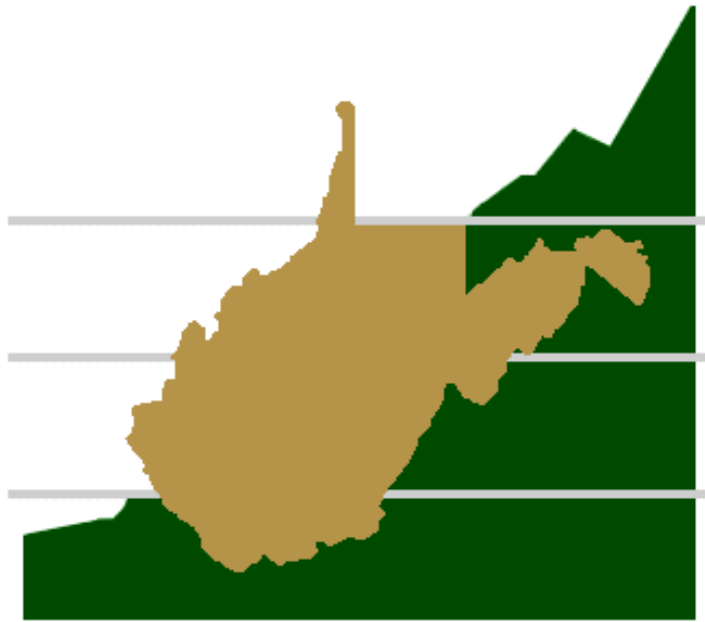


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# **West Virginia Investment Management Board**



**2007 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** – Abbreviation for “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, 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.

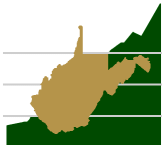
**Pool** – Refers to the specific investment pool created and operated by the IMB for a specific investment asset class.



# *Introduction*







## West Virginia Investment Management Board

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

Phone: (304) 345-2672  
Fax: (304) 345-5939  
Website: [www.wvimb.org](http://www.wvimb.org)

September 12, 2007

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, 2007. Please note that additional information about the Investment Management Board can be accessed electronically on its website, [www.wvimb.org](http://www.wvimb.org).

For the fiscal year 2007, I am pleased to announce that the return on our long-term assets was 17.6 percent, net of expenses (using the Public Employees' Retirement System as a proxy for all long-term assets). For the three years that I have presided over the Board it has returned 12.5 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.

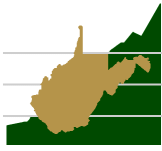
Three years ago two of our defined benefit pension plans, the Teachers' Retirement System and Public Safety Death, Disability and Retirement Fund, were funded at 22.2 percent and 25.6 percent, respectively. In those three years, we have reopened the Teachers' Retirement System to new hires, contributed excess revenue in the millions of dollars to the plans, securitized tobacco settlement revenue to further contribute to the Teachers' Retirement System, invested very well and passed legislation to give the Investment Management Board more investment tools. By fiscal year 2006, the Public Safety, Death, Disability and Retirement fund was 90 percent funded and as of the end of fiscal year 2007, the Teachers' Retirement System's funded level will have increased by over 100 percent. As the funded status of these plans increases, the Investment Management Board is in a better position to further improve their financial health through investment returns. The new investment tools now available further enhance the Investment Management Board's capacity to improve the financial health of all plans.

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  
Website: [www.wvimb.org](http://www.wvimb.org)

September 12, 2007

Dear Trustees:

It is with great pleasure that I submit the Annual Report of the West Virginia Investment Management Board (IMB). The IMB issues two separate audited financial statements. The **West Virginia Investment Management Board Administrative Fund** 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 **West Virginia Investment Management Board Investment Pools** financial statements detail the investment related activities for those funds entrusted to the IMB. 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 investments as it seeks to satisfy the investment needs of the beneficiaries of the assets entrusted to it. As of June 30, 2007, the IMB returned 17.6 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 1.5 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, 2007, the IMB's return was 12.5 percent versus the policy benchmark of 11.2 percent. Over the five years ending June 30, 2007, the IMB's return was 11.5 percent, a full 1.1 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, 2007, the IMB's return was 7.9 percent. A

*The West Virginia Investment Management Board is dedicated to providing prudent, efficient and professional investment management on behalf of and in the best interests of the beneficiaries of the assets it is entrusted with.*

corresponding policy portfolio is not practically relevant as the IMB spent the first three 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, 2007, ranged from 17.4 percent for the Teachers' Retirement System and the State Police Retirement System, to 17.6 percent for the Public Employees' 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 17.6 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, 2007, ranged from 9.9 percent for the Public Employees' Insurance Agency to 12.5 percent for the Workers' Compensation Old Fund.

Herein, the plans with long time horizons, as a group, are generally referred to as the "participant plans." Specific data on returns and objectives on all 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. 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. The "alternative" group of assets has performed extremely well in the last few years adding significant value to most public fund portfolios.

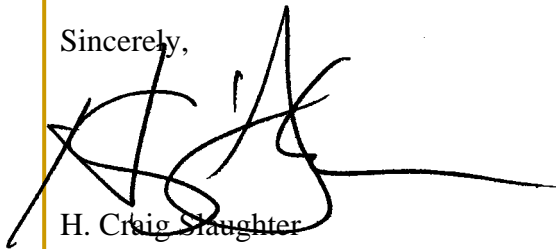
It is important to note that the dramatic difference between the IMB's asset allocation and that of its peers is not a result of unconstrained analysis. It is the result of artificial restrictions on the available universe of asset classes imposed by West Virginia statutes. Fortunately, in fiscal year 2007, the statutes were changed to allow for a significant, although limited,

allocation to this alternative group of assets. While the timing of the change prevented the IMB from making any asset allocation changes in fiscal year 2007, it is likely that the IMB's portfolio will be further diversified into these asset groups in fiscal year 2008. While potential incremental return from these asset groups is desired, the greatest contribution to the portfolio in the long run is the reduction in risk that results from greater diversification.

Fiscal year 2008 promises to be the beginning of an exciting period for the IMB. Governmental leaders have made the fiscal health of the State a priority, which has meant that the significantly underfunded retirement systems, the Teachers' Retirement System and the Public Safety Retirement System, have received a tremendous influx of dollars to improve their funded status over the last few years. As the Governor alluded to in his letter, this fiscal year 2007 saw the addition of over \$800 million in extra contributions from the securitization of tobacco settlement funds. As the funded status of these plans grows, the impact of the IMB's investment performance is increased. As we move into fiscal year 2008 with the latitude to diversify investments into other asset groups, the IMB will be much better prepared with the tools it needs to invest the assets efficiently and effectively.

On behalf of staff, it is with excitement that we look 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 read 'H. Craig Slaughter', with a long horizontal flourish 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 in the law firm of Bowles, Rice, McDavid, Graff & Love, LLP

**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 Spilman Thomas & Battle, PLLC

**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 MEMBERS<sup>1</sup>

## *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

### *Investments 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

## ORGANIZATIONAL 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 acknowledged 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 certified 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, which were subsequently liquidated at a gain, the statute was challenged and the West Virginia Supreme Court ruled that investing in equities was unconstitutional.

In 1996, in an 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 the board and staff of the West Virginia Trust Fund, Inc. 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 (IMB) 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**

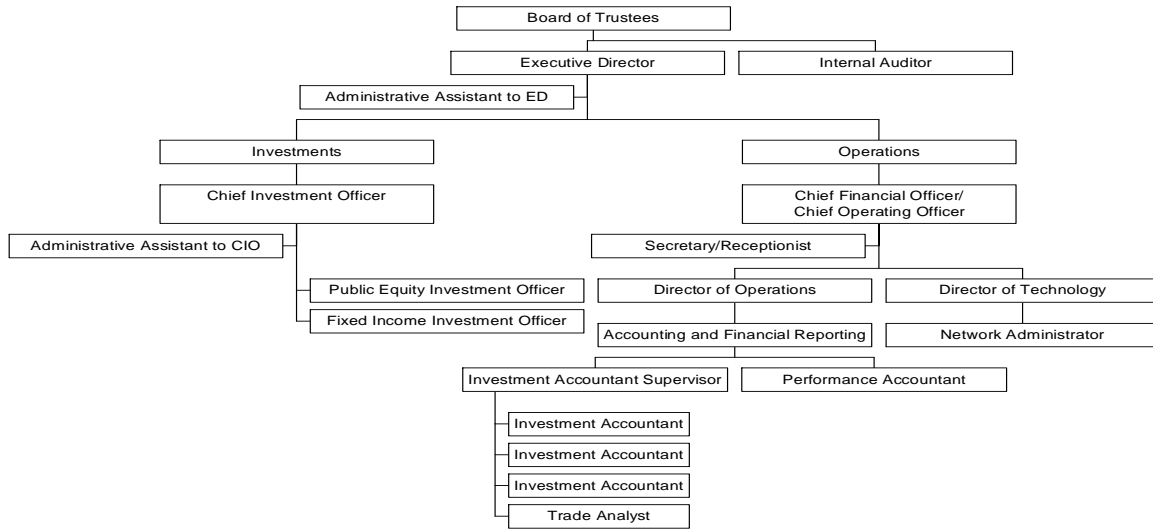
Governance of the West Virginia Investment Management Board is vested, by statute, in a thirteen-member Board of Trustees. Three members of the Board serve by virtue of their office: the Governor, the Auditor, and the Treasurer. The other ten are appointed by the Governor and confirmed by the Senate. 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 Plans' 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 Investments 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. 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:

<b>Agenda Item</b>	<b>Review Schedule</b>
Investment Performance	Quarterly
Investment Policy	Every Year
Strategic Asset Allocation	Every Three Years
Policy 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 §12-6-12g]*

## **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 and 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**

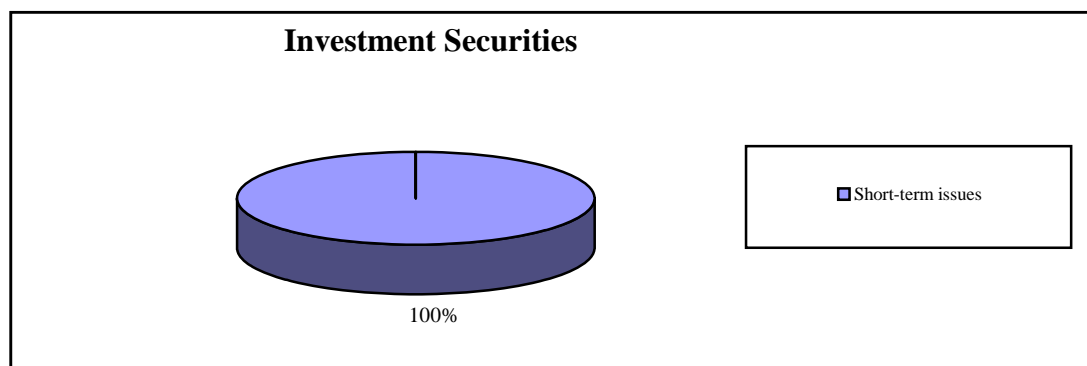
#### *Short-Term Fixed Income Pool*

#### **Progression of Net Assets (in \$000s)**

Net assets - June 30, 2006	\$	397,960
Net increase from operations		11,106
Income distributions to unitholders		(11,103)
Net increase from unit transactions		811,937
Net assets - June 30, 2007	\$	<u>1,209,900</u>

#### **Investment Securities (in \$000s)**

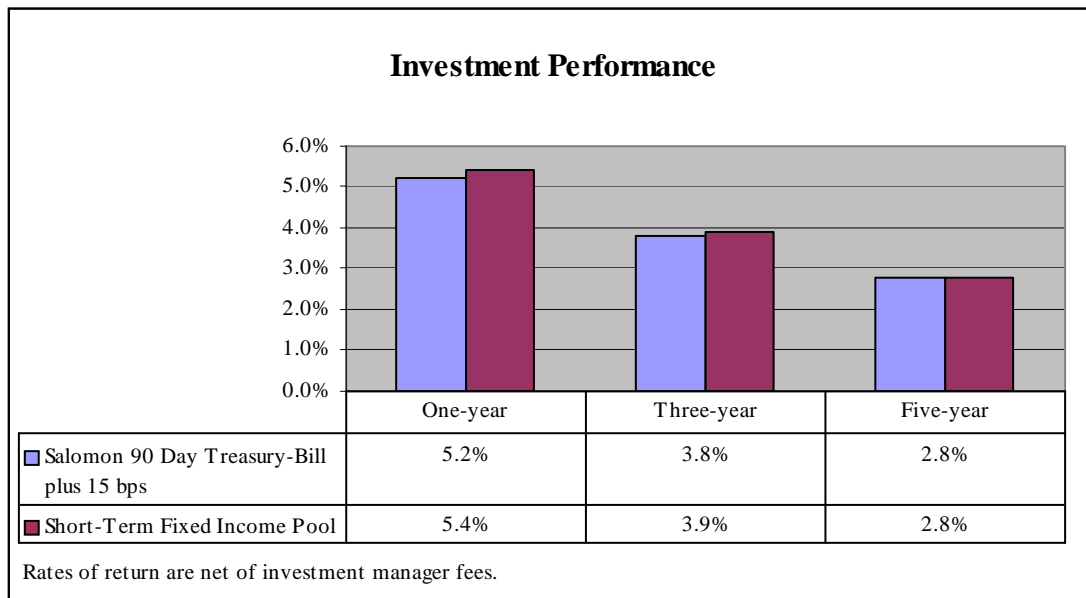
	Carrying Value
Short-term issues	\$ <u>1,209,644</u>
Total	\$ <u>1,209,644</u>



**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.



**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	3.8
Trustee fees	0.0
Custodian bank fees	0.5
Management fees	1.5
Fiduciary bond fees	0.1
Professional service fees	0.4
Total expenses	<u>6.3</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 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:

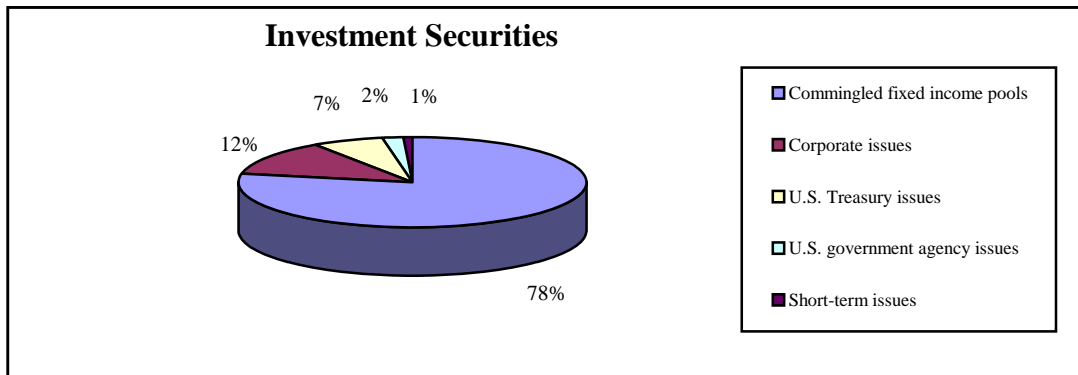
#### **Progression of Net Assets (in \$000s)**

Net assets - June 30, 2006	\$ 3,449,269
Net increase from operations	272,334
Income distributions to unitholders	(74,490)
Net increase from unit transactions	265,615
Net assets - June 30, 2007	<u>\$ 3,912,728</u>

**Fixed Income Pool (continued)**

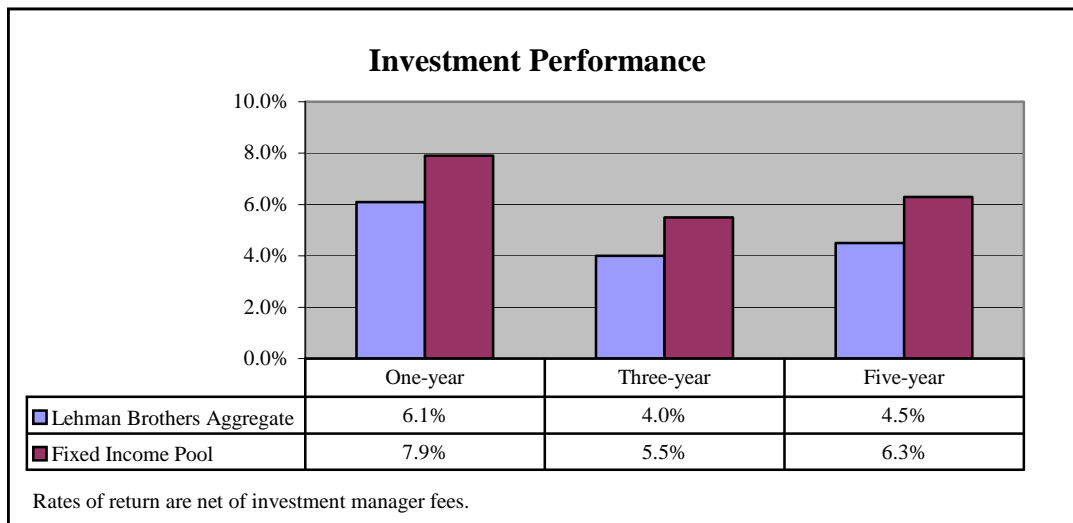
**Investment Securities (in \$000s)**

	Fair Value
Commingled fixed income pools	\$ 3,087,180
Corporate issues	488,464
U.S. Treasury issues	261,067
U.S. government agency issues	84,959
Short-term issues and swaps	27,668
Total	\$ 3,949,338



**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	3.4
Trustee fees	0.1
Custodian bank fees	0.2
Management fees	2.9
Fiduciary bond fees	0.3
Professional service fees	0.8
Total expenses	<u>7.7</u>



## *Equity Pool*

### **Objectives**

The main objective for the Equity pool is to provide for long-term growth for its 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:

<b>Equity Class</b>	<b>Strategic Allocation</b>
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:

<b><i>Manager</i></b>	<b><i>Style</i></b>
<b><u>Domestic Large Capitalization</u></b>	
State Street Global Advisors	Enhanced Index Core
Enhanced Investment Technologies, LLC	Quantitative Core
<b><u>Domestic Non-Large Capitalization</u></b>	
Wellington Management Company, LLP	Core
Westfield Capital Management	Growth
Brandywine Asset Management	Structured Value
Aronson + Johnson + Ortiz, LP	Relative Value
<b><u>International</u></b>	
Developed Markets	
Silchester International Investors	Developed Country, Value
LSV Asset Management	All Country, Value
Small Capitalization	
AXA Advisors	All Country, Core
Wasatch Advisors, Inc.	All Country, Growth
Emerging Markets	
Brandes Investment Partners, Inc.	Emerging Market, Value

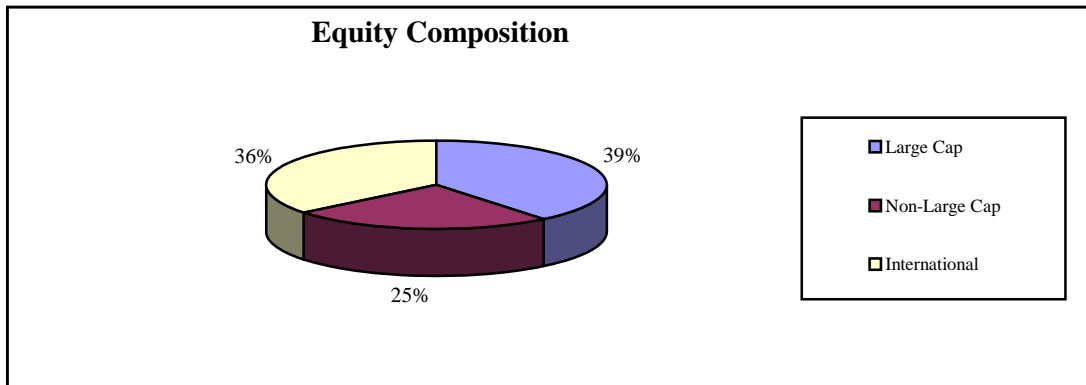
*Equity Pool (continued)*

**Financial Highlights**

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

<b>Progression of Net Assets (in \$000s)</b>	<b>Large Cap</b>	<b>Non-Large Cap</b>	<b>International</b>
Net assets - June 30, 2006	\$ 1,727,793	\$ 1,000,731	\$ 1,391,891
Net increase from operations	350,922	213,425	487,226
Net increase from unit transactions	5,124	115,292	25,922
Net assets - June 30, 2007	<u>\$ 2,083,839</u>	<u>\$ 1,329,448</u>	<u>\$ 1,905,039</u>

