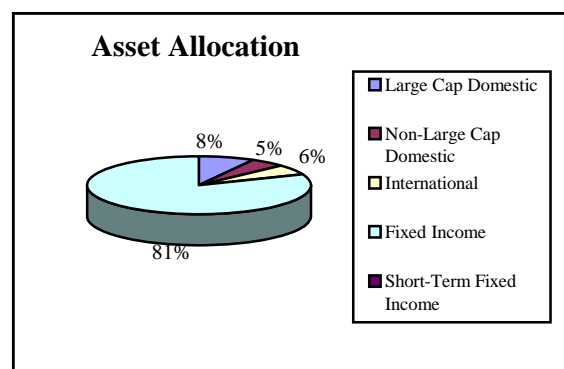
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$ 101,840
Contributions	-
Withdrawals	-
Net	-
Investment income	1,809
Net unrealized appreciation	1,816
June 30, 2006	<u>\$ 105,465</u>

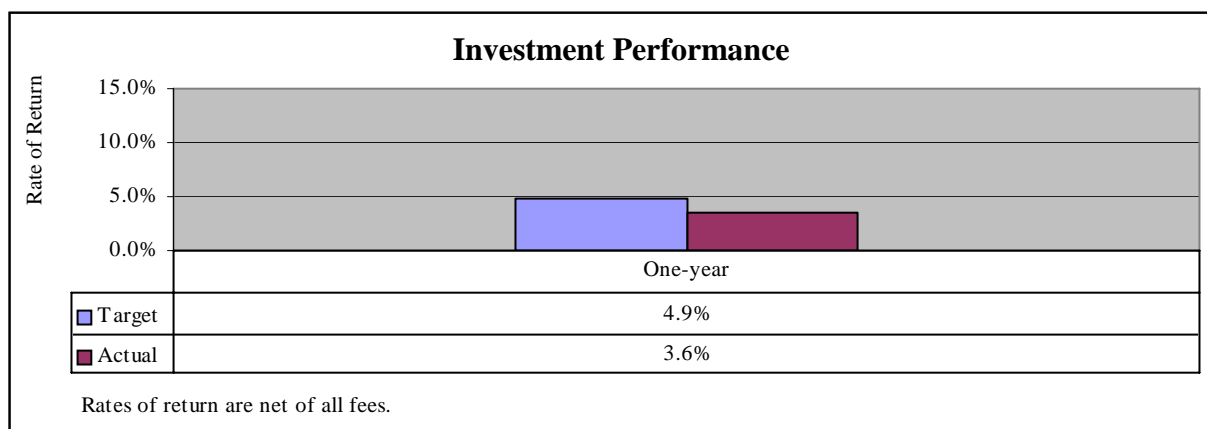
Asset Allocation (in \$000s)

Large Cap Domestic	\$ 8,363	8%
Non-Large Cap Domestic	5,097	5%
International	6,632	6%
Fixed Income	85,371	81%
Short-Term Fixed Income	2	0%
Total	<u>\$ 105,465</u>	100%



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.



Public Employees' Insurance Agency

History

The Public Employees' Insurance Agency (PEIA) is a State entity charged with providing health insurance coverage to current and retired public employees.

Liquidity Needs

PEIA projects net cash outflows from operations every year going forward. Net cash outflows as a percentage of assets invested increases dramatically in fiscal years 2008 and 2009, and presumably, going forward. This anticipated high liquidity requirement within a three-year time horizon indicates a substantial allocation to cash is appropriate. PEIA currently manages part of its 40 percent cash allocation and invests this amount in the Consolidated Fund administered by the West Virginia Board of Treasury Investments. The IMB collaborates with management at PEIA to monitor combined cash levels.

Investment Objectives

The investment objectives are as follows:

- Achieve a total rate of return of at least 3.7 percent per annum, net of fees.

Asset Allocation

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PEIA. (Policy targets are 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%
Total Fixed Income	50.0%
Cash	10.0%*

IMB staff has authority to change target plus or minus 10 percent, as necessary, in consultation with appropriate representative(s) from the Public Employees' Insurance Agency. **Not all cash is invested with the IMB.*

Public Employees' Insurance Agency (continued)

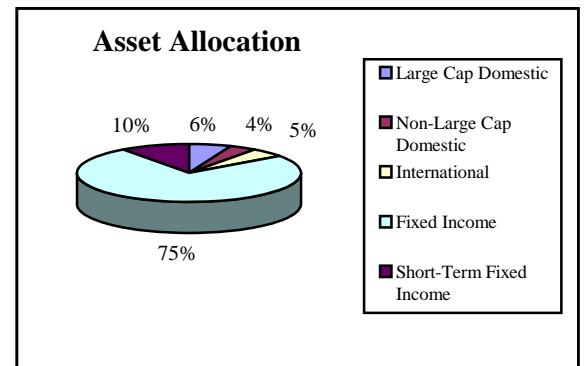
Financial Highlights

Progression of Plan Balance (in \$000s)

June 30, 2005	\$	-
Contributions		150,000
Withdrawals		-
Net		<u>150,000</u>
Investment income		3,029
Net unrealized appreciation		<u>1,601</u>
June 30, 2006	\$	<u><u>154,630</u></u>

Asset Allocation (in \$000s)

Large Cap Domestic	\$	9,245	6%
Non-Large Cap Domestic		5,590	4%
International		7,311	5%
Fixed Income		116,792	75%
Short-Term Fixed Income		<u>15,692</u>	10%
Total	\$	<u><u>154,630</u></u>	100%



Investment Performance

Investment performance for the period from July 5, 2005, to June 30, 2006, was 3.1 percent. No comparison to a benchmark is presented because the reporting period was less than one year.

Audited Financial Statements

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

Investment Pools

Audited Financial Statements

June 30, 2006

West Virginia

Investment Management Board

Audited Financial Statements

June 30, 2006

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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 pools managed by the West Virginia Investment Management Board (the IMB) as of June 30, 2006, and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the IMB'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 IMB's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 IMB as of June 30, 2006, and the results of their operations and changes in their net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 74-75 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements; and, accordingly, we express no opinion on it.

KPMG LLP

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West Virginia Investment Management Board

Statement of Assets and Liabilities

June 30, 2006

(Dollars in thousands, except Investment Unit Data)

	Large Cap Domestic	Non-Large Cap Domestic
Assets		
Investment securities:		
At amortized cost		
At fair value	\$ 1,726,196	\$ 998,310
Cash	1	28
Collateral for securities loaned, at fair value (Note 5)	72,062	195,702
Receivables:		
Accrued interest	-	-
Investments sold	12,198	6,323
Dividends	1,940	649
Securities lending income	7	63
Foreign tax withholding	-	-
Due from broker - variation margin	-	13
Total assets	1,812,404	1,201,088
Liabilities		
Accrued expenses	1,209	671
Dividends payable	-	-
Payable for investments purchased	11,340	3,984
Payable upon return of securities loaned (Note 5)	72,062	195,702
Unrealized loss on foreign currency exchange contracts (Note 7)	-	-
Total liabilities	84,611	200,357
Net assets at value	\$ 1,727,793	\$ 1,000,731
Net assets		
Paid-in capital	\$ 1,333,865	\$ 309,741
Accumulated undistributed net investment income (loss)	96,506	175,797
Accumulated undistributed net realized gain (loss) from investments	139,025	369,554
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	158,397	145,639
Unrealized net depreciation on translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 1,727,793	\$ 1,000,731
Investment unit data:		
Units outstanding	151,340,031	47,688,926
Net asset value, unit price	\$11.42	\$20.98

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ 420,054	\$ 51,221	\$ 914,400
-	-	7,182
-	-	125,999
-	-	-
-	-	1,125
-	-	2,178
-	-	81
-	-	774
-	-	-
420,054	51,221	1,051,739
210	1	1,126
-	-	-
-	-	3,786
-	-	125,999
-	-	1
210	1	130,912
\$ 419,844	\$ 51,220	\$ 920,827
\$ 165,488	\$ 18,851	\$ 525,587
(10,182)	(856)	68,423
(732)	8,986	179,014
-	-	51,695
265,270	24,239	74,557
-	-	21,551
419,844	51,220	920,827
\$ 419,844	\$ 51,220	\$ 920,827
14,204,834	1,830,838	51,533,651
\$29.56	\$27.98	\$17.87

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

June 30, 2006

(Dollars in thousands, except Investment Unit Data)

	Short-Term Fixed Income	Fixed Income
Assets		
Investment securities:		
At amortized cost	\$ 397,940	
At fair value		\$ 2,150,757
Cash	-	-
Collateral for securities loaned, at fair value (Note 5)	28,031	324,644
Receivables:		
Accrued interest	35	10,306
Investments sold	-	-
Dividends	1	4
Securities lending income	5	55
Foreign tax withholding	-	-
Due from broker - variation margin	-	26
Total assets	426,012	2,485,792
Liabilities		
Accrued expenses	21	436
Dividends payable	-	4,221
Payable for investments purchased	-	57,320
Payable upon return of securities loaned (Note 5)	28,031	324,644
Unrealized loss on foreign currency exchange contracts (Note 7)	-	-
Total liabilities	28,052	386,621
Net assets at value	\$ 397,960	\$ 2,099,171
Net assets		
Paid-in capital	\$ 397,972	\$ 1,855,744
Accumulated undistributed net investment income (loss)	-	-
Accumulated undistributed net realized gain (loss) from investments	(12)	223,120
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	-	20,307
Unrealized net depreciation on translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 397,960	\$ 2,099,171
Investment unit data:		
Units outstanding	397,973,118	177,243,932
Net asset value, unit price	\$1.00	\$11.84

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 980,311	\$ 369,891
-	-
-	-
-	-
-	-
-	-
-	-
<u>980,311</u>	<u>369,891</u>
66	38
-	-
-	-
-	-
<u>66</u>	<u>38</u>
<u>\$ 980,245</u>	<u>\$ 369,853</u>
\$ 771,067	\$ 332,313
280	(499)
193,775	39,618
-	-
15,123	(1,579)
<u>-</u>	<u>-</u>
<u>\$ 980,245</u>	<u>\$ 369,853</u>
67,591,578	43,204,587
<u>\$14.50</u>	<u>\$8.56</u>

West Virginia Investment Management Board
Schedule of Investments in Securities
June 30, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Large Cap Domestic			
<i>Equities</i>			
<i>Basic Materials</i>			
Alcoa Inc	9,900	\$ 307	\$ 320
Allegheny Technologies Inc	14,600	896	1,011
CONSOL Energy Inc	10,600	492	495
Dow Chemical Company	900	49	35
Ecolab Inc	34,500	1,210	1,400
Freeport-McMoRan Copper & Gold	62,600	3,494	3,469
Hercules Inc	102,400	1,627	1,563
International Paper Company	5,600	187	181
Louisiana-Pacific Corporation	177,900	4,121	3,896
Monsanto Company	78,995	5,170	6,651
Newmont Mining Corp	37,100	1,943	1,964
Nucor Corporation	133,500	4,788	7,242
Pactiv Corporation	101,500	2,507	2,512
Phelps Dodge Corporation	73,400	4,173	6,031
Praxair Inc	8,800	405	475
Sealed Air Corporation	14,519	408	756
Sigma-Aldrich Corporation	5,000	351	363
Temple-Inland Inc	137,800	5,987	5,907
United States Steel Corp	13,400	525	940
Vulcan Materials	9,600	569	749
Weyerhaeuser Company	1,800	118	112
		39,327	46,072
<i>Capital Goods</i>			
3M Co	101,190	8,169	8,173
Allied Waste Industries Inc	38,900	476	442
Avery Dennison Corp	11,000	636	639
Block H&R Inc	5,600	138	134
Boeing Company	120,500	8,849	9,870
Burlington Northern Santa Fe	158,400	7,484	12,553
Caterpillar Inc	25,720	1,599	1,916
Cintas Corp	3,800	158	151
Cooper Industries Ltd	25,600	2,245	2,379
CSX Corp	84,400	5,228	5,945
Cummins Engine Company Inc	67,200	6,483	8,215
Danaher Corp	79,176	3,696	5,093
Donnelley & Sons	117,200	3,899	3,745
Dover Corp	45,800	2,210	2,264
Eaton Corporation	5,200	387	392
Emerson Electric Co	42,000	2,778	3,520
Equifax Inc	98,400	2,911	3,379
FedEx Corp	18,600	2,014	2,174
Fluor Corporation	48,900	3,748	4,544
General Dynamics Corp	97,600	5,077	6,389
General Electric Company	1,442,675	48,480	47,551
Goodrich BF Company	2,900	109	117

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Grainger WW Inc	30,900	2,212	2,325
Honeywell International Inc	2,742	98	111
Illinois Tool Works Inc	104,400	5,149	4,959
ITT Industries Inc	49,200	2,371	2,435
L-3 Communications Hldgs Inc	2,800	229	211
Lockheed Martin Corp	70,339	4,338	5,046
Masco Corporation	97,000	3,215	2,875
Monster Worldwide Inc	84,300	2,902	3,596
Norfolk Southern Corp	77,000	3,796	4,098
Northrop Grumman Corp	80,700	4,526	5,170
Pall Corporation	4,400	122	123
Parker-Hannifin Corporation	13,600	1,089	1,055
Pitney Bowes Inc	3,700	167	153
Raytheon Company	89,900	3,410	4,007
Robert Half International Inc	73,900	2,812	3,104
Rockwell Automation Inc	7,000	482	504
Rockwell Collins	73,100	1,959	4,084
Ryder System Inc	24,900	1,284	1,455
Southwest Airlines Co	251,800	4,179	4,122
Textron Inc	3,700	275	341
Tyco International Ltd	184,167	3,292	5,065
Union Pacific Corp	38,800	2,884	3,607
United Parcel Service Inc	172,400	12,179	14,194
United Technologies Corp	127,200	4,791	8,067
Waste Management Inc	197,800	6,097	7,097
		190,632	217,389
<i>Communication Services</i>			
ALLTEL Corporation	36,000	2,069	2,298
AT&T Inc	423,588	10,775	11,814
BellSouth Corporation	159,600	4,857	5,778
CenturyTel Inc	181,600	6,765	6,746
Citizens Communications Co	123,600	1,718	1,613
Qwest Communications Intl Inc	588,000	4,366	4,757
Sprint Nextel Corporation	402,054	8,142	8,037
Verizon Communications	430,144	16,061	14,406
		54,753	55,449
<i>Consumer Cyclical</i>			
Amazon.com Inc	18,700	787	723
AutoNation Inc	59,800	1,210	1,282
AutoZone Inc	7,700	731	679
Best Buy Co Inc	25,200	1,361	1,382
Big Lots Inc	101,200	1,533	1,728
Black & Decker Corporation	58,700	4,828	4,958
Carnival Corp	700	36	29
CBS Corp	119,422	3,732	3,230
Circuit City Stores	96,200	2,102	2,619
Clear Channel Communications	45,300	1,385	1,402
Comcast Corp	84,868	2,526	2,779
Darden Restaurants Inc	153,000	4,775	6,028
Dillard's Inc	65,500	1,667	2,086
Disney Walt Company	344,700	9,425	10,341

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Dollar General Corporation	21,100	355	295
Dow Jones & Company Inc	26,900	1,025	942
Family Dollar Stores	22,200	577	542
Federated Dept Stores Inc	213,772	6,942	7,824
Fortune Brands Inc	5,700	421	405
Gannett Co Inc	26,000	2,100	1,454
Genuine Parts Company	67,000	2,867	2,791
Harley-Davidson Inc	10,400	516	571
Harman Intl Industries Inc	22,000	2,127	1,878
Harrah's Entertainment Inc	2,800	189	199
Hilton Hotels Corp	174,100	4,744	4,924
Home Depot Inc	252,996	8,509	9,055
International Game Technology	32,700	1,184	1,241
Johnson Controls Inc	54,200	4,186	4,456
Jones Apparel Group Inc	14,900	490	474
Kohl's Corporation	20,500	965	1,212
Limited Inc	5,800	147	148
Liz Claiborne Inc	2,800	111	104
Lowe's Corp Inc	19,800	1,249	1,201
Marriott International Inc	5,200	164	198
McClatchy Company	3,173	379	127
McDonald's Corporation	304,900	8,525	10,245
McGraw-Hill Companies Inc	181,100	8,970	9,097
Meredith Corp	21,300	1,157	1,055
Newell Rubbermaid Inc	90,200	2,094	2,330
News Corp	133,900	2,408	2,568
Nike Inc	14,800	1,235	1,199
Nordstrom Inc	32,700	890	1,194
Office Depot Inc	241,300	8,486	9,169
OfficeMax Inc	93,100	3,793	3,794
Omnicom Group Inc	42,000	3,680	3,742
Penney JC & Company	106,300	6,255	7,176
Scripps EW Company	6,600	320	285
Sears Holding Corp	430	62	67
Sherwin-Williams Co	45,500	1,796	2,160
Snap-On Inc	21,700	778	877
Stanley Works	65,900	2,680	3,112
Staples Inc	208,627	3,362	5,080
Starbucks Corp	68,800	2,181	2,598
Starwood Hotels & Resorts Inc	16,300	715	984
Target Corp	42,800	2,231	2,092
Tiffany & Co	44,200	1,642	1,459
Time Warner Inc	576,196	8,614	9,968
Univision Communications Inc	68,800	2,229	2,305
VF Corp	9,800	530	666
Viacom Inc	5,322	192	191
Wendys International Inc	20,100	942	1,172
Whirlpool Corporation	89,395	8,279	7,388
Yum Brands Inc	22,100	1,058	1,111
		160,449	172,391

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<i>Consumer Staples</i>			
Altria Group Inc	259,876	15,594	19,083
Anheuser-Busch Company Inc	189,300	8,745	8,630
Archer-Daniels-Midland Co	59,300	1,777	2,448
Brown Forman Corp	39,200	2,203	2,801
Campbell Soup Co	33,800	999	1,254
Clorox Company	28,000	1,599	1,707
Coca-Cola Company	270,000	12,273	11,615
Coca-Cola Enterprises	195,800	4,253	3,988
Colgate-Palmolive Co	93,400	4,955	5,595
ConAgra Foods Inc	6,700	148	148
Constellation Brands Inc	84,000	2,104	2,100
Costco Wholesale Corp	39,700	1,987	2,268
CVS Corp	17,500	423	537
Estee Lauder Companies Inc	3,100	107	120
General Mills Inc	107,200	5,131	5,538
Heinz HJ Company	15,700	647	647
Hershey Foods Corp	10,500	575	578
Kellogg Company	44,300	1,990	2,145
Kimberly Clark Corporation	14,000	827	864
Kroger Co	271,000	5,387	5,924
Loews Corp	231,900	6,059	8,221
McCormick & Company Inc	12,300	424	413
Molson Coors Brewing Co	4,700	313	319
Pepsi Bottling Group Inc	178,088	4,801	5,726
Pepsico Inc	191,898	10,009	11,522
Proctor & Gamble Company	465,249	21,742	25,868
Reynolds American Inc	18,400	1,596	2,122
Safeway Inc	116,100	2,744	3,019
Supervalu Inc	14,629	1,427	449
Sysco Corp	4,100	139	125
Tyson Foods, Inc	18,500	307	275
Walgreen Co	42,100	1,797	1,888
Wal-Mart Stores	451,500	23,056	21,749
Whole Foods Market Inc	5,000	374	323
Wrigley Wm Jr Company	41,100	2,213	1,864
		148,725	161,873
<i>Energy</i>			
Anadarko Petroleum Corp	45,000	1,603	2,146
Apache Corporation	200	10	14
Baker Hughes Inc	56,300	2,640	4,608
BJ Services Company	52,600	1,865	1,960
Chesapeake Energy Corp	12,200	370	369
ChevronTexaco Corp	294,035	16,553	18,248
ConocoPhillips	150,857	8,447	9,886
Devon Energy Corporation	65,800	2,836	3,975
EOG Resources Inc	23,300	1,135	1,616
Exxon Mobil Corporation	846,005	40,969	51,902
Halliburton Company	54,325	1,133	4,031
Hess Corp	104,500	2,946	5,523
Kerr-McGee Corporation	140,868	4,899	9,769