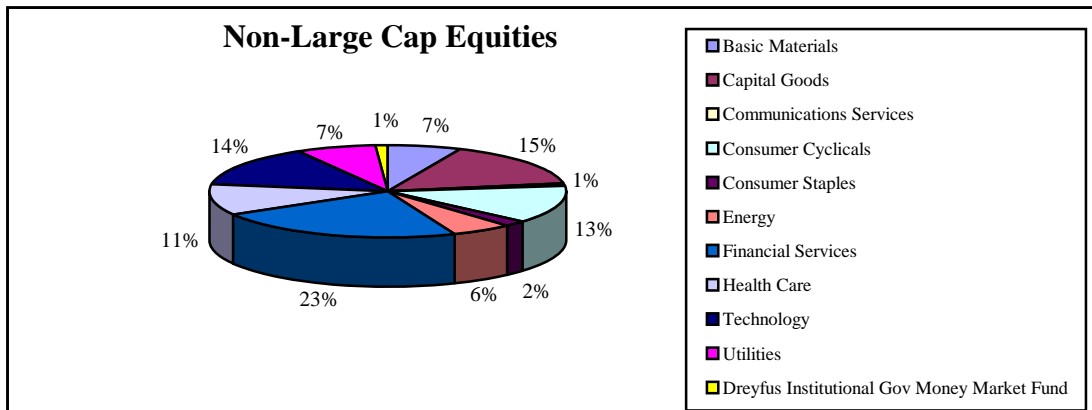
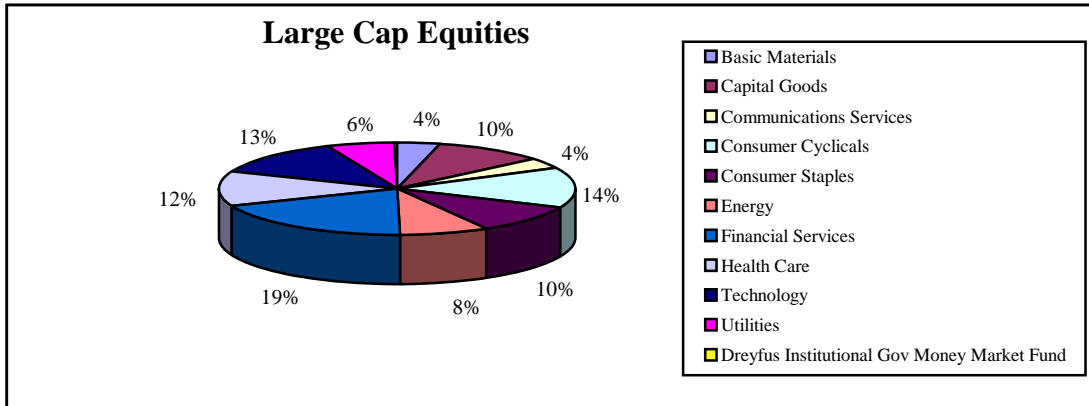


*Equity Pool (continued)*

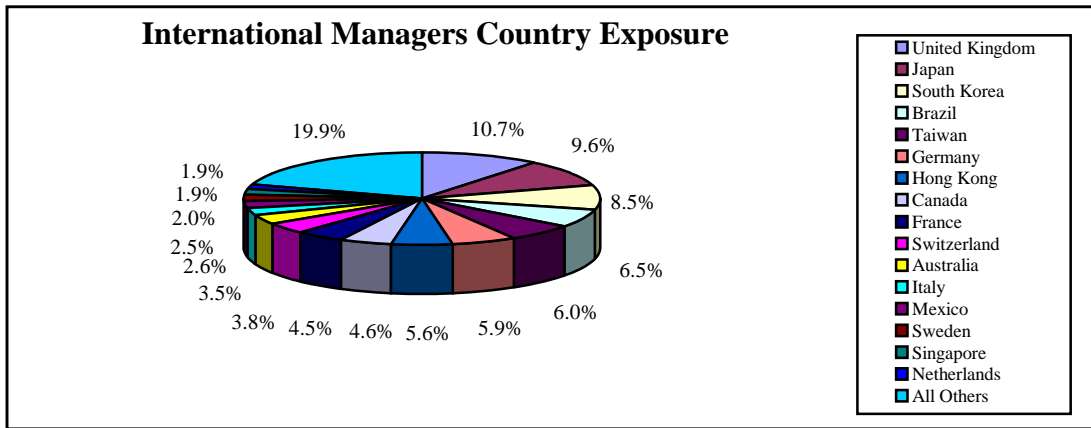
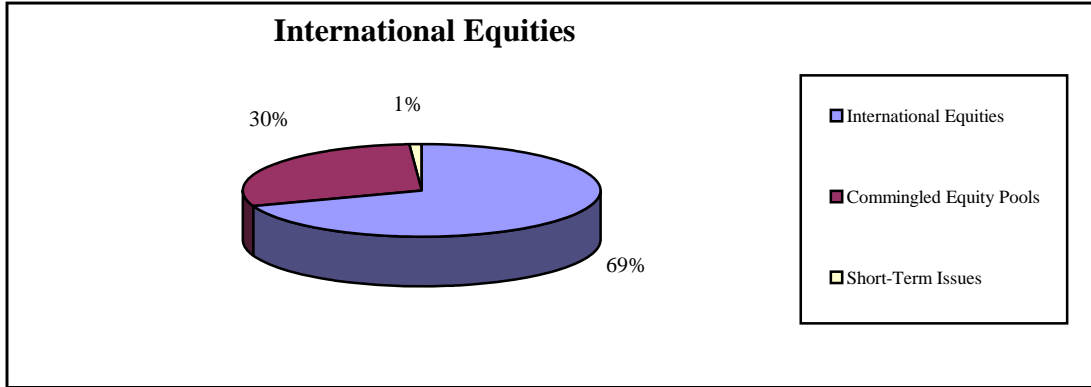
**Investment Securities (in \$000s)**

**Fair Value**

	<b>Large Cap</b>	<b>Non-Large Cap</b>	<b>International</b>
Domestic equities	\$ 2,071,059	\$ 1,313,287	\$ -
International equities	-	-	1,306,174
Commingled equity pools	-	-	557,444
Short-term issues	8,458	14,452	18,738
<b>Total</b>	<b>\$ 2,079,517</b>	<b>\$ 1,327,739</b>	<b>\$ 1,882,356</b>

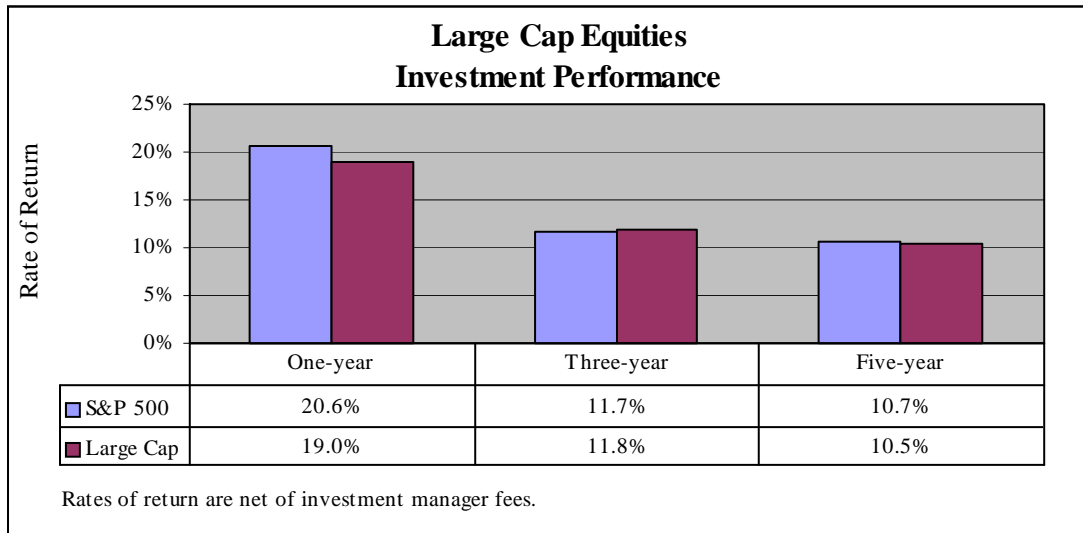


*Equity Pool (continued)*

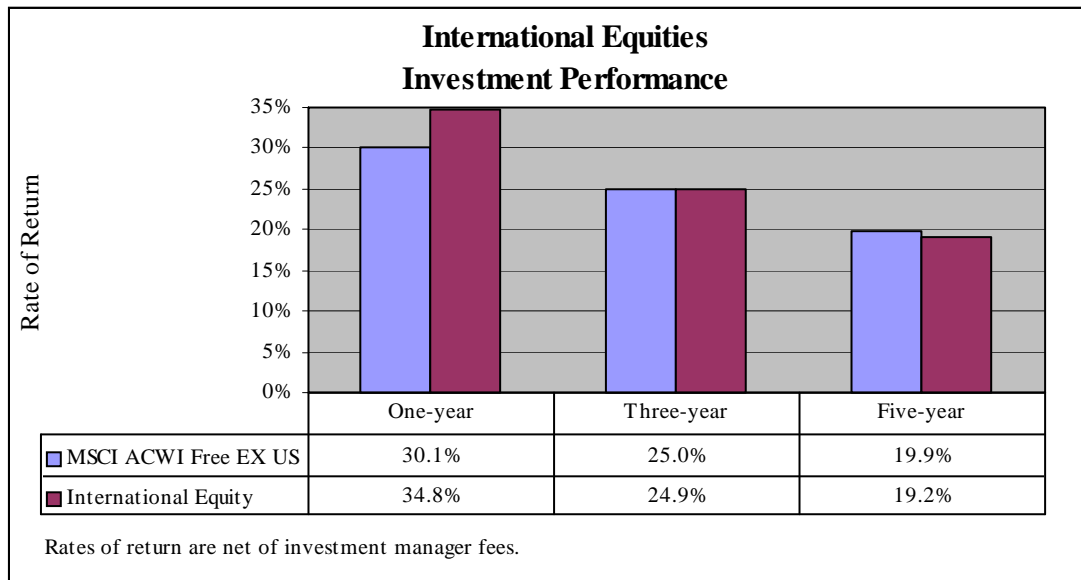
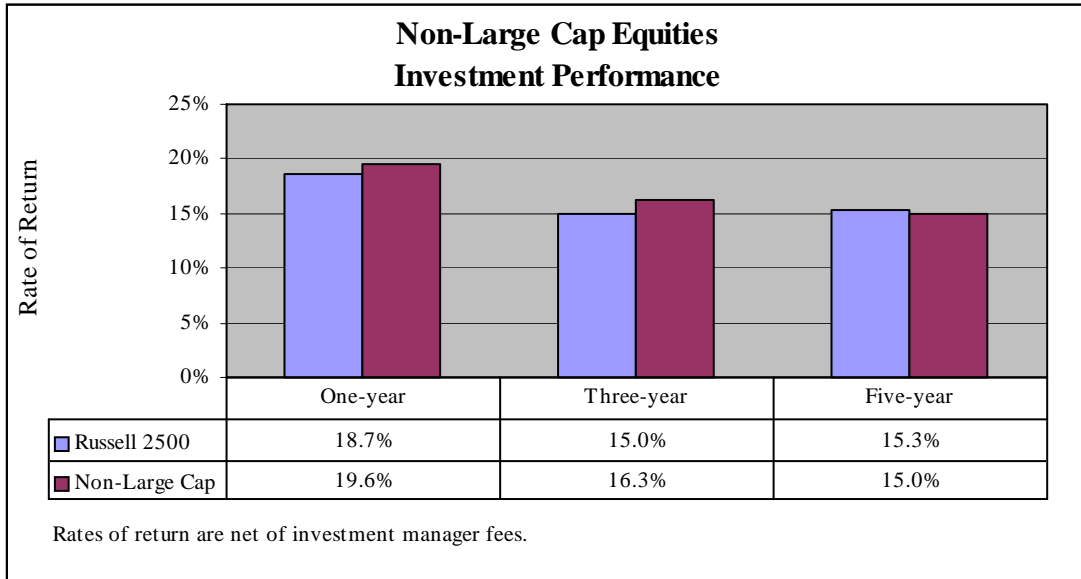


**Investment Performance**

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	16.8	35.1	58.5
Trustee fees	0.1	0.1	0.1
Custodian bank fees	0.3	0.6	5.9
Management fees	2.5	2.8	2.9
Fiduciary bond fees	0.3	0.3	0.3
Professional service fees	0.7	0.8	0.8
Total expenses	<u>20.7</u>	<u>39.7</u>	<u>68.5</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.

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

*\*IMB staff has authority to change the cash 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)*

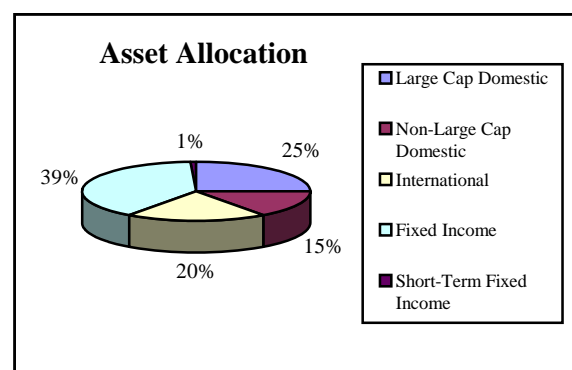
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 77,075
Contributions	6,619
Withdrawals	(4,358)
Net	2,261
Investment income	684
Net unrealized appreciation	12,993
June 30, 2007	\$ 93,013

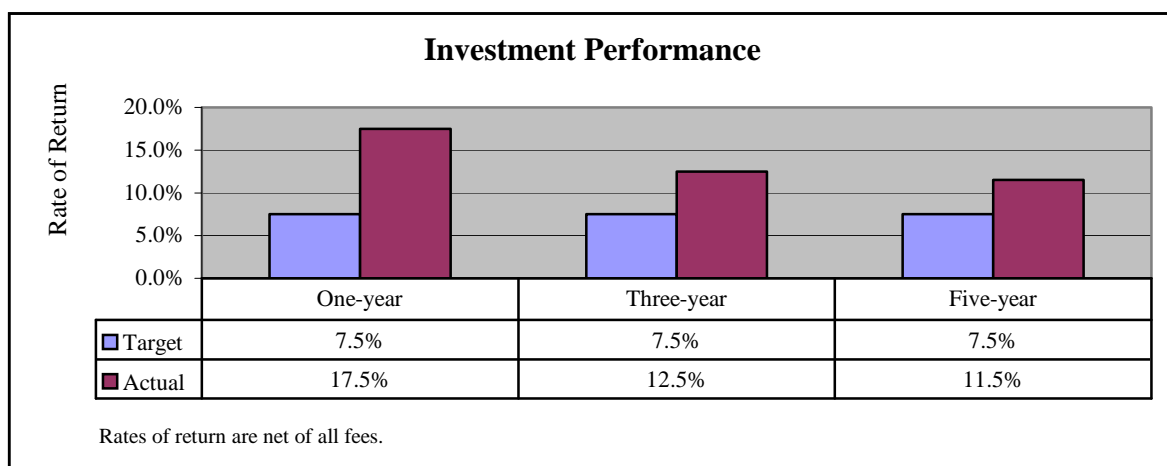
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 23,627	25%
Non-Large Cap Domestic	14,209	15%
International	18,701	20%
Fixed Income	35,995	39%
Short-Term Fixed Income	481	1%
Total	\$ 93,013	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.

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

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

*Judges' Retirement System (continued)*

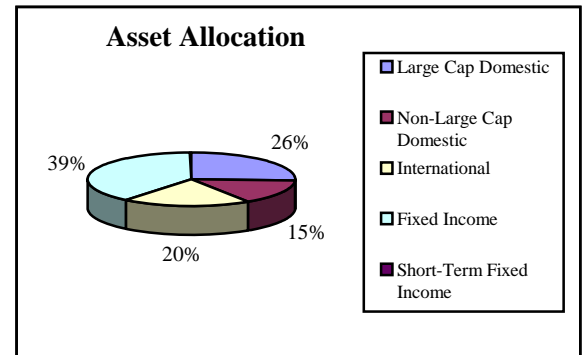
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 85,932
Contributions	6,821
Withdrawals	(3,837)
Net	<u>2,984</u>
Investment income	778
Net unrealized appreciation	14,433
June 30, 2007	<u><u>\$ 104,127</u></u>

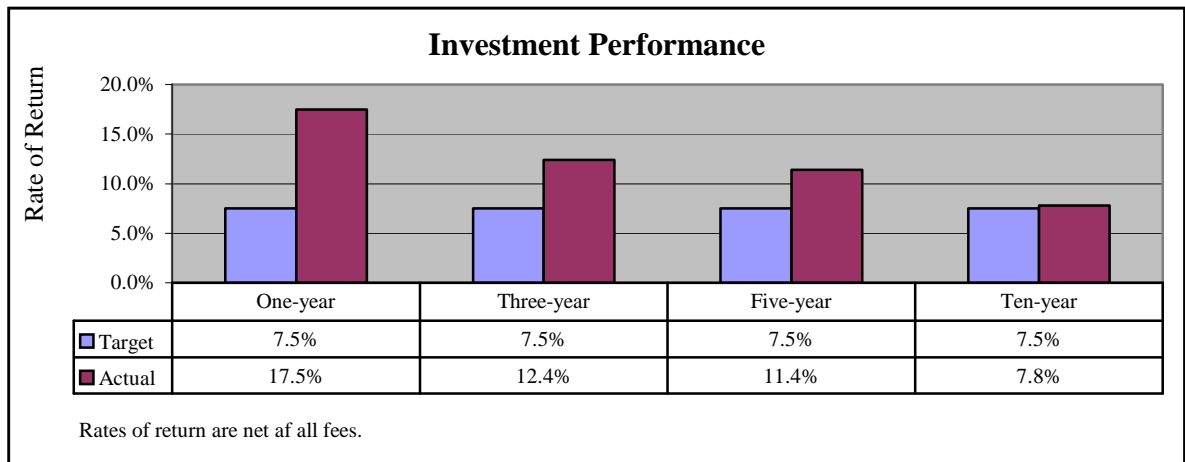
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 26,586	26%
Non-Large Cap Domestic	15,973	15%
International	21,026	20%
Fixed Income	40,263	39%
Short-Term Fixed Income	279	0%
Total	<u><u>\$ 104,127</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 percent to 2 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.

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

*\*IMB staff has authority to change the cash 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)**

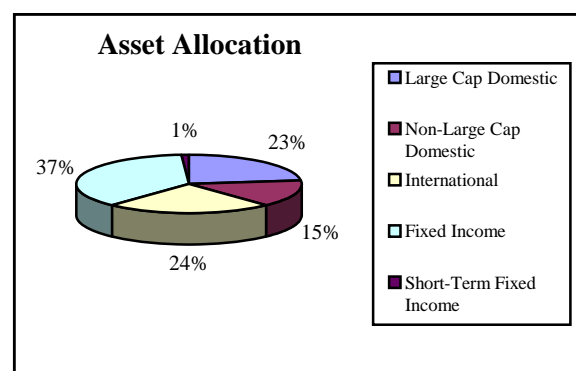
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 3,696,027
Contributions	173,789
Withdrawals	(226,247)
Net	<u>(52,458)</u>
Investment income	32,885
Net unrealized appreciation	612,613
June 30, 2007	<u><u>\$ 4,289,067</u></u>

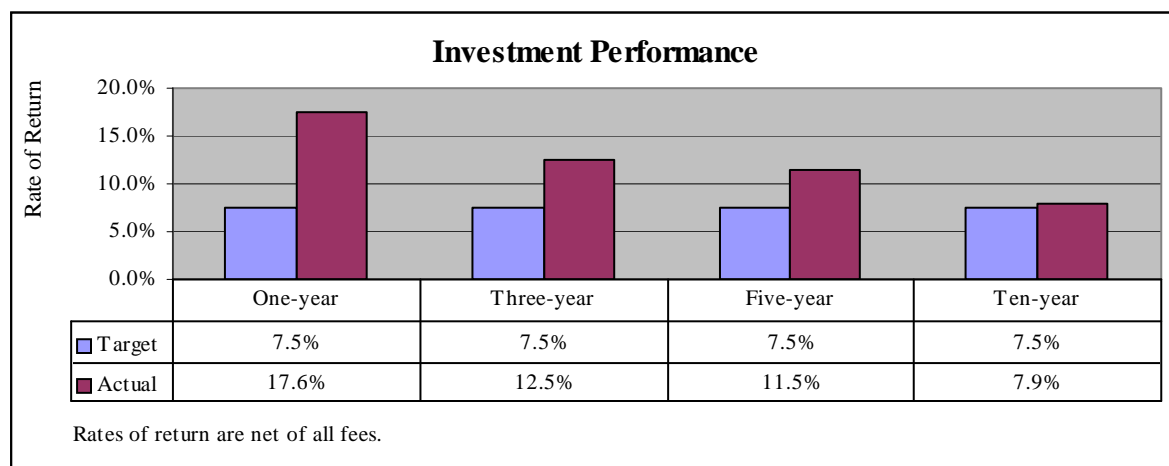
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 975,720	23%
Non-Large Cap Domestic	661,559	15%
International	1,025,178	24%
Fixed Income	1,607,578	37%
Short-Term Fixed Income	19,032	1%
Total	<u><u>\$ 4,289,067</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 negative 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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	42.0%
International Equity	18.0%
<b>Total Equity</b>	<b>60.0%</b>
<b>Fixed Income</b>	<b>40.0%</b>
<b>Cash (included in Fixed Income Above)</b>	<b>\$2,300,000*</b>

*\*IMB staff has authority to change the cash 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)*

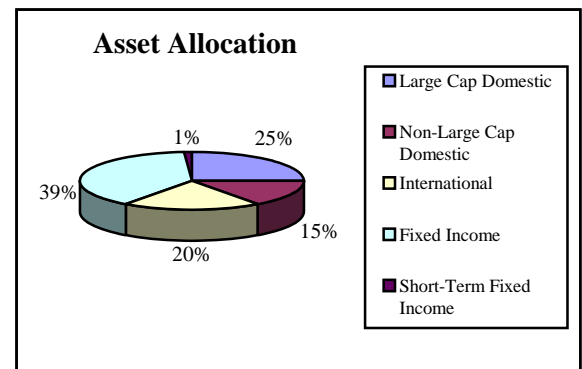
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 452,366
Contributions	7,548
Withdrawals	(25,309)
Net	<u>(17,761)</u>
Investment income	3,854
Net unrealized appreciation	74,267
June 30, 2007	<u><u>\$ 512,726</u></u>

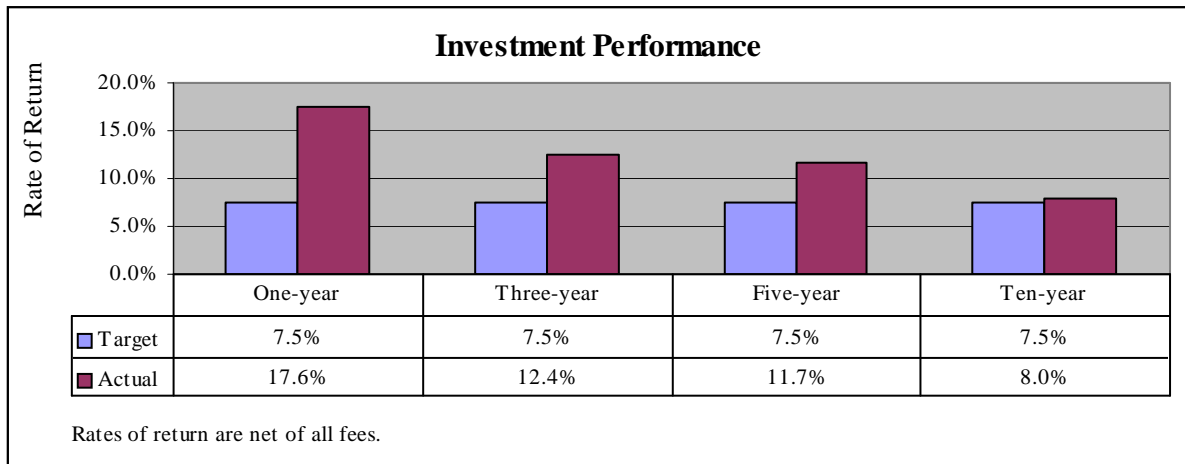
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 129,958	25%
Non-Large Cap Domestic	78,391	15%
International	103,138	20%
Fixed Income	197,309	39%
Short-Term Fixed Income	3,930	1%
Total	<u><u>\$ 512,726</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.

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

*\*IMB staff has authority to change the cash 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)*

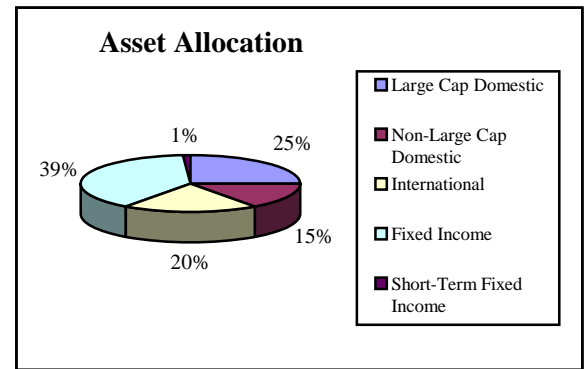
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 30,744
Contributions	4,274
Withdrawals	<u>(297)</u>
Net	3,977
Investment income	287
Net unrealized appreciation	<u>5,345</u>
June 30, 2007	<u><u>\$ 40,353</u></u>

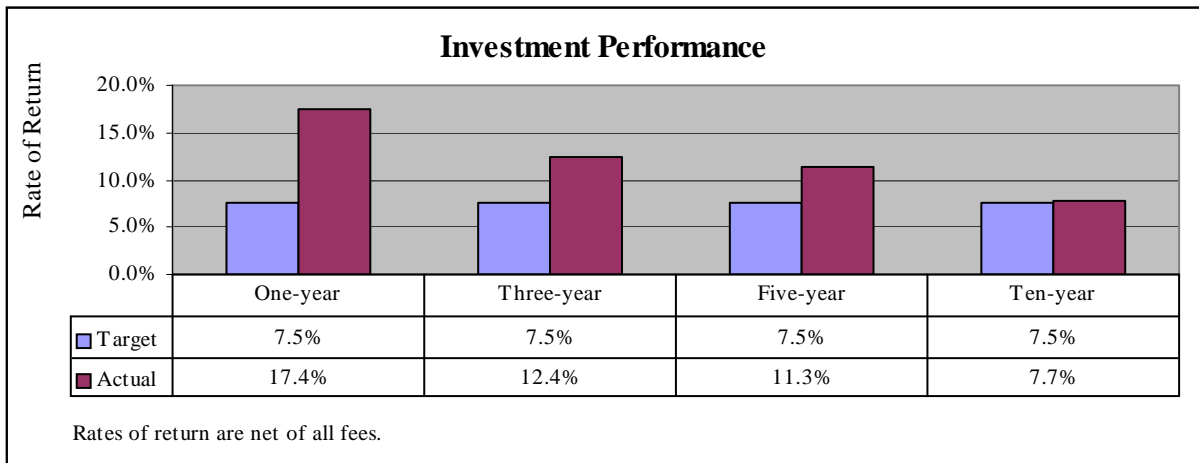
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 10,154	25%
Non-Large Cap Domestic	6,096	15%
International	8,023	20%
Fixed Income	15,516	39%
Short-Term Fixed Income	564	1%
Total	<u><u>\$ 40,353</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 and Teachers' Employers Contribution Collection Account*

### **History**

The Teachers' Retirement System (TRS) was created in 1941. It was closed to new members in 1991, but reopened to 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.

A new account, Teachers' Employers Contribution Collection Account (TECCA), was established in fiscal year 2007 which is a holding account for temporary, reserve cash on a month-to-month basis. Due to its short-term nature, assets are entirely invested in the Short-Term Fixed Income pool.

### **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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	42.0%
International Equity	18.0%
<b>Total Equity</b>	<b>60.0%</b>
<b>Fixed Income</b>	<b>40.0%</b>
<b>Cash (included in Fixed Income Above)</b>	<b>\$25,000,000*</b>

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

## Teachers' Retirement System

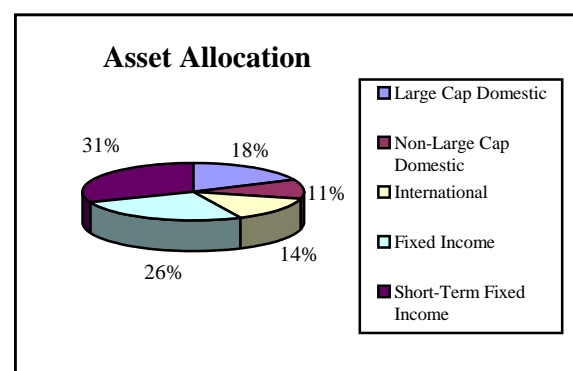
### Financial Highlights

#### Progression of Plan Balance (in \$000s)

June 30, 2006	\$ 2,079,390
Contributions	1,604,295
Withdrawals	<u>(410,878)</u>
Net	1,193,417
Investment income	20,591
Net unrealized appreciation	<u>344,824</u>
June 30, 2007	<u><u>\$ 3,638,222</u></u>

#### Asset Allocation (in \$000s)

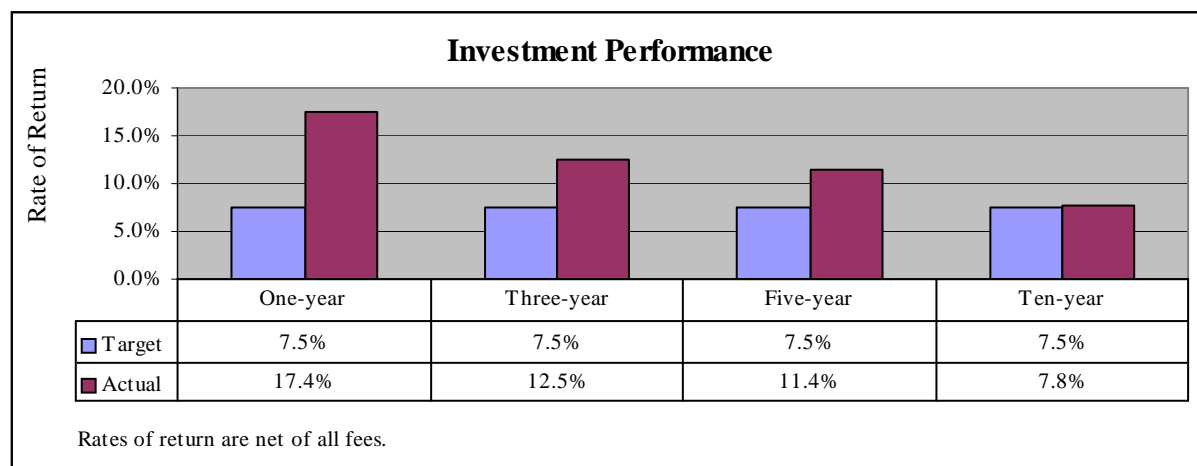
Large Cap Domestic	\$ 649,125	18%
Non-Large Cap Domestic	390,047	11%
International	512,189	14%
Fixed Income	969,804	26%
Short-Term Fixed Income	<u>1,117,057</u>	<u>31%</u>
Total	<u><u>\$ 3,638,222</u></u>	<u>100%</u>



*\*Allocation percentages reflect significant contributions of cash made to the Teachers' Retirement System in June 2007. Target asset allocation levels were met upon investment of these moneys on July 5, 2007.*

#### 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' Employers Contribution Collection Account*

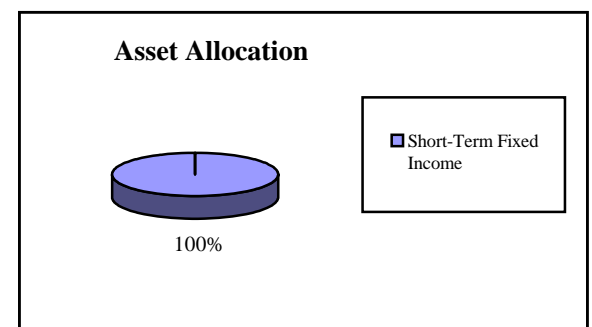
### **Financial Highlights**

#### **Progression of Plan Balance (in \$000s)**

June 30, 2006	\$	-
Contributions		132,914
Withdrawals		<u>(133,206)</u>
Net		(292)
Investment income		445
Net unrealized appreciation		<u>-</u>
June 30, 2007	\$	<u><u>153</u></u>

#### **Asset Allocation (in \$000s)**

Short-Term Fixed Income	\$	153	100%
Total	\$	<u>153</u>	<u>100%</u>



#### **Investment Performance**

Investment performance for the period from March 19, 2007 through June 30, 2007 was 1.5 percent. TECCA has no defined target rate of return.

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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.

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

*Pneumoconiosis Fund (continued)*

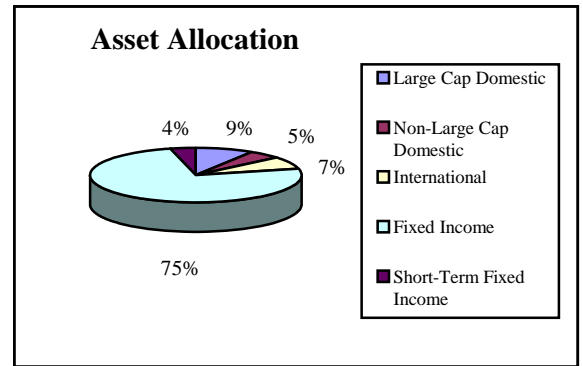
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 250,937
Contributions	20
Withdrawals	<u>(11,325)</u>
Net	(11,305)
Investment income	4,589
Net unrealized appreciation	<u>22,445</u>
June 30, 2007	<u><u>\$ 266,666</u></u>

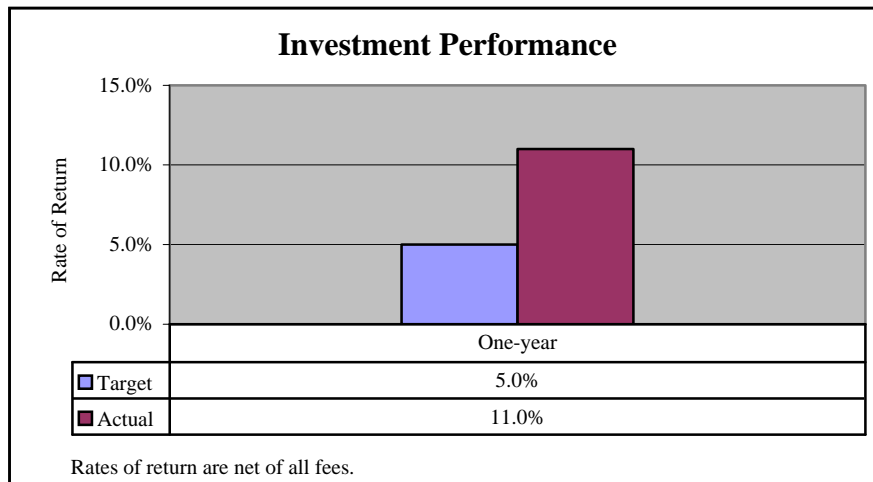
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 22,877	9%
Non-Large Cap Domestic	13,913	5%
International	18,439	7%
Fixed Income	198,888	75%
Short-Term Fixed Income	12,549	4%
Total	<u><u>\$ 266,666</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.



## *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, 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, the 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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	21.0%
International Equity	9.0%
<b>Total Equity</b>	<b>30.0%</b>
<b>Total Fixed Income</b>	<b>70.0%</b>
<b>Cash</b>	<b>0.0%*</b>

*\*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)*

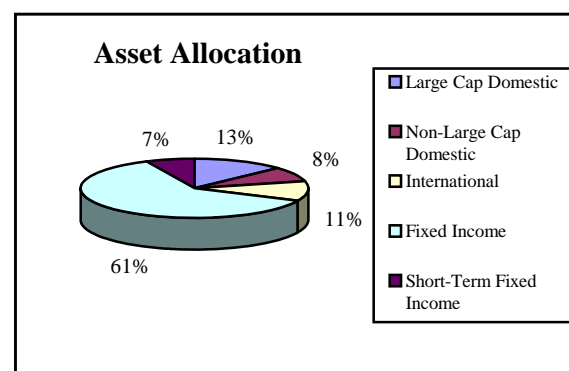
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$	643,605
Contributions		45,000
Withdrawals		(114,766)
Net		<u>(69,766)</u>
Investment income		11,060
Net unrealized appreciation		<u>66,159</u>
June 30, 2007	\$	<u><u>651,058</u></u>

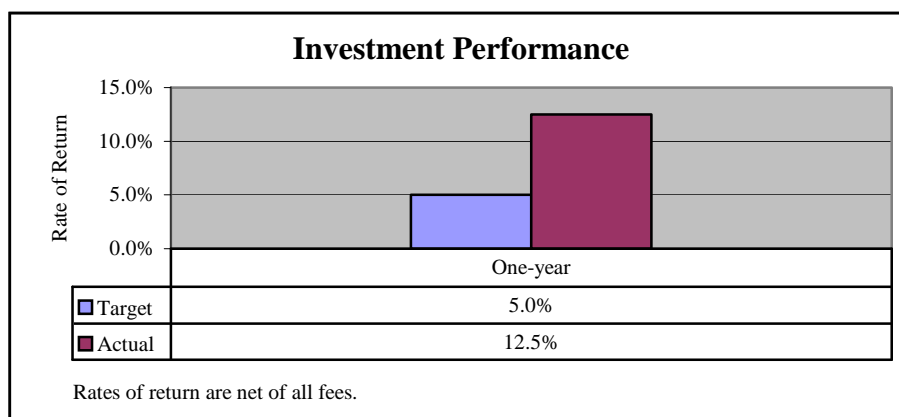
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$	85,903	13%
Non-Large Cap Domestic		52,337	8%
International		69,627	11%
Fixed Income		399,479	61%
Short-Term Fixed Income		43,712	7%
Total	\$	<u><u>651,058</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.



## *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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	0.0%
International Equity	0.0%
<b>Total Equity</b>	<b>0.0%</b>
<b>Total Fixed Income</b>	<b>0.0%</b>
<b>Cash</b>	<b>100.0%</b>

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

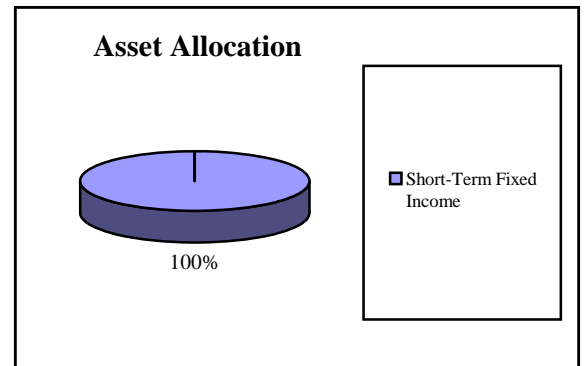
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$	1,279
Contributions		1,629
Withdrawals		-
Net		<u>1,629</u>
Investment income		90
June 30, 2007	\$	<u><u>2,998</u></u>

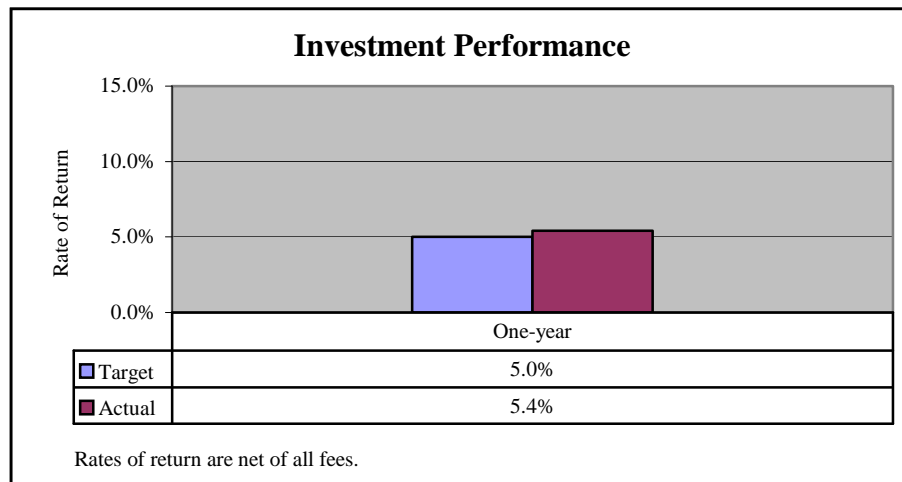
**Asset Allocation (in \$000s)**

Short-Term Fixed Income	\$	2,998	100%
Total	\$	<u><u>2,998</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.