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Kinder Morgan Inc	27,000	2,367	2,697
Marathon Oil Corp	66,871	4,286	5,570
Nabors Industries Ltd	11,500	330	389
National-Oilwell Varco Inc	5,300	322	336
Noble Corp	700	45	52
Occidental Petroleum Corp	88,480	5,818	9,074
Rowan Companies Inc	65,200	2,717	2,320
Schlumberger Ltd	166,600	9,803	10,847
Sunoco Inc	27,200	1,574	1,885
Transocean Inc	92,000	4,620	7,389
Valero Energy Corporation	156,900	4,340	10,437
Weatherford International Ltd	18,100	696	898
XTO Energy Inc	4,100	152	182
		122,476	166,123
<i>Financial Services</i>			
ACE Ltd	71,542	3,122	3,619
AFLAC Inc	73,800	3,237	3,421
Allstate Corp	140,985	5,772	7,716
Ambac Financial Group Inc	16,700	1,341	1,354
American Express	60,570	2,826	3,224
American International Grp Inc	366,786	22,696	21,659
Ameriprise Financial Inc	50,960	2,249	2,276
AmSouth Bancorporation	92,100	2,197	2,436
Aon Corporation	139,700	5,052	4,864
Apartment Investment & Mgmt Co	3,300	123	143
Archstone-Smith Trust	35,900	1,389	1,826
Bank of America Corporation	583,707	22,200	28,076
Bank of New York Co Inc	68,500	2,329	2,206
BB&T Corp	232,800	9,758	9,682
Bear Stearns Companies Inc	59,300	5,805	8,307
Boston Properties Inc	5,700	516	515
Capital One Financial Corp	18,700	1,031	1,598
Chubb Corp	151,800	5,772	7,575
Cincinnati Financial Corp	48,907	1,984	2,299
CIT Group Inc	117,600	5,999	6,149
Citigroup Inc	747,883	31,701	36,085
Comerica Inc	55,607	3,169	2,891
Commerce Bancorp Inc	11,600	440	414
Compass Bancshares Inc	11,500	606	639
Countrywide Financial Corp	157,898	4,334	6,013
E*Trade Group Inc	83,000	1,982	1,894
Equity Office Properties Trust	139,600	4,851	5,097
Equity Residential Prop Trust	63,000	2,632	2,818
Federal Home Loan Mort Corp	84,074	4,945	4,793
Federal National Mortgage Assn	87,475	5,265	4,208
Federated Investors Inc	46,200	1,654	1,455
Fifth Third Bancorp	1,500	77	55
Franklin Resources Inc	69,400	5,178	6,025
Genworth Financial Inc	155,200	5,332	5,407
Golden West Financial Corp	11,100	661	824
Goldman Sachs Group Inc	96,100	12,122	14,456

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Hartford Financial Services Gp	60,840	3,807	5,147
JPMorgan Chase & Co	510,367	19,452	21,435
KeyCorp	25,100	850	896
Kimco Realty Corporation	11,800	459	431
Legg Mason Inc	5,100	622	508
Lehman Brothers Holdings Inc	182,500	8,947	11,890
Lincoln National Corp	114,433	5,837	6,459
M & T Bank Corporation	20,900	2,143	2,465
Marsh & McLennan Co Inc	113,200	3,411	3,044
Marshall & Ilsley Corp	12,900	550	590
MBIA Inc	2,300	135	135
Mellon Financial Corp	92,300	3,295	3,178
Merrill Lynch & Company Inc	139,399	7,712	9,697
MetLife Inc	122,560	5,095	6,276
MGIC Investments Corp	16,200	1,058	1,053
Moody's Corp	73,900	3,777	4,025
Morgan Stanley Dean Witter Co	33,080	1,848	2,091
National City Corporation	114,600	3,949	4,147
Northern Trust Corp	47,100	2,434	2,605
Plum Creek Timber Co Inc	1,400	52	50
PNC Financial Services Group	55,900	3,038	3,923
Principal Financial Group Inc	148,761	6,704	8,279
Progressive Corp	216,200	5,620	5,559
ProLogis Trust	16,200	683	844
Prudential Financial Inc	83,000	4,893	6,449
Public Storage Inc	5,700	384	433
Regions Financial Corp	51,303	1,695	1,699
SAFECO Corp	34,800	1,785	1,961
Schwab Charles Corp	180,100	2,310	2,878
Simon Property Group	13,500	973	1,120
SLM Corp	58,700	2,953	3,106
Sovereign Bancorp Inc	32,340	682	657
St Paul Travelers Co Inc	107,400	4,643	4,788
State Street Corp	45,800	2,527	2,661
SunTrust Banks Inc	68,500	4,564	5,224
Synovus Financial Corp	62,300	1,738	1,668
T Rowe Price Associates Inc	46,600	1,499	1,762
Torchmark Corporation	23,600	1,325	1,433
UnumProvident Corp	45,100	848	818
US Bancorp	397,579	11,580	12,277
Vornado Realty Trust	1,500	145	146
Wachovia Corporation	114,865	5,193	6,212
Washington Mutual Inc	33,801	1,080	1,541
Wells Fargo & Company	122,500	6,580	8,217
Zions Bancorporation	26,600	2,044	2,073
		341,266	383,869
<i>Health Care</i>			
Abbott Laboratories	80,800	3,195	3,524
Aetna Inc	130,700	4,395	5,219
Allergan Inc	40,300	4,144	4,323
AmerisourceBergen Corp	215,000	7,802	9,013

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Amgen Inc	245,920	15,623	16,041
Applera Corp - Applied Biosys	233,700	6,612	7,560
Barr Laboratories Inc	17,800	1,019	849
Baxter International Inc	196,500	7,190	7,223
Becton Dickinson & Company	102,500	6,321	6,266
Biogen Idec Inc	800	38	37
Boston Scientific Corp	25,077	976	422
Bristol-Myers Squibb Company	34,200	815	884
Cardinal Health Inc	52,300	3,131	3,364
Caremark Rx Inc	29,000	1,390	1,446
CIGNA Corporation	23,200	2,065	2,285
Coventry Health Care Inc	25,000	1,405	1,373
Express Scripts Inc	115,200	8,571	8,264
Forest Laboratories Inc	39,700	1,621	1,536
Genzyme Corporation	5,400	374	330
Gilead Sciences Inc	42,200	2,406	2,497
HCA Inc	11,000	561	475
Health Management Assoc Inc	10,200	249	201
Hospira Inc	106,900	4,447	4,590
Humana Inc	55,800	1,585	2,996
IMS Health Inc	28,800	687	773
Johnson & Johnson	342,395	19,956	20,516
King Pharmaceuticals Inc	399,500	6,533	6,791
Laboratory Corp of Amer Hldgs	18,000	986	1,120
Lilly Eli and Company	30,000	1,650	1,658
Manor Care Inc	71,500	3,153	3,355
McKesson HBOC Inc	202,900	8,674	9,593
Medco Health Solutions Inc	65,200	3,302	3,735
MedImmune Inc	104,300	3,556	2,826
Medtronic Inc	114,500	5,723	5,372
Merck & Co Inc	292,500	11,789	10,656
Millipore Corp	24,900	1,592	1,568
Mylan Laboratories Inc	103,400	2,040	2,068
PerkinElmer Inc	13,400	300	280
Pfizer Inc	990,744	29,719	23,253
Quest Diagnostics Inc	6,700	312	401
Schering-Plough Corporation	107,400	2,023	2,044
St Jude Medical Inc	62,180	2,665	2,016
Stryker Corporation	3,000	134	126
Thermo Electron Corporation	145,700	5,254	5,280
Unitedhealth Group Inc	217,592	6,635	9,744
Waters Corporation	67,000	3,005	2,975
Watson Pharmaceuticals Inc	71,600	2,341	1,667
WellPoint Inc	162,820	10,244	11,848
Wyeth	87,965	3,844	3,906
		<u>222,052</u>	<u>224,289</u>
<i>Technology</i>			
ADC Telecommunications Inc	10,400	216	175
Adobe Systems Inc	3,700	140	112
Advanced Micro Devices Inc	26,700	772	652
Affiliated Computer Svcs Inc	8,400	477	433

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Agilent Technologies Inc	111,900	3,937	3,532
Altera Corporation	4,000	88	70
Analog Devices Inc	2,400	85	77
Apple Computer Inc	51,700	2,267	2,961
Applied Materials Inc	97,300	1,758	1,584
Autodesk Inc	46,800	1,562	1,613
Automatic Data Processing Inc	171,765	7,075	7,789
Avaya Inc	55,800	627	637
BMC Software Inc	249,000	4,898	5,951
Broadcom Corp	113,525	3,694	3,443
CA Inc	52,300	1,462	1,075
Cisco Systems Inc	932,490	15,678	18,211
Citrix Systems Inc	112,300	2,140	4,503
Computer Sciences Corp	70,300	3,864	3,414
Comverse Technology Inc	3,600	86	71
Convergys Corp	44,100	827	860
Corning Inc	57,510	1,039	1,391
Dell Inc	201,955	6,038	4,940
eBay Inc	115,200	4,844	3,374
Electronic Data Systems Corp	62,000	1,611	1,492
Embarq Corp	20,627	836	845
EMC Corporation	38,400	518	421
First Data Corp	51,590	2,274	2,324
Fiserv Inc	82,700	3,385	3,751
Freescale Semiconductor Inc	18,905	459	556
Google Inc	29,100	11,630	12,202
Hewlett-Packard Company	289,300	7,401	9,165
Intel Corporation	434,100	9,365	8,248
International Business Machs	235,900	18,424	18,122
Intuit Inc	78,300	3,890	4,740
Jabil Circuit Inc	104,700	3,242	2,680
Juniper Networks Inc	31,100	522	497
KLA-Tencor Corporation	14,100	686	586
Lexmark International Inc	57,200	2,982	3,193
Linear Technology Corp	18,800	713	630
LSI Logic Corporation	376,700	4,313	3,371
Lucent Technologies Inc	5,536	-	1
Micron Technology Inc	443,800	7,174	6,684
Microsoft Corporation	1,419,102	35,495	33,065
Molex Inc	33,200	1,137	1,114
Motorola Inc	390,400	5,122	7,867
National Semiconductor Corp	199,700	4,218	4,763
NCR Corporation	58,600	1,363	2,147
Network Appliance Inc	25,600	797	904
Novellus Systems Inc	4,200	106	104
NVIDIA Corporation	190,100	2,781	4,047
Oracle Corporation	204,969	2,588	2,970
Paychex Inc	74,600	2,906	2,908
QLogic Corporation	64,600	1,233	1,114
Qualcomm Inc	228,890	8,306	9,172
Sabre Holdings Corporation	56,900	1,364	1,252

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
SanDisk Corporation		31,800	1,816	1,621
Symantec Corporation		7,417	151	115
Tektronix Inc		39,200	1,314	1,153
Tellabs Inc		313,100	4,800	4,167
Teradyne Inc		5,300	84	74
Texas Instruments Inc		312,400	10,452	9,463
VeriSign Inc		19,600	447	454
Xerox Corporation		195,179	2,144	2,715
Yahoo! Inc		72,658	1,932	2,398
			<u>233,555</u>	<u>239,963</u>
<i>Utilities</i>				
AES Corporation		7,700	144	142
Allegheny Energy Inc		16,300	382	604
Ameren Corporation		10,000	528	505
American Electric Power Co Inc		166,900	5,932	5,716
Consolidated Edison Inc		22,900	1,045	1,018
Constellation Energy Group		400	20	22
Dominion Resources Inc		24,000	1,691	1,795
Duke Energy Corp		40,296	1,014	1,183
Edison International		215,100	8,337	8,389
Entergy Corporation		4,900	344	347
Exelon Corp		72,900	2,844	4,143
FirstEnergy Corp		170,600	8,297	9,248
FPL Group Inc		8,400	329	348
NICOR Inc		8,100	318	336
PG&E Corp		64,693	1,951	2,541
Pinnacle West Capital Corp		4,100	167	164
PPL Corporation		10,000	279	323
Public Service Enterprise Grp		49,500	2,816	3,273
Sempra Energy		45,000	1,845	2,047
Southern Company		67,800	2,122	2,173
TECO Energy Inc		10,400	185	155
TXU Corp		132,800	7,656	7,940
Xcel Energy Inc		47,100	855	903
			<u>49,101</u>	<u>53,315</u>
Total Equities	99.7%		1,562,336	1,720,733
<i>Short-term Issues</i>				
Dreyfus Cash Management Institutional Fund		5,462,720	5,463	5,463
Total Short-term Issues	0.3%		<u>5,463</u>	<u>5,463</u>
Total Large Cap Domestic			<u>\$ 1,567,799</u>	<u>\$ 1,726,196</u>
Non-Large Cap Domestic				
<i>Equities</i>				
<i>Basic Materials</i>				
Alliance Resource Partners LP		8,100	\$ 239	\$ 293
AptarGroup Inc		91,500	4,691	4,539

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Ball Corporation	10,690	474	396
Bemis Company Inc	73,610	2,153	2,254
Bowater Inc	46,800	1,499	1,065
Caraustar Industries Inc	28,200	383	254
Carpenter Technology Corp	7,700	342	889
Cleveland-Cliffs Inc	19,000	671	1,507
Commercial Metals Company	35,962	539	924
CONSOL Energy Inc	115,900	2,181	5,415
Cytec Industries Inc	30,800	1,366	1,653
Eagle Materials Inc	71,070	2,284	3,376
FMC Corporation	11,100	707	715
Fuller HB Company	22,200	753	967
Georgia Gulf Corporation	18,000	503	450
Greif Inc	7,100	471	532
Hercules Inc	34,000	415	519
IPSCO, Inc	23,300	2,302	2,230
Louisiana-Pacific Corporation	56,200	1,487	1,231
Lubrizol Corporation	67,500	2,192	2,690
Lyondell Chemical Co	21,000	557	476
Martin Marietta Materials Inc	23,800	1,770	2,169
Massey Energy Company	150,100	6,352	5,404
Methanex Corporation	109,400	1,681	2,317
Minerals Technology Inc	8,400	437	437
Olin Corporation	76,100	1,439	1,364
OM Group Inc	37,200	1,129	1,148
Oregon Steel Mills Inc	5,400	280	274
Pactiv Corporation	92,200	2,349	2,282
Peabody Energy Corp	47,800	588	2,665
PolyOne Corporation	20,200	164	177
Quanex Corporation	9,150	334	394
Reliance Steel & Aluminum Co	12,200	575	1,012
Ryerson Tull Inc	11,100	171	300
Schulman A Inc	47,600	1,130	1,090
Schweitzer-Mauduit Intl Inc	16,200	336	351
Sensient Technologies Corp	67,700	1,401	1,416
Silgan Holdings Inc	50,800	1,052	1,880
Steel Dynamics Inc	45,000	1,541	2,958
Tronox Inc Class B	26,900	441	354
Westlake Chemical Corporation	26,900	918	802
Worthington Industries Inc	126,900	2,220	2,659
		<u>52,517</u>	<u>63,828</u>
<i>Capital Goods</i>			
Actuant Corp	42,400	1,443	2,118
Acuity Brands Inc	36,100	1,195	1,405
Advisory Board Company	13,900	475	668
AGCO Corporation	130,100	2,561	3,424
Airtran Holdings	32,800	331	487
Alaska Air Group Inc	33,800	1,300	1,332
Ametek Inc	158,300	4,114	7,500
Analogic Corporation	21,700	1,426	1,011
Applied Industrial Tech Inc	10,350	246	252

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Aramark Corporation	10,810	295	358
Aviall Inc	4,900	154	233
BE Aerospace Inc	10,900	247	249
Beacon Roofing Supply Inc	45,900	860	1,010
BlueLinx Holdings Inc	140,000	1,922	1,824
Briggs & Stratton Corporation	74,300	2,746	2,311
Career Education Corp	33,800	1,109	1,010
Consolidated Graphics Inc	23,200	1,126	1,208
Con-way Inc	70,200	3,515	4,067
Corinthian Colleges Inc	258,600	3,705	3,713
Crane Company	9,700	411	404
Cummins Engine Company Inc	20,600	1,966	2,518
Deluxe Corporation	72,900	2,911	1,274
DRS Technologies Inc	3,200	157	156
EMCOR Group Inc	52,100	1,994	2,536
Encore Wire Corporation	50,400	1,720	1,811
Equifax Inc	34,800	889	1,195
ExpressJet Holdings Inc	137,500	1,733	950
Florida East Coast Industries	7,800	391	408
Freightcar America Inc	7,000	285	389
Gehl Company	12,200	309	311
Genesee & Wyoming Inc	17,400	324	617
Graco Inc	29,758	602	1,368
GrafTech Int'l Ltd	50,000	523	290
Harland John H Co	50,600	1,746	2,201
Harsco Corporation	25,312	1,497	1,973
Hexcel Corp	112,500	2,250	1,767
Hunt JB Transport Services Inc	212,900	4,177	5,303
IDEX Corporation	137,100	5,522	6,471
IKON Office Solutions Inc	43,900	395	553
ITT Educational Services Inc	8,100	491	533
Jackson Hewitt Tax Service Inc	47,400	1,220	1,486
Kennametal Inc	7,300	343	454
Knight Transportation Inc	28,850	494	583
Laidlaw International Inc	71,500	1,907	1,802
Lamson & Sessions Company	42,800	1,068	1,214
LECG Corp	20,500	402	379
Lennox International Inc	67,010	1,660	1,774
Manitowoc Co Inc	10,100	213	449
Monster Worldwide Inc	118,700	2,839	5,064
Moog Inc	9,625	216	329
Mueller Industries Inc	65,500	2,179	2,163
Navistar International Corp	67,200	2,215	1,654
NCO Group Inc	35,271	807	933
Nordson Corp	20,264	931	997
Resources Connection Inc	41,200	565	1,031
Ryder System Inc	106,600	4,731	6,229
Schawk Inc	107,900	2,275	1,888
SkyWest Inc	33,300	736	826
Sotheby's Holdings Inc	201,200	4,503	5,282
Steelcase Inc	20,400	383	336

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Swift Transportation Co Inc	24,800	470	788
Teledyne Technologies Inc	11,000	376	360
Teleflex Inc	19,400	1,220	1,048
Tennant Company	11,400	575	573
Timken Company	82,499	2,166	2,765
Toro Company	9,000	417	420
United Industrial	25,300	995	1,145
Universal Forest Products Inc	4,200	79	263
USG Corporation	5,900	340	430
Valmont Industries	21,900	1,167	1,018
Varian Inc	26,300	1,194	1,092
Vitran Corporation Inc	12,100	265	284
Waste Connections Inc	104,000	2,699	3,786
Watson Wyatt & Co Holdings	18,400	413	647
Werner Enterprises Inc	52,518	981	1,065
YRC Worldwide Inc	22,300	1,065	939
		103,172	118,704
<i>Communication Services</i>			
CenturyTel Inc	137,200	4,699	5,097
Commonwealth Telephone Entrp	24,300	942	806
Dobson Communications Corp	274,000	1,514	2,118
FairPoint Communications	10,900	124	157
General Communications Inc	55,300	520	681
Syniverse Holdings Inc	20,100	431	295
		8,230	9,154
<i>Consumer Cyclicals</i>			
Advance Auto Parts Inc	122,800	5,164	3,549
ADVO Inc	17,250	454	425
American Axle & Manufacturing	99,700	2,567	1,706
American Commercial Lines Inc	5,600	283	337
American Greetings Corp	85,275	1,685	1,792
American Woodmark Corporation	52,400	1,737	1,836
AnnTaylor Stores Corporation	14,470	528	628
ArvinMeritor Inc	98,600	1,740	1,695
Autoliv Inc	50,700	2,255	2,868
Bandag Inc	12,600	549	461
Bandag Inc Non Voting Shares	1,600	53	50
Barnes & Noble Inc	27,500	1,124	1,004
Beazer Homes USA Inc	12,600	342	578
Blyth Inc	58,900	1,647	1,087
Borders Group Inc	85,700	1,694	1,582
Borg-Warner Automotive Inc	61,900	2,252	4,030
Brinker International Inc	37,580	1,436	1,364
Brown Shoe Company Inc	39,700	1,027	1,353
Brunswick Corporation	49,500	1,830	1,646
Buckle Inc	28,400	1,107	1,189
Cash America International Inc	36,000	1,115	1,152
Cato Corporation	45,700	1,007	1,181
CBRL Group Inc	29,000	1,036	984
CEC Entertainment Inc	4,900	156	157
Cenveo Inc	91,000	1,721	1,633

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Charlotte Russe Holding Inc	101,600	2,120	2,432
Charming Shoppes Inc	40,400	459	454
Christopher & Banks Corp	30,100	578	873
Claire's Stores Inc	35,000	949	893
Columbia Sportswear Company	19,200	869	869
Deckers Outdoor Corporation	35,900	1,422	1,384
Dick's Sporting Goods Inc	105,700	3,449	4,186
Dillard's Inc	114,300	3,226	3,640
Dollar Tree Stores Inc	20,100	441	533
DR Horton Inc	28,866	314	688
DreamWorks Animation SKG	97,400	2,574	2,230
DSW Inc	9,700	229	353
Ethan Allen Interiors Inc	48,800	1,624	1,784
Fleetwood Enterprises Inc	42,700	546	322
Foot Locker Inc	60,000	1,309	1,469
Furniture Brands International	177,600	3,838	3,701
GameStop Corp	23,700	880	995
Genesco Inc	21,200	387	718
Getty Images Inc	11,402	891	724
Goodman Global Inc	45,700	911	694
Goodyear Tire & Rubber Co	33,100	390	367
Group 1 Automotive Inc	50,800	1,934	2,862
Guitar Center Inc	25,800	699	1,147
Hot Topic Inc	13,300	202	153
J Crew Group Inc	2,300	46	63
Jack in the Box Inc	60,900	1,900	2,387
Jarden Corporation	4,600	134	140
Jones Apparel Group Inc	45,900	1,384	1,459
Journal Communications Inc	24,200	368	272
Journal Register Company	74,000	1,363	663
Kellwood Company	38,100	1,112	1,115
Krispy Kreme Doughnuts Inc	48,400	392	394
K-Swiss Inc	24,400	471	651
Lamar Advertising Company	16,624	690	895
Landry's Seafood Restaurants	10,100	292	328
Lear Corporation	66,600	2,539	1,479
Live Nation	32,800	587	668
MarineMax, Inc	14,300	439	375
Meredith Corp	90,100	4,703	4,464
Meritage Corporation	25,900	1,219	1,224
Modine Manufacturing Co	4,800	129	112
Monarch Casino & Resort Inc	74,100	1,452	2,084
NetFlix.com Inc	40,900	1,123	1,113
New York & Company Inc	23,900	446	234
Pacific Sunwear of California	32,900	731	590
PETCO Animal Supplies	39,800	858	813
Petsmart Inc	146,000	3,798	3,738
PF Changs China Bistro Inc	39,600	1,726	1,506
Polaris Industries Inc	12,400	605	537
RadioShack Corp	86,600	1,855	1,212
Rare Hospitality International	27,900	749	802

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Rent-A-Center Inc	175,400	4,228	4,360
Ruby Tuesday Inc	77,300	2,433	1,887
Scholastic Corporation	26,300	830	683
Select Comfort Corporation	82,950	1,945	1,905
Shaw Communications, Inc	86,000	1,875	2,433
Sirius Satellite Radio Inc	62,400	467	296
Skechers USA Inc	39,700	559	957
Snap-On Inc	12,910	526	522
Sonic Automotive Inc	32,600	740	723
Speedway Motorsports Inc	11,800	440	445
Stage Stores Inc	28,350	529	936
Standard Pacific Corp	99,690	2,022	2,562
Stanley Works	9,840	441	465
Steiner Leisure Limited	26,100	1,130	1,032
Stride Rite Corp	40,200	468	530
Talbots Inc	105,300	2,869	1,943
Tempur-Pedic International	95,600	1,135	1,292
Thor Industries Inc	3,900	215	189
Timberland Company	41,500	1,337	1,083
Too Inc	56,500	1,712	2,169
True Religion Apparel Inc	7,300	137	129
TRW Automotive Holdings Co	138,460	3,236	3,777
Tuesday Morning Corporation	12,900	280	170
Tupperware Corporation	85,200	1,727	1,678
United Auto Group Inc	19,400	277	414
Valassis Communications Inc	4,800	137	113
Warner Music Group Corp	56,588	987	1,668
WCI Communities Inc	16,000	429	322
Whirlpool Corporation	6,900	626	570
Williams Scotsman Intl	13,000	341	284
Williams Sonoma Inc	82,600	2,429	2,813
WMS Industries, Inc	17,800	556	488
Wolverine World Wide Inc	53,700	1,323	1,253
XM Satellite Radio Hldgs Inc	33,650	517	493
Yankee Candle Company	20,900	503	523
Zale Corporation	70,300	1,680	1,694
		136,947	139,877
<i>Consumer Staples</i>			
BJ's Wholesale Club Inc	115,300	3,024	3,269
Chiquita Brands International	46,800	881	645
Del Monte Foods Co	236,900	2,268	2,660
Energizer Holdings Inc	46,400	2,506	2,718
Hormel Foods Corp	33,500	1,148	1,244
Loews Corp	41,696	1,145	2,142
Longs Drug Stores Corp	24,500	1,103	1,118
NBTY Inc	68,000	1,709	1,626
Nu Skin Enterprises Inc	28,300	334	420
Ruddick Corp	53,000	888	1,299
Smithfield Foods Inc	114,100	3,058	3,290
Smucker JM Company	11,000	441	492
Spectrum Brands Inc	30,500	537	394

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Supervalu Inc	20,000	455	614
Universal Corporation	17,800	767	663
Wild Oats Markets Inc	37,850	475	742
		20,739	23,336
<i>Energy</i>			
Bristow Group Inc	10,600	248	382
Cabot Oil & Gas Corporation	33,250	791	1,629
Cheniere Energy Inc	8,100	234	316
Chesapeake Energy Corp	192,400	2,033	5,820
Cimarex Energy Co	42,000	1,060	1,806
Delek US Holdings Inc	9,100	149	138
Denbury Resources Inc	165,100	1,744	5,229
Encore Acquisition Co	50,050	1,076	1,343
Energy Partners, Ltd	6,200	131	117
Forest Oil Corp	10,923	199	362
Frontier Oil Corp	40,800	769	1,322
Giant Industries Inc	20,900	603	1,391
Grey Wolf Inc	47,900	373	369
Headwaters Inc	8,400	210	215
Helix Energy Solutions Group	9,200	230	371
Holly Coporation	46,200	1,790	2,227
Houston Exploration Co	29,600	1,005	1,811
Lone Star Technologies Inc	19,100	907	1,032
Maverick Tube Corp	18,500	882	1,169
Oil States International Inc	13,000	465	446
OMI Corp	69,300	1,388	1,500
Penn Virginia Corp	11,600	565	811
Pogo Producing Co	35,500	1,606	1,637
Range Resources Corporation	21,800	212	593
Smith International Inc	124,200	3,531	5,523
St. Mary Land & Exploration	55,896	1,881	2,250
Stone Energy Corporation	38,600	1,627	1,797
Tidewater Inc	8,900	343	438
Tsakos Energy Navigation LTD	28,700	1,105	1,196
Unit Corporation	36,000	1,722	2,048
VAALCO Energy Inc	138,700	1,109	1,354
VeraSun Energy	11,700	296	307
Veritas DGC Inc	43,700	419	2,254
W&T Offshore Inc	18,400	696	716
Whiting Petroleum Corp	52,300	1,642	2,190
		33,041	52,109
<i>Financial Services</i>			
21st Century Insurance Grp	65,300	904	940
Acadia Realty	24,000	224	568
Accredited Home Lenders Hldg	44,600	1,572	2,132
Advanta Corp	17,000	396	611
Affiliated Managers Group Inc	60,700	4,263	5,274
Alfa Corp	54,554	733	903
AMCORE Financial Inc	30,200	743	885
American Financial Group	138,600	4,128	5,946
American Nat'l Insurance Co	14,777	1,404	1,917

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
AmeriCredit Corp	58,300	1,681	1,628
AmerUs Group Company	40,700	1,170	2,383
Anchor BanCorp Wisconsin Inc	21,300	544	643
Anthracite Capital Inc	16,100	180	196
Arch Capital Group Ltd	32,200	1,655	1,915
Argonaut Group Inc	7,200	196	216
Aspen Insurance Holdings Ltd	12,931	346	301
Asset Acceptance Capital Corp	9,900	198	196
Assurant Inc	16,800	751	813
Assured Guaranty Ltd	48,255	1,195	1,224
Asta Funding Inc	56,600	1,825	2,116
Astoria Financial Corporation	61,300	1,741	1,867
Axis Capital Hldgs Ltd	55,100	1,590	1,576
BancFirst Corporation	25,900	657	1,159
Banco Latinoamericano de Exp	90,200	1,711	1,410
BancorpSouth Inc	63,100	1,359	1,719
BankUnited Financial Corp	66,000	1,942	2,014
Berkley WR Corporation	71,400	2,460	2,437
Camden Property Trust	17,100	1,219	1,258
CapitalSource Inc	59,050	1,449	1,385
CB Richard Ellis Grp Inc	92,100	1,210	2,293
Central Pacific Financial Corp	60,100	2,281	2,326
Chemical Financial Corp	23,684	743	725
Chittenden Corporation	2,750	68	71
Citizens Banking Corporation	22,300	604	544
City National Corporation	46,500	2,087	3,027
Colonial BancGroup Inc	192,600	3,562	4,946
Commerce Bancshares Inc	41,742	2,007	2,089
Commerce Group Inc	146,200	3,280	4,319
Community Bank System Inc	33,400	752	674
CompuCredit Corporation	13,100	407	504
Conseco Inc	120,200	2,490	2,777
Corus Bankshares Inc	115,930	2,723	3,035
Darwin Professional Underwrite	2,700	43	48
Delphi Financial Group Inc	61,800	1,657	2,247
DiamondRock Hospitality Co	17,200	181	255
Downey Financial Corporation	66,100	3,836	4,485
East West Bancorp Inc	106,400	2,225	4,034
Eaton Vance Corp	41,900	851	1,046
Edwards AG Inc	60,100	3,135	3,325
Encore Capital Group Inc	26,800	341	329
EZCORP Inc	51,800	1,328	1,952
FBL Financial Group Inc	32,960	754	1,068
Federated Investors Inc	28,960	1,107	912
Fidelity Southern Corporation	800	14	14
First American Financial Corp	162,000	4,953	6,848
First BanCorp	126,700	2,473	1,178
First Cash Financial Services	65,500	1,328	1,294
First Citizens BancShares Inc	13,250	1,681	2,657
First Commonwealth Financial	28,700	383	364
First Community Bancorp	34,300	1,845	2,026

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
First Marblehead Corp	11,600	320	661
First National of Nebraska Inc	32	151	147
FirstFed Financial Corporation	48,400	2,188	2,791
FNB Corporation	47,800	844	754
Forest City Enterprises	47,600	1,650	2,376
Fremont General Corporation	94,800	2,352	1,759
Gallagher Arthur J & Co	35,200	1,033	892
GATX Corp	19,600	828	833
Global Logistics Acquisition	22,700	182	184
GMH Communities Trust	21,200	290	279
Great American Finl Resources	44,100	720	923
Greater Bay Bancorp	15,100	325	434
Greenhill & Co Inc	29,300	1,655	1,780
Hancock Holding Company	23,500	543	1,316
Hanmi Financial Corporation	24,400	465	474
Hanover Insurance Group Inc	77,500	3,346	3,678
Harleysville Group Inc	16,100	453	511
Highwoods Properties, Inc	54,900	1,748	1,986
Horace Mann Educators Corp	46,100	874	781
Hospitality Properties Trust	10,200	436	448
HRPT Properties Trust	43,070	532	498
Huntington Bancshares Inc	26,700	617	630
Impac Mortgage Holdings Inc	34,100	292	381
Independent Bank Corp	5,000	109	162
IndyMac Bancorp Inc	157,400	4,858	7,217
Infinity Property & Casualty	85,900	2,726	3,522
International Bancshares Corp	31,378	899	862
Investment Technology Grp Inc	23,800	346	1,210
James River Group Inc	8,900	166	222
Jones Lang LaSalle Inc	30,900	828	2,705
Knight Capital Group Inc	151,100	1,495	2,301
LandAmerica Financial Grp Inc	51,300	2,071	3,314
LaSalle Hotel Properties	6,900	152	319
MAF Bancorp Inc	20,600	817	883
MainSource Financial Grp Inc	14,400	251	251
Max Re Capital Ltd	10,200	240	223
Medical Properties Trust Inv	28,400	288	314
Mercury General Corp	79,500	4,238	4,481
Mills Corp	62,900	2,723	1,683
Municipal Mortgage & Equity	20,600	515	559
Nasdaq Stock Market Inc	40,800	867	1,220
National Financial Partners	12,800	649	567
NBT Bancorp Inc	32,504	704	755
Northstar Realty Finance	62,800	594	754
Nuveen Investments	14,915	518	642
Odyssey Re Holdings Corp	79,800	1,860	2,103
Ohio Casualty Corp	60,900	1,387	1,811
Old Republic International Cor	10,000	213	214
Old Second Bancorp Inc	9,900	211	307
Pacific Capital Bancorp	4,500	149	140
Park National Corporation	5,600	544	553

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Phoenix Companies Inc	44,300	595	624
Piper Jaffray Co Inc	33,200	1,157	2,032
Platinum Underwriters Hldg Ltd	13,900	433	389
PMI Group Inc	67,700	2,149	3,018
ProAssurance Corporation	4,800	207	231
Protective Life Corporation	109,008	3,749	5,082
Provident Bankshares Corp	25,900	766	943
PS Business Parks Inc	16,800	625	991
Radian Group Inc	38,400	1,788	2,372
Raymond James Financial Inc	56,080	1,453	1,698
Rayonier Inc	15,330	679	581
Reinsurance Group of America	90,000	3,502	4,424
Republic Bancorp Inc	87,705	948	1,087
Riverview Bancorp Inc	8,000	166	210
S&T Bancorp Inc	138	4	5
Safety Insurance Group Inc	47,100	2,291	2,240
Saul Centers Inc	14,400	392	587
SCBT Financial Corp	12,865	388	459
Scottish Re Group Ltd	23,500	516	392
Signature Bank	11,300	296	366
Sky Financial Group Inc	57,437	1,415	1,356
Sovran Self Storage, Inc	21,500	997	1,092
StanCorp Financial Group Inc	55,400	2,204	2,820
State National Bancshares Inc	1,800	49	69
Stewart Information Svcs Corp	16,000	429	581
Strategic Hotel Capital Inc	137,300	2,803	2,848
Susquehanna Bancshares Inc	24,600	582	588
Taylor Capital Group Inc	6,400	183	261
TCF Financial Corporation	68,600	1,780	1,814
Thomas Properties Group Inc	18,700	224	220
TierOne Corp	53,200	1,159	1,797
Trammell Crow Company	70,300	1,560	2,472
Triad Guaranty Inc	55,103	2,923	2,693
Trico Bancshares	7,500	117	205
TrustCo Bank Corp NY	11,800	130	130
Trustmark Corp	62,500	1,686	1,936
Truststreet Properties Inc	11,900	168	157
UMB Financial Corp	28,200	694	940
United Bankshares Inc	27,339	828	1,001
Unitrin Inc	23,800	1,127	1,037
U-Store-It	27,600	471	521
Ventas Inc	37,900	885	1,284
Waddell & Reed Financial Inc	41,510	933	853
Washington Federal Inc	81,287	1,595	1,885
Webster Financial Corporation	105,700	4,642	5,014
Weingarten Realty Investors	7,000	279	268
Wilmington Trust Corporation	55,700	1,948	2,349
Wintrust Financial Corp	69,000	3,385	3,509
Zenith National Insurance Corp	47,750	1,755	1,894
		199,902	240,179

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<i>Health Care</i>			
Advanced Medical Optics Inc	53,800	2,102	2,728
Alexion Pharmaceuticals Inc	69,469	2,303	2,509
Alkermes Inc	25,200	447	477
Amylin Pharmaceuticals Inc	19,073	425	942
Anadys Pharmaceuticals Inc	23,100	302	67
Applera Corp - Celera Genomics	63,700	701	825
Apria Healthcare Group Inc	83,800	2,228	1,584
Arena Pharmaceuticals Inc	27,800	160	322
Arrow International Inc	17,200	447	565
AtheroGenics Inc	19,500	224	254
Celgene Corporation	131,000	1,308	6,213
Cephalon Inc	8,300	382	499
Cerner Corporation	30,000	852	1,113
Charles River Laboratories	66,700	3,084	2,455
Conmed Corporation	11,700	237	242
Coventry Health Care Inc	26,600	1,328	1,461
CV Therapeutics Inc	28,900	667	404
Cypress Bioscience	34,200	191	210
Cytokinetics Inc	43,600	369	274
Cytc Corporation	123,500	2,559	3,132
Dade Behring Hldg Inc	59,800	1,707	2,490
Discovery Partners Intl	48,170	120	125
Eclipsys Corp	8,400	98	153
Elan Corporation PLC	531,500	4,687	8,876
Encysive Pharmaceuticals Inc	15,600	147	108
Exelixis Inc	24,126	186	242
Haemonetics Corporation	7,200	249	335
Herbalife Ltd	21,800	861	870
Hillenbrand Industries Inc	21,490	1,144	1,042
Human Genome Science Inc	90,925	995	973
ICOS Corporation	12,400	302	273
ICU Medical, Inc	54,200	1,731	2,289
Incyte Corp	83,400	635	384
Invacare Corp	5,000	174	124
Kindred Healthcare Inc	25,500	602	663
King Pharmaceuticals Inc	359,600	3,738	6,113
K-V Pharmaceutical Company	9,025	131	169
LifePoint Hospitals Inc	28,300	1,012	909
Magellan Health Services Inc	72,200	2,452	3,271
Manor Care Inc	153,500	4,037	7,202
Medicines Company	7,200	71	141
MGI Pharma Inc	218,100	4,159	4,689
Millennium Pharmaceuticals	77,600	839	774
Mylan Laboratories Inc	102,950	2,232	2,059
Neurogen Corporation	16,600	194	85
Omnicare Inc	147,400	5,706	6,990
Onyx Pharmaceuticals Inc	8,700	242	146
OSI Pharmaceuticals Inc	219,700	6,309	7,241
Pediatrix Medical Group Inc	13,500	654	612
Perrigo Company	11,100	142	179

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Pharmacoepia Drug Discovery	11,300	79	45
PSS World Medical Inc	23,000	249	406
Regeneron Pharmaceuticals Inc	46,000	555	590
Renovis Inc	10,600	137	162
Respiroics Inc	225,400	8,263	7,713
Rigel Pharmaceuticals Inc	4,500	85	44
Santarus Inc	388,900	3,619	2,586
Steris Corporation	31,700	807	725
Symbion Inc	12,700	237	264
Thermo Electron Corporation	183,500	4,046	6,650
Triad Hospitals Inc	136,800	5,377	5,415
Ventana Medical Systems Inc	89,500	3,868	4,223
Vertex Pharmaceuticals Inc	29,915	471	1,098
Zoll Medical Corporation	13,900	440	455
ZymoGenetics Inc	39,700	764	753
		94,869	116,932
<i>Technology</i>			
Activision Inc	68,600	840	781
Axiom Corporation	14,241	346	356
Alliance Data Systems Corp	95,600	3,285	5,623
Amdocs Ltd	7,300	149	267
Amphenol Corp	43,100	1,196	2,412
Ansys Inc	18,700	1,017	894
Arrow Electronics Inc	150,400	4,071	4,843
Atmel Corporation	494,700	2,439	2,746
ATMI Inc	103,700	2,688	2,553
Avaya Inc	74,100	881	846
Avnet Inc	123,700	2,692	2,476
BearingPoint Inc	42,400	236	355
Belden CDT Inc	76,000	2,421	2,512
Benchmark Electronics Inc	15,300	364	369
BISYS Group Inc	92,800	1,338	1,271
BMC Software Inc	98,900	2,147	2,364
Bottomline Technologies Inc	21,900	276	178
CheckFree Corporation	73,700	1,969	3,653
Cognos Inc	166,400	6,052	4,734
Comverse Technology Inc	57,800	1,369	1,143
Convergys Corp	275,300	4,332	5,368
Cryptologic Inc	45,200	1,172	1,095
CSG Systems International Inc	32,584	629	806
Cypress Semiconductor Corp	39,100	644	569
DST Systems Inc	32,958	1,617	1,961
EarthLink Inc	377,900	3,626	3,273
EDO Corp	5,200	153	127
eFunds	168,300	3,768	3,711
Harris Corporation	13,700	588	569
Hutchinson Technology Inc	7,100	218	154
i2 Technologies Inc	71,800	964	910
InfoSpace Inc	32,000	789	725
Ingram Micro Inc	319,600	5,175	5,794
Integrated Device Technology	165,600	2,522	2,348

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Keane Inc	123,300	1,795	1,541
Komag, Inc	12,900	550	596
Lam Research Corporation	63,700	1,980	2,976
Lexmark International Inc	47,400	2,268	2,646
Littelfuse Inc	33,300	1,124	1,145
Maximus Inc	8,700	293	201
MEMC Electronic Materials Inc	14,600	154	548
Mercury Interactive Corp	82,600	2,300	2,870
Micrel Inc	48,000	548	480
MicroStrategy Incorporated	26,500	1,989	2,584
MTS Systems Corp	7,200	217	284
NYFIX Inc	17,406	108	83
OmniVision Technologies Inc	97,100	1,591	2,051
Open Solutions Inc	21,000	460	559
Plantronics Inc	24,800	539	551
PMC-Sierra Inc	45,800	465	431
Polycom Inc	391,900	7,183	8,590
Powerwave Technologies Inc	65,900	668	601
Quest Software Inc	17,100	212	239
Red Hat Inc	40,500	366	948
Redback Networks Inc	16,300	350	299
Reynolds and Reynolds Company	36,200	948	1,110
Rofin-Sinar Tech Inc	6,600	208	379
Rogers Corp	24,700	1,534	1,392
Sabre Holdings Corporation	161,700	3,257	3,557
Salesforce.com Inc	13,700	201	365
Sapient Corp	172,000	1,174	912
Satyam Computer Services Ltd	101,500	2,477	3,364
Semtech Corporation	46,100	750	666
Sina Corp	83,200	2,109	2,078
SRA International Inc	150,100	2,616	3,997
Sybase Inc	35,200	753	683
Take-Two Interactive Software	15,600	378	169
Tech Data Corporation	58,300	2,293	2,233
THQ Inc	19,800	312	428
Transaction Systems Architects	165,100	2,965	6,883
Trident Microsystems Inc	21,500	516	408
United Online Inc	207,400	2,229	2,489
Varian Semiconductor Equipment	201,350	4,382	6,566
Western Digital Corp	234,600	3,384	4,647
Wright Express Corp	27,900	495	802
		120,114	141,137
<i>Utilities</i>			
AGL Resources Inc	124,800	3,785	4,757
Allegheny Energy Inc	43,000	1,425	1,594
Alliant Energy Corp	200,500	4,913	6,877
Atmos Energy Corp	111,851	2,918	3,122
Avista Corporation	55,800	1,150	1,274
Cleco Corporation	30,500	661	709
Duquesne Light Holdings Inc	112,100	1,831	1,843
El Paso Electric Company	90,100	1,917	1,816