## *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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	0.0%
International Equity	0.0%
<b>Total Equity</b>	<b>0.0%</b>
<b>Total Fixed Income</b>	<b>0.0%</b>
<b>Cash</b>	<b>100.0%</b>

*Workers' Compensation Uninsured Employers' Fund (continued)*

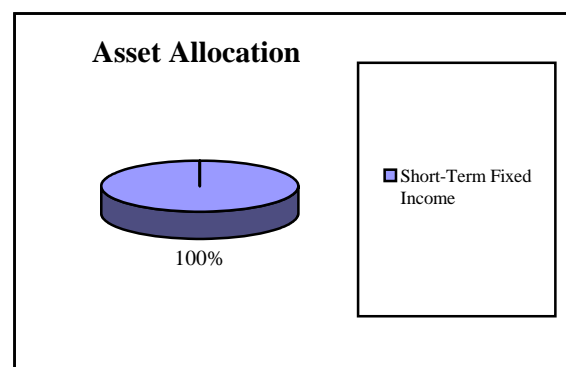
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$	5,114
Contributions		1,800
Withdrawals		-
Net		<u>1,800</u>
Investment income		302
June 30, 2007	\$	<u><u>7,216</u></u>

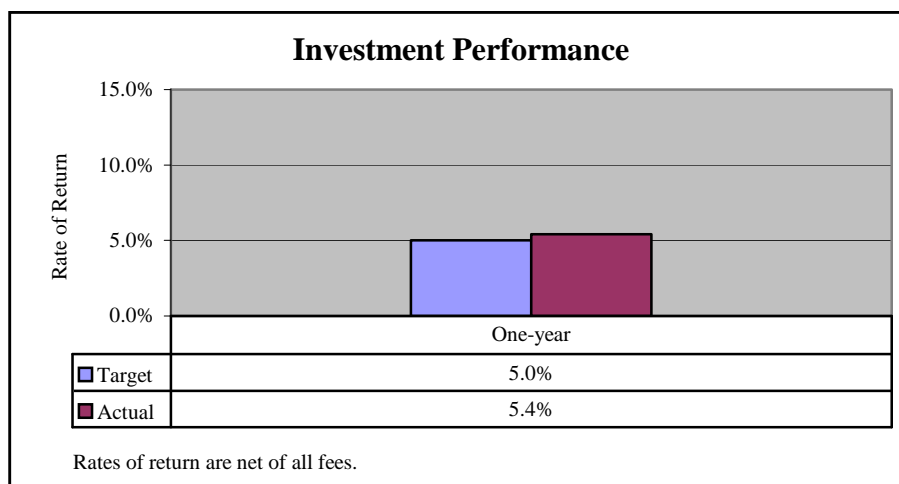
**Asset Allocation (in \$000s)**

Short-Term Fixed Income	\$	7,216	100%
Total	\$	<u><u>7,216</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.



## *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 rate of return of at least 6.0 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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	42.0%
International Equity	18.0%
<b>Total Equity</b>	<b>60.0%</b>
<b>Fixed Income</b>	<b>40.0%</b>
<b>Cash and Cash Equivalent</b>	<b>0.0%</b>

**Wildlife Endowment Fund (continued)**

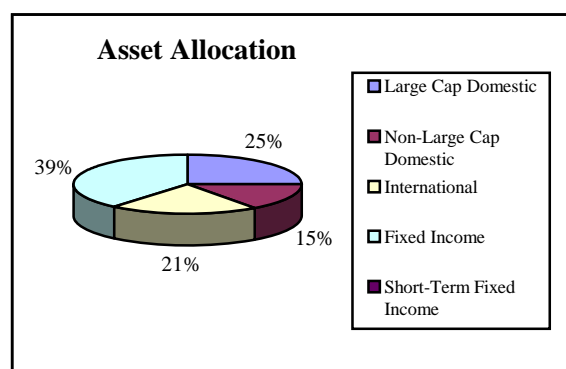
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 35,292
Contributions	518
Withdrawals	(2,310)
Net	(1,792)
Investment income	297
Net unrealized appreciation	5,745
June 30, 2007	\$ 39,542

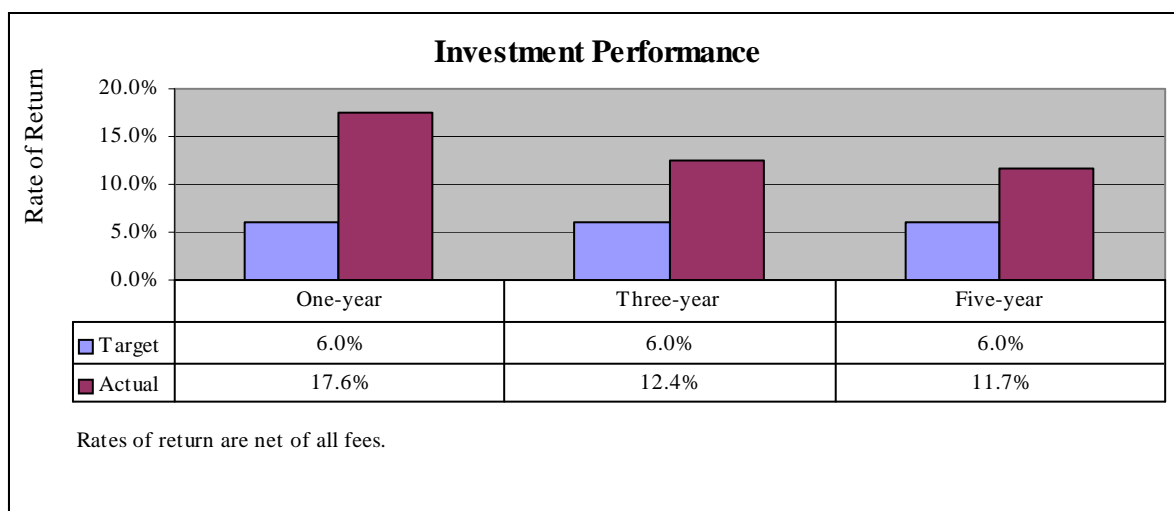
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 9,977	25%
Non-Large Cap Domestic	6,049	15%
International	8,026	21%
Fixed Income	15,422	39%
Short-Term Fixed Income	68	0%
Total	\$ 39,542	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.



## ***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 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.

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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Equity	42.0%
International Equity	18.0%
<b>Total Equity</b>	<b>60.0%</b>
<b>Fixed Income</b>	<b>40.0%</b>
<b>Cash (included in Fixed Income Above)</b>	<b>\$1,000,000*</b>

*\*IMB staff has authority to change the cash 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

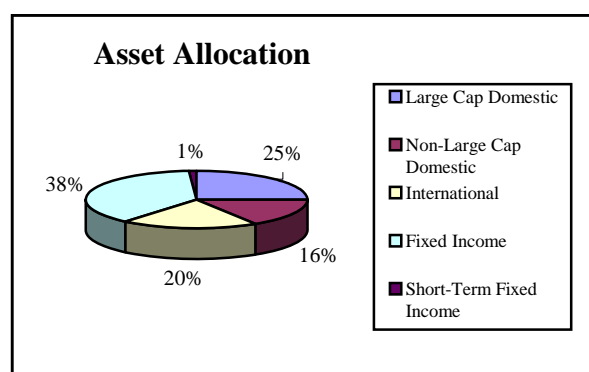
### Financial Highlights

#### Progression of Plan Balance (in \$000s)

June 30, 2006	\$ 93,627
Contributions	-
Withdrawals	(4,600)
Net	<u>(4,600)</u>
Investment income	810
Net unrealized appreciation	<u>15,096</u>
June 30, 2007	<u><u>\$ 104,933</u></u>

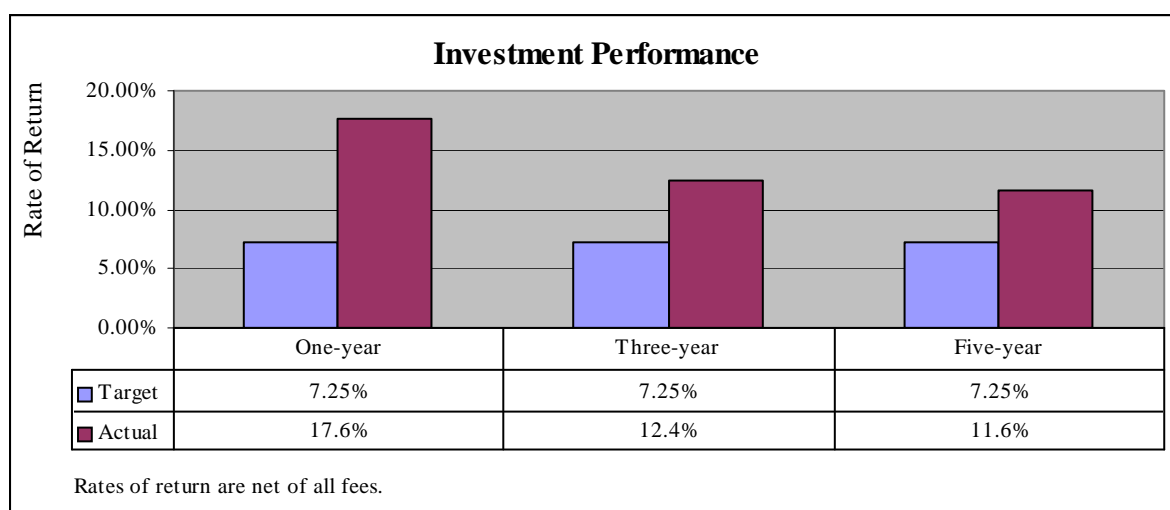
#### Asset Allocation (\$000s)

Large Cap Domestic	\$ 26,510	25%
Non-Large Cap Domestic	16,074	16%
International	21,345	20%
Fixed Income	39,991	38%
Short-Term Fixed Income	1,013	1%
Total	<u><u>\$ 104,933</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

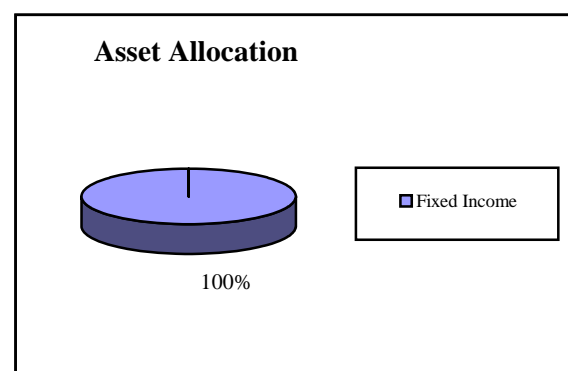
### Financial Highlights

#### Progression of Plan Balance (in \$000s)

June 30, 2006	\$	1,553
Contributions		707
Withdrawals		-
Net		<u>707</u>
Investment income		41
Net unrealized appreciation		92
June 30, 2007	\$	<u><u>2,393</u></u>

#### Asset Allocation (in \$000s)

Fixed Income	\$	2,393	100%
Total	\$	<u><u>2,393</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. A target rate of return has not been set for this plan.

Rates of return	
One-year	8.1%
Three-year	5.2%

## *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 it determines.

### **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 Reserve Fund 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.

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

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

## Revenue Shortfall Reserve Fund (continued)

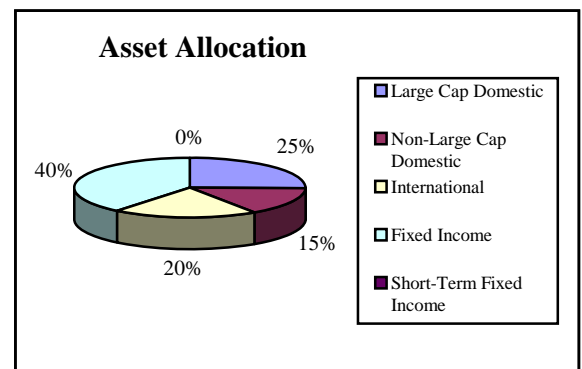
### Financial Highlights

#### Progression of Plan Balance (in \$000s)

June 30, 2006	\$	24,225
Contributions		88,817
Withdrawals		-
Net		<u>88,817</u>
Investment income		1,745
Net unrealized appreciation		14,334
June 30, 2007	\$	<u><u>129,121</u></u>

#### Asset Allocation (in \$000s)

Large Cap Domestic	\$	32,624	25%
Non-Large Cap Domestic		19,783	16%
International		26,256	20%
Fixed Income		50,433	39%
Short-Term Fixed Income		25	0%
Total	\$	<u><u>129,121</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 Reserve Fund was 14.7 percent for the year ended June 30, 2007.

## ***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.

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

**Revenue Shortfall Reserve Fund - Part B (continued)**

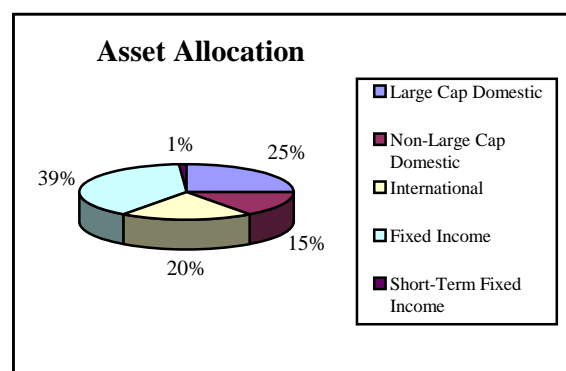
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 234,613
Contributions	1,118
Withdrawals	-
Net	<u>1,118</u>
Investment income	2,012
Net unrealized appreciation	<u>39,168</u>
June 30, 2007	<u><u>\$ 276,911</u></u>

**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 69,920	25%
Non-Large Cap Domestic	42,298	15%
International	56,110	20%
Fixed Income	107,758	39%
Short-Term Fixed Income	825	1%
Total	<u><u>\$ 276,911</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. The rate of return for the Reserve Fund-Part B was 17.5 percent for the year ended June 30, 2007. A target rate of return has not been set for this plan.

## *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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Large Cap Equity	14.0%
International Equity	6.0%
<b>Total Equity</b>	<b>20.0%</b>
<b>Fixed Income</b>	<b>80.0%</b>
<b>Cash</b>	<b>0.0%</b>



**Board of Risk and Insurance Management Fund (continued)**

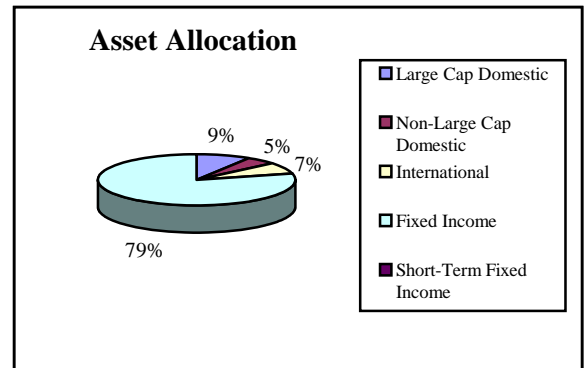
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 105,465
Contributions	-
Withdrawals	-
Net	-
Investment income	1,791
Net unrealized appreciation	9,871
June 30, 2007	<u>\$ 117,127</u>

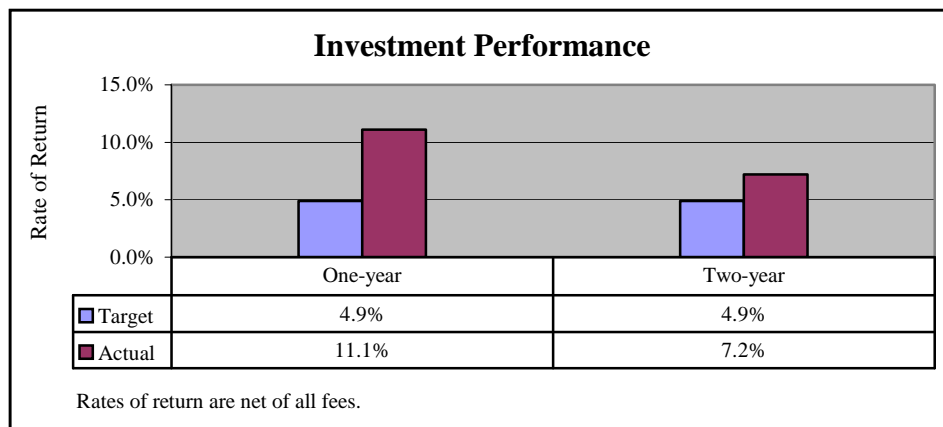
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 9,970	9%
Non-Large Cap Domestic	6,083	5%
International	8,127	7%
Fixed Income	92,942	79%
Short-Term Fixed Income	5	0%
Total	<u>\$ 117,127</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' 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 5.4 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.

<b>Asset Class</b>	<b>Policy Target</b>
Domestic Large Cap Equity	10.5%
International Equity	4.5%
<b>Total Equity</b>	<b>15.0%</b>
<b>Total Fixed Income</b>	<b>85.0%</b>
<b>Cash</b>	<b>0.0%*</b>

*\*IMB staff has authority to change the cash 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)*

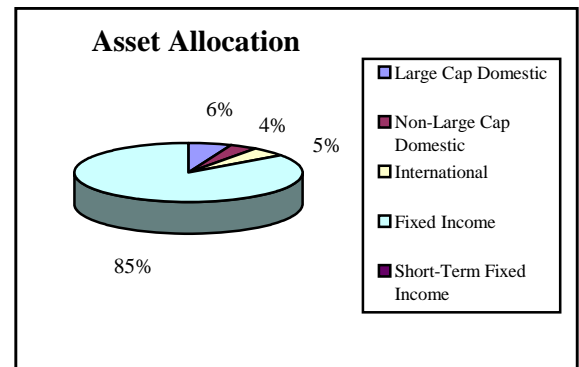
**Financial Highlights**

**Progression of Plan Balance (in \$000s)**

June 30, 2006	\$ 154,630
Contributions	-
Withdrawals	-
Net	-
Investment income	2,892
Net unrealized appreciation	12,474
June 30, 2007	<u>\$ 169,996</u>

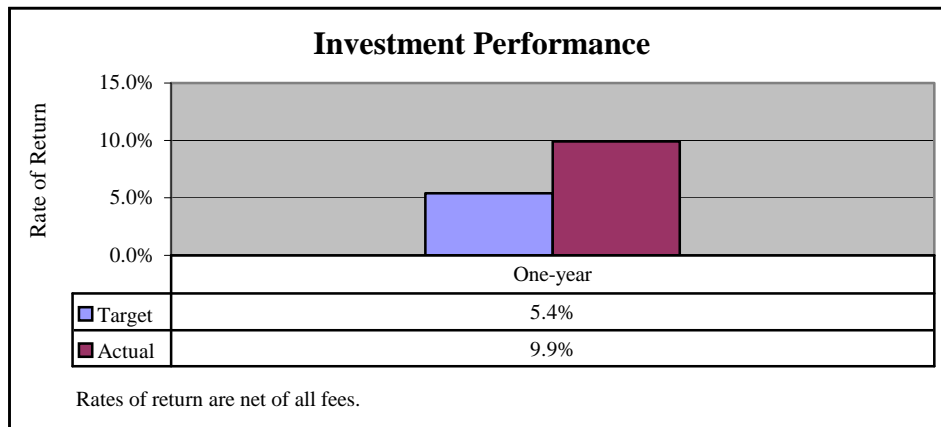
**Asset Allocation (in \$000s)**

Large Cap Domestic	\$ 10,886	6%
Non-Large Cap Domestic	6,637	4%
International	8,857	5%
Fixed Income	143,615	85%
Short-Term Fixed Income	1	0%
Total	<u>\$ 169,996</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.





# *Audited Financial Statements*



***West Virginia  
Investment Management Board***\_\_\_\_\_

***Investment Pools***

***Audited Financial Statements***

***June 30, 2007***





**West Virginia**  
**Investment Management Board**  
**Investment Pools**

**Audited Financial Statements**

**June 30, 2007**

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## Independent Auditors' Report

Board of Trustees  
West Virginia Investment Management Board:

We have audited the accompanying statement of assets and liabilities of the West Virginia Investment Management Board Investment Pools (the Pools), including the schedule of investments in securities, as of June 30, 2007, and the related statements of operations and changes in net assets, and financial highlights (included in note 8) for the year then ended. These financial statements are the responsibility of the Pool'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 Pool'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.

As described in note 1, these financial statements were prepared on a basis of accounting following U.S. generally accepted accounting principles established by the AICPA applicable to investment companies which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the West Virginia Investment Management Board Investment Pools as of June 30, 2007, and the results of its operations, changes in its net assets, and its financial highlights for the year then ended on the comprehensive basis of accounting described in the preceding paragraph and in note 1.

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 page 77 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**

September 12, 2007



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**West Virginia Investment Management Board**  
**Investment Pools**  
**Statement of Assets and Liabilities**

**June 30, 2007**

*(Dollars in thousands, except Investment Unit Data)*

	Large Cap Domestic	Non-Large Cap Domestic
<b>Assets</b>		
Investment securities:		
At amortized cost		
At fair value	\$ 2,079,517	\$ 1,327,739
Cash	-	-
Cash, denominated in foreign currencies (cost \$12,608)		
Collateral for securities loaned, at fair value (Note 4)	1,530	62,707
Receivables:		
Accrued interest	-	-
Investments sold	22,056	4,006
Dividends	2,364	952
Securities lending income	115	77
Foreign tax withholding	-	-
Return of pledged collateral	-	135
Due from broker - variation margin	-	-
<b>Total assets</b>	<b>2,105,582</b>	<b>1,395,616</b>
<b>Liabilities</b>		
Accrued expenses	717	1,207
Dividends payable	-	-
Payable for investments purchased	19,496	2,239
Payable upon return of securities loaned (Note 4)	1,530	62,707
Unrealized loss on foreign currency exchange contracts (Note 7)	-	-
Due to broker - variation margin	-	15
<b>Total liabilities</b>	<b>21,743</b>	<b>66,168</b>
<b>Net assets at value</b>	<b>\$ 2,083,839</b>	<b>\$ 1,329,448</b>
<b>Net assets</b>		
Paid-in capital	\$ 1,338,989	\$ 425,033
Accumulated undistributed net investment income (loss)	132,787	188,516
Accumulated undistributed net realized gain (loss) from investments	324,444	492,075
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation of investments	287,619	223,824
Unrealized net appreciation on translation of assets and liabilities in foreign currencies	-	-
<b>Net assets at value</b>	<b>\$ 2,083,839</b>	<b>\$ 1,329,448</b>
Investment unit data:		
Units outstanding	153,365,671	52,936,754
Net asset value, unit price	<b>\$13.59</b>	<b>\$25.11</b>

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ 493,748	\$ 63,696	\$ 1,324,912
-	-	-
-	-	12,650
-	-	216,731
-	-	-
-	-	17,801
-	-	2,231
-	-	119
-	-	1,105
-	-	-
-	-	-
<u>493,748</u>	<u>63,696</u>	<u>1,575,549</u>
243	3	1,465
-	-	-
-	-	9,506
-	-	216,731
-	-	6
-	-	-
<u>243</u>	<u>3</u>	<u>227,708</u>
<u>\$ 493,505</u>	<u>\$ 63,693</u>	<u>\$ 1,347,841</u>
\$ 140,669	\$ 18,872	\$ 576,307
(12,804)	(1,322)	93,680
16,965	9,225	302,110
-	-	64,983
348,675	36,918	275,756
-	-	35,005
<u>\$ 493,505</u>	<u>\$ 63,693</u>	<u>\$ 1,347,841</u>
13,392,435	1,831,518	54,139,750
<u>\$36.85</u>	<u>\$34.78</u>	<u>\$24.90</u>

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

**June 30, 2007**

*(Dollars in thousands, except Investment Unit Data)*

	<b>Short-Term Fixed Income</b>	<b>Fixed Income</b>
<b>Assets</b>		
Investment securities:		
At amortized cost	\$ 1,209,644	
At fair value		\$ 2,374,594
Cash	-	-
Collateral for securities loaned, at fair value (Note 4)	230,091	234,370
Receivables:		
Accrued interest	253	11,891
Investments sold	-	21,396
Dividends	-	102
Securities lending income	33	69
Foreign tax withholding	-	-
Return of pledged collateral	-	2,200
Due from broker - variation margin	-	1,580
<b>Total assets</b>	<b>1,440,021</b>	<b>2,646,202</b>
<b>Liabilities</b>		
Accrued expenses	30	443
Dividends payable	-	4,661
Payable for investments purchased	-	68,635
Payable upon return of securities loaned (Note 4)	230,091	234,370
Unrealized loss on foreign currency exchange contracts (Note 7)	-	-
Due to broker - variation margin	-	-
<b>Total liabilities</b>	<b>230,121</b>	<b>308,109</b>
<b>Net assets at value</b>	<b>\$ 1,209,900</b>	<b>\$ 2,338,093</b>
<b>Net assets</b>		
Paid-in capital	\$ 1,209,909	\$ 1,990,806
Accumulated undistributed net investment income (loss)	-	-
Accumulated undistributed net realized gain (loss) from investments	(9)	240,553
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation of investments	-	106,734
Unrealized net appreciation on translation of assets and liabilities in foreign currencies	-	-
<b>Net assets at value</b>	<b>\$ 1,209,900</b>	<b>\$ 2,338,093</b>
<b>Investment unit data:</b>		
Units outstanding	1,209,908,639	187,927,464
Net asset value, unit price	<b>\$1.00</b>	<b>\$12.44</b>

See accompanying notes to financial statements.



<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 1,154,048	\$ 420,696
-	-
-	-
-	-
-	-
-	-
-	-
<u>1,154,048</u>	<u>420,696</u>
77	32
-	-
-	-
-	-
-	-
<u>77</u>	<u>32</u>
<u>\$ 1,153,971</u>	<u>\$ 420,664</u>
\$ 876,077	\$ 357,856
(273)	(737)
201,066	40,752
-	-
77,101	22,793
-	-
<u>\$ 1,153,971</u>	<u>\$ 420,664</u>
74,545,253	46,026,575
<u>\$15.48</u>	<u>\$9.14</u>

**West Virginia Investment Management Board  
Investment Pools  
Schedule of Investments in Securities**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic</b>			
<i>Equities</i>			
<i>Basic Materials</i>			
Alcoa Inc	1,600	\$ 66	\$ 65
Allegheny Technologies Inc	61,500	4,201	6,450
Ashland Inc New	48,500	3,342	3,102
Ball Corporation	21,300	1,166	1,133
Bemis Company Inc	38,500	1,302	1,277
CONSOL Energy Inc	1,000	46	46
Dow Chemical Company	13,800	620	610
duPont El de Nemours Co	14,100	633	717
Eastman Chemical Company	37,200	2,393	2,393
Ecolab Inc	86,400	3,523	3,689
Freeport-McMoRan Copper & Gold	59,882	7,307	4,959
Hercules Inc	286,500	4,658	5,630
Intl Flavors & Fragrances Inc	52,600	2,306	2,743
Monsanto Company	38,790	1,493	2,620
Nucor Corporation	149,900	8,176	8,792
Pactiv Corporation	237,800	6,422	7,583
PPG Industries Inc	72,700	4,891	5,533
Praxair Inc	1,800	83	130
Rohm & Haas Company	6,500	322	355
Sealed Air Corporation	18,100	574	561
Sigma-Aldrich Corporation	25,700	919	1,097
Temple-Inland Inc	105,300	5,094	6,479
United States Steel Corp	86,600	6,825	9,418
Vulcan Materials	15,700	1,752	1,798
Weyerhaeuser Company	22,900	1,846	1,808
<i>Total Basic Materials</i>		69,960	78,988
<i>Capital Goods</i>			
3M Co	92,900	7,524	8,063
Allied Waste Industries Inc	19,800	236	267
American Standard Companies	22,600	1,100	1,333
Apollo Group	58,400	2,742	3,412
Avery Dennison Corp	3,500	202	233
Boeing Company	154,300	11,762	14,837
Burlington Northern Santa Fe	8,400	524	715
Cooper Industries Ltd	67,100	3,083	3,831
CSX Corp	125,500	4,049	5,658
Cummins Engine Company Inc	97,700	7,795	9,888
Danaher Corp	13,700	876	1,034
Deere & Company	27,600	2,334	3,332
Donnelley & Sons	42,600	1,635	1,854
Dover Corp	113,700	5,628	5,816
Emerson Electric Co	18,100	740	847
FedEx Corp	4,500	478	499
General Dynamics Corp	156,500	9,362	12,241
General Electric Company	1,414,575	47,925	54,150
Goodrich BF Company	3,900	221	232
Honeywell International Inc	9,100	531	512

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
ITT Industries Inc	6,100	294	417
L-3 Communications Hldgs Inc	3,400	336	331
Lockheed Martin Corp	132,800	11,526	12,500
Norfolk Southern Corp	78,200	3,792	4,111
Northrop Grumman Corp	13,300	824	1,036
PACCAR Inc	49,300	3,588	4,291
Pall Corporation	37,900	1,619	1,743
Pitney Bowes Inc	3,700	167	173
Precision Castparts Corp	23,200	2,754	2,816
Raytheon Company	78,800	3,435	4,247
Robert Half International Inc	1,500	53	55
Rockwell Collins	30,700	1,473	2,169
Ryder System Inc	7,200	371	387
Terex Corp	113,400	6,878	9,219
Tyco International Ltd	123,667	2,210	4,179
Union Pacific Corp	18,200	1,433	2,096
United Parcel Service Inc	155,100	10,670	11,322
United Technologies Corp	149,100	9,222	10,576
Waste Management Inc	172,100	5,319	6,720
<i>Total Capital Goods</i>	10.0%	174,711	207,142
<i>Communication Services</i>			
ALLTEL Corporation	4,000	189	270
AT&T Inc	990,870	27,735	41,121
CenturyTel Inc	172,700	6,540	8,471
Citizens Communications Co	333,400	4,646	5,091
Qwest Communications Intl Inc	511,800	3,979	4,965
Sprint Nextel Corporation	241,754	4,684	5,007
Verizon Communications	260,044	9,333	10,706
Windstream Corp	306,921	4,372	4,530
<i>Total Communication Services</i>	3.9%	61,478	80,161
<i>Consumer Cyclical</i>			
Abercrombie & Fitch Co	14,300	1,120	1,044
Amazon.com Inc	67,700	3,834	4,631
AutoNation Inc	18,500	383	415
AutoZone Inc	61,600	6,895	8,416
Big Lots Inc	165,800	3,070	4,878
Carnival Corp	38,000	1,873	1,853
CBS Corp	254,722	7,892	8,487
Citadel Broadcasting Co	9,538	53	62
Clear Channel Communications	51,400	1,854	1,944
Coach Inc	76,600	3,702	3,630
Comcast Corp	438,902	11,055	12,342
Darden Restaurants Inc	92,300	3,600	4,060
Dillard's Inc	23,000	721	826
DIRECTV Group Inc	320,800	7,614	7,414
Disney Walt Company	403,900	11,465	13,789
Dollar General Corporation	85,400	1,842	1,872
Dow Jones & Company Inc	12,500	703	718
Family Dollar Stores	51,100	1,353	1,754

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
Gap Inc	11,300	209	216
General Motors Corp	117,400	3,706	4,438
Genuine Parts Company	19,800	843	982
Goodyear Tire & Rubber Co	274,100	7,822	9,528
Harley-Davidson Inc	85,600	5,402	5,103
Harman Intl Industries Inc	15,300	1,770	1,787
Harrah's Entertainment Inc	15,700	1,296	1,339
Hasbro Inc	257,400	6,669	8,085
Hilton Hotels Corp	103,600	3,088	3,467
Home Depot Inc	67,996	2,376	2,676
IAC/InterActive Corporation	104,000	3,852	3,599
International Game Technology	123,300	4,802	4,895
Interpublic Group of Co Inc	187,100	2,292	2,133
Johnson Controls Inc	58,000	4,356	6,715
Jones Apparel Group Inc	15,700	501	444
Kohl's Corporation	99,800	6,452	7,089
Leggett & Platt Inc	40,300	941	889
Limited Inc	12,000	329	329
Liz Claiborne Inc	4,600	202	172
Macy's Inc	176,672	6,262	7,028
Marriott International Inc	47,800	2,097	2,067
Mattel Inc	385,900	9,921	9,759
McDonald's Corporation	112,900	4,631	5,731
McGraw-Hill Companies Inc	137,500	7,219	9,361
Meredith Corp	15,900	953	979
Newell Rubbermaid Inc	144,400	3,580	4,250
News Corp	386,800	7,607	8,204
Nike Inc	81,500	3,909	4,751
Nordstrom Inc	148,200	6,922	7,576
Office Depot Inc	74,300	2,580	2,251
OfficeMax Inc	29,800	1,271	1,171
Omnicom Group Inc	192,000	8,708	10,161
Penney JC & Company	140,200	9,122	10,148
Polo Ralph Lauren Corporation	30,800	2,798	3,022
RadioShack Corp	81,600	2,239	2,704
Sears Holding Corp	38,930	6,286	6,599
Sherwin-Williams Co	84,100	4,324	5,590
Snap-On Inc	35,700	1,404	1,803
Staples Inc	238,400	5,964	5,657
Starbucks Corp	16,000	520	420
Target Corp	30,300	1,742	1,927
Tiffany & Co	32,800	1,640	1,740
Time Warner Inc	669,496	13,186	14,086
TJX Companies Inc	224,700	6,338	6,179
Tribune Company	51,000	1,577	1,499
VF Corp	56,000	4,043	5,128
Wendys International Inc	44,500	1,372	1,635
Whirlpool Corporation	50,695	5,334	5,637
Wyndham Worldwide Corporation	19,700	640	714
Yum Brands Inc	48,800	1,256	1,597
<i>Total Consumer Cyclicals</i>	14.0%	261,382	291,395

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
<i>Consumer Staples</i>			
Altria Group Inc	266,176	14,558	18,670
Anheuser-Busch Company Inc	74,300	3,614	3,875
Archer-Daniels-Midland Co	54,800	1,992	1,813
Avon Products Inc	80,700	2,609	2,966
Campbell Soup Co	222,800	8,264	8,647
Clorox Company	24,300	1,441	1,509
Coca-Cola Company	133,800	6,076	6,999
Coca-Cola Enterprises	244,300	5,148	5,863
Colgate-Palmolive Co	129,700	7,662	8,411
ConAgra Foods Inc	164,400	4,191	4,416
Costco Wholesale Corp	11,500	579	673
CVS Corp	58,776	1,813	2,142
Dean Foods Company	32,900	1,131	1,049
Estee Lauder Companies Inc	30,500	1,283	1,388
General Mills Inc	130,900	6,700	7,647
Heinz HJ Company	91,300	3,952	4,334
Kellogg Company	81,900	3,905	4,242
Kimberly Clark Corporation	79,700	5,450	5,331
Kraft Foods Inc	30,257	691	1,067
Kroger Co	318,700	7,726	8,965
McCormick & Company Inc	73,100	2,676	2,791
Molson Coors Brewing Co	30,700	2,255	2,839
Pepsi Bottling Group Inc	171,888	4,839	5,789
Pepsico Inc	240,798	13,333	15,616
Proctor & Gamble Company	413,549	20,811	25,305
Reynolds American Inc	160,900	9,685	10,491
Safeway Inc	257,400	7,584	8,759
Supervalu Inc	77,529	3,882	3,591
Sysco Corp	180,400	6,042	5,951
Tyson Foods, Inc	127,200	2,356	2,931
UST Inc	105,700	5,773	5,677
Walgreen Co	14,600	641	635
Wal-Mart Stores	356,000	17,661	17,127
Wrigley Wm Jr Company	49,700	2,805	2,749
<i>Total Consumer Staples</i>	10.1%	189,128	210,258
<i>Energy</i>			
Baker Hughes Inc	12,300	772	1,035
ChevronTexaco Corp	273,935	18,402	23,076
ConocoPhillips	129,157	7,897	10,139
Devon Energy Corporation	11,000	843	861
Dynegy Inc	444,600	3,391	4,197
El Paso Corporation	16,400	230	283
ENSCO International Inc	92,700	5,100	5,656
EOG Resources Inc	3,000	235	219
Exxon Mobil Corporation	839,605	45,292	70,426
Halliburton Company	138,400	2,419	4,775
Hess Corp	15,200	657	896
Marathon Oil Corp	232,142	9,057	13,919
National-Oilwell Varco Inc	42,300	3,988	4,409

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
Occidental Petroleum Corp	111,960	4,405	6,480
Schlumberger Ltd	53,300	3,134	4,527
Smith International Inc	14,900	718	874
Transocean Inc	2,700	151	286
Valero Energy Corporation	85,200	4,900	6,293
Williams Companies Inc	47,100	1,301	1,489
XTO Energy Inc	76,800	4,257	4,616
<i>Total Energy</i>		117,149	164,456
<i>7.9%</i>			
<i>Financial Services</i>			
ACE Ltd	67,542	3,459	4,223
AFLAC Inc	21,900	968	1,126
Allstate Corp	156,285	6,998	9,613
Ambac Financial Group Inc	26,700	2,195	2,328
American Express	44,670	2,104	2,733
American International Grp Inc	382,386	24,305	26,778
Ameriprise Financial Inc	62,460	2,786	3,971
Aon Corporation	72,100	2,570	3,072
Apartment Investment & Mgmt Co	82,400	4,636	4,155
Archstone-Smith Trust	42,100	1,973	2,489
Assurant Inc	7,500	419	442
Avalonbay Communities Inc	6,000	802	713
Bank of America Corporation	699,807	30,013	34,214
Bank of New York Co Inc	63,600	2,149	2,636
BB&T Corp	66,700	2,746	2,713
Bear Stearns Companies Inc	50,100	5,267	7,014
Boston Properties Inc	45,600	4,921	4,657
CB Richard Ellis Grp Inc	59,200	1,955	2,161
Chubb Corp	38,100	1,626	2,063
Cincinnati Financial Corp	44,200	2,006	1,918
CIT Group Inc	90,700	4,622	4,973
Citigroup Inc	726,283	32,349	37,251
CME Group Inc	5,500	2,702	2,939
Comerica Inc	3,600	227	214
Compass Bancshares Inc	39,300	2,209	2,711
Developers Diversified Realty	10,300	659	543
Equity Residential Prop Trust	63,200	2,788	2,884
Federal Home Loan Mort Corp	42,474	2,492	2,578
Federal National Mortgage Assn	59,175	3,555	3,866
Franklin Resources Inc	51,300	4,517	6,796
Genworth Financial Inc	190,900	6,660	6,567
Goldman Sachs Group Inc	91,500	12,465	19,833
Hartford Financial Services Gp	8,640	590	851
Host Hotels & Resorts Inc	155,200	4,017	3,588
Huntington Bancshares Inc	156,200	3,550	3,552
JPMorgan Chase & Co	504,967	20,245	24,466
KeyCorp	3,900	138	134
Kimco Realty Corporation	59,600	2,613	2,269
Lehman Brothers Holdings Inc	121,700	6,388	9,069
Lincoln National Corp	32,719	1,857	2,321
Loews Corp	220,400	6,112	11,236

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
M & T Bank Corporation	11,200	1,210	1,197
Marsh & McLennan Co Inc	42,800	1,266	1,322
Marshall & Ilsley Corp	11,400	496	543
MBIA Inc	14,300	994	890
Mellon Financial Corp	89,600	3,189	3,942
Merrill Lynch & Company Inc	152,799	9,364	12,771
MetLife Inc	130,760	5,826	8,431
Moody's Corp	38,000	2,106	2,364
Morgan Stanley Dean Witter Co	94,980	6,653	7,967
National City Corporation	28,900	1,009	963
Northern Trust Corp	32,500	1,707	2,088
PNC Financial Services Group	43,800	2,656	3,135
Principal Financial Group Inc	41,900	2,124	2,442
Progressive Corp	14,300	363	342
ProLogis Trust	29,900	1,615	1,701
Prudential Financial Inc	36,900	2,519	3,588
Public Storage Inc	13,900	1,240	1,068
Regions Financial Corp	82,764	2,821	2,739
SAFECO Corp	55,100	3,263	3,431
Schwab Charles Corp	35,200	452	722
Simon Property Group	29,500	3,003	2,745
Sovereign Bancorp Inc	51,900	1,286	1,097
State Street Corp	19,100	1,082	1,306
SunTrust Banks Inc	18,900	1,414	1,620
Synovus Financial Corp	16,800	502	516
T Rowe Price Associates Inc	51,500	1,916	2,672
Torchmark Corporation	36,300	2,145	2,432
Travelers Cos Inc	175,900	8,008	9,411
UnumProvident Corp	68,600	1,805	1,791
US Bancorp	240,379	7,681	7,920
Vornado Realty Trust	44,600	5,340	4,899
Wachovia Corporation	265,941	14,342	13,629
Wells Fargo & Company	489,800	16,890	17,226
XL Capital Ltd	2,900	238	244
Zions Bancorporation	27,000	2,152	2,077
<i>Total Financial Services</i>	19.2%	343,330	398,891
<i>Health Care</i>			
Abbott Laboratories	97,300	4,621	5,210
Aetna Inc	109,200	4,595	5,394
Allergan Inc	93,800	4,939	5,407
AmerisourceBergen Corp	180,300	6,756	8,919
Amgen Inc	104,000	6,356	5,750
Applera Corp - Applied Biosys	183,700	5,519	5,610
Bard CR Inc	23,000	1,860	1,900
Bausch & Lomb Inc	19,900	1,261	1,382
Baxter International Inc	111,700	4,994	6,293
Becton Dickinson & Company	38,900	2,567	2,898
Biomet Inc	59,900	2,642	2,739
Bristol-Myers Squibb Company	74,900	1,834	2,364
Cardinal Health Inc	105,400	6,854	7,445