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
Energen Corporation		81,600	2,377	3,134
Energy East Corporation		179,800	4,658	4,303
Great Plains Energy Inc		82,100	2,444	2,287
Laclede Group		40,600	1,408	1,395
MDU Resources Group Inc		92,000	2,187	3,368
National Fuel Gas Company		95,700	2,672	3,363
New Jersey Resources Corp		14,600	629	683
NICOR Inc		3,000	111	125
NiSource Inc		56,600	1,144	1,236
Northeast Utilities		199,800	3,776	4,130
NSTAR		100,000	2,432	2,860
OGE Energy Corp		114,026	2,655	3,994
ONEOK Inc		97,100	1,973	3,305
Otter Tail Corp		6,335	165	173
Peoples Energy Corporation		9,900	434	355
PEPCO Holdings		49,424	1,033	1,165
Pinnacle West Capital Corp		80,200	3,143	3,201
PNM Resources		24,100	638	602
Puget Energy Inc		128,000	2,894	2,749
SEMCO Energy, Inc		46,300	299	257
South Jersey Industries Inc		2,000	39	55
TECO Energy Inc		74,500	1,200	1,113
UGI Corporation		105,946	1,953	2,608
Vectren Corp		28,800	699	785
Westar Energy Inc		104,407	2,314	2,198
WGL Holdings Inc		52,800	1,487	1,529
Wisconsin Energy Corporation		75,200	2,683	3,031
WPS Resources Corp		57,500	2,900	2,852
			<u>68,947</u>	<u>78,848</u>
Total Equities	98.6%		838,478	984,104
Short-term Issues				
Dreyfus Cash Management Institutional Fund		14,108,672	14,109	14,109
Futures Cash Collateral *		27	27	27
United States Treasury Bill *		40	40	40
United States Treasury Bill *		30	30	30
Total Short-term Issues	1.4%		<u>14,206</u>	<u>14,206</u>
Total Non-Large Cap Domestic			<u>\$ 852,684</u>	<u>\$ 998,310</u>
International Qualified				
Commingled Equity Pools				
International Value Equity Group Trust - Silchester		8,667,483	\$ 154,784	\$ 420,054
Total Commingled Equity Pools	100.0%		<u>154,784</u>	<u>420,054</u>
Total International Qualified			<u>\$ 154,784</u>	<u>\$ 420,054</u>

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
International Nonqualified			
<i>Commingled Equity Pools</i>			
International Value Equity Trust - Silchester	997,790	\$ 26,982	\$ 51,221
Total Commingled Equity Pools	100.0%	26,982	51,221
Total International Nonqualified		\$ 26,982	\$ 51,221
International Equity			
<i>Equities</i>			
<i>Argentina</i>			
Grupo Financiero Galicia SA	787,680	\$ 5,937	\$ 4,923
Telecom Argentina SA	553,250	7,206	6,418
		13,143	11,341
<i>Australia</i>			
ABB Grain Limited	66,000	366	333
Adelaide Bank Ltd	44,300	446	427
Adelaide Brighton Limited	127,686	242	243
Alesco Corporation Limited	45,212	297	304
Amalgamated Holdings Inc	82,177	281	297
Ansell Limited	108,248	940	778
Arc Energy Limited	856,085	1,182	995
Ausdrill Limited	90,262	95	94
Austal Ltd	50,225	107	112
Austereo Group Ltd	247,800	297	313
Australian Pharmaceutical Ind	213,682	498	367
AWB Limited	308,484	1,219	992
Bank of Queensland Limited	60,277	679	627
Bendigo Bank Limited	4,186	35	40
BlueScope Steel Ltd	205,600	1,266	1,214
Boral Limited	18,200	114	110
Brazin Limited	17,320	21	18
Coates Hire Limited	64,100	288	304
Commonwealth Bk of Australia	90,400	2,205	2,983
Corporate Express Australia	2,400	10	11
CSR Ltd	88,400	138	220
Cumnock Coal Limited	463,458	247	114
DCA Group Limited	128,642	360	267
Downer EDI Limited	190,000	907	1,050
Excel Coal Limited	200,835	986	1,204
Forest Enterprises Australia	282,518	120	139
Futuris Corporation Limited	430,521	681	672
Great Southern Plantations Ltd	64,400	196	164
HPAL Ltd	28,893	37	36
Iluka Resources Limited	97,339	656	474
Independence Group NL	88,491	107	179
IOOF Holdings Limited	34,717	210	219
Lend Lease Corporation Ltd	4,600	47	48
Macmahon Holdings Limited	371,749	181	221

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
National Australia Bank Ltd	50,400	1,440	1,317
New Hope Corporation Limited	42,110	41	38
OAMPS Limited	103,498	252	261
OneSteel Ltd	528,400	1,263	1,598
Paperlinx Limited	551,141	1,442	1,278
Qantas Airways Limited	889,000	2,539	1,955
Seven Network Limited	43,400	280	261
Sigma Pharmaceuticals Ltd	1,352,445	2,746	2,612
Smorgon Steel Group Ltd	1,426,747	1,709	1,781
Spotless Group Limited	59,400	227	212
Straits Resources Limited	131,237	244	387
Sunland Group Limited	4,950	8	8
Symbion Health Limited	196,999	506	448
Timbercorp Limited	36,600	103	109
UXC Limited	20,801	15	15
Village Roadshow Limited	169,693	359	303
Vision Systems Limited	100,662	125	139
West Australian Newspapers	19,600	131	127
		28,891	28,418
<i>Austria</i>			
Austrian Airlines AG	26,715	267	228
Boehler-Udderholm AG	5,096	229	279
Immofinanz Immobilien Anlagen	2,481	25	28
Palfinger AG	23,480	1,872	2,172
Voestalpine AG	11,900	1,029	1,808
		3,422	4,515
<i>Belgium</i>			
Agfa Gevaert NV	21,981	449	532
Brantano Group NV	2,527	142	145
Brederode SA	5,635	187	195
Cofinimmo	3,920	621	678
Dexia	27,400	636	659
D'Ieteren SA NV	941	284	304
Econocom Group	16,421	131	131
Fluxys	3	10	9
Fortis	52,100	1,413	1,773
GIMV NV	7,084	424	412
Icos Vision Systems NV	31,945	1,275	1,462
Ion Beam Applications	1,237	10	18
Melexis NV	60,630	1,051	1,037
Option NV	127,855	1,108	3,065
Punch International NV	1,107	132	122
SAPEC SA	3,207	358	348
Tessenderlo Chemie NV	24,801	971	882
Umicore	79	10	11
		9,212	11,783
<i>Bermuda</i>			
Chevalier International Hold	240,000	242	301
Orient Overseas Int'l Ltd	243,100	789	881
		1,031	1,182

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See accompanying notes to financial statements.

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

June 30, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<i>Brazil</i>			
AES Tiete SA	203,928,220	4,346	4,806
All America Latina Logistica	25,605	1,311	1,738
Brazil Telecom Participacoes	154,300	6,160	5,026
Centrais Eletricas Brasileiras	274,590	2,426	2,948
CIA Saneamento de Minas Gerais	201,373	1,430	1,675
Companhia de Saneamento	76,860,490	4,965	7,192
Cosan SA Industria e Comercio	23,355	959	1,505
Diagnosticos DA America SA	22,300	507	443
Embratel Participacoes SA	1,517,225,970	3,775	4,669
Gol Linhas Aereas Inteligentes	71,230	783	2,529
Localiza Rent A Car	27,470	538	527
Petroleo Brasileiro SA	37,700	1,209	3,010
Souza Cruz SA	320,270	3,952	4,766
Submarino SA	28,705	485	1,154
Tele Norte Leste Participacoes	144,990	2,535	1,849
TIm Participacoes SA	66,720	1,367	1,838
Vivo Participacoes SA	2,709,612	8,793	6,666
		45,541	52,341
<i>Canada</i>			
Agnico-Eagle Mines Limited	15,200	229	506
Agrium Inc	15,100	325	352
Alcan Inc	33,000	1,687	1,552
Angiotech Pharmaceuticals Inc	10,100	149	118
Astral Media Inc	15,700	447	492
ATCO Ltd	39,900	1,254	1,313
ATS Automation Tooling Systems	27,100	385	247
Aur Resources	30,100	260	482
BCE Inc	44,200	978	1,048
CAE Inc	72,400	505	553
Calfrac Well Services Ltd	62,300	2,223	1,344
Canada Bread Company Ltd	2,600	118	146
Canadian Imperial Bank	52,900	3,094	3,554
Canadian Western Bank	57,920	2,139	2,229
Canfor Corporation	34,100	395	399
Cascades Inc	19,800	198	197
CCL Industries Inc	20,000	516	583
Celestica Inc	38,100	424	362
Centurion Energy International	109,360	1,357	692
CGI Group	69,600	497	436
Corus Entertainment Inc	20,800	595	678
Domtar Inc	14,400	92	89
Dundee Corporation	1,300	44	43
Dundee Wealth Management Inc	45,100	429	440
E-L Financial Corporation	1,100	404	618
Enerflex Systems Ltd	400	11	10
First Capital Realty Inc	16,600	307	343
Gerdau Ameristeel Corporation	11,600	120	117
Home Capital Group Inc	77,250	1,726	2,264
Husky Injection Molding System	1,000	6	4
Industrial Alliance Life Ins	15,300	387	439

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Inmet Mining Corporation	15,900	292	596
Intrawest Corporation	3,400	113	108
IPSCO Inc	3,300	235	317
Kinross Gold Corporation	34,700	271	380
Laurentian Bank of Canada	2,000	55	53
Linamar Corporation	47,800	626	636
LionOre Mining International	80,500	399	439
Methanex Corporation	75,900	1,408	1,606
National Bank of Canada	20,000	734	1,025
Neurochem Inc	78,065	1,152	822
Norbord Inc	117,800	1,150	996
Nova Chemicals Corporation	36,300	1,359	1,046
Open Text Corporation	149,100	2,368	2,146
Pan-Ocean Energy Corporation	100	4	4
Pason Systems Inc	130,565	1,834	1,920
Patheon Inc	9,000	61	64
ProEx Energy Ltd	88,700	998	1,079
Quebecor Inc	9,900	252	215
Quebecor Printing Inc	85,200	1,581	950
Real Resources Inc	22,700	481	422
Royal Group Technologies Ltd	26,300	251	296
Saputo Inc	13,500	432	429
Sherritt International Company	10,000	100	100
Sobeys Inc	44,300	1,431	1,506
Stantec Inc	65,000	1,101	1,233
Sun Life Financial Inc	36,600	1,066	1,460
Torstar Corporation	6,900	138	124
Transcontinental Inc	30,400	549	519
Trican Well Service Ltd	8,000	207	160
West Fraser Timber Co	12,800	486	432
		<u>42,435</u>	<u>42,733</u>
<i>Cayman Islands</i>			
O2Micro International Ltd	94,320	941	725
<i>Chile</i>			
Administradora de Fondos	146,679	4,115	3,542
<i>China</i>			
PetroChina Co Ltd	10,500	554	1,134
<i>Denmark</i>			
Alk-Abello A/S	93	9	13
Carlsberg A/S	5,550	392	406
Danske Bank A/S	47,300	1,430	1,800
FLSmidth & Co A/S	556	16	21
Keops A/S	270,145	1,370	982
Monberg & Thorsen A/S	1,082	86	111
Per Aarsleff A/S	7,350	540	554
Royal Unibrew A/S	8,259	712	917
Sydbank A/S	12,644	456	419
Thrane & Thrane A/S	3,120	133	162
		<u>5,144</u>	<u>5,385</u>

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<i>Finland</i>			
Citycon Oyj	6,282	25	29
Elcoteq Network	41,900	777	844
FIM Group Oyj	140,463	1,227	916
Finnair Oyj	31,696	538	492
OKO Bank PLC	2,869	43	42
Perlos Oyj	97,601	1,067	925
Rapala VMC Corporation	1,206	9	9
Rautaruukki Oyj	46,300	441	1,398
Scanfil Oyj	18,000	79	64
Sponda Oyj	88,800	931	908
Vaisala Oyj	906	27	28
		5,164	5,655
<i>France</i>			
Arkema	470	16	18
Assurance Generales de France	16,500	1,017	1,946
Bail Investissement Fonciere	10,200	664	643
BNP Paribas	53,600	3,874	5,130
Bongrain SA	11,564	659	856
Caisse Regionale de Cred Agric	88	9	9
CNP Assurances	10,200	650	970
Compagnie des Alpes	2,471	209	221
Compagnie Generale de Geophy	140	17	24
Credit Agricole SA	47,800	1,693	1,818
Damartex	6,030	217	271
Eruofins Scientific	49,205	1,796	3,202
Esso SAF	1,879	402	448
Foncia Groupe	41,068	1,151	1,811
Geodis SA	1,646	264	269
GFI Informatique	46,538	349	361
Groupe Crit	7,183	229	314
Havas Advertising SA	40,144	208	205
IDI	10,331	353	528
Michelin CGDE	23,500	1,247	1,412
Mr. Bricolage SA	974	18	19
Neopost SA	20,320	1,465	2,315
Nexans SA	17,520	809	1,249
Orpea	51,946	1,700	3,587
Pierre & Vacances	12,163	1,189	1,333
Plastic Omnium SA	23,600	1,007	1,037
PSA Peugeot Citroen	28,500	1,778	1,773
Remy Cointreau SA	14,480	668	742
Renault SA	9,600	786	1,031
SALVPAR SA	3,529	438	489
Schneider Electric SA	9,900	758	1,032
Societe Generale	7,300	674	1,073
STEF-TFE	779	36	42
Sucriere de Pithiviers Le Viel	27	19	25
Thomson Multimedia	13,026	271	215
Total Fina SA	18,800	988	1,237
Valeo SA	50,648	2,034	1,803

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Viel et Compagnie	137,368	592	794
Vivendi Universal	36,600	1,143	1,282
Wavecom SA	12,188	160	132
		31,557	41,666
<i>Germany</i>			
AWD Holding AG	101,835	3,539	3,422
BASF AG	36,700	2,089	2,946
Bayer AG	32,500	988	1,494
Bijou Brigitte Accessoires AG	8,565	1,025	2,290
Bilfinger Berger AG	11,040	592	600
Conergy AG	51,900	2,148	3,116
DaimlerChrysler AG	78,300	3,649	3,861
Deutsche Bank AG	19,900	2,011	2,238
Deutsche Beteiligungs AG	9,761	199	204
Drillisch AG	3,776	23	22
Dyckerhoff AG	2,400	101	114
Fuchs Petrolub AG	13,617	561	675
GEA Group AG	35,641	698	608
Gildemeister AG	17,519	131	162
Heidelberger Druckmaschinen AG	10,200	516	468
Hochtief AG	9,544	426	532
INTERSEROH AG	7,200	244	278
KAP Beteiligungs AG	12,994	471	452
Koenig & Bauer AG	23,958	707	714
Lanxess	5,771	251	227
Lindner Holding KGaA	1,815	76	82
Man AG	14,300	500	1,035
MobilCom AG	32,500	846	696
Nemetschek AG	40,135	1,141	1,103
Norddeutsche Affinerie AG	52,378	1,548	1,272
Puma AG	9,865	2,664	3,838
Rheinmetall AG	10,420	863	725
Salzgitter AG	15,480	336	1,305
Solarworld AG	14,900	597	937
Thielert AG	92,651	1,995	2,879
ThyssenKrupp AG	32,100	623	1,099
TUI AG	54,600	1,374	1,083
Wuerttembergische Leber	2,700	66	131
		32,998	40,608
<i>Greece</i>			
Agricultural Bank of Greece	78,204	535	394
Bank of Greece	5,440	607	647
Hellenic Petroleum SA	21,416	341	285
Hellenic Telecommunications	246,940	2,591	2,751
Public Power Corp	35,600	867	843
		4,941	4,920
<i>Hong Kong</i>			
Air China Limited	4,000	2	2
Allied Properties HK Limited	42,000	46	47
Associated International Hotel	22,000	20	20
Brilliance China Automotive	39,204,000	5,329	6,612

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
China Netcom Group Corp	915,000	1,509	1,602
Chinese Estates Holdings Ltd	416,000	435	450
Chow Sang Sang Holdings Intern	78,000	29	29
CLP Holdings Limited	233,000	1,357	1,363
Cross-Harbour Ltd	61,000	47	48
EganaGoldpheil	3,109,700	1,253	1,261
First Pacific Company Ltd	19,608,000	6,781	7,637
Fubon Bank Limited	42,000	16	15
Guoco Group Limited	21,000	236	248
Harbin Power Equipment Company	340,000	312	405
Hongkong & Shanghai Hotels	497,500	552	551
Hopson Development Holdings	8,000	17	16
I-Cable Communications Limited	54,000	12	12
Industrial & Commercial Bank	12,000	18	18
Jiangxi Copper Company Ltd	6,000	6	6
Keck Seng Investments Limited	54,000	16	17
Li Ning Company	2,102,775	1,252	2,058
Moulin International Hldgs Ltd	1,052,000	773	1
Next Media Ltd	260,000	136	145
Peace Mark Ltd	3,309,185	773	1,566
Ports Design Limited	698,060	958	1,123
Proview International Holdings	558,000	121	92
SCMP Group Limited	13,072,000	4,990	4,418
Shanghai Industrial Holdings	1,852,000	3,432	3,612
Shenzhen Expressway Company	658,000	321	316
SmarTone Telecommunications	4,534,500	4,951	4,495
SUNeVision Holdings Limited	128,500	23	22
Tai Cheung Holdings Limited	554,000	327	284
Tan Chong International Ltd	375,000	84	84
Techtronic Industries Co Ltd	538,380	1,129	728
Tencent Holdings Limited	211,000	283	443
Tom Online Inc	1,367,000	329	336
TPV Technology Ltd	2,001,435	2,270	1,894
Transport International	38,400	211	201
Truly International Holdings	281,999	335	370
USI Holdings Limited	207,744	69	88
Varitronix International Ltd	783,000	784	469
VTech Holdings Limited	81,200	371	423
Weiqiao Textile Company	4,173,500	5,738	5,347
Weiqiao Textile Company Ltd	320,000	377	410
Wheelock Properties Limited	10,000	8	8
Wing Lung Bank	64,400	495	556
Wing On Company International	12,000	20	20
Wumart Stores Inc	699,495	1,308	2,409
		49,861	52,277
<i>Hungary</i>			
Magyar Telekom	294,400	1,434	1,119
<i>India</i>			
Bharat Forge Limited	116,645	937	795
HDFC Bank Limited	175,285	2,347	3,030

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Mahanagar Telephone Nigam Ltd	107,100	767	736
Pantaloon Retail India Ltd	23,575	481	691
State Bank of India	21,700	999	868
		<u>5,531</u>	<u>6,120</u>
<i>Indonesia</i>			
PT Indofood Sukses Mak Tbk	32,755,000	2,664	3,112
<i>Ireland</i>			
DCC PLC	21,000	426	505
Dragon Oil PLC	76,795	271	225
Fyffes PLC	82,700	204	146
Icon PLC	6,000	289	336
Icon PLC	42,435	1,522	2,347
Irish Continental Group PLC	32,051	398	436
Irish Life & Permanent PLC	66,800	1,227	1,589
United Drug PLC	535,551	2,167	2,294
		<u>6,504</u>	<u>7,878</u>
<i>Israel</i>			
Bank Leumi Le-Israel	280,500	730	995
Bezeq Israeli Telecommunicatio	3,623,310	5,058	4,216
Partner Communications Company	1,156,662	9,560	9,534
		<u>15,348</u>	<u>14,745</u>
<i>Italy</i>			
Banca Popolare di Lodi Srl	70,000	682	665
Benetton Group Spa	126,000	1,316	1,882
Biesse SPA	17,829	150	256
Buzzi Unicem SPA	32,800	515	752
Caltagirone SPA	35,572	348	407
Cam Finanziaria SPA	167,855	457	373
Cemeterie del Tirreno	68,800	340	507
CIR SpA	235,200	720	670
Cofide-Compagnia Finanziaria	617,505	823	802
Credito Valtellinese Scarl	2,682	35	37
Danieli & Company SPA	19,607	179	218
ENI SpA	67,300	1,602	1,982
Finmeccanica SpA	66,400	1,236	1,474
Gruppo Coin SpA	72,927	371	368
IFI Institute Finanziario	46,400	728	1,055
IFIL - Investments SPA	175,700	776	997
Mariella Burani Fashion Group	44,480	1,003	1,118
Mittel SPA	50,930	261	322
San Paolo IMI	99,900	1,628	1,767
SMI-Societa Metallurgica Itali	301,360	206	158
		<u>13,376</u>	<u>15,810</u>
<i>Japan</i>			
ABILIT Corporation	32,900	456	323
Acom Co Ltd	34,900	2,100	1,896
Aderans Company Limited	21,100	554	570
Ahresty Corporation	9,400	250	250
Aichi Bank Ltd	3,600	407	405
Aichi Corporation	107,700	1,148	1,009