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
Celgene Corporation	80,100	4,373	4,592
CIGNA Corporation	185,900	7,939	9,708
Coventry Health Care Inc	41,900	2,455	2,416
Express Scripts Inc	4,200	161	210
Forest Laboratories Inc	106,500	4,938	4,862
Gilead Sciences Inc	90,200	2,650	3,500
Humana Inc	55,200	2,971	3,362
IMS Health Inc	159,600	4,384	5,128
Johnson & Johnson	456,295	28,620	28,117
King Pharmaceuticals Inc	241,000	4,115	4,931
Laboratory Corp of Amer Hldgs	62,600	4,023	4,899
Lilly Eli and Company	4,000	216	223
Manor Care Inc	37,600	1,682	2,455
McKesson HBOC Inc	126,900	5,793	7,568
Medco Health Solutions Inc	58,900	3,172	4,594
Medtronic Inc	129,800	6,404	6,731
Merck & Co Inc	380,500	15,298	18,949
PerkinElmer Inc	30,600	750	797
Pfizer Inc	1,068,944	30,337	27,333
Quest Diagnostics Inc	4,800	264	248
Schering-Plough Corporation	124,400	2,976	3,787
St Jude Medical Inc	24,100	1,037	1,000
Stryker Corporation	62,200	3,876	3,924
Thermo Electron Corporation	230,100	8,924	11,901
Unitedhealth Group Inc	124,752	4,514	6,380
Waters Corporation	114,500	5,677	6,797
Watson Pharmaceuticals Inc	16,600	530	540
WellPoint Inc	122,120	8,742	9,749
Wyeth	74,765	3,420	4,287
Zimmer Holdings Inc	38,400	3,147	3,260
<i>Total Health Care</i>	12.2%	228,186	253,559
<i>Technology</i>			
ADC Telecommunications Inc	14,900	274	273
Adobe Systems Inc	46,400	1,778	1,863
Altera Corporation	57,600	1,298	1,275
Analog Devices Inc	7,100	261	267
Apple Computer Inc	149,700	11,756	18,269
Applied Materials Inc	344,700	6,480	6,849
Autodesk Inc	5,800	245	273
Automatic Data Processing Inc	48,500	2,004	2,351
Avaya Inc	365,700	4,688	6,158
BMC Software Inc	237,700	5,911	7,202
Broadcom Corp	14,275	467	418
CA Inc	9,700	255	251
CIENA Corporation	7,500	192	271
Cisco Systems Inc	861,890	16,101	24,004
Cognizant Tech Solutions Corp	31,700	2,580	2,378
Compuware Corporation	74,000	805	878
Convergys Corp	91,500	1,823	2,218
Dell Inc	95,335	2,812	2,722

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>			
eBay Inc	36,700	1,219	1,181
Electronic Arts Inc	11,400	580	539
Electronic Data Systems Corp	144,900	3,762	4,018
Embarq Corp	38,645	2,362	2,449
EMC Corporation	234,900	3,401	4,252
Fidelity Ntl Information Svcs	12,500	665	679
First Data Corp	54,590	1,727	1,783
Fiserv Inc	19,100	984	1,085
Google Inc	24,200	9,727	12,649
Hewlett-Packard Company	471,900	14,647	21,056
Intel Corporation	282,500	5,995	6,707
International Business Machs	193,200	15,564	20,334
Intuit Inc	79,500	2,116	2,391
Juniper Networks Inc	91,800	2,001	2,311
KLA-Tencor Corporation	12,800	703	703
Lexmark International Inc	57,300	3,649	2,825
LSI Logic Corporation	283,400	3,013	2,128
Lucent Technologies Inc - warrants	5,536	-	1
MEMC Electronic Materials Inc	75,400	4,598	4,608
Microsoft Corporation	1,359,002	35,323	40,050
Molex Inc	32,300	931	969
NCR Corporation	36,900	1,587	1,939
Network Appliance Inc	46,100	1,605	1,346
Novellus Systems Inc	219,100	6,425	6,216
NVIDIA Corporation	111,200	3,161	4,594
Oracle Corporation	613,244	10,073	12,087
Paychex Inc	7,100	269	278
QLogic Corporation	17,500	318	291
Qualcomm Inc	20,400	798	885
Sanmina Corporation	464,000	1,690	1,452
Symantec Corporation	181,300	3,366	3,662
Teradyne Inc	134,800	2,352	2,370
Texas Instruments Inc	15,100	534	568
VeriSign Inc	193,900	4,520	6,153
Western Union Company	177,390	3,919	3,695
Xerox Corporation	235,200	4,233	4,347
Yahoo! Inc	11,200	350	304
<i>Total Technology</i>	12.5%	217,897	260,825
<i>Utilities</i>			
AES Corporation	199,800	4,213	4,372
Allegheny Energy Inc	91,500	3,668	4,734
Ameren Corporation	98,200	5,049	4,813
American Electric Power Co Inc	114,000	5,425	5,135
CenterPoint Energy Inc	449,000	7,643	7,813
CMS Energy Corporation	178,900	3,036	3,077
Consolidated Edison Inc	29,200	1,493	1,318
Constellation Energy Group	54,400	4,673	4,742
Dominion Resources Inc	25,200	2,005	2,175
DTE Energy Company	34,000	1,679	1,640
Duke Energy Corp	330,996	6,592	6,057

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
<b>Large Cap Domestic (continued)</b>				
Edison International		80,900	3,714	4,540
Entergy Corporation		56,900	5,772	6,108
Exelon Corp		89,700	4,258	6,512
FirstEnergy Corp		117,200	6,239	7,586
FPL Group Inc		144,100	8,697	8,176
Integrus Energy Group Inc		23,304	1,231	1,182
KeySpan Corporation		153,100	6,280	6,427
NICOR Inc		26,800	1,305	1,150
NiSource Inc		75,600	1,803	1,566
PG&E Corp		91,000	3,454	4,122
Pinnacle West Capital Corp		88,600	4,302	3,531
PPL Corporation		60,300	2,417	2,821
Progress Energy Inc		5,800	304	264
Public Service Enterprise Grp		21,200	1,328	1,861
Questar Corporation		27,900	1,304	1,474
Sempra Energy		62,500	3,353	3,702
Southern Company		171,900	6,240	5,895
Spectra Energy Corp		1,998	44	52
TECO Energy Inc		14,900	270	256
TXU Corp		92,600	5,716	6,232
Xcel Energy Inc		295,600	6,712	6,051
<i>Total Utilities</i>	6.0%		<u>120,219</u>	<u>125,384</u>
Total Equities	99.6%		1,783,440	2,071,059
<i>Short-term Issues</i>				
Dreyfus Cash Management Institutional Fund		8,457,991	8,458	8,458
Total Short-term Issues	0.4%		<u>8,458</u>	<u>8,458</u>
<b>Total Large Cap Domestic</b>			<u>\$ 1,791,898</u>	<u>\$ 2,079,517</u>
<b>Non-Large Cap Domestic</b>				
<i>Equities</i>				
<i>Basic Materials</i>				
Alliance Resource Partners LP		15,900	\$ 516	\$ 667
American Vanguard Corporation		13,000	180	186
Ashland Inc New		16,800	1,136	1,074
Ball Corporation		56,400	2,875	2,999
Bemis Company Inc		9,210	274	306
Bowater Inc		15,500	478	387
Cabot Corporation		10,100	480	482
Caraustar Industries Inc		63,600	567	334
Celanese Corp		68,300	1,850	2,649
Century Aluminum Company		14,900	580	814
CF Industries Holdings Inc		30,600	1,122	1,833
Cleveland-Cliffs Inc		92,560	4,024	7,189
Commercial Metals Company		35,962	539	1,214
CONSOL Energy Inc		172,900	4,558	7,972
Cytec Industries Inc		33,700	1,526	2,149

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Eagle Materials Inc	67,000	3,007	3,286
Ferro Corporation	25,200	497	628
FMC Corporation	43,800	2,884	3,915
Foundation Coal Holdings Inc	13,400	492	545
Georgia Gulf Corporation	20,300	568	368
Gerdau Ameristeel Corporation	154,600	2,391	2,262
Gibraltar Industries	15,800	416	350
Greif Inc	17,800	668	1,061
Headwaters Inc	170,300	3,630	2,941
Hercules Inc	62,700	1,126	1,232
Louisiana-Pacific Corporation	59,100	1,205	1,118
Lubrizol Corporation	52,900	1,718	3,415
Lyondell Chemical Co	30,900	779	1,147
Massey Energy Company	168,700	6,828	4,496
Methanex Corporation	120,500	2,127	3,029
Nova Chemicals Corporation	88,700	2,867	3,155
Olin Corporation	154,200	2,784	3,238
Olympic Steel	29,000	1,113	831
PolyOne Corporation	50,100	425	360
Quanex Corporation	9,150	333	446
Reliance Steel & Aluminum Co	9,600	226	540
RPM Inc	54,300	1,198	1,255
Schnitzer Steel Industries Inc	62,700	2,601	3,006
Sensient Technologies Corp	65,800	1,362	1,671
Silgan Holdings Inc	34,800	528	1,924
Spartech Corporation	43,500	1,152	1,155
Steel Dynamics Inc	90,000	1,541	3,772
Universal Stainless & Alloy	31,400	1,498	1,106
USEC Inc	56,000	628	1,231
Westlake Chemical Corporation	61,500	1,798	1,729
Worthington Industries Inc	126,900	2,220	2,747
<i>Total Basic Materials</i>		71,315	88,214
<i>6.6%</i>			
<i>Capital Goods</i>			
Actuant Corp	101,600	4,531	6,407
Acuity Brands Inc	60,100	2,455	3,623
Advisory Board Company	17,500	666	972
AGCO Corporation	28,800	914	1,250
Airtran Holdings	40,900	415	447
Alaska Air Group Inc	9,600	345	267
Albany International Corp	3,100	104	125
Alliant Techsystems Inc	39,000	3,382	3,867
American Commercial Lines Inc	37,750	1,153	983
Ametek Inc	266,100	4,995	10,559
Applied Industrial Tech Inc	35,350	921	1,043
Arkansas Best Corporation	23,900	922	931
Barnes Group Inc	27,000	469	855
BE Aerospace Inc	10,700	333	442
Briggs & Stratton Corporation	19,400	717	612
Career Education Corp	5,800	188	196
Ceradyne Inc	26,100	1,444	1,930

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Chaparral Steel Co	2,150	137	155
Con-way Inc	92,200	4,843	4,632
Corinthian Colleges Inc	224,870	3,053	3,663
Crane Company	47,600	1,956	2,163
Deluxe Corporation	72,900	2,911	2,960
Empresa Brasileira de Aeronaut	107,900	4,751	5,202
Enpro Industries, Inc.	37,600	1,520	1,609
Equifax Inc	34,800	889	1,546
ESCO Technologies Inc	16,400	744	595
Esterline Technologies Corp	73,200	2,717	3,536
Excel Maritime Carriers Ltd	114,700	2,863	2,888
Freightcar America Inc	8,500	365	407
Frontline Limited	68,600	2,465	3,145
Gardner Denver Inc	210,200	8,041	8,944
GATX Corp	28,400	1,219	1,399
General Cable Corporation	11,100	480	841
Genesee & Wyoming Inc	17,900	337	534
Genlyte Group Inc	4,300	308	338
Gen-Probe Inc	128,300	6,718	7,752
Graco Inc	44,658	1,244	1,799
GrafTech Int'l Ltd	109,500	1,560	1,844
GulfMark Offshore Inc	32,900	1,375	1,685
Harsco Corporation	70,624	3,016	3,672
Hexcel Corp	214,900	3,817	4,528
Hunt JB Transport Services Inc	225,000	4,449	6,597
IDEX Corporation	230,550	6,285	8,885
ITT Educational Services Inc	29,000	2,053	3,404
Kennametal Inc	15,900	834	1,304
Knight Transportation Inc	34,850	602	675
Labor Ready Inc	162,400	3,433	3,753
Lennox International Inc	132,810	3,915	4,546
Lincoln Electric Hldgs Inc	7,200	433	535
Manitowoc Co Inc	12,700	556	1,021
Midwest Air Group Inc	7,900	120	119
Monster Worldwide Inc	78,200	2,001	3,214
Moog Inc	10,725	303	473
Mueller Industries Inc	33,500	1,050	1,154
NCI Building Systems Inc	18,100	898	893
Orbital Sciences Corp	18,100	387	380
Pacer Internatioal Inc	34,500	872	811
Powell Industries Inc	10,200	308	324
Regal-Beloit Corp	24,800	1,133	1,154
Resources Connection Inc	58,700	1,083	1,948
Robbins & Myers Inc	15,200	597	808
Robert Half International Inc	8,700	305	318
Ryder System Inc	130,200	5,980	7,005
Saia Inc	53,100	1,555	1,448
Schawk Inc	184,500	3,771	3,694
School Specialty Inc	12,000	458	425
SEACOR SMIT Inc	2,700	266	252
Simpson Manufacturing Co	31,700	904	1,070

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
SkyWest Inc	61,500	1,472	1,466
Smith AO Corp	20,400	784	814
Sotheby's Holdings Inc	131,600	3,810	6,056
Stanley Inc	10,100	159	178
Steelcase Inc	18,200	290	337
Strayer Education Inc	3,200	416	421
Teledyne Technologies Inc	18,100	676	832
Teleflex Inc	19,400	1,220	1,587
Tennant Company	27,400	704	1,000
Terex Corp	13,300	816	1,081
Timken Company	179,900	5,584	6,496
Toro Company	16,900	761	995
Tredegar Corp	69,800	1,445	1,487
Triumph Group Inc	12,200	582	799
UAP Holding Corporation	4,700	98	142
Unisys Corporation	46,300	392	423
United Rentals Inc	151,800	4,071	4,940
United Stationers Inc	47,900	2,673	3,192
Universal Forest Products Inc	14,600	571	617
Vitran Corporation Inc	18,800	391	401
Waste Connections Inc	119,250	2,230	3,606
Watson Wyatt & Co Holdings	18,800	493	949
Werner Enterprises Inc	98,418	1,833	1,983
WESCO International Inc	99,800	6,597	6,033
Williams Scotsman Intl	20,200	492	481
Woodward Governor Company	7,100	301	381
YRC Worldwide Inc	54,800	2,322	2,016
<i>Total Capital Goods</i>	15.5%	167,017	205,269
<i>Communication Services</i>			
CenturyTel Inc	117,300	4,175	5,754
Cincinnati Bell Inc	62,400	292	361
General Communications Inc	64,100	670	821
Golden Telecom Inc	9,700	415	533
Premiere Global Services Inc	175,400	2,230	2,284
Telephone & Data Systems	17,100	969	1,070
<i>Total Communication Services</i>	0.8%	8,751	10,823
<i>Consumer Cyclical</i>			
Advance Auto Parts Inc	38,700	1,121	1,569
Aerostale Inc	73,900	2,596	3,080
American Greetings Corp	109,775	2,720	3,110
AnnTaylor Stores Corporation	23,370	901	828
Apogee Enterprises Inc	36,300	886	1,010
Arbitron Inc	33,100	1,504	1,706
ArvinMeritor Inc	98,600	1,740	2,189
Asbury Automotive Group Inc	100,700	2,713	2,512
Autoliv Inc	50,700	2,255	2,883
Avis Budget Group Inc	48,500	1,381	1,379
Beazer Homes USA Inc	12,600	342	311
Belo AH Corporation	66,500	1,174	1,369

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Big Lots Inc	90,200	2,613	2,654
Black & Decker Corporation	19,300	1,688	1,704
Blyth Inc	127,900	3,522	3,400
Borg-Warner Automotive Inc	27,100	1,265	2,332
Brown Shoe Company Inc	6,150	82	150
Brunswick Corporation	72,100	2,549	2,353
Buffalo Wild Wings Inc	43,200	1,036	1,797
Cato Corporation	15,900	229	349
CBRL Group Inc	29,000	1,036	1,232
CEC Entertainment Inc	49,800	1,962	1,753
Charming Shoppes Inc	122,700	1,460	1,329
Copa Holdings SA	9,400	594	632
Crocs Inc	9,300	422	400
Deckers Outdoor Corporation	35,900	1,422	3,622
Dick's Sporting Goods Inc	64,500	2,218	3,752
Dillard's Inc	32,900	871	1,182
Dollar Tree Stores Inc	63,700	2,353	2,774
DreamWorks Animation SKG	171,300	4,757	4,940
Ethan Allen Interiors Inc	48,800	1,624	1,671
Foot Locker Inc	145,800	3,237	3,178
Furniture Brands International	78,600	1,893	1,116
Genesco Inc	21,200	387	1,109
G-III Apparel Group Ltd	17,550	352	277
Goodyear Tire & Rubber Co	61,200	847	2,127
Group 1 Automotive Inc	50,200	2,027	2,025
Gymboree Corporation	33,400	1,412	1,316
Hasbro Inc	166,100	4,050	5,217
Hot Topic Inc	68,900	872	749
Iconix Brand Group Inc	32,300	621	718
Insight Enterprises Inc	33,833	654	764
INVESTools Inc	71,800	861	715
J Crew Group Inc	60,900	2,161	3,294
Jack in the Box Inc	44,200	3,258	3,136
Jarden Corporation	112,000	3,664	4,817
Jo-Ann Stores Inc	18,700	476	532
Jones Apparel Group Inc	133,900	4,099	3,783
Journal Communications Inc	24,200	368	315
Knoll Inc	62,800	1,466	1,407
K-Swiss Inc	24,400	471	691
Landry's Seafood Restaurants	200	6	6
Leggett & Platt Inc	78,500	1,838	1,731
Live Nation	34,100	654	763
Liz Claiborne Inc	82,300	2,891	3,070
Maideform Brands Inc	71,300	1,511	1,416
Martha Stewart Living	31,700	613	545
Marvel Entertainment Inc	16,500	454	420
McClatchy Company	22,900	920	580
Meredith Corp	101,000	5,276	6,222
Modine Manufacturing Co	18,100	432	409
New York & Company Inc	70,300	1,052	770
New York Times Company	109,000	2,482	2,769

*A - Adjustable rate security.*

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
NVR Inc	4,600	2,971	3,127
Pacific Sunwear of California	118,700	2,484	2,611
Panera Bread Company	24,100	1,279	1,110
Penske Auto Group Inc	64,600	1,218	1,375
Petsmart Inc	205,300	5,493	6,662
PF Changs China Bistro Inc	34,200	1,312	1,204
Phillips Van Heusen Corp	7,300	337	442
Pinnacle Entertainment Inc	135,300	4,427	3,809
Polaris Industries Inc	55,000	2,717	2,979
Quiksilver Inc	39,000	589	551
R. H. Donnelley Corp	17,800	941	1,349
Red Robin Gourmet Burgers Inc	29,300	1,141	1,183
Rent-A-Center Inc	133,500	3,321	3,502
Republic Airways Holdings Inc	38,700	871	788
Ross Stores Inc	44,200	1,499	1,361
Ruby Tuesday Inc	6,100	140	161
Shaw Communications, Inc	48,300	1,053	2,031
Shoe Carnival Inc	17,200	495	473
Skechers USA Inc	28,700	476	838
Snap-On Inc	12,910	526	652
Sonic Automotive Inc	32,600	740	944
Spartan Stores Inc	31,400	1,008	1,033
Speedway Motorsports Inc	28,500	1,049	1,139
Stage Stores Inc	125	2	3
Standard Pacific Corp	93,790	1,907	1,644
Tempur-Pedic International	152,700	2,775	3,955
Thor Industries Inc	28,400	1,160	1,282
Timberland Company	45,600	1,446	1,148
TRW Automotive Holdings Co	177,610	4,652	6,541
Tuesday Morning Corporation	12,900	280	159
Tupperware Corporation	85,200	1,727	2,448
Valassis Communications Inc	11,100	250	191
Volcom Inc	16,200	526	812
WCI Communities Inc	4,200	92	70
Weight Watchers Int'l Inc	9,800	505	498
Whirlpool Corporation	13,600	1,200	1,512
Zale Corporation	70,300	1,679	1,674
<i>Total Consumer Cyclicals</i>	13.3%	156,629	177,220
<i>Consumer Staples</i>			
Advanced Energy Industries Inc	14,000	288	317
BJ's Wholesale Club Inc	34,700	981	1,250
Bowne & Company Inc	101,500	1,823	1,980
Church & Dwight Company Inc	7,100	354	344
Del Monte Foods Co	236,900	2,268	2,881
Elizabeth Arden Inc	57,300	1,356	1,390
Fresh Del Monte Produce Inc	66,000	1,544	1,653
Hormel Foods Corp	52,500	2,032	1,961
Lancaster Colony Corp	41,300	1,824	1,730
Longs Drug Stores Corp	5,100	281	268
Nash Fich Company	54,400	2,313	2,693

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Nu Skin Enterprises Inc	71,200	1,095	1,175
Performance Food Group Co	19,200	630	624
Rite Aid Corp	549,300	3,005	3,505
Sanderson Farms Inc	57,900	1,785	2,607
Smithfield Foods Inc	16,800	450	517
Smucker JM Company	11,000	441	700
Universal Corporation	17,200	674	1,048
<i>Total Consumer Staples</i>		23,144	26,643
<i>Energy</i>			
Alon USA Energy Inc	16,100	448	709
Bristow Group Inc	10,600	248	525
Cabot Oil & Gas Corporation	102,300	1,928	3,773
Chesapeake Energy Corp	166,000	2,171	5,744
Cimarex Energy Co	130,700	4,490	5,151
Delek US Holdings Inc	4,500	75	120
Denbury Resources Inc	185,300	2,298	6,949
Dresser-Rand Group Inc	14,500	568	573
Encore Acquisition Co	32,850	503	913
Forest Oil Corp	11,100	338	469
Frontier Oil Corp	38,700	1,606	1,694
Grant Prideco Inc	104,500	4,335	5,625
Grey Wolf Inc	47,900	373	395
Holly Corporation	50,600	2,056	3,754
Overseas Shipholding Group Inc	7,200	428	586
Parker Drilling Company	266,900	3,010	2,813
Patterson-UTI Energy Inc	67,100	1,825	1,759
Penn Virginia Corp	32,800	909	1,319
PetroQuest Energy Inc	111,700	1,611	1,624
Pogo Producing Co	8,100	369	411
Range Resources Corporation	134,100	5,059	5,017
Smith International Inc	138,800	4,122	8,139
St. Mary Land & Exploration	10,600	338	388
Stone Energy Corporation	38,600	1,627	1,322
Tesoro Petroleum Corporation	13,000	644	743
Tidewater Inc	67,800	3,298	4,806
Tsakos Energy Navigation LTD	47,200	1,877	3,300
Unit Corporation	11,200	549	704
W&T Offshore Inc	71,500	2,042	2,001
Whiting Petroleum Corp	64,000	2,131	2,593
<i>Total Energy</i>		51,276	73,919
<i>Financial Services</i>			
Acadia Realty	29,900	371	776
Advance America Cash Advance	135,100	2,411	2,397
Advanta Corp	115,350	2,486	3,592
Affiliated Managers Group Inc	78,900	6,179	10,159
Alfa Corp	62,654	880	976
Allied World Assurance	29,300	1,300	1,502
AMCORE Financial Inc	11,300	289	328
American Campus Communities	17,200	543	487

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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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
American Financial Group	207,900	4,128	7,100
American Financial Realty Trst	45,800	500	473
American Nat'l Insurance Co	14,777	1,404	2,255
American Physicians Capital	5,250	165	213
AmericanWest Bancorporation	23,700	481	432
AmeriCredit Corp	100,300	2,734	2,663
Amerisafe Inc	20,900	363	410
Anchor BanCorp Wisconsin Inc	21,300	544	558
Anthracite Capital Inc	64,600	764	756
Arch Capital Group Ltd	32,200	1,655	2,336
Argonaut Group Inc	13,150	420	410
Aspen Insurance Holdings Ltd	12,931	346	363
Asset Acceptance Capital Corp	9,900	198	175
Assurant Inc	47,500	2,340	2,799
Astoria Financial Corporation	74,300	2,122	1,860
Axis Capital Hldgs Ltd	130,200	4,080	5,293
BancFirst Corporation	26,500	686	1,135
Banco Latinoamericano de Exp	90,200	1,711	1,696
BancorpSouth Inc	171,000	4,097	4,183
BankUnited Financial Corp	135,300	3,559	2,715
CapitalSource Inc	87,250	2,142	2,145
Cathay General Bancorp	17,400	587	584
Central Pacific Financial Corp	60,100	2,281	1,984
Chemical Financial Corp	23,684	743	613
Chittenden Corporation	2,750	68	96
Citizens Banking Corporation	60,270	2,075	1,103
City National Corporation	97,400	5,935	7,411
Cohen & Steers Inc	41,800	1,984	1,816
Colonial BancGroup Inc	270,400	5,788	6,752
Commerce Group Inc	146,200	3,280	5,076
Community Bank System Inc	33,400	752	669
Conseco Inc	120,200	2,490	2,511
Corus Bankshares Inc	179,730	4,086	3,102
Credicorp Limited	49,200	1,596	3,010
CVB Financial Corp	67,100	822	746
DCT Industrial Trust Inc	47,300	509	509
Delphi Financial Group Inc	61,800	1,657	2,584
Douglas Emmett Inc	23,000	569	569
Downey Financial Corporation	79,400	4,696	5,239
East West Bancorp Inc	237,900	7,292	9,250
Eaton Vance Corp	54,100	1,773	2,390
Edwards AG Inc	26,400	1,377	2,232
EHealth Inc	9,800	222	187
Employers Holdigns Inc	12,900	232	274
Endurance Specialty Hldg Ltd	79,000	2,931	3,163
Everest Re Group Ltd	36,800	3,887	3,998
EZCORP Inc	155,400	1,328	2,057
FBL Financial Group Inc	32,960	754	1,296
Federated Investors Inc	67,300	2,366	2,580
First American Financial Corp	88,600	2,423	4,386
First Cash Financial Services	99,700	1,992	2,337

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
First Citizens BancShares Inc	8,850	1,160	1,720
First Community Bancorp	29,400	1,463	1,682
First Marblehead Corp	17,400	320	672
First Midwest Bancorp Inc	11,500	414	408
First National of Nebraska Inc	37	176	192
FirstFed Financial Corporation	61,100	2,990	3,466
Flagstar Bancorp Inc	47,600	710	574
FNB Corporation	47,800	844	800
Forest City Enterprises	27,630	1,933	1,699
Franklin Bank Corporation	167,800	2,911	2,500
Fulton Financial Corporation	112,900	1,702	1,628
Global Logistics Acquisition	25,000	200	226
Great American Finl Resources	14,700	240	356
Greater Bay Bancorp	5,000	108	139
Hancock Holding Company	18,900	531	710
Hanmi Financial Corporation	24,400	465	416
Hanover Insurance Group Inc	94,700	4,156	4,620
Harleysville Group Inc	24,700	738	824
HCC Insurance Holdings Inc	145,600	4,765	4,864
Horace Mann Educators Corp	47,300	899	1,005
Huntington Bancshares Inc	47,800	1,136	1,087
Independent Bank Corp	3,600	84	106
IndyMac Bancorp Inc	155,400	4,791	4,533
Infinity Property & Casualty	85,900	2,727	4,358
Intercontinental Exchange Inc	3,500	433	517
International Bancshares Corp	72,685	1,899	1,862
IPC Holdings Ltd	96,200	2,889	3,106
Jefferies Group Inc	107,300	3,027	2,895
Jones Lang LaSalle Inc	30,900	828	3,507
Lakeland Bancorp Inc	700	10	9
LandAmerica Financial Grp Inc	17,000	790	1,640
Loews Corp	21,796	599	1,684
MAF Bancorp Inc	8,250	332	448
Maguire Properties Inc	32,500	1,293	1,116
Mercury General Corp	57,200	2,995	3,152
Midland Company	12,500	565	587
Montpelier Re Hldgs Ltd	80,100	1,496	1,485
Nasdaq Stock Market Inc	25,300	607	752
National Financial Partners	22,500	1,048	1,042
National Penn Bancshares Inc	31,230	584	521
Nationwide Health Properties	41,300	1,346	1,123
NBT Bancorp Inc	32,504	704	733
Nelnet, Inc	48,300	1,312	1,180
Nuveen Investments	4,615	175	287
Ocwen Financial Corporation	132,500	1,857	1,766
Odyssey Re Holdings Corp	96,600	2,410	4,143
Ohio Casualty Corp	56,670	1,465	2,454
Old Second Bancorp Inc	11,700	264	341
Pacific Capital Bancorp	35,800	1,032	966
Park National Corporation	10,500	1,022	890
PartnerRe Ltd	42,200	3,201	3,271

*A - Adjustable rate security.*

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Phoenix Companies Inc	86,300	1,186	1,295
Platinum Underwriters Hldg Ltd	103,100	3,329	3,583
PMI Group Inc	150,800	5,927	6,736
Popular Inc	140,000	2,345	2,250
ProAssurance Corporation	5,800	255	323
Protective Life Corporation	100,200	3,355	4,791
Provident Bankshares Corp	25,900	766	849
PS Business Parks Inc	16,900	721	1,071
RAM Holdings	7,900	124	124
Regency Centers Corp	14,600	1,296	1,029
Reinsurance Group of America	154,000	6,801	9,277
RenaissanceRe Holdings Ltd	56,900	3,129	3,527
RLI Corporation	53,500	3,043	2,993
S&T Bancorp Inc	138	4	5
SAFECO Corp	53,500	3,304	3,331
Safety Insurance Group Inc	37,200	1,809	1,540
Saul Centers Inc	17,800	548	807
SCBT Financial Corp	27,167	885	989
Security Capital Assurance Ltd	4,900	152	151
Selective Insurance Group Inc	27,600	701	742
Signature Bank	24,100	689	822
Sky Financial Group Inc	11,470	283	320
StanCorp Financial Group Inc	39,000	1,344	2,047
State Auto Financial Corp	13,800	436	423
Student Loan Corp	15,500	2,933	3,160
Sunstone Hotel Investors Inc	39,200	1,138	1,113
Susquehanna Bancshares Inc	39,700	948	888
SWS Group Inc	65,400	1,423	1,414
Taylor Capital Group Inc	7,800	231	215
TCF Financial Corporation	100,800	2,622	2,802
Thomas Properties Group Inc	30,100	416	481
Triad Guaranty Inc	70,103	3,672	2,799
Trico Bancshares	8,500	142	190
TrustCo Bank Corp NY	11,800	130	117
Trustmark Corp	62,500	1,686	1,616
UMB Financial Corp	45,700	1,344	1,685
United Bankshares Inc	27,339	828	869
United Fire & Casualty Company	12,750	412	451
Unitrin Inc	51,900	2,392	2,553
Ventas Inc	10,400	349	377
Waddell & Reed Financial Inc	36,410	885	947
Washington Federal Inc	81,287	1,594	1,976
Webster Financial Corporation	84,400	3,587	3,602
Weingarten Realty Investors	35,800	1,664	1,471
Whitney Holding Corporation	50,000	1,589	1,505
Winthrop Realty Trust	76,000	478	525
Zenith National Insurance Corp	63,400	2,881	2,986
<i>Total Financial Services</i>	22.7%	260,815	301,540
<b>Health Care</b>			
Alexion Pharmaceuticals Inc	103,069	3,714	4,644

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See accompanying notes to financial statements.

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

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Alkermes Inc	51,600	852	753
Amer Oriental Bioengineering	159,700	1,600	1,421
Amerigroup Corporation	27,100	683	645
Amylin Pharmaceuticals Inc	19,073	425	785
AngioDynamics Inc	27,600	470	497
Applera Corp - Celera Genomics	54,500	636	676
Apria Healthcare Group Inc	181,600	4,122	5,225
Arena Pharmaceuticals Inc	36,100	270	397
Arrow International Inc	24,300	692	930
AtheroGenics Inc	19,500	225	42
Beckman Coulter Inc	17,300	1,153	1,119
Biovail Corp	70,300	1,577	1,787
Cephalon Inc	8,300	382	667
Chemed Corporation	24,700	1,638	1,637
Conmed Corporation	56,300	1,589	1,648
Coventry Health Care Inc	34,900	1,793	2,012
CV Therapeutics Inc	46,700	882	617
Cypress Bioscience	37,700	217	500
Cytokinetics Inc	39,600	326	224
Cytec Corporation	142,100	3,107	6,126
Dade Behring Hldg Inc	30,800	1,521	1,636
Eclipsys Corp	10,000	132	198
Elan Corporation PLC	756,100	7,902	16,581
Encysive Pharmaceuticals Inc	15,600	147	28
Exelixis Inc	52,326	433	633
Health Net Inc	21,500	1,192	1,135
Hillenbrand Industries Inc	61,400	3,413	3,991
Human Genome Science Inc	62,100	709	554
Incyte Corp	99,800	712	599
Infinity Pharmaceuticals Inc	14,442	156	157
Invacare Corp	126,200	2,616	2,313
Invitrogen Corporation	107,900	6,697	7,958
Kinetic Concepts Inc	1,000	35	52
King Pharmaceuticals Inc	292,500	3,018	5,985
LifePoint Hospitals Inc	107,100	3,843	4,143
Magellan Health Services Inc	7,800	296	362
Manor Care Inc	108,000	3,087	7,051
Medicines Company	8,200	96	144
Mentor Corporation	20,500	1,005	834
MGI Pharma Inc	260,500	4,997	5,827
Millennium Pharmaceuticals	77,600	839	820
Mylan Laboratories Inc	51,690	1,113	940
Neurogen Corporation	38,700	331	257
NPS Pharmaceuticals Inc	6,200	28	26
OSI Pharmaceuticals Inc	245,900	7,324	8,904
Pediatrix Medical Group Inc	94,900	4,145	5,234
Perrigo Company	33,300	576	652
Pharmacoepia Drug Discovery	11,300	80	63
Pharmion Corp	9,200	176	266
Progenics Pharmaceuticals Inc	11,900	323	257
Quidel Corp	25,000	385	439

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Regeneron Pharmaceuticals Inc	50,400	644	903
Renovis Inc	10,600	137	38
ResMed Inc	118,200	5,212	4,877
Respironics Inc	252,200	9,202	10,741
Rigel Pharmaceuticals Inc	7,000	115	62
Santarus Inc	435,700	3,976	2,253
Steris Corporation	16,500	418	505
Symbion Inc	17,000	335	369
TomoTherapy Inc	18,000	366	395
Triad Hospitals Inc	32,100	1,298	1,726
TriZetto Group Inc	48,300	726	935
Universal Health Services Inc	26,300	1,472	1,617
Ventana Medical Systems Inc	73,700	3,104	5,695
Vertex Pharmaceuticals Inc	21,415	338	612
Volcano Corporation	169,200	2,986	3,420
ZymoGenetics Inc	40,300	773	589
<i>Total Health Care</i>		114,782	145,128
<i>Technology</i>			
Activision Inc	69,800	1,015	1,303
Akamai Technologies Inc	6,500	365	316
Alliance Data Systems Corp	104,700	4,564	8,091
Amphenol Corp	51,000	708	1,818
Anixter International Inc	8,300	451	624
Ansys Inc	31,600	849	837
Arrow Electronics Inc	131,100	3,375	5,038
Atmel Corporation	632,200	3,203	3,515
ATMI Inc	115,900	3,064	3,477
Avnet Inc	95,100	2,583	3,770
BearingPoint Inc	67,800	438	496
Belden CDT Inc	8,600	487	476
Benchmark Electronics Inc	69,200	1,486	1,565
BISYS Group Inc	48,500	666	574
BMC Software Inc	41,900	1,263	1,270
Brocade Communications Systems	54,200	485	424
Business Objects SA	129,900	4,786	5,045
Check Point Software	139,000	3,215	3,171
ChipMOS Technologies (Bermuda)	6,400	47	46
Citrix Systems Inc	160,200	4,829	5,394
Cognos Inc	231,500	8,008	9,191
Compuware Corporation	277,000	3,202	3,285
Comverse Technology Inc	141,400	3,038	2,948
Convergys Corp	64,200	1,111	1,556
CSG Systems International Inc	32,584	629	864
Cypress Semiconductor Corp	47,400	778	1,104
DST Systems Inc	36,858	1,856	2,920
eFunds	148,700	3,407	5,248
Emageon Inc	31,600	360	285
Equinix Inc	8,900	755	814
Etelectcare Global Solutions	7,600	103	123
Exlservice Holdings Inc	12,000	262	225

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See accompanying notes to financial statements.

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

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>			
Fair Isaac & Company Inc	37,500	1,502	1,505
Harris Corporation	11,500	584	627
Hutchinson Technology Inc	7,600	229	143
Imergent Inc	116,600	2,778	2,852
Ingram Micro Inc	388,500	6,540	8,434
InterDigital Inc	54,900	1,802	1,766
Komag, Inc	15,600	651	497
Lam Research Corporation	63,700	1,980	3,274
Littelfuse Inc	16,100	522	544
MEMC Electronic Materials Inc	11,000	348	672
Metropcs Communications Inc	3,834	93	127
Mettler-Toledo International	5,300	479	506
Micrel Inc	57,900	656	736
MicroStrategy Incorporated	26,500	1,989	2,504
MKS Instruments Inc	49,100	1,118	1,360
MTS Systems Corp	8,500	260	380
Novatel Wireless Inc	97,100	1,940	2,527
Novellus Systems Inc	59,900	1,765	1,699
Nuance Communications Inc	213,000	3,702	3,563
NYFIX Inc	19,806	123	147
Omniture Inc	33,100	648	759
OmniVision Technologies Inc	53,900	709	976
Plantronics Inc	28,100	598	737
Plexus Corporation	42,000	934	966
Polycom Inc	175,900	4,064	5,910
Red Hat Inc	325,100	5,502	7,243
RF Micro Devices Inc	130,200	800	812
Rofin-Sinar Tech Inc	7,800	280	538
Sapient Corp	258,200	1,664	1,996
Satyam Computer Services Ltd	159,200	2,100	3,942
Semtech Corporation	58,000	902	1,005
Silicon Laboratories Inc	206,600	6,572	7,150
Sonus Networks Inc	151,000	937	1,287
Starent Networks Corporation	15,100	216	222
Sybase Inc	45,400	1,000	1,085
Synnex Corporatio	116,800	2,482	2,407
Synopsys Inc	15,700	434	415
Take-Two Interactive Software	18,600	421	371
Tech Data Corporation	67,100	2,819	2,581
Tektronix Inc	44,500	1,511	1,501
Teletech Holdings Inc	14,700	538	477
Teradyne Inc	16,300	239	287
THQ Inc	24,600	456	751
Transaction Systems Architects	214,000	4,606	7,203
Trident Microsystems Inc	59,700	1,238	1,095
United Online Inc	252,000	2,705	4,156
Varian Semiconductor Equipment	261,875	4,724	10,491
Vishay Intertechnology Inc	364,500	5,670	5,766
Visual Sciences Inc	43,886	647	679
Western Digital Corp	201,400	2,523	3,897
WNS Holdings Limited	9,000	195	256

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
<b>Non-Large Cap Domestic (continued)</b>				
Wright Express Corp		35,700	711	1,224
Zebra Technologies Corp		39,100	1,535	1,515
<i>Total Technology</i>	14.3%		150,829	189,376
<i>Utilities</i>				
AGL Resources Inc		72,300	1,915	2,927
Alliant Energy Corp		95,200	2,795	3,699
Atmos Energy Corp		109,451	3,001	3,290
Black Hills Corporation		22,300	816	886
CenterPoint Energy Inc		36,100	687	628
CMS Energy Corporation		214,163	3,681	3,684
El Paso Electric Company		103,500	2,418	2,542
Energen Corporation		108,100	3,638	5,939
Energy East Corporation		306,600	7,719	7,999
Great Plains Energy Inc		82,100	2,444	2,391
IDACORP Inc		41,900	1,398	1,342
Integrus Energy Group Inc		63,769	3,233	3,235
MDU Resources Group Inc		110,700	2,193	3,104
National Fuel Gas Company		53,800	1,539	2,330
NeuStar Inc		266,700	7,618	7,726
NICOR Inc		7,400	321	318
NiSource Inc		56,600	1,144	1,172
Northeast Utilities		23,300	687	661
NSTAR		50,400	1,226	1,635
OGE Energy Corp		117,026	3,135	4,289
ONEOK Inc		87,800	4,518	4,426
PEPCO Holdings		120,324	2,780	3,393
PNM Resources		87,400	2,513	2,429
Portland General Electric Co		21,700	608	595
Puget Energy Inc		249,000	5,872	6,021
TECO Energy Inc		156,800	2,513	2,694
UGI Corporation		95,946	2,241	2,618
Unisource Energy Corporation		12,400	482	408
Vectren Corp		28,800	700	775
Westar Energy Inc		250,907	5,967	6,092
WGL Holdings Inc		52,800	1,487	1,723
Wisconsin Energy Corporation		94,600	3,615	4,184
<i>Total Utilities</i>	7.2%		84,904	95,155
Total Equities	98.9%		1,089,462	1,313,287
<i>Short-term Issues</i>				
Dreyfus Cash Management Institutional Fund		14,403,162	14,403	14,403
United States Treasury Bill *		50	50	49
Total Short-term Issues	1.1%		14,453	14,452
<b>Total Non-Large Cap Domestic</b>			<b>\$ 1,103,915</b>	<b>\$ 1,327,739</b>