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Aichi Toyota Motor Company LTd	12,000	262	221
Aida Engineering Ltd	28,000	207	190
Alpine Electronics Inc	2,400	32	33
Alps Electric Co Ltd	54,400	700	681
AOC Holdings Inc	4,000	77	69
Aoki International Co Ltd	19,500	307	338
Aoyama Trading Company Ltd	6,700	185	210
Asahi Breweries Ltd	74,300	869	1,044
Asahi Diamond Industrial Co	24,000	184	209
Autobacs Seven Company Ltd	5,700	229	248
Bank of Nagoya Ltd	6,000	41	41
Bank of Okinawa Ltd	200	9	8
Belluna Company Ltd	14,150	263	271
BML Inc	3,500	66	75
Brother Industries Ltd	29,000	253	286
CAC Corp	10,600	127	120
Calsonic Kansei Corporation	17,000	107	109
Canon Finetech Inc	14,600	295	245
Capcom Company Ltd	123,200	1,482	1,479
Cawachi Limited	11,200	420	385
Central Glass Company Ltd	102,000	575	608
Century Leasing System Inc	15,700	237	248
Chiba Kogyo Bank Ltd	100	2	2
Chubu Steel Plate Company	17,000	241	226
Citizen Watch Co Ltd	29,900	240	271
Coca-Cola Central Japan Co Ltd	28	226	234
Corona Corporation	5,000	82	92
Credia Company Ltd	1,800	30	19
Csomo Oil Company	258,100	1,283	1,163
Daido Metal Company Ltd	51,000	344	321
Daiei Inc	10,350	236	218
Daiichikosho Company Ltd	38,400	522	430
Daiko Clearing Services Corp	4,800	85	73
Daikoku Denki Company Ltd	2,700	85	85
Dainippon Ink & Chemicals Inc	56,000	170	210
Dainippon Screen Mfg Co Ltd	92,000	732	843
Daishi Bank Ltd	54,000	266	241
Daishinku Corporation	36,000	223	207
Daisy Corporation	17,300	296	265
Daiwa Securities Co Ltd	219,500	1,641	2,619
Daiwabo Information System Co	15,500	272	249
Disco Corp	41,625	1,676	2,338
Dowa Mining Company Ltd	31,000	320	274
DyDo Drinco Inc	4,100	161	180
Ebara Corporation	181,000	770	773
Eizo Nannao Corporation	7,700	281	242
Eneserve Corporation	40,100	561	330
en-Japan	321	805	1,716
Enplas Corporation	7,700	205	149
Fuji Electric Holdings Co Ltd	76,000	339	398
Fuji Heavy Industries Ltd	447,000	2,767	2,616

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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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Fuji Machine Mfg Co Ltd	16,400	215	397
Fuji Pharmaceutical Co Ltd	20,285	241	222
Fujikura Ltd	36,000	219	398
Fujimi Inc	4,400	74	103
Fujitec Company Ltd	33,000	185	219
Fujitsu Business Systems Ltd	5,300	79	80
Fujitsu Frontech Ltd	23,200	242	205
Fukuda Corporation	19,000	115	88
Furukawa Electric Co Ltd	69,000	395	447
Glory Ltd	15,300	292	294
Godo Steel Ltd	72,000	327	431
Hankyu Department Stores Inc	32,000	267	249
Hanwa Company Ltd	119,000	446	462
Haseko corporation	252,000	785	858
Heiwa Corporation	7,900	116	110
HI-LEX Corp	4,400	72	75
Hitachi Cable Ltd	41,000	212	190
Hitachi Capital Corporation	6,500	131	114
Hitachi Construction Machinery	28,000	381	675
Hitachi High-Technologies Corp	42,600	732	1,297
Hitachi Kokusai Electric Inc	24,000	239	275
Hitachi Medical Corporation	15,000	186	165
Hitachi Systems & Services Ltd	1,600	30	36
Hitachi Transport System Ltd	27,700	245	279
Hokkaido Electric Power Co	60,100	1,080	1,427
Hokuetsu Paper Mills Ltd	134,000	711	783
Honda Motor Co Ltd	37,400	1,101	1,188
HORIBA Ltd	100	3	3
Hosiden Corporation	41,600	437	431
Ichiyoshi Securities Co Ltd	77,300	1,330	1,171
Inabata & Company Ltd	24,800	236	196
Ishikawajima-Harima Hvy Ind Co	124,000	247	393
Itochu Enex Company Ltd	43,700	344	278
Itoham Foods Inc	2,000	8	8
Iwasaki Electric Company Ltd	99,000	332	271
Izumiya Company Ltd	48,000	392	377
J Bridge Corporation	63,300	341	334
JAFCO Company	5,000	374	300
Japan Airport Terminal Company	21,000	200	229
Japan General Estate Company	59,800	1,329	1,232
Japan Petroleum Exploration Co	5,500	294	349
Japan Pulp & Paper Company	8,000	34	31
Japan Wool Textile Company Ltd	28,000	222	240
Joint Corp	69,600	1,759	2,271
Juki Corporation	5,000	27	26
Kaga Electronics Company	15,900	438	323
Kaken Pharmaceutical Co Ltd	57,000	420	428
Kamei Corporation	20,000	244	154
Kanto Auto Works Ltd	15,700	220	193
Kasumi Company Ltd	41,000	244	255
Kato Sangyo Company Ltd	14,200	234	207

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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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Kawasaki Kisen Kaisha Ltd	58,000	363	336
Kibun Food Chemifa Co Ltd	67,210	1,646	1,132
Kinki Nippon Tourist Co Ltd	73,000	250	274
Kintetsu World Express Inc	13,300	313	316
Kioritz Corporation	65,000	259	244
KOA Corp	1,000	10	14
Komori Corporation	31,000	551	660
Kumagai Gumi Co Ltd	80,000	324	230
Kurabo Industries Ltd	463,000	1,047	1,470
Kureha Corporation	39,000	180	186
Kurimoto Ltd	55,000	159	154
Kyokuyo Co Ltd	256,000	437	640
Kyorin Co Ltd	39,000	473	422
Kyowa Hakko Kogyo Co Ltd	239,000	1,713	1,612
Kyudenko Corporation	30,000	201	178
Kyushu Electric Power Co Inc	47,300	868	1,101
Maenica Inc	4,700	135	127
Maeda Corporation	53,000	346	270
Maeda Road Construction Co Ltd	49,000	339	374
Makino Milling Machine Co Ltd	16,000	166	178
Mandom Corporation	6,800	168	164
Marubeni Corporation	365,800	915	1,952
Melco Holdings Inc	1,000	27	26
Mercian Corp	474,000	1,073	1,202
Mie Bank Ltd	41,000	243	224
Milbon Co Ltd	58,540	1,431	2,386
Minebea Co Ltd	40,000	164	218
Misawa Homes Holdings Inc	200	6	7
Mitani Corporation	17,000	228	207
Mito Securities Company Ltd	2,000	17	12
Mitsuba Corporation	18,000	225	195
Mitsubishi Chemical Holdings	141,000	903	882
Mitsui Engineering & Shipbuild	86,000	205	263
Mitsui Home Company Ltd	2,000	15	16
Mitsui Mining & Smelting Co	48,000	273	283
Mitsumi Electric Company Ltd	41,600	423	493
Mitsuuroko Company Ltd	28,000	225	201
Miyazaki Bank Ltd	27,000	146	138
Morinaga & Company Ltd	120,000	318	331
Musashino Bank Ltd	36,555	1,690	1,931
Nagase & Company Ltd	16,000	185	212
Nagoya Railroad Company Ltd	80,000	282	260
Nakanishi Inc	17,905	1,770	1,687
Nakayama Steel Works Ltd	76,000	353	291
NEC Corporation	154,200	833	823
NEC Fielding Ltd	15,900	186	188
Nice Corporation	42,000	152	150
Nichias Corp	3,000	18	20
Nichicon Corporation	14,900	198	184
NIFCO Inc	25,300	518	501
Nihon Chouzai Co Ltd	27,175	926	1,186

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See accompanying notes to financial statements.

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

June 30, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Nippon Chemi-Con Corp	9,000	58	57
Nippon Denko Company Ltd	116,000	400	327
Nippon Densetsu Kogyo Company	18,000	122	120
Nippon Konpo Unyu Soko Co	38,000	443	544
Nippon Light Metal Company	237,000	657	649
Nippon Oil Corporation	375,500	3,125	2,746
Nippon Road Company Ltd	84,000	204	192
Nippon Sheet Glass Co Ltd	50,000	224	278
Nippon Shinyaku Company Ltd	41,000	312	351
Nippon Signal Co Ltd	36,000	270	345
Nippon Steel Corporation	316,000	1,162	1,197
Nippon Telegraph & Telephone	800	3,580	3,926
Nippon Thompson Co Ltd	47,000	358	552
Nippon Yakin Kogyo Company	88,000	340	386
Nishimatsu Construction Co	145,000	607	542
Nishi-Nippon Ralroad Company	54,000	193	207
Nissan Motor Co Ltd	147,400	1,594	1,612
Nisshin Fire & Marine Insur Co	33,000	146	153
Nisshin Fudosan Company Ltd	19,600	272	288
Nisshin Steel Company	95,000	321	306
Nissin Co Ltd	2,741,200	1,478	1,918
Nissin Corporation	90,000	368	385
Nissin Electric Company Ltd	39,000	165	185
Nittetsu Mining Company	34,000	177	242
Noritake Company Ltd	47,000	248	261
Noritz Corporation	14,000	236	254
NTT DoCoMo	2,300	3,769	3,380
Oenon Holdings	45,000	167	175
OJI Paper Co Ltd	400,000	2,079	2,278
Okasan Holdings Inc	21,000	244	202
Oki Electric Industry Co Ltd	93,000	209	220
Okuwa Company Ltd	10,000	147	129
Onoken Company Ltd	15,600	245	223
Onward Kashiyama Company	17,000	301	262
Orient Corporation	81,000	365	265
Osaka Gas Co Ltd	294,000	831	946
Osaka Securities Exchange Co	310	2,224	3,661
Osaka Securities Finance Co	27,600	181	180
Osaka Steel Company Ltd	12,600	197	230
Osaki Electric Company	1,000	8	10
Pacific Metals Company Ltd	85,000	475	567
PanaHome Corporation	36,000	220	272
Paramount Bed Company Ltd	11,500	269	263
Parco Company Ltd	45,900	379	469
Park24 Co Ltd	91,200	1,471	2,689
POINT INC	34,455	1,739	1,947
RECRM Research Company Ltd	27	54	45
Rengo Co Ltd	171,000	750	1,294
Ricoh Company Ltd	170,700	3,040	3,352
Ricoh Leasing Company Ltd	14,500	412	420
Riso Kagaku Corporation	2,400	41	42

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See accompanying notes to financial statements.

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

June 30, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Roland Corporation	9,100	193	207
Royal Holdings Company Ltd	600	7	9
Ryobi Ltd	82,000	470	539
Ryosan Company Ltd	11,600	310	304
Ryoyo Electro Corporation	8,200	124	105
San-Ai Oil Co Ltd	35,000	172	153
Sanden Corporation	66,000	282	283
Sanei-International Co Ltd	5,100	226	227
Sankei Building Company	1,000	9	7
Sanki Engineering Company	28,000	241	199
Sanwa Shutter Corporation	49,000	302	289
Sanyo Electric Co Ltd	151,000	331	326
Sanyo Electric Credit Company	13,900	290	294
Sanyo Shinpan Finance Company	3,580	288	182
Sazaby Inc	7,400	197	210
Seino Holdings Corporation Ltd	20,000	181	211
Senshukai Company Ltd	28,000	348	300
Shimachu Co Ltd	200	6	5
Shinagawa Refractories Company	5,000	22	20
Shindengen Electric Manufact	52,000	275	258
Shinkawa Ltd	13,000	352	341
Shinki Company Ltd	27,000	259	166
Shinko Securities Company	83,000	462	351
Shinko Shoji Company Ltd	6,000	92	81
ShinMaywa Industries Ltd	42,000	253	220
Showa Denko KK	137,000	428	610
Showa Electric Wire & Cable Co	203,000	317	291
Showa Shell Sekiyu KK	35,900	445	422
Sinanen Company Ltd	40,000	222	201
Sintokogio Ltd	19,000	177	253
Sohgo Security Services Co Ltd	15,000	215	283
Sojitz Corp	183,000	925	724
Star Micronics Co Ltd	17,000	217	344
Sugi Pharmacy Co Ltd	111,210	1,981	2,208
Sumitomo Bakelite Co Ltd	131,000	784	1,231
Sumitomo Osaka Cement Co Ltd	210,000	584	647
Sumitomo Precision Products Co	45,000	230	268
Sumitomo Titanium Corporation	1,800	263	285
Sumitomo Trust & Banking Co	8,000	50	87
Tachi-S Company Ltd	21,000	226	200
Taiheiyo Cement Corp	91,000	326	336
Taikish Ltd	13,200	205	166
Takagi Securities Company Ltd	16,000	79	89
TAKAMATSU Corporation	13,400	326	258
Takeda Pharmaceutical Co Ltd	17,800	956	1,109
Takefuji Corporation	17,500	1,101	1,044
Takeuchi Mfg Co Ltd	75,800	2,178	3,402
Tamura Corporation	5,000	22	20
Tanabe Seiyaku Co Ltd	127,000	1,152	1,564
TKC Corporation	10,500	191	226
Tochigi Bank Ltd	5,000	36	36

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Toda Corporation	1,000	5	5
Toei Company Ltd	7,000	48	55
Toho Bank Ltd	35,000	162	160
Toho Titanium Company Ltd	6,200	411	335
TOKO	93,000	317	308
Tokyo Dome Corporation	56,000	310	347
Tokyo Steel Manufacturing	15,000	201	329
Tokyo Style Co Ltd	48,000	522	571
Tokyo Tekko Company Ltd	48,000	366	399
Tomy Company Ltd	1,400	10	10
Toppan Printing Co Ltd	228,300	2,861	2,584
Topy Industries Limited	110,000	408	391
Torii Pharmaceutical Co Ltd	11,000	235	191
Toshiba Tec Corporation	59,000	265	293
TOTO Ltd	6,000	45	57
Towa Real Estate Development	57,000	268	326
Toyo Ink Mfg Co Ltd	102,000	445	427
Toyo Securities Co Ltd	33,000	138	183
Toyota Motor Corp	52,000	1,977	2,725
Trusco Nakayama Corporation	11,900	270	234
Tsubakimoto Chain Company	44,000	326	288
Ube Industries Ltd	10,000	28	29
Uchida Yoko Company	4,000	23	25
UFJ Central Leasing Company	4,800	267	242
Unicharm Petcare Corporation	9,209	389	395
Unipres Corporation	22,200	231	201
UNY Company Ltd	18,000	234	266
Valor Company Ltd	10,200	212	186
Wakachiku Construction Company	161,000	327	272
Yamato Kogyo Co Ltd	25,800	390	578
Yellow Hat Ltd	27,500	282	290
Yodogawa Steel Works Ltd	46,000	284	253
Yuraku Real Estate Company Ltd	42,000	253	230
Yusen Air & Sea Service Co	10,300	236	243
Zenitake Corporation	27,000	90	75
		138,467	152,311
<i>Korea</i>			
Daeduck Electronics Company	78,380	669	689
Hyundai Steel Co	25,800	281	929
Korea Electric Power Corp	24,800	979	919
Korea Electric Power Corp	159,800	5,274	5,921
KT Freetel Company	114,700	2,512	3,591
Kumho Industrial Company	192,010	2,833	3,006
LG Chemical Ltd	183,870	8,113	6,396
LG Electronics Inc	78,350	5,109	4,749
Lotte Chilsung Beverage Co	5,490	5,094	6,655
LS Cable Ltd	43,600	886	1,540
Poongsan Corp	44,900	486	911
POSCO	12,380	2,527	3,321
Samsung Electronics Co Ltd	3,670	1,977	2,333

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Seah Besteel Corporation	61,600	1,023	1,052
SK Corp	15,300	688	984
SK Telecom Company Ltd	249,750	4,999	5,849
		43,450	48,845
<i>Luxembourg</i>			
Quilmes Industrial SA (Quinsa)	69,400	2,189	3,409
Socfinasia	973	325	368
		2,514	3,777
<i>Malaysia</i>			
Kuala Lumpur Kepong Berhad	399,200	720	1,059
Proton Holdings Berhad	2,929,200	5,810	4,145
		6,530	5,204
<i>Mexico</i>			
Alfa SA	186,400	677	923
Telefonos de Mexico SA	2,010,915	7,619	7,825
		8,296	8,748
<i>Netherlands</i>			
Aegon NV	114,000	1,599	1,949
Akzo Nobel NV	23,400	972	1,261
BE Semiconductor Industries	8,648	46	50
Buhrmann NV	53,874	654	781
Getronics NV	125,000	1,546	1,344
Heijmans NV	1,441	68	71
ING Groep NV	57,700	1,457	2,267
Kas Bank NV	30,444	703	794
Koninklijke (Royal) KPN NV	86,600	725	973
Koninklijke BAM Groep NV	474	9	9
Nutreco Holding NV	18,700	808	1,198
OPG Groep NV	10,312	744	897
Qiagen NV	128,115	1,424	1,758
Royal Dutch Shell A Shares	107,300	3,185	3,608
Univar NV	12,911	554	612
Van der Moolen Holding NV	37,669	276	274
Wegener NV	38,452	483	573
		15,253	18,419
<i>New Zealand</i>			
Briscoe Group Limited	195,277	186	179
CDL Hotels New Zealand Limited	166,297	66	61
Fisher & Paykel Healthcare	222,717	595	586
Fletcher Building Ltd	200,859	802	1,121
Hallenstein Glasson Holdings	31,700	103	101
Mainfreight Limited	67,611	163	229
New Zealand Refining Company	105,805	408	426
Pumpkin Patch Ltd	857,425	1,735	2,265
Warehouse Group Ltd	1,326	3	4
		4,061	4,972
<i>Norway</i>			
Acta Holding ASA	1,261,030	3,676	4,013
Aker Yards AS	16,394	1,021	1,154
Det Norske Oljeselskap (DNO)	433,180	772	870

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Fred Olsen Energy ASA	480	15	22
Kongsberg Gruppen ASA	34,219	724	770
Norsk Hydro ASA	71,500	1,009	1,896
Petrolia Drilling ASA	650,665	385	298
Revus Energy ASA	134,990	1,149	1,182
Stolt-Nielsen SA	12,532	475	294
TGS Nopec Geophysical Company	315,360	4,113	5,575
		13,339	16,074
<i>Panama</i>			
Banco Latinoamericano de Exp	312,830	5,402	4,890
<i>Philippines</i>			
Manila Electric Company	10,433,000	4,310	4,369
Philippine Long Distance Tel	126,130	3,817	4,345
		8,127	8,714
<i>Portugal</i>			
Banco Comercial Portugues SA	269,800	758	766
Energias de Portugal SA	279,400	797	1,097
Semapa-Sociedade de Inv e Ges	1,789	19	19
Teixeira Duarte SA	6,583	14	12
		1,588	1,894
<i>Russia</i>			
MMC Norilsk Nickel	16,700	1,775	2,146
<i>Singapore</i>			
Asia Food & Properties Limited	518,000	207	233
Asia Pacific Breweries Ltd	61,000	355	420
DBS Group Holdings Ltd	545,000	5,034	6,238
Fu Yu Corp	1,255,000	705	310
GK Goh Holdings Limited	219,000	121	120
Golden Agri-Resources Ltd	34,000	15	15
Guocoland Limited	97,000	131	148
Haw Par Corporation Limited	19,000	72	68
Hotel Plaza Limited	172,000	122	135
Jardine Cycle & Carriage Ltd	359,000	2,273	2,270
K1 Ventures Limited	410,000	90	92
Kim Eng Holdings Ltd	433,000	337	383
LMA International NV	4,056,270	2,039	1,962
MMI Holdings Limited	4,920,915	2,236	2,225
MobileOne Limited	2,137,000	2,566	2,797
Neptune Orient Lines Ltd	594,000	1,224	680
Overseas Union Enterprise	56,000	315	358
Peoples Food Holdings Limited	3,587,000	1,922	2,359
Raffles Holdings Limited	231,000	99	102
Robinson & Company Ltd	15,000	47	48
Singapore Airport Terminal Svs	59,000	98	79
Singapore Petroleum Company	131,000	432	418
Singapore Shipping Corporation	49,000	15	17
Unisteel Technology Ltd	1,767,337	1,437	2,045
UOB-Kay Hian Holdings Ltd	447,000	282	336
WBL Corporation Limited	14,000	66	48
		22,240	23,906

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<i>South Africa</i>			
Imperial Holdings Ltd	40,700	533	770
Remgro Limited	118,500	2,379	2,243
Truworths International Ltd	596,020	1,950	1,797
		4,862	4,810
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	333,500	4,513	4,870
Cementos Portland Valderrivas	6,560	574	681
Dinamia Capital Privado	19,910	414	510
Endesa SA	83,026	1,578	2,887
Iberia Lineas Aereas de Espana	182,400	469	471
Inmobiliaria Urbis SA	12,320	276	321
La Seda de Barcelona SA	27,301	75	78
NH Hoteles, SA	55,200	855	990
Repsol SA	36,900	867	1,056
Sotogrande SA	10,241	185	183
Union Electrica Fenosa SA	1,837	49	71
Unipapel SA	41	1	1
		9,856	12,119
<i>Sweden</i>			
Bilia AB	56,200	626	772
Boliden AB	24,982	478	460
Bure Equity AB	208,212	82	81
Capona AB	6,493	109	96
Catena AB	28,100	167	350
D. Carnegie & Company AB	186,135	3,270	3,411
Electrolux AB	48,400	666	699
Elekta AB	261,225	2,498	4,424
FastPartner AB	75,883	279	280
Hemtex AB	145,260	1,864	2,259
Husqvarna AB-B Shares	48,400	646	583
Industrial & Financial Systems	32,201	30	43
Nordea AB	239,900	1,895	2,864
Novestra AB	37,181	169	127
PartnerTech AB	683	10	11
Ratos AB	14,860	159	218
RaySearch Laboratories AB	51,890	1,198	965
Saab AB	31,200	532	793
SAS AB	62,000	835	652
Skanditek Industriforvaltning	1,775	9	9
Tele2 AB	45,200	504	456
Teleca AB	120,000	593	620
Volvo AB	22,300	868	1,096
		17,487	21,269
<i>Switzerland</i>			
AIG Private Equity Ltd	335	36	43
Also Holding	7,490	247	349
Altin AG	7,600	368	437
Baloise Holding Ltd	3,840	242	295
Bank Sarasin & Cie	570	1,557	1,498
Banque Cantonale Vaudoise BCV	444	165	152

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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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Barry Callebaut AG	48	18	20
Bucher Industries AG	5,492	466	444
Ciba Specialty Chemicals AG	31,251	1,989	1,739
Clariant AG	3,000	45	42
Conzzeta Holding AG	200	264	327
Credit Suisse Group	81,300	3,530	4,540
Eichhof Holding AG	240	260	307
Forbo Holding AG	801	216	206
Georg Fischer AG	2,000	703	857
Graubuendner Kantonalbank	136	90	117
Gurit Holding AG	325	174	182
Helvetia Patria Holding	1,800	333	473
Huber & Suhner AG	3,990	337	405
Inficon Holding AG	6,230	823	737
Intershop Holding AG	1,001	184	212
Kuoni Reisen Holding AG	736	296	412
Logitech International SA	53,290	1,356	2,053
Medisize Holding AG	3,250	148	223
PSP Swiss Property AG	8,320	371	429
Rieter Holding AG	4,009	1,211	1,538
Saurer AG	12,100	627	919
Schweizerhall Holding AG	4,351	410	405
SEZ Holding AG	42,715	997	1,091
Siegfried Holding AG	708	95	100
SIG Holding AG	2,482	628	545
Straumann AG	16,240	3,520	4,133
Syngenta AG	15,400	1,780	2,043
UBS AG	10,500	751	1,149
Unique Zurich Airport	1,417	310	309
Valora Holding AG	3,096	585	670
Verwaltungs und Privat Bank AG	12,030	2,146	2,546
Vetropack Holding AG	90	67	87
Walter Meier Holding AG	626	62	63
Xstrata PLC	29,400	501	1,115
Zurich Financial Services AG	4,700	713	1,028
		28,621	34,240
<i>Taiwan</i>			
Advanced Semiconductor Engr	212,210	136	210
China Motor Corporation	5,579,000	5,295	5,600
ChungHsin Electric & Machinery	1,713,000	789	1,153
Chunghwa Telecom Co Ltd	561,230	7,827	8,267
Far EasTone Telecommunications	1,512,000	1,854	1,690
Holtek Semiconductor Inc	744,000	1,163	1,390
Nien Make Enterprise Company	819,000	1,046	921
Syntech Information Co Ltd	549,920	1,164	938
Taishin Financial Holdings Co	2,629,000	1,475	1,612
Taiwan Mobile Co Ltd	1,647,000	1,437	1,638
United Microelectronics Corp	8,149,000	4,256	4,883

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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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Walsin Lihwa Corporation	18,485,000	5,703	7,936
Winbond Electronics Corp	12,884,000	4,376	3,812
Yageo Corporation	23,997,000	8,148	8,963
		44,669	49,013
<i>Thailand</i>			
Charoen Pokphand Foods	7,682,700	1,166	1,087
Glow Energy Pcl	5,816,200	3,219	4,040
Siam Makro Public Company	1,356,800	2,037	2,205
		6,422	7,332
<i>United Kingdom</i>			
Alfred McAlpine Group PLC	6,257	42	52
Alliance & Leicester PLC	73,300	1,198	1,581
Alpha Airports Group PLC	95,399	115	162
AMEC PLC	96,000	623	565
Anglo-Eastern Plantations PLC	11,224	56	53
Anite Group PLC	179,054	252	216
Ark Therapeutics Group PLC	723,590	1,090	1,014
Arla Foods UK PLC	32,633	32	31
Arriva PLC	60,480	626	667
Ashtead Group PLC	127,883	395	396
AstraZeneca Group PLC	26,700	1,268	1,612
Aviva PLC	76,500	755	1,083
Avocet Mining PLC	188,124	341	581
Babcock International Group	93,474	540	570
Barclays PLC	408,900	4,200	4,647
Blackrock International Land	82,700	41	39
Bloomsbury Publishing PLC	353,780	1,765	2,120
Bodycote International PLC	254,398	1,115	1,192
Bradford & Bingley PLC	202,000	1,045	1,736
British Aerospace PLC	128,400	503	878
British Polythene Industries	17,800	217	197
BT Group PLC	654,600	2,175	2,897
Capital & Regional PLC	35,478	513	664
Carphone Warehouse PLC	590,495	1,736	3,468
Castings PLC	3,129	15	16
Chaucer Holdings PLC	704,935	782	782
Chemring Group PLC	25,177	495	545
Chime Communications PLC	18,813	15	12
Clarkson PLC	25,148	365	398
Communis PLC	256,971	490	364
Cookson Group PLC	355,846	2,857	3,457
CSR PLC	106,105	775	2,473
Dawson Holdings PLC	136,109	381	297
Dimension Data Holdings PLC	1,066,390	878	700
DS Smith PLC	127,439	341	354
DSG International	782,500	2,304	2,764
Elementis PLC	98,059	137	143
Evolution Group PLC	294,260	888	795
Expro International Group	120,400	1,068	1,513
F & C Asset Management PLC	133,287	447	468
Filtronic PLC	131,701	644	548

A - Adjustable rate security.

** 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
FirstGroup PLC	134,000	725	1,162
FKI PLC	845,000	1,747	1,672
GKN PLC	350,500	1,687	1,770
GlaxoSmithKline PLC	64,000	1,514	1,789
Goldshield Group PLC	75,870	487	403
HBOS	239,200	3,962	4,159
Henderson Group PLC	335,795	394	472
Hikma Pharmaceuticals PLC	141,675	1,107	871
Hill & Smith Holdings PLC	2,058	9	9
Hitachi Capital UK PLC	18,037	69	71
Huntsworth PLC	11,568	18	19
Imperial Chemical Industries	169,400	879	1,137
Intec Telecom Systems PLC	168,126	207	168
ISoft Group PLC	149,919	456	214
JKX Oil & Gas PLC	152,063	1,142	1,097
John David Group PLC	91,200	402	430
John Menzies PLC	24,458	248	209
Keller Group PLC	135,180	974	1,453
Kingston Communications	155,389	164	158
Lavendon Group PLC	37,745	200	202
Legal & General Group PLC	1,038,700	2,655	2,464
Lloyds TSB Group PLC	211,500	1,748	2,079
Management Consulting Group	242,360	245	246
McBride PLC	306,428	872	1,007
MFI Furniture Group PLC	785,064	1,571	1,568
Michael Page International	459,115	2,342	2,976
Monsoon PLC	222,540	1,571	1,583
National Express Group PLC	16,921	284	278
Nestor Healthcare Group	29,030	62	59
Northern Foods PLC	290,100	781	427
Northumbrian Water Group PLC	209,700	539	951
Numis Corporation PLC	226,092	1,454	1,137
Old Mutual PLC	453,400	897	1,369
Oxford Instruments PLC	5,712	25	22
Pace Micro Technology PLC	24,217	25	16
Petrofac Ltd	57,853	260	279
Raymarine PLC	45,669	315	340
Resolution PLC	17,280	187	214
Royal & Sun Alliance Insurance	1,063,100	1,800	2,645
Royal Dutch Shell B Shares	113,500	3,343	3,970
Savills PLC	205,390	2,357	2,213
Shanks Group PLC	158,100	325	497
SOCO International PLC	155,110	1,384	3,925
Stagecoach Holdings PLC	250,000	498	533
Tate & Lyle PLC	100,800	677	1,129
Taylor Woodrow PLC	165,800	931	1,024
TDG PLC	109,145	438	453
Ted Baker PLC	184,750	1,676	1,714
Thus Group PLC	46,959	126	119
Torex Retail PLC	1,078,325	1,824	1,381
TT Electronics PLC	510,183	1,522	1,746

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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, 2006

(Dollars in thousands, except Share Data)

<u>Security Name</u>		<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Uniq PLC		7,459	18	21
Vitec Group PLC		24,704	204	199
Vodafone AirTouch PLC		1,241,700	3,155	2,647
VT Group PLC		93,976	812	846
Whitbread PLC		22,723	472	490
Whitbread PLC - B Shares		26,733	75	75
Wincanton PLC		219,621	1,269	1,261
Woolworths Group PLC		689,289	462	402
			<u>89,117</u>	<u>103,820</u>
<i>Venezuela</i>				
Compania Anonima Nacional Tele		400,860	5,408	7,877
Total Equities	98.1%		801,291	897,389
<i>Short-term Issues</i>				
Dreyfus Cash Management Institutional Fund		17,011,400	17,011	17,011
Total Short-term Issues	1.9%		<u>17,011</u>	<u>17,011</u>
Total International Equity			<u>\$ 818,302</u>	<u>\$ 914,400</u>

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	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	2.875 %	4.792 %	12/15/2006	\$ 3,000	\$ 2,974	\$ 2,966
Total U. S. Government Agency Bonds	0.7%				2,974	2,966
<i>Short-term Issues</i>						
Banc of America Securities LLC Repurchase Agreement	5.200	5.200	07/03/2006	95,000	95,000	95,000
Goldman Sachs Repurchase Agreement	5.230	5.230	07/03/2006	95,000	95,000	95,000
Morgan Stanley Dean Witter Repurchase Agreement	4.650	4.650	07/03/2006	33,000	33,000	33,000
Abbey National North America	0.000	5.091	07/03/2006	5,000	4,999	4,999
Alpine Securitization	0.000	5.175	07/06/2006	6,000	5,996	5,996
Federal Home Loan Bank	0.000	4.972	07/06/2006	19,000	18,987	18,987
Nordea NA Inc	0.000	5.095	07/06/2006	5,000	4,998	4,998
Societe Generale NA	0.000	5.257	07/06/2006	8,000	7,994	7,994
United States Treasury Bill	0.000	4.340	07/06/2006	40,000	39,976	39,976
Fairway Finance Corporation	0.000	5.143	07/07/2006	3,000	2,997	2,997
Galaxy Funding Inc	0.000	5.146	07/12/2006	4,000	3,994	3,994
Merrill Lynch & Company Inc	0.000	5.338	07/17/2006	6,000	5,986	5,986
Charta LLC	0.000	5.172	07/18/2006	4,000	3,990	3,990
Sheffield Receivables Corp	0.000	5.315	07/18/2006	3,000	2,993	2,993
Amsterdam Funding Corp	0.000	5.222	07/20/2006	5,000	4,987	4,987
Barton Capital Corp	0.000	5.316	07/20/2006	5,000	4,986	4,986
United States Treasury Bill	0.000	4.692	07/20/2006	35,000	34,915	34,915
Calyon North America Inc	0.000	5.200	08/01/2006	5,000	4,978	4,978
Federal National Mortgage Assn	0.000	4.816	08/09/2006	6,000	5,969	5,969
Galaxy Funding Inc	0.000	5.277	08/11/2006	3,000	2,982	2,982
Federal Home Loan Mort Corp	0.000	4.445	09/29/2006	2,000	1,978	1,973
Rabobank USA Financial Group	0.000	5.194	09/29/2006	2,000	1,975	1,952
Federal National Mortgage Assn	0.000	5.250	03/30/2007	6,000	5,772	5,760
JP Morgan Capital Prime Money Market Fund		5.107		514,400	514	514
Total Short-Term Issues	99.3%				394,966	394,926
Total Short-Term Fixed Income					\$ 397,940	\$ 397,892
Fixed Income						
<i>Commingled Fixed Income Pools</i>						
Western Asset High Yield Fund				31,141	\$ 319,821	\$ 317,331
Western Asset Opportunistic Emerging Market				1,547	28,841	24,349
Western Asset Mortgage Backed Portfolio LLC				72,782	746,224	754,380
Western Asset Strategic EMD LLC				10,589	167,336	207,491
Total Commingled Fixed Income Pools	60.6%				1,262,222	1,303,551

A - Adjustable rate security.

* 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, 2006

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<i>U. S. Treasury Issues</i>						
United States Treasury Note	4.375 %	5.015 %	12/31/2007	\$ 10,000	9,909	9,884
United States Treasury Note	4.000	4.614	04/15/2010	858	840	826
United States Treasury Note	3.875	4.847	09/15/2010	2,150	2,071	2,052
United States Treasury Note	4.500	4.723	11/15/2010	12,850	12,738	12,556
United States Treasury Note	4.750	4.996	03/31/2011	26,310	26,038	25,923
United States Treasury Note	4.875	4.993	04/30/2011	670	667	663
United States Treasury Note	5.125	5.133	06/30/2011	50,000	49,982	50,075
United States Treasury Inflation Protection Note	2.000	1.717	01/15/2014	23,832	24,080	23,010
United States Treasury Inflation Protection Note	2.000	1.789	07/15/2014	4,980	5,021	4,797
United States Treasury Inflation Protection Note	1.875	2.015	07/15/2015	6,297	6,257	5,977
United States Treasury Note	4.250	4.672	08/15/2015	2,890	2,800	2,705
United States Treasury Inflation Note	2.000	2.565	01/15/2016	10,890	10,610	10,404
United States Treasury Note	4.500	5.018	02/15/2016	3,030	2,911	2,884
United States Treasury Strip - Prin	0.000	4.814	11/15/2021	3,220	1,550	1,422
United States Treasury Bond	6.250	5.193	08/15/2023	1,460	1,634	1,611
United States Treasury Inflation Protection Bond	2.375	2.000	01/15/2025	39,616	40,910	38,570
United States Treasury Inflation Protection Bond	2.000	1.998	01/15/2026	30,266	30,267	27,721
United States Treasury Bond	6.125	4.727	08/15/2029	31,000	37,055	34,478
United States Treasury Bond	4.500	5.127	02/15/2036	77,292	69,938	69,321
Total U. S. Treasury Issues	15.1%				335,278	324,879
<i>U. S. Government Agency Issues</i>						
U. S. Government Agency Bonds						
Student Loan Marketing Assn	4.490 A	4.523	04/01/2009	4,300	4,297	4,130
Federal Home Loan Mortgage	5.250	5.597	02/24/2011	2,365	2,332	2,327
Federal Home Loan Bank	5.375	5.478	05/18/2016	1,350	1,339	1,335
Federal Home Loan Mort Corp	6.750	4.330	09/15/2020	1,860	2,334	2,130
Federal Home Loan Mortgage	5.625	5.630	11/23/2035	3,030	3,028	2,813
Total U.S. Government Agency Bonds	0.6%				13,330	12,735
<i>Corporate Issues</i>						
U. S. Corporate Bonds						
Tyco International Group SA	5.800	9.726	08/01/2006	1,125	1,121	1,125
Liberty Media Corp	6.829 A	6.727	09/17/2006	2,623	2,624	2,628
Sprint Capital Corp	6.000	4.961	01/15/2007	5,000	5,027	5,007
Comcast Cable Communication	8.375	4.600	05/01/2007	2,000	2,061	2,042
Kraft Foods Inc	5.250	3.349	06/01/2007	3,000	3,051	2,982
General Motors Acceptance Corp	6.125	7.669	08/28/2007	8,070	7,934	7,986
Merrill Lynch & Company Inc	3.375	3.386	09/14/2007	1,505	1,505	1,469
ChevronTexaco Capital Co	3.500	3.721	09/17/2007	1,000	997	976
CIT Group Holdings	5.750	5.763	09/25/2007	120	120	120
General Motors Acceptance Corp	6.311	7.103	11/30/2007	1,450	1,435	1,397
General Motors Acceptance Corp	4.375	6.705	12/10/2007	4,195	4,064	4,024
Clear Channel Communications	4.625	5.069	01/15/2008	200	199	196
Dominion Resources Inc	4.125	4.153	02/15/2008	280	280	273
US Bancorp	3.125	3.167	03/15/2008	1,620	1,619	1,556
Diageo Capital PLC	3.375	3.540	03/20/2008	3,280	3,271	3,153
General Motors Acceptance Corp	5.125	9.485	05/09/2008	850	788	814

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, 2006

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
Dryden Investor Trust	7.157	6.704	07/23/2008	505	507	506
Niagra Mohawk Power Corp	7.750	4.736	10/01/2008	2,600	2,765	2,706
General Motors Nova Fin	6.850	6.889	10/15/2008	4,710	4,706	4,463
Tyco International Group SA	6.125	10.558	11/01/2008	160	146	161
Sprint Capital Corp	6.125	8.326	11/15/2008	2,220	2,117	2,237
Waste Management Inc	6.500	4.787	11/15/2008	3,488	3,620	3,542
General Motors Acceptance Corp	5.850	7.935	01/14/2009	4,700	4,479	4,505
First Chicago	6.375	6.162	01/30/2009	700	704	712
Kinder Morgan Energy Partners	6.300	5.914	02/01/2009	710	716	713
Chase Manhattan Corporation	6.000	5.627	02/15/2009	310	313	312
Bank One Corp	6.000	6.131	02/17/2009	1,200	1,196	1,209
Atlantic Richfield Co	5.900	4.235	04/15/2009	1,345	1,403	1,358
Clear Channel Communications	4.250	5.336	05/15/2009	1,140	1,107	1,081
General Motors Acceptance Corp	5.625	9.165	05/15/2009	2,034	1,856	1,935
DaimlerChrysler NA Holdings	5.750	5.896	05/18/2009	2,830	2,819	2,803
Caterpillar Fin Serv Crp	4.500	4.559	06/15/2009	1,265	1,263	1,227
Electronic Data Systems	7.125	6.127	10/15/2009	2,430	2,501	2,510
Ford Motor Credit Company	7.375	8.516	10/28/2009	13,435	12,998	12,421
Dominion Resources Inc	5.125	5.202	12/15/2009	900	898	878
General Motors Acceptance Corp	7.750	8.706	01/19/2010	2,510	2,438	2,497
Ford Motor Credit Company	7.875	7.539	06/15/2010	3,380	3,417	3,118
Household Finance Corporation	8.000	6.765	07/15/2010	2,130	2,222	2,296
Aiful Corporation	5.000	5.167	08/10/2010	2,610	2,594	2,482
Koninklijke KPN NV	8.000	5.702	10/01/2010	3,370	3,659	3,574
Dominion Resources Inc	4.750	4.773	12/15/2010	280	280	267
Raytheon Company	6.000	5.004	12/15/2010	18	19	18
Bank Of America Corp	7.400	4.284	01/15/2011	1,560	1,759	1,660
Union Pacific Corp	6.650	5.135	01/15/2011	1,530	1,623	1,582
Ford Motor Credit Company	7.375	7.594	02/01/2011	715	709	640
Wal-Mart Stores	4.125	4.195	02/15/2011	3,340	3,330	3,138
Kinder Morgan Energy Partners	6.750	6.157	03/15/2011	710	727	725
Anadarko Finance Co	6.750	5.379	05/01/2011	4,500	4,759	4,624
JPMorgan Chase & Co	5.600	5.609	06/01/2011	2,290	2,289	2,274
Ford Motor Credit Company	10.579 A	10.670	06/15/2011	5,800	5,779	5,820
Sara Lee Corp	6.250	4.890	09/15/2011	860	913	857
Devon Financing Corp ULC	6.875	5.965	09/30/2011	960	999	998
Bristol-Myers Squibb Company	5.750	5.692	10/01/2011	2,560	2,567	2,553
Household Finance Corporation	6.375	5.707	10/15/2011	120	124	123
Tyco International Group SA	6.375	8.613	10/15/2011	2,690	2,437	2,741
Kraft Foods Inc	5.625	4.602	11/01/2011	1,100	1,153	1,082
Bank One Corporation	5.900	6.087	11/15/2011	3,235	3,208	3,246
FirstEnergy Corp	6.450	6.603	11/15/2011	280	278	285
DaimlerChrysler NA Holdings	7.300	6.090	01/15/2012	3,100	3,274	3,226
Goldman Sachs Group Inc	6.600	6.556	01/15/2012	2,710	2,715	2,797
Lehman Brothers Holdings	6.625	5.436	01/18/2012	3,480	3,676	3,603
Boeing Capital Corp	6.500	5.117	02/15/2012	340	363	352
Commonwealth Edison	6.150	4.735	03/15/2012	2,000	2,140	2,020
Weyerhaeuser Company	6.750	5.609	03/15/2012	2,030	2,139	2,074
Morgan Stanley Dean Witter Co	6.600	5.476	04/01/2012	3,615	3,813	3,728
Apache Corporation	6.250	4.583	04/15/2012	1,895	2,054	1,941
Union Pacific Corp	6.500	5.180	04/15/2012	1,210	1,289	1,246

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, 2006

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
XTO Energy Inc	7.500	4.796	04/15/2012	625	710	664
AOL Time Warner Inc	6.875	4.868	05/01/2012	2,010	2,213	2,077
AT&T Corp Wireless Services	8.125	5.710	05/01/2012	480	537	528
Household Finance Corporation	7.000	5.660	05/15/2012	20	21	21
Verizon Global Funding Corp	6.875	4.979	06/15/2012	90	99	93
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	2,505	2,245
Verizon Global Funding Corp	7.375	5.220	09/01/2012	1,180	1,313	1,254
Wells Fargo & Company	5.125	4.707	09/01/2012	140	143	135
Dominion Resources Inc	5.700	5.555	09/17/2012	1,010	1,018	988
Exelon Corp	4.750	4.637	10/01/2012	1,200	1,207	1,128
Detroit Edison Company	5.200	5.223	10/15/2012	630	629	605
Raytheon Company	5.500	5.334	11/15/2012	40	40	39
Waste Management Inc	6.375	5.111	11/15/2012	1,730	1,848	1,765
Household Finance Corporation	6.375	6.462	11/27/2012	440	438	450
International Business Machs	4.750	4.464	11/29/2012	3,360	3,413	3,185
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,632	1,574
Boeing Capital Corp	5.800	5.277	01/15/2013	315	324	316
General Electric Capital Corp	5.450	5.054	01/15/2013	790	807	777
ASIF Global Financing	4.900	4.776	01/17/2013	1,860	1,873	1,763
General Electric Company	5.000	4.831	02/01/2013	5,560	5,612	5,325
CIT Group	5.400	5.441	03/07/2013	2,370	2,365	2,293
TXU Energy Co	7.000	7.000	03/15/2013	560	560	572
Ontario Electricity	7.450	4.404	03/31/2013	3,950	4,646	4,391
Raytheon Company	5.375	5.463	04/01/2013	410	408	398
XTO Energy Inc	6.250	4.760	04/15/2013	490	532	490
Sara Lee Corp	3.875	5.328	06/15/2013	550	504	471
Altria Group Inc	7.000	6.420	11/04/2013	970	1,002	1,025
DaimlerChrysler NA Holdings	6.500	6.504	11/15/2013	1,200	1,200	1,199
Eastman Kodak Co	7.250	6.902	11/15/2013	2,785	2,839	2,682
Telecom Italia Capital	5.250	5.287	11/15/2013	585	584	541
Tyco International Group SA	6.000	4.798	11/15/2013	5,800	6,229	5,746
Cleveland Electric Illum	5.650	5.733	12/15/2013	240	239	233
Kinder Morgan Energy Partners	5.000	6.308	12/15/2013	410	378	376
Export Import Bk Korea	5.250	5.344	02/10/2014	855	850	813
Tenet Healthcare Corporation	9.875	8.756	07/01/2014	429	456	429
Citigroup Inc	5.000	4.900	09/15/2014	6,750	6,795	6,317
Clear Channel Communications	5.500	6.426	09/15/2014	1,995	1,878	1,806
JPMorgan Chase & Co	5.125	5.030	09/15/2014	850	855	803
AT&T Inc	5.100	5.289	09/15/2014	1,220	1,205	1,132
Telecom Italia Capital	4.950	4.995	09/30/2014	1,090	1,087	976
Codeco Inc	4.750	4.899	10/15/2014	1,020	1,010	932
TXU Corp	5.550	7.186	11/15/2014	240	216	218
Comcast Corp	6.500	5.695	01/15/2015	7,230	7,614	7,286
Oncor Electric Delivery	6.375	6.472	01/15/2015	300	298	301
Clear Channel Communications	4.900	6.368	05/15/2015	1,140	1,028	973
Key Bank NA	4.950	5.908	09/15/2015	1,990	1,856	1,835
JPMorgan Chase & Co	5.150	5.204	10/01/2015	500	498	466
Telecom Italia Capital	5.250	5.332	10/01/2015	1,100	1,093	996
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	2,195	2,170	2,071
Hydro-Quebec	7.500	5.062	04/01/2016	470	557	532

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, 2006

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
Glitnir BankI HF	6.693 A	6.701	06/15/2016	5,000	4,997	4,971
RaboBank Capital Fund Trust	5.254	5.163	10/21/2016	480	483	440
United Mexican States	5.625	5.884	01/15/2017	268	263	249
Tennessee Valley Authority	6.250	4.935	12/15/2017	1,220	1,359	1,280
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2018	5,000	2,209	1,781
WMX Technologies Inc	7.100	6.889	08/01/2026	2,110	2,158	2,215
Altria Group Inc	7.750	7.158	01/15/2027	2,330	2,477	2,614
Ford Motor Company	6.625	9.174	10/01/2028	11,960	9,089	8,252
Tyco International Group SA	6.875	6.072	01/15/2029	5,440	5,963	5,607
Conoco Inc	6.950	5.675	04/15/2029	4,115	4,777	4,478
Lockheed Martin Corp	8.500	8.535	12/01/2029	675	673	849
Russian Federation	5.000 A	6.306	03/31/2030	16,780	18,926	17,787
Tennessee Valley Authority	7.125	7.246	05/01/2030	2,140	2,111	2,557
Koninklijke KPN NV	8.375	6.760	10/01/2030	2,835	3,377	3,044
Ford Motor Company	7.450	8.079	07/16/2031	670	625	484
El Paso Corporation	7.800	11.204	08/01/2031	800	567	777
United Mexican States	8.300	6.581	08/15/2031	840	1,016	970
Kerr-McGee Corporation	7.875	6.581	09/15/2031	4,985	5,773	5,627
FirstEnergy Corp	7.375	6.870	11/15/2031	8,050	8,532	8,636
El Paso Corporation	7.750	7.814	01/15/2032	1,080	1,072	1,052
Southern Natural Gas Co	8.000	9.183	03/01/2032	1,450	1,280	1,498
General Motors Corp	0.000	6.440	03/06/2032	166	3,263	3,117
Devon Energy Corporation	7.950	6.128	04/15/2032	6,470	7,987	7,456
Waste Management Inc	7.750	7.781	05/15/2032	770	767	869
El Paso Natural Gas	8.375	8.455	06/15/2032	1,470	1,457	1,563
United Mexican States	7.500	8.010	04/08/2033	19,154	18,076	20,351
General Motors Corp	8.375	9.243	07/15/2033	4,960	4,530	3,993
Time Warner Entertainment Co	8.375	8.068	07/15/2033	7,500	7,752	8,484
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	3,650	3,718	3,445
TXU Corp	6.550	7.782	11/15/2034	1,610	1,384	1,414
Shinsei Fin Cayman LTD	6.418 A	6.501	01/29/2049	4,160	4,107	3,907
MUFG Capital Fin 1 LTD	6.346 A	6.347	07/29/2049	2,090	2,090	2,016
IBJ Preferred Capital Co LLC	8.790	8.571	12/29/2049	6,380	6,405	6,704
Rabobank Capital Fund Trust	5.260	5.155	12/29/2049	230	234	216
Wachovia Capital Trust	6.259 A	6.254	12/29/2049	2,540	2,542	2,464
Resona PFD Global Securities	7.191 A	7.165	12/29/2049	750	753	752
ILFC E-Capital Trust I	5.900	6.074	12/21/2065	100	97	97
Total U. S. Corporate Bonds					371,179	363,865
Corporate Asset Backed Issues						
Systems 2001 Asset Trust	6.664	5.379	09/15/2013	8,348	8,748	8,597
Public Service New Hampshire	6.480	5.447	05/01/2015	540	563	557
Pegasus Aviation Lease Sec	8.370	17.655	07/25/2017	500	315	311
IndyMac Residential Asset Sec	4.750	4.499	02/25/2019	11,255	11,327	10,594
Keycorp Student Loan Trust	5.490 A	5.526	12/27/2019	1,802	1,802	1,799
Structured Asset Securities Co	7.750	6.384	02/25/2028	414	420	416
GMAC Commercial Mortgage Sec.	6.700	6.575	05/15/2030	1,347	1,370	1,362
Commercial Mortgage Accept Co	6.570	6.062	12/15/2030	9,400	9,438	9,460
Deutsche Mortgage & Asset Rcv	6.538	6.487	06/15/2031	1,262	1,275	1,273
Commercial Mortgage Lease	6.746	5.249	06/20/2031	3,818	4,094	3,956

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, 2006

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
Bear Stearns Adj Rate Mortgage	3.513 A	3.916	06/25/2034	1,890	1,806	1,790
Master Performing Loan Trust	7.000	6.301	08/25/2034	167	171	170
Morgan Stanley Mortgage Loan	5.376 A	5.505	10/25/2034	2,900	2,886	2,873
Merrill Lynch Mortgage Invest	4.576 A	5.216	12/25/2034	92	90	89
Banc of America Mortgage Sec	4.710 A	5.308	04/25/2035	1,783	1,742	1,737
JP Morgan Mortgage Trust	4.987 A	5.419	08/25/2035	3,580	3,519	3,507
Washington Mutual	4.928 A	5.425	08/25/2035	3,350	3,293	3,278
GMAC Mortgage Corp Loan Trust	5.051	5.397	09/19/2035	1,800	1,773	1,767
Washington Mutual	4.842 A	5.098	10/25/2035	1,761	1,736	1,732
Countrywide Alternative Loan Tr	5.481 A	5.637	12/25/2035	3,666	3,642	3,631
Washington Mutual	5.078 A	5.397	12/25/2035	3,691	3,635	3,608
Mastr ARM Trust	4.851	5.051	01/25/2036	2,719	2,665	2,665
Wells Mortgage Backed Trust	5.240	5.449	04/25/2036	1,133	1,124	1,119
Countrywide Home Loans	5.804	5.765	06/20/2036	2,126	2,126	2,117
CS First Boston Mtg Sec Corp	6.480	6.085	05/17/2040	561	574	568
LB-UBS Commercial Mortgage Tr	4.954	4.962	09/15/2040	12,900	12,962	12,044
JPM Morgan Chase Comm Mortgage	4.918	4.916	10/15/2042	3,600	3,617	3,347
Asset Securitization Corp	7.082 A	4.955	02/14/2043	600	668	629
GE Capital Commercial Mortgage	5.332 A	5.437	11/10/2045	5,740	5,859	5,540
Total Corporate Asset Backed Issues					93,240	90,536
Total Corporate Issues	21.1%				464,419	454,401
Short-term Issues						
Lehman Brothers Repurchase Agreement		5.050	07/03/2006	10,300	10,300	10,300
United States Treasury Bill	0.000	4.823	08/24/2006	40,000	39,717	39,717
Canada T-Bill	0.000	5.033	09/20/2006	2,620	2,591	2,567
Federal National Mortgage Assn *	0.000	5.123	09/25/2006	1,810	1,789	1,777
Dreyfus Cash Management Institutional Fund		5.169		829,720	830	830
Total Short-term Issues	2.6%				55,227	55,191
Total Fixed Income					<u>\$ 2,130,476</u>	<u>\$ 2,150,757</u>

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, 2006

(Dollars in thousands, except Share Data)

Security Name	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 Mortgage Index				6,337,491	\$ 196,612	\$ 196,253
Barclay's Global Investors Qualified Intermediate Corp				19,094,600	578,841	602,286
Barclay's Global Investors Qualified Long Corporate				4,921,889	189,735	181,772
Total Commingled Fixed Income	100.0%				965,188	980,311
Total Fixed Income Qualified					\$ 965,188	\$ 980,311
Fixed Income Nonqualified						
<i>Commingled Fixed Income Pools</i>						
Barclay's Global Investors Non-Qualified Mortgage Index				2,790,586	\$ 74,138	\$ 74,003
Barclay's Global Investors Non-Qualified Intermediate Corp				10,579,564	225,605	227,319
Barclay's Global Investors Non-Qualified Long Corporate				2,953,289	71,727	68,569
Total Commingled Fixed Income Pools	100.0%				371,470	369,891
Total Fixed Income Nonqualified					\$ 371,470	\$ 369,891

A - Adjustable rate security.

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

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Operations

Year Ended June 30, 2006

(Dollars in thousands)

	Large Cap Domestic	Non-Large Cap Domestic
Investment income		
Interest income	\$ -	\$ 3
Dividend income	29,658	12,450
Less withholding tax	-	(12)
Securities lending income	3,825	6,488
Shareholder litigation proceeds	948	153
Commission recapture	78	107
Net accretion (amortization)	-	3
Total investment income	34,509	19,192
Expenses		
Investment advisor fees	(6,187)	(3,165)
Trustee fees	(10)	(7)
Custodian bank fees	(56)	(61)
Management fees	(474)	(342)
Fiduciary bond fees	(19)	(13)
Professional service fees	(129)	(93)
Litigation fees	(18)	(1)
Overdraft fees	(2)	-
Securities lending agent fees	(65)	(156)
Securities lending borrower rebates	(3,614)	(5,861)
Total expenses	(10,574)	(9,699)
Investment income (loss), net	23,935	9,493
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	105,692	129,600
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	6,576	(8,777)
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	112,268	120,823
Net increase (decrease) in net assets from operations	\$ 136,203	\$ 130,316

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ -	\$ 3	\$ 42
-	-	24,556
-	-	(2,016)
-	-	5,379
-	-	55
-	-	156
-	-	1
-	3	28,173
(2,117)	(367)	(5,327)
(2)	-	(6)
-	-	(628)
(123)	(10)	(281)
(5)	-	(11)
(33)	(3)	(77)
-	-	(1)
-	-	(311)
-	-	(4,088)
(2,280)	(380)	(10,730)
(2,280)	(377)	17,443
1,247	174	239,629
-	-	(12,255)
70,351	8,019	(39,631)
-	-	32,389
71,598	8,193	220,132
\$ 69,318	\$ 7,816	\$ 237,575

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2006

(Dollars in thousands)

	Short-Term Fixed Income	Fixed Income
Investment income		
Interest income	\$ 4,530	\$ 44,471
Dividend income	22	26,934
Less withholding tax	-	-
Securities lending income	2,956	15,406
Shareholder litigation proceeds	-	2,278
Commission recapture	-	-
Net accretion (amortization)	7,298	110
Total investment income	14,806	89,199
Expenses		
Investment advisor fees	(139)	(1,982)
Trustee fees	-	(13)
Custodian bank fees	(13)	(49)
Management fees	(21)	(645)
Fiduciary bond fees	(1)	(25)
Professional service fees	(6)	(176)
Litigation fees	-	(1)
Overdraft fees	-	-
Securities lending agent fees	(32)	(267)
Securities lending borrower rebates	(2,838)	(14,445)
Total expenses	(3,050)	(17,603)
Investment income (loss), net	11,756	71,596
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	(9)	13,551
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	-	(65,543)
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	(9)	(51,992)
Net increase (decrease) in net assets from operations	\$ 11,747	\$ 19,604

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(111)	(55)
(5)	(3)
-	-
(260)	(166)
(10)	(6)
(71)	(46)
-	-
-	-
-	-
-	-
(457)	(276)
(457)	(276)
13,522	4,498
-	-
(32,837)	(16,147)
-	-
(19,315)	(11,649)
<u>\$ (19,772)</u>	<u>\$ (11,925)</u>

West Virginia Investment Management Board

Statement of Changes in Net Assets

Year Ended June 30, 2006

(Dollars in thousands, except for Unit Transactions)

	Large Cap Domestic	Non-Large Cap Domestic
Operations		
Investment income (loss), net	\$ 23,935	\$ 9,493
Net realized gain (loss) from investments	105,692	129,600
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	6,576	(8,777)
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	136,203	130,316
Distributions to unitholders		
Investment income, net	-	-
Net realized gain (loss) on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	496,372	189,894
Reinvestment of distributions	-	-
	496,372	189,894
Amount paid for repurchase of units	(405,616)	(214,584)
Net increase (decrease) in net assets from fund unit transactions	90,756	(24,690)
Increase (decrease) in net assets	226,959	105,626
Net assets, beginning of period	1,500,834	895,105
Net assets, end of period	\$ 1,727,793	\$ 1,000,731
Fund unit transactions		
Units sold	44,277,772	9,502,901
Units issued from reinvestment of distributions	-	-
	44,277,772	9,502,901
Units repurchased	(36,341,425)	(10,393,506)
Net increase (decrease) in fund units	7,936,347	(890,605)

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ (2,280)	\$ (377)	\$ 17,443
1,247	174	239,629
-	-	(12,255)
70,351	8,019	(39,631)
-	-	32,389
<u>69,318</u>	<u>7,816</u>	<u>237,575</u>
-	-	-
-	-	-
-	-	-
15,469	71,088	239,425
-	-	-
<u>15,469</u>	<u>71,088</u>	<u>239,425</u>
(15,312)	(56,075)	(358,227)
157	15,013	(118,802)
69,475	22,829	118,773
<u>350,369</u>	<u>28,391</u>	<u>802,054</u>
<u>\$ 419,844</u>	<u>\$ 51,220</u>	<u>\$ 920,827</u>
615,973	2,742,549	14,735,254
-	-	-
<u>615,973</u>	<u>2,742,549</u>	<u>14,735,254</u>
(610,238)	(2,122,356)	(20,371,201)
<u>5,735</u>	<u>620,193</u>	<u>(5,635,947)</u>

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

Year Ended June 30, 2006

(Dollars in thousands, except for Unit Transactions)

	Short-Term Fixed Income	Fixed Income
Operations		
Investment income (loss), net	\$ 11,756	\$ 71,596
Net realized gain (loss) from investments	(9)	13,551
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	-	(65,543)
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase in net assets from operations	11,747	19,604
Distributions to unitholders		
Investment income, net	(11,756)	(71,596)
Net realized gain (loss) on investments	-	-
Total distributions	(11,756)	(71,596)
Fund unit transactions		
Proceeds from sale of units	2,396,195	1,100,076
Reinvestment of distributions	11,756	72,234
	2,407,951	1,172,310
Amount paid for repurchase of units	(2,408,517)	(920,099)
Net increase (decrease) in net assets from fund unit transactions	(566)	252,211
Increase (decrease) in net assets	(575)	200,219
Net assets, beginning of period	398,535	1,898,952
Net assets, end of period	\$ 397,960	\$ 2,099,171
Fund unit transactions		
Units sold	2,396,195,907	91,282,313
Units issued from reinvestment of distributions	11,755,624	6,010,419
	2,407,951,531	97,292,732
Units repurchased	(2,408,516,900)	(76,669,666)
Net increase (decrease) in fund units	(565,369)	20,623,066

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ (457)	\$ (276)
13,522	4,498
-	-
(32,837)	(16,147)
-	-
<u>(19,772)</u>	<u>(11,925)</u>
-	-
-	-
-	-
291,414	422,780
-	-
<u>291,414</u>	<u>422,780</u>
<u>(91,753)</u>	<u>(571,609)</u>
<u>199,661</u>	<u>(148,829)</u>
179,889	(160,754)
<u>800,356</u>	<u>530,607</u>
<u>\$ 980,245</u>	<u>\$ 369,853</u>
19,865,000	48,737,153
-	-
<u>19,865,000</u>	<u>48,737,153</u>
<u>(6,245,809)</u>	<u>(66,154,961)</u>
<u>13,619,191</u>	<u>(17,417,808)</u>

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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, and certain other State 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, or restrictions thereon, of the various pool participants or the IMB.

A brief description of the individual pools follows:

Large Cap Domestic - The pool's objective is to exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. Enhanced Investment Technologies, LLC 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 exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets of this pool are managed by Aronson + Johnson + Ortiz, LP, Brandywine Global Investment Management, LLC, Wellington Management Company, LLP, 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 three- to five-year periods, net of external investment management 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 three- to five-year periods, net of external investment management 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. AXA Rosenberg Investment Management, LLC, Brandes Investment Partners, LLC, LSV Asset Management and Wasatch Advisors Inc. manage the assets of this pool. The objective of the International Equity pool is to exceed, net of external investment management fees, Morgan Stanley Capital International's All Country World Free Ex US Index over three- to five-year periods.

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. JPMorgan Investment Advisor's, Inc. manages this pool. For purposes of evaluating investment returns, net of external investment management fees, this pool is compared to the Salomon ninety-day Treasury-bill index plus fifteen basis points.

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, LLP 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*).

The composite of the Fixed Income, Fixed Income Qualified, and Fixed Income Nonqualified pools is expected to outperform, net of external investment management fees, the Lehman Brothers Aggregate Index over three- to five-year periods.

NOTE 2. TRANSFER OF CONSOLIDATED FUND AND PARTICIPANT DIRECTED ACCOUNTS

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. Audited financial statements for the period July 1 through July 8, 2005 were issued for these pools and accounts. The financial statements may be requested from the IMB or accessed at www.wvimb.org.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The IMB invests funds of the State and its component units, all of which are government entities. The investments of the Short-Term Fixed Income pool 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 U.S. 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 the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded and the U.S. 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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 risk 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 percent of the market value of the securities loaned. For international securities, the collateral is at least 105 percent 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.

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 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 amounts

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

Interest Income - Interest income is recognized as earned on the accrual method.

Dividend Income - Dividend income is recognized on the ex-dividend date.

Amortization - Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of mortgage-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reported in the Statement of Operations in the year of the change.

Distributions to Participants - The monthly net investment income of the Fixed Income pool is declared as a dividend on the last day of the month and distributed to the participants of the pool on the first day of the following month. Distributions are paid in the form of reinvestments in the pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets.

The net investment income of the Short-Term Fixed Income pool is declared as a dividend and distributed daily to the participants based upon their pro rata participation in the pool. 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 remaining pools do not routinely distribute dividends.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The IMB pays all expenses on behalf of the pools.

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, 2006, this pool did not hold securities of any one issuer in excess of 5 percent 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, 2006, this pool did not hold securities of any one issuer in excess of 5 percent 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, 2006, was \$420,053,600. 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, 2006, was \$51,221,273. 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, 2006, this pool did not hold securities of any one issuer in excess of 5 percent 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 as of June 30, 2006 are as follows:

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Currency	Equity Securities	Cash	Total
Australian Dollar	\$ 28,417,291	\$ 503,062	\$ 28,920,353
Brazil Cruzeiros Real	27,320,423	-	27,320,423
British Pound	104,894,989	211,063	105,106,052
Canadian Dollar	41,912,340	238,194	42,150,534
Danish Krone	5,385,073	582,993	5,968,066
Euro	158,816,456	2,046,349	160,862,805
Hong Kong Dollar	53,458,323	105,793	53,564,116
Hungarian Forint	1,119,004	875	1,119,879
Indian Rupee	4,516,671	-	4,516,671
Indonesian Rupiah	3,111,767	-	3,111,767
Israeli Shekel	14,745,331	27	14,745,358
Japanese Yen	152,317,717	1,080,867	153,398,584
Malaysian Ringgit	5,204,528	51,887	5,256,415
Mexican New Peso	2,732,703	15,656	2,748,359
New Taiwan Dollar	40,139,064	1,205,781	41,344,845
New Zealand Dollar	4,972,328	32,024	5,004,352
Norwegian Krone	16,073,400	24,192	16,097,592
Philippine Peso	8,713,984	-	8,713,984
Singapore Dollar	23,907,881	80,420	23,988,301
South African Rand	4,810,546	1,467	4,812,013
South Korean Won	42,993,136	-	42,993,136
Swedish Krona	21,267,899	339,294	21,607,193
Swiss Franc	32,687,834	646,132	33,333,966
Thailand Baht	7,331,607	6,843	7,338,450
Total	\$ 806,850,295	\$ 7,172,919	\$ 814,023,214

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 percent 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 as of June 30, 2006.

Security Type	Moody's	S&P	Carrying Value	Percent
Agency discount notes	P1	A-1	\$ 129,607,724	32.2%
Agency bonds	Aaa	AAA	98,439,621	24.8%
U.S. Treasury bills	Aaa	AAA	74,890,958	18.6%
Commercial paper	P1	A-1	63,853,052	15.8%
U.S. Treasury note	Aaa	AAA	33,660,098	8.5%
Money market fund	Aaa	AAA	514,400	0.1%
Total rated investments			\$ 400,965,853	100.0%

This table includes securities received as collateral for repurchase agreements valued at \$226,026,191.

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 percent of its assets in securities issued by a single private corporation or association. At June 30, 2006, the pool did not have investments in any one private corporation or association that represented more than 5 percent of assets.

Custodial Credit Risk

At June 30, 2006, the Short-Term Fixed Income pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102 percent 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 is not to 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 as of June 30, 2006.

Security Type	Carrying Value	WAM (days)
Repurchase agreements	\$ 223,000,000	3
US Treasury bills	74,890,958	13
Commercial paper	63,853,052	17
Agency discount notes	32,706,881	64
Agency bond	2,974,372	168
Money market fund	514,400	1
Total assets	<u>\$ 397,939,663</u>	<u>13</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 as of June 30, 2006.

Security Type	Moody's	S&P	Fair Value	Percent of Assets
Corporate bonds and notes	Baa	BBB	\$ 363,865,256	16.9%
U. S. Treasury bonds and notes	Aaa	AAA	324,878,457	15.1%
Corporate asset backed securities	Aaa	AAA	90,536,055	4.2%
U. S. Treasury bill	Aaa	AAA	39,716,631	1.9%
Agency bonds	Aaa	AAA	23,241,525	1.1%
Agency discount notes	P1	A-1	1,776,834	0.0%
Money market funds	Aaa	AAA	829,720	0.0%
Total rated investments			<u>\$ 844,844,478</u>	<u>39.2%</u>

Unrated securities include commingled investment pools value at \$1,303,551,314 and a Canada Treasury bill valued at \$2,566,995. This table includes securities received as collateral for repurchase agreements valued at \$10,505,935.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Concentration of Credit Risk

West Virginia statutes prohibit the Fixed Income pool from investing more than 5 percent of its assets in securities issued by a single private corporation or association. At June 30, 2006, the Fixed Income pool did not have investments in any one private corporation or association that represented more than five percent of assets.

Custodial Credit Risk

At June 30, 2006, the Fixed Income pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102 percent 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 pool as of June 30, 2006.

Security Type	Fair Value	Modified Duration (years)
Commingled investment pools	\$ 1,303,551,314	5.0
Corporate notes and bonds	363,865,256	6.6
U. S. Treasury notes and bonds	324,878,457	8.3
Corporate asset backed securities	90,536,055	8.3
U. S. Treasury bill	39,716,631	0.2
Agency bonds	12,735,590	6.1
Repurchase agreements	10,300,000	0.0
Canada Treasury bill	2,566,995	0.2
Agency discount notes	1,776,834	0.2
Money market fund	829,720	0.0
Total assets	<u>\$ 2,150,756,852</u>	<u>5.8</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, 2006, the Fixed Income pool held \$90,536,055 of these securities. This represents approximately 4 percent 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 \$980,311,054 at June 30, 2006, that invest in mortgage-backed securities and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.5 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 \$369,891,016 at June 30, 2006, that invest in mortgage-backed securities and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.5 years. This pool is not exposed to custodial credit risk, concentration of credit risk, or foreign currency risk.

NOTE 5. SECURITIES LENDING

At June 30, 2006, 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	\$ 71,164,826	\$ 73,724,245
Non-Large Cap Domestic	189,093,722	196,401,104
International Equity	119,539,727	126,854,861
Short-Term Fixed Income	74,884,500	76,393,750
Fixed Income	338,098,119	343,954,181
Total	<u>\$ 792,780,894</u>	<u>\$ 817,328,141</u>

Of the collateral held, \$746,438,000 was received as cash. The collateral received as cash is invested in the Mellon GSL DBT II Collateral Fund.

NOTE 6. FUTURES CONTRACTS

At June 30, 2006, open positions in futures contracts are as follows:

Expiration	Open Contracts		Position	Value Upon Entering Contract	Value at June 30, 2006	Net Gain (Loss)
<i>Non-Large Cap Domestic Pool</i>						
Sept 2006	10	S&P Mid 400	Long	\$ 787,850	\$ 771,600	\$ (16,250)
Sept 2006	10	Russell Mini	Long	718,196	731,500	13,304
				<u>\$ 1,506,046</u>	<u>\$ 1,503,100</u>	<u>\$ (2,946)</u>
<i>Fixed Income Pool</i>						
Sept 2006	150	Euro 90 Day	Long	\$ 35,716,875	\$ 35,407,500	\$ (309,375)
Sept 2006	1,054	US 5YR T Note	Long	109,205,957	108,990,188	(215,769)
Sept 2006	(1,522)	US 10YR T Note	Short	(160,163,027)	(159,595,976)	567,051
Sept 2006	649	US Treasury Bond	Long	68,702,675	69,219,906	517,231
				<u>\$ 53,462,480</u>	<u>\$ 54,021,618</u>	<u>\$ 559,138</u>

At June 30, 2006, the Non-Large Cap Domestic and the Fixed Income pools have pledged cash and securities valued at \$97,000 and \$1,777,000 to cover initial margin requirements on open futures contracts.

At June 30, 2006, the net variation margin receivables of \$13,000 in the Non-Large Cap Domestic pool and \$26,000 in the Fixed Income pool represent one day's settlement on open futures contracts.

NOTE 7. FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 2006, 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	British Pound	6/29/2006	7/3/2006	400,000	\$ 739,820		\$ 740,173	\$ (353)
Long/Cover	Japanese Yen	6/29/2006	7/3/2006	12,951,680	113,298		113,245	53
Long/Cover	South Korean Won	6/29/2006	7/3/2006	905,626,037	954,597		954,396	201
Short/Cover	Euro Currency Unit	6/29/2006	7/3/2006		48,790	38,960	49,817	(1,027)
Short/Cover	Japanese Yen	6/29/2006	7/3/2006		11,912	1,376,083	12,038	(126)
Short/Cover	Japanese Yen	6/30/2006	7/5/2006		2,025	233,157	2,040	(15)
					<u>\$ 1,870,442</u>		<u>\$ 1,871,709</u>	<u>\$ (1,267)</u>

NOTE 8. INVESTMENT TRANSACTIONS

Purchases and sales of U.S. government securities and corporate securities (excluding short-term securities) for the year ended June 30, 2006, were as follows:

Pool	U.S. Government Securities		Corporate Securities	
	Purchases	Sales	Purchases	Sales
Large Cap Domestic	\$ -	\$ -	\$ 1,123,186,668	\$ 1,009,522,404
Non-Large Cap Domestic	-	-	749,097,483	766,875,610
International Equity	-	-	1,165,249,930	1,071,721,305
International Qualified	-	-	-	2,087,880
International Nonqualified	-	-	15,003,144	366,846
Short-Term Fixed Income	7,949,717	16,500,000	-	-
Fixed Income	1,668,118,600	1,970,396,396	1,032,297,914	421,672,527
Fixed Qualified	-	-	1,024,243,907	825,024,465
Fixed Nonqualified	-	-	522,649,453	671,744,973
Total	<u>\$ 1,676,068,317</u>	<u>\$ 1,986,896,396</u>	<u>\$ 5,631,728,499</u>	<u>\$ 4,769,016,010</u>

FINANCIAL HIGHLIGHTS

West Virginia Investment Management Board
Financial Highlights
For the Period July 1, 2005 through June 30, 2006

	<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	\$ 10.47	\$ 18.43	\$ 24.68	\$ 23.45	\$ 14.03
Income from investment operations:					
Net investment income (loss)	0.17	0.19	(0.16)	(0.22)	0.30
Net realized and unrealized gain (loss) on investment transactions	0.78	2.36	5.04	4.75	3.19
Net realized loss from foreign currency transactions	-	-	-	-	(0.21)
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	0.56
Total from investment operations	0.95	2.55	4.88	4.53	3.84
Less distributions	-	-	-	-	-
Net asset value, end of period	<u>\$ 11.42</u>	<u>\$ 20.98</u>	<u>\$ 29.56</u>	<u>\$ 27.98</u>	<u>\$ 17.87</u>
Fiscal year to date time-weighted total return (net of fees, not annualized)	9.0%	13.9%	19.8%	19.3%	27.4%
Supplemental Data:					
Net assets, end of period (\$000s)	\$ 1,727,793	\$ 1,000,731	\$ 419,844	\$ 51,220	\$ 920,827
Ratio to average net assets:					
Expenses (year to date annualized)	0.42%	0.37%	0.59%	0.84%	0.66%
Net investment income (year to date annualized)	1.47%	0.95%	-0.59%	-0.83%	1.81%
Portfolio turnover rate	60.71%	75.86%	0.00%	0.00%	119.35%

	<u>Short-Term Fixed Income</u>	<u>Fixed Income</u>	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
Net asset value, beginning of period	\$ 1.00	\$ 12.12	\$ 14.83	\$ 8.75
Income from investment operations:				
Net investment income (loss)	0.04	0.44	(0.01)	(0.01)
Net realized and unrealized gain (loss) on investment transactions	-	(0.28)	(0.32)	(0.18)
Net realized loss from foreign currency transactions	-	-	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-
Total from investment operations	0.04	0.16	(0.33)	(0.19)
Less distributions	(0.04)	(0.44)	-	-
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 11.84</u>	<u>\$ 14.50</u>	<u>\$ 8.56</u>
Fiscal year to date total return (net of fees, not annualized)	4.2%	1.4%	-2.2%	-2.0%
Supplemental Data:				
Net assets, end of period (\$000s)	\$ 397,960	\$ 2,099,171	\$ 980,245	\$ 369,853
Ratio to average net assets:				
Expenses (year to date annualized)	0.06%	0.15%	0.05%	0.06%
Net investment income (year to date annualized)	3.78%	3.62%	-0.05%	-0.06%
Portfolio turnover rate	0.00%	115.85%	93.12%	116.36%

**OTHER
FINANCIAL INFORMATION**

West Virginia Investment Management Board

Schedule of Participation

June 30, 2006

(Dollars in thousands)

The following schedule details the participation in the various pools. 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	\$ 20,427	\$ 12,286	\$ 5,856		\$ 10,891
Public Employees' Retirement System	903,218	510,331	258,281		480,228
Teachers' Retirement System	454,302	272,909	123,002		244,700
Public Safety Retirement System	113,626	65,572	25,417		59,053
State Police Retirement System	7,438	4,424	1,979		3,958
Deputy Sheriffs' Retirement System	18,823	11,240	5,309		9,981
Revenue Shortfall Reserve Fund	-	-			-
Revenue Shortfall Reserve Fund B	57,693	34,257		\$ 16,372	29,860
Workers' Compensation Old Fund	81,879	47,911		17,364	45,649
Workers' Compensation Self-Insured	-	-		-	-
Workers' Compensation Uninsured	-	-		-	-
Pneumoconiosis	20,501	12,212		5,231	10,525
Wildlife Endowment Fund	8,743	5,165		2,062	4,658
Prepaid Tuition Trust Fund	23,535	13,737		5,192	12,380
Prepaid Tuition Trust Escrow Fund	-	-		-	-
Board of Risk & Insurance Management	8,363	5,097		2,371	4,261
Public Employees' Insurance Agency	9,245	5,590		2,628	4,683
Total Amount	\$ 1,727,793	\$ 1,000,731	\$ 419,844	\$ 51,220	\$ 920,827

	Short-Term Fixed Income	Fixed Income	Fixed Income Qualified	Fixed Income Nonqualified	Totals (Memorandum Only)
Judges' Retirement System	\$ 2,634	\$ 20,981	\$ 12,815		\$ 85,890
Public Employees' Retirement System	23,571	924,817	593,722		3,694,168
Teachers' Retirement System	241,650	458,295	283,611		2,078,469
Public Safety Retirement System	7,138	108,064	73,280		452,150
State Police Retirement System	426	7,734	4,770		30,729
WV Deputy Sheriffs' Retirement System	551	19,085	12,047		77,036
Revenue Shortfall Reserve Fund	24,225	-			24,225
Revenue Shortfall Reserve Fund B	837	58,098		\$ 37,379	234,496
Workers' Compensation Old Fund	63,365	231,767		155,204	643,139
Workers' Compensation Self-Insured	1,279	-		-	1,279
Workers' Compensation Uninsured	5,114	-		-	5,114
Pneumoconiosis	11,424	114,843		75,970	250,706
Wildlife Endowment Fund	54	9,002		5,589	35,273
Prepaid Tuition Trust Fund	10	23,599		15,127	93,580
Prepaid Tuition Trust Escrow Fund	-	930		622	1,552
Board of Risk & Insurance Management	2	51,575		33,693	105,362
Public Employees' Insurance Agency	15,692	70,381		46,269	154,489
Total Amount	\$ 397,972	\$ 2,099,171	\$ 980,245	\$ 369,853	

West Virginia
Investment Management Board_____

Audited Financial Statements

June 30, 2006

West Virginia

Investment Management Board

Audited Financial Statements

June 30, 2006

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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 IMB's financial activities for the fiscal year ended June 30, 2006. 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 \$23.4 million as compared to \$17.6 million for the prior fiscal year. The change primarily results from increased fees charged to cover additional investment advisor and custody costs.
- Fees paid to outside investment advisors increased by \$5.6 million over the prior year as a result of higher performance-based fees for large cap domestic investment advisors, restructuring of the international equity pool and an increase in the asset base of certain investment pools. Average net assets of managed investment pools increased by \$1.4 billion over the previous year.
- Administrative expenses decreased by \$183,000 from the prior year. Expenses with significant changes from the prior year are:
 - Personnel costs decreased \$94,000,
 - Investment system maintenance decreased by \$88,000,
 - Spending for office and computer supplies increased by \$10,000,
 - Miscellaneous expense declined by \$9,000.
- Nonoperating revenues for the year were \$173,000. This was \$96,000 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 used in the IMB's operating activities during the year.

FINANCIAL ANALYSIS

The IMB's total assets as of June 30, 2006, were \$7.8 million, and were mostly comprised of cash and cash equivalents and receivables for investment service fees. There was no significant change in total assets from the prior year.

Total liabilities as of June 30, 2006 were \$4.0 million, consisting of invoices payable and accrued liabilities for external investment management fees, custodial fees, and administrative expenses. This was \$159,000 less than the prior year.

Table 1 Net Assets (In thousands)	2006	2005
Cash and cash equivalents	\$ 4,042	\$ 4,116
Receivables	3,607	3,609
Other assets	<u>136</u>	<u>70</u>
Total assets	7,785	7,795
Total liabilities	<u>(3,968)</u>	<u>(4,127)</u>
Net assets	<u>\$ 3,817</u>	<u>\$ 3,668</u>
<i>Composition of net assets:</i>		
Invested in capital assets	\$ 20	\$ 37
Unrestricted	3,797	3,631

Table 2 Changes in Net Assets (In thousands)	2006	2005
Investment service fees	\$ 23,441	\$ 17,633
Expenses		
Advisor fees	(19,467)	(13,902)
Custodian fees	(810)	(516)
Trustee fees	(49)	(50)
Fiduciary bond expense	(90)	(25)
Professional service fees	(714)	(633)
Administrative expenses	<u>(2,335)</u>	<u>(2,518)</u>
Operating loss	(24)	(11)
Nonoperating revenues	<u>173</u>	<u>76</u>
Increase in net assets	149	65
Net assets – beginning of year	<u>3,668</u>	<u>3,603</u>
Net assets – end of year	<u>\$ 3,817</u>	<u>\$ 3,668</u>

CAPITAL ASSETS

The IMB disposed of \$452,000 of fully depreciated computer equipment and software that was no longer in service during the year ended June 30, 2006. No capital assets were acquired during this period.

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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Independent Auditors' Report

Board of Trustees
West Virginia Investment Management Board:

We have audited the accompanying statement of net assets of the West Virginia Investment Management Board (the IMB), an internal service fund of the state of West Virginia, as of June 30, 2006, 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 IMB'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 IMB's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 IMB as of June 30, 2006, 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 accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

August 28, 2006

West Virginia Investment Management Board

Statement of Net Assets

June 30, 2006

Assets

Current assets:

Cash and cash equivalents	\$4,041,613
Accounts receivable	3,591,474
Prepaid expenses	113,042
Dividend receivable	15,645
Total current assets	<u>7,761,774</u>

Noncurrent assets

Deposits	63
Prepaid insurance	2,915
Capital assets:	
Equipment	548,837
Office furniture	125,245
Leasehold improvements	45,492
Less accumulated depreciation	<u>(699,068)</u>
Total capital assets (net of accumulated depreciation)	<u>20,506</u>
Total noncurrent assets	<u>23,484</u>

Total assets 7,785,258

Liabilities

Current liabilities:

Accounts payable and accrued expenses	<u>3,967,874</u>
Total current liabilities	<u>3,967,874</u>

Total liabilities 3,967,874

Net assets

Invested in capital assets	20,506
Unrestricted	<u>3,796,878</u>
Total net assets	<u><u>\$3,817,384</u></u>

See accompanying notes to financial statements.

West Virginia Investment Management Board
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2006

Operating revenues:		
Investment service fees		\$23,440,822
	Total operating revenues	23,440,822
 Operating expenses:		
Advisor fees		19,466,954
Custodian fees		809,522
Trustee fees		48,750
Fiduciary bond expense		90,407
Professional service fees		694,657
Shareholder litigation fees		19,494
Administrative expenses		2,335,125
	Total operating expenses	23,464,909
	Operating loss	(24,087)
 Nonoperating revenues:		
Dividend income		173,156
	Total nonoperating revenues	173,156
	Increase in net assets	149,069
	Net assets, beginning of year	3,668,315
	Net assets, end of year	\$3,817,384

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 2006

Cash flows from operating activities	
Cash received from customers	\$23,449,396
Cash paid to suppliers	(22,055,372)
Cash paid to employees	(1,635,161)
Net cash used in operating activities	<u>(241,137)</u>
Cash flows from investing activities	
Dividends on investments	166,602
Net cash provided by investing activities	<u>166,602</u>
Cash flows from capital and related financing activities	<u>-</u>
Net cash used in capital and related financing activities	<u>-</u>
Net decrease in cash and cash equivalents	(74,535)
Cash and cash equivalents at beginning of year	4,116,148
Cash and cash equivalents at end of year	<u>\$4,041,613</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (24,087)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	16,653
Changes in assets and liabilities:	
Decrease in accounts receivable	8,574
Increase in prepaid expenses	(83,479)
Decrease in accounts payable and accrued expenses	(158,798)
Total adjustments	<u>(217,050)</u>
Net cash used in operating activities	<u>\$ (241,137)</u>

See accompanying notes to financial statements.

West Virginia Investment Management Board

Notes to Financial Statements

June 30, 2006

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, and certain other State 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 three years to five 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. 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, 2006 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	\$ -	\$ (452,280)	\$ 548,837
Office furniture	125,245	-	-	125,245
Leasehold improvements	45,492	-	-	45,492
Total capital assets, being depreciated	1,171,854	-	(452,280)	719,574
Less accumulated depreciation for:				
Office equipment	(986,704)	(7,554)	452,280	(541,978)
Office furniture	(125,245)	-	-	(125,245)
Leasehold improvements	(22,746)	(9,099)	-	(31,845)
Total accumulated depreciation	(1,134,695)	(16,653)	452,280	(699,068)
Capital assets, net	<u>\$ 37,159</u>	<u>\$ (16,653)</u>	<u>\$ -</u>	<u>\$ 20,506</u>

Depreciation expense of \$16,653 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 commenced on January 1, 2003, and the monthly rent expense for years one through three is \$14,747. For years four through five, 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, 2005 to June 30, 2006, totaled \$182,659. 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:

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 percent of each covered employee's compensation.

Contributions for the period from July 1, 2005 to June 30, 2006, totaled \$118,625. The plan provides for a five-year vesting schedule with vesting increasing 20 percent per year.

Note 6. Investment Risk

At June 30, 2006, 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 & 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 or any foreign currency risk.