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name		Shares	Cost	Fair Value
<b>International Qualified</b>				
<i>Commingled Equity Pools</i>				
International Value Equity Group Trust - Silchester		8,123,704	\$ 145,073	\$ 493,748
Total Commingled Equity Pools	100.0%		145,073	493,748
<b>Total International Qualified</b>			<u>\$ 145,073</u>	<u>\$ 493,748</u>
<b>International Nonqualified</b>				
<i>Commingled Equity Pools</i>				
International Value Equity Trust - Silchester		990,225	\$ 26,778	\$ 63,696
Total Commingled Equity Pools	100.0%		26,778	63,696
<b>Total International Nonqualified</b>			<u>\$ 26,778</u>	<u>\$ 63,696</u>
<b>International Equity</b>				
<i>Equities</i>				
<i>Argentina</i>				
Telecom Argentina SA	0.6%	305,000	\$ 3,973	\$ 7,601
<i>Australia</i>				
Adelaide Brighton Ltd		123,683	242	385
Amalgamated Holdings Inc		47,269	162	259
ASX Ltd		12,500	482	516
Ausdrill Ltd		90,262	95	198
Babcock & Brown Japan Prop Tst		638,970	996	960
BlueScope Steel Ltd		266,400	1,765	2,337
Boart Longyear Group		171,280	259	324
Campbell Brothers Ltd		52,120	1,015	1,282
Charter Hall Group		1,782,275	2,916	4,294
Commonwealth Bk of Australia		90,400	2,205	4,237
Consolidated Rutile Ltd		77,965	37	43
Crane Group Limited		24,600	298	352
Credit Corp Group Ltd		15,700	143	164
CSR Ltd		88,400	138	261
Deep Yellow Limited		111,900	51	52
Emeco Holdings Ltd		731,520	1,013	1,021
Energy Development Ltd		66,200	263	253
Equigold NL		102,879	128	161
Felix Resources Limited		56,500	242	244
Forest Enterprises Australia		67,398	29	40
Goodman Fielder Limited		273,500	533	564
HPAL Ltd		86,359	151	192
Imdex Ltd		158,800	135	202
Incitec Pivot Ltd		12,100	473	818
Independence Group NL		456,245	1,274	2,690
IOOF Holdings Limited		31,200	264	270
Jabiru Metals Ltd		165,000	142	201
JB Hi-Fi Ltd		16,100	107	148

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Jubilee Mines NL	38,800	510	525
Just Group Ltd	47,300	158	177
Lend Lease Corporation Ltd	36,800	595	579
Macmahon Holdings Limited	277,400	145	304
Minara Resources Ltd	78,300	413	484
Mincor Resources NL	95,800	168	382
Monadelphous Group Ltd	32,753	265	405
OneSteel Ltd	474,500	1,238	2,588
Pacific Brands Limited	128,100	318	375
Paperlinx Limited	497,154	1,306	1,569
Perilya Ltd	770,483	2,843	2,857
Perpetual Limited	8,900	599	593
Port Bouvard Ltd	70,500	242	135
Qantas Airways Limited	889,000	2,539	4,224
Ridley Corporation Ltd	104,037	93	102
Sally Malay Mining Ltd	85,000	221	298
Santos Limited	2,000	21	24
Seven Network Limited	21,100	203	207
Sims Group Limited	24,500	376	551
Smorgon Steel Group Ltd	1,125,000	1,333	2,558
UXC Limited	107,200	141	227
West Australian Newspapers	41,700	489	485
WorleyParsons Ltd	142,335	3,191	4,106
<i>Total Australia</i>	3.5%	32,965	46,223
<i>Austria</i>			
Immofinanz Immobilien Anlagen	2,481	25	36
MIBA AG	63	10	12
Palfinger AG	71,332	1,495	3,940
Voestalpine AG	47,600	1,029	4,018
Wolford AG	4,433	188	220
<i>Total Austria</i>	0.6%	2,747	8,226
<i>Belgium</i>			
Agfa Gevaert NV	21,981	449	569
Brantano Group NV	2,527	142	138
Dexia	27,400	636	859
D'Ieteren SA NV	1,216	376	543
Econocom Group	3,656	29	44
Fortis	52,100	1,413	2,217
Immobel	2,930	183	166
Intervest Offices	348	13	14
Melexis NV	60,630	1,051	1,095
Omega Pharma SA	16,326	1,334	1,416
Recticel SA	688	10	10
SAPEC SA	1,519	170	225
Tessenderlo Chemie NV	21,400	846	1,312
Umicore	9,004	1,611	1,961
<i>Total Belgium</i>	0.8%	8,263	10,569

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
<i>Bermuda</i>			
Chen Hsong Holdings Ltd	128,000	82	106
Chevalier International Hold	182,000	184	198
China Green Holdings Ltd	2,341,710	2,041	2,145
COL Capital Limited	48,000	40	39
First Natural Foods Holdings	295,000	36	45
Kiln Limited	86,032	203	197
Kingboard Copper Foil Holdings	337,000	95	99
Macquarie Intl Infrastructure	3,628,685	2,239	2,657
Mandarin Oriental Internation	10,000	23	22
Orient Overseas Int'l Ltd	243,100	789	2,376
Sing Tao News Corp Ltd	48,000	8	8
Star Cruises Limited	266,000	73	102
<i>Total Bermuda</i>		5,813	7,994
<i>Brazil</i>			
AES Tiete SA	203,928,220	4,346	7,782
All America Latina Logistica	275,705	1,545	3,779
Anhangera Educ Participacoes	85,160	778	1,194
Brazil Telecom Participacoes	154,300	6,160	9,329
Centrais Eletricas Brasileiras	274,590	2,426	4,120
CIA Saneamento de Minas Gerais	209,373	1,494	3,153
Companhia de Saneamento	547,302	5,011	11,941
Contax Participacoes SA	3,662,512	3,397	4,545
Cosan SA Industria e Comercio	39,965	547	654
Even Construtora e Incorpor	437,050	2,457	3,903
Gafisa SA	51,630	1,294	1,611
GP Investments Ltd	39,145	1,339	1,727
GVT Holdings SA	89,900	846	1,585
Localiza Rent A Car	222,465	1,567	2,512
Marfrig Frigorificos e Comerci	345,100	3,006	3,225
Petroleo Brasileiro SA	37,700	1,209	4,022
Submarino SA	19,390	328	1,616
Tele Norte Leste Participacoes	304,080	4,664	5,768
TIm Participacoes SA	66,720	1,367	2,300
Vivo Participacoes SA	2,144,982	6,961	10,746
<i>Total Brazil</i>		50,742	85,512
<i>Canada</i>			
Aber Diamond Corporation	54,475	1,970	2,097
Addax Petroleum Corporation	11,740	404	440
Alcan Inc	33,000	1,687	2,696
Angiotech Pharmaceuticals Inc	48,380	545	346
Anvil Mining Limited	133,130	2,026	2,128
Aspreva Pharmaceuticals Corp	11,900	240	202
ATCO Ltd	34,000	1,062	1,786
Aur Resources	17,790	221	530
Axcan Pharma Inc	100	2	2
BCE Inc	40,443	894	1,534
Biovail Corporation	80,576	1,433	2,057
Calloway Real Estate Inv Trust	18,100	438	428

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Canaccord Capital Inc	15,690	332	307
Canadian Imperial Bank	52,900	3,094	4,774
Canadian Utilities Limited	810	32	35
Canadian Western Bank	87,855	1,627	2,332
Canetic Resources Trust	17,450	286	284
Cascades Inc	36,180	386	387
CGI Group	26,500	211	298
Cinram International Inc	16,290	380	413
Corby Distilleries Ltd	1,100	25	25
Domtar Corp	70,100	456	780
Dorel Industries Inc	11,400	371	391
E-L Financial Corporation	1,100	404	682
Fairfax Financial Holdings Inc	500	98	96
FirstService Corporation	2,620	91	95
Flint Energy Services Ltd	27,500	650	737
FNX Mining Company Inc	39,064	611	1,191
Forzani Group Ltd	2,610	55	58
Gerdau Ameristeel Corporation	66,300	686	981
Home Capital Group Inc	91,425	2,121	3,171
HudBay Minerals Inc	74,615	1,572	1,561
Husky Injection Molding System	1,100	6	8
Inmet Mining Corporation	11,630	302	901
Laurentian Bank of Canada	9,700	253	326
Legacy Hotel Real Estate Inv	34,220	408	383
Leon's Furniture Ltd	6,400	68	81
Linamar Corporation	35,480	450	644
Lundin Mining Corporation	194,090	2,375	2,346
Major Drilling Group Internat	46,945	1,517	1,973
Martinrea International Inc	27,820	302	432
Methanex Corporation	87,784	1,707	2,182
MI Developments Inc	14,500	549	529
National Bank of Canada	20,000	734	1,154
Newalta Income Fund	7,700	175	186
Northbridge Financial Corp	6,600	184	216
Nova Chemicals Corporation	36,300	1,359	1,299
Open Text Corporation	136,900	2,168	3,004
Oppenheimer Holdings Inc	5,200	258	268
Pason Systems Inc	142,265	1,999	2,231
QLT PhotoTherapeutics Inc	82,700	686	600
Quebecor Printing Inc	85,200	1,581	1,044
Rothmans Inc	22,560	464	447
Savanna Energy Services Corp	20,900	409	393
Sherritt International Company	41,990	466	578
Sierra Wireless Inc	1,600	40	40
Stantec Inc	10,000	258	331
Sun Life Financial Inc	36,600	1,066	1,746
Tesco Corporation	15,163	334	483
Transcontinental Inc	45,815	813	916
Trican Well Service Ltd	109,990	2,157	2,243
Trinidad Energy Service Income	800	11	11
West Fraser Timber Co	2,100	79	82

*A - Adjustable rate security.*

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name			Shares	Cost	Fair Value
<b>International Equity (continued)</b>					
Yamana Gold Inc			18,050	176	201
	<i>Total Canada</i>	4.5%		47,764	60,122
<i>Cayman Islands</i>					
Hua Han Bio-Pharmaceutical Hld			56,000	17	18
O2Micro International Ltd			94,320	941	1,045
Watson Meters Group Ltd			3,509,024	2,073	2,042
	<i>Total Cayman Islands</i>	0.2%		3,031	3,105
<i>Chile</i>					
Administradora de Fondos		0.8%	344,649	8,930	10,794
<i>China</i>					
China Hongxing Sports Ltd			11,878,500	3,076	6,990
Great Wall Technology Co			186,000	58	79
PetroChina Co Ltd			10,500	554	1,561
	<i>Total China</i>	0.7%		3,688	8,630
<i>Denmark</i>					
Danske Bank A/S			47,300	1,430	1,940
Fioia Bank A/S			755	221	235
Gyldendalske Boghandel Nordisk			100	17	15
Keops A/S			182,149	924	783
Per Aarsleff A/S			7,350	540	878
	<i>Total Denmark</i>	0.3%		3,132	3,851
<i>Finland</i>					
Citycon Oyj			139,172	1,072	897
Elcoteq Network			41,900	777	354
KCI Konecranes Oyj			50,995	1,494	2,142
Kemira Oyj			28,506	589	657
OKO Bank PLC			68,000	1,349	1,265
Outokumpu Technology			76,385	3,006	4,216
Rapala VMC Corporation			27,482	221	214
Rautaruukki Oyj			72,700	1,878	4,671
Scanfil Oyj			800	4	2
Stora Enso Oyj			60,900	931	1,150
TietoEnator Oyj			30,500	882	984
	<i>Total Finland</i>	1.2%		12,203	16,552
<i>France</i>					
Affine			61	11	12
Air France-KLM			53,484	2,438	2,499
Arkema			470	16	31
Atos Origin			8,296	461	520
BNP Paribas			53,600	3,874	6,396
Bongrain SA			3,735	214	461
Burelle SA			178	32	43
Caisse Regionale de Cred Agric			88	9	11
Cap Gemini SA			3,600	249	264
Ciments Francais SA			6,720	1,421	1,548

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
CNP Assurances	10,200	650	1,308
Compagnie des Alpes	4,942	209	241
Credit Agricole SA	47,800	1,693	1,949
Damartex	737	26	29
Eruofins Scientific	30,987	1,188	2,626
Financiere de l'Odet	1,749	753	759
Fonciere des Regions	5,381	997	789
GFI Informatique	9,398	69	118
GL Events SA	688	31	47
Groupe Flo	6,313	65	122
Guillin Emballages	35	3	4
Haulotte Group	37,000	952	1,544
Havas Advertising SA	139,512	801	791
IDI	3,664	125	177
Jet Multimedia	10,587	204	183
Michelin CGDE	53,200	4,499	7,462
Natixis	117,266	2,984	2,863
Neopost SA	9,730	702	1,426
Nexans SA	12,700	587	2,123
Nexity	15,072	1,044	1,263
Orpea	13,777	509	1,449
Pierre & Vacances	7,241	709	1,105
Plastic Omnium SA	21,716	934	1,135
PSA Peugeot Citroen	28,500	1,778	2,301
Publicis Groupe	31,600	1,386	1,393
Renault SA	9,600	786	1,546
SALVPAR SA	3,196	397	448
Schneider Electric SA	9,900	758	1,392
Sequana Capital	1,202	36	36
Societe Generale	7,300	674	1,356
Sodexo Alliance SA	11,400	802	818
Thales SA	27,600	1,667	1,689
Thomson Multimedia	53,345	1,026	1,018
Total Fina SA	18,800	988	1,530
Valeo SA	50,648	2,034	2,723
Vivendi Universal	36,600	1,143	1,576
<i>Total France</i>	4.5%	41,934	59,124
<i>Germany</i>			
Adidas-Salomon AG	21,248	1,283	1,342
Allianz SE	4,125	1,017	966
Altana AG	27,000	1,735	652
Arques Industries AG	138,535	3,357	5,968
AWD Holding AG	112,670	3,941	4,801
BASF AG	41,400	2,645	5,437
Bechtle AG	16,363	423	601
Bijou Brigitte Accessoires AG	8,565	1,025	1,602
Bilfinger Berger AG	16,033	1,574	1,422
ComBOTS AG	3,589	43	52
Conergy AG	38,480	1,688	2,992
Curanum AG	139,410	1,535	1,435

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
DaimlerChrysler AG	78,300	3,649	7,217
Demag Cranes AG	72,693	3,273	4,744
Deutsche Bank AG	19,900	2,011	2,881
Draegerwerk AG	3,120	292	292
ELMOS Semiconductor AG	9,646	102	108
Eurokai KGaA	565	20	59
Funkwerk AG	600	16	18
Grammer AG	20,026	658	592
Hans Einhell AG	738	55	53
Heidelberger Druckmaschinen AG	45,100	1,966	2,176
Infineon Technologies AG	225,000	3,491	3,741
Koenig & Bauer AG	23,958	707	897
KSB AG	17	10	12
Lanxess	31,252	1,547	1,747
Linde AG	6,181	662	743
MUT Aero Engines Holding AG	20,550	1,203	1,339
MVV Energie AG	22,617	752	953
Nemetschek AG	48,580	1,378	1,803
Norddeutsche Affinerie AG	36,183	1,098	1,601
Rheinmetall AG	5,200	502	483
Salzgitter AG	8,576	1,420	1,646
SGL Carbon AG	38,845	1,469	1,613
Solarworld AG	29,800	597	1,372
Suedzucker AG	82,600	1,769	1,834
Thielert AG	187,636	4,265	5,714
ThyssenKrupp AG	32,100	623	1,913
TUI AG	141,600	3,514	3,900
<i>Total Germany</i>	5.8%	57,315	76,721
<i>Greece</i>			
Bank of Greece	4,855	542	604
Fourlis Holdings SA	114,295	2,489	3,396
Frigoglass SA	103,105	2,319	3,203
Hellenic Exchanges Holding SA	103,850	1,823	2,721
Hellenic Petroleum SA	68,900	940	1,109
Hellenic Telecommunications	246,940	2,592	3,840
<i>Total Greece</i>	1.1%	10,705	14,873
<i>Hong Kong</i>			
Alco Holdings Limited	40,000	21	22
Allied Properties HK Ltd	48,000	52	60
Associated International Hotel	22,000	20	36
Brilliance China Automotive	22,636,000	3,077	5,704
Century Sunshine Ecol Tech Hlg	5,009,000	1,237	827
Champion Technology Holdings	1,072,000	199	240
Chaoda Modern Agricultures Ltd	2,553,000	2,185	1,972
China Netcom Group Corp	915,000	1,509	2,528
China Pet & Chem Cor (Sinopec)	2,694,000	2,520	2,981
Chow Sang Sang Holdings Intern	180,000	70	163
Citic International Financial	7,000	6	6
CLP Holdings Limited	233,000	1,357	1,563

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
<b>International Equity (continued)</b>				
Coastal Greenland Ltd		36,000	5	8
Digital China Holdings Ltd		52,000	21	23
EganaGoldpheil		7,104,865	2,979	6,207
First Pacific Company Ltd		19,608,000	6,777	14,171
Fountain Set (Holdings) Ltd		5,034,000	1,806	1,938
FU JI Food & Catering Services		1,134,650	2,502	3,904
Guoco Group Limited		31,000	369	435
Hon Kwok Land Investment Co		124,000	51	53
Hongkong & Shanghai Hotels		67,500	75	119
Hopewell Holdings Limited		16,000	61	65
Hopson Development Holdings		72,000	176	202
Industrial & Commercial Bank		143,000	305	304
Keck Seng Investments Limited		54,000	16	47
Luk Fook Holdings		24,000	7	11
Moulin Global Eyecare Holdings		1,052,000	773	1
New World China Land Limited		222,000	134	189
Pacific Century Premium Dev		750,000	207	245
Ports Design Limited		874,060	1,262	2,460
Proview International Holdings		386,000	84	68
SCMP Group Limited		13,072,000	4,990	5,334
Sinolink Worldwide Holdings		40,000	10	10
SmarTone Telecommunications		4,534,500	4,951	5,243
Soundwill Holdings Limited		50,000	35	36
SUNeVision Holdings Limited		387,000	71	56
Tai Cheung Holdings Limited		255,000	149	196
Tai Sang Land Development		11,000	6	6
Tan Chong International Ltd		375,000	84	139
Television Broadcast Ltd		3,000	19	21
Transport International		84,800	435	437
Truly International Holdings		209,999	247	326
USI Holdings Limited		207,744	69	151
Varitronix International Ltd		783,000	785	490
VTech Holdings Limited		42,000	193	355
Wai Kee Holdings Ltd		232,000	79	100
Weiqiao Textile Company Ltd		5,918,500	7,724	13,279
Wheelock Properties Limited		10,000	8	12
Wing Hang Bak Limited		1,500	18	16
Wing On Company International		12,000	20	19
<i>Total Hong Kong</i>	5.5%		49,756	72,778
<i>Hungary</i>				
Magyar Telekom	0.9%	2,207,740	11,541	12,074
<i>India</i>				
Bharat Forge Limited		188,395	1,530	1,427
HDFC Bank Limited		110,675	1,558	3,116
Infrastructure Dev Finance Co		1,435,710	2,842	4,641
Maharashtra Seamless Ltd		159,195	2,012	2,592
State Bank of India		28,500	1,470	2,539
UTI Bank Ltd		132,645	1,230	1,972
<i>Total India</i>	1.2%		10,642	16,287

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
<i>Ireland</i>			
DCC PLC	20,759	749	700
Dragon Oil PLC	96,156	337	384
Icon PLC	48,610	872	2,126
Irish Life & Permanent PLC	66,800	1,227	1,686
Kerry Group PLC	5,400	151	151
Total Produce PLC	82,700	92	86
<i>Total Ireland</i>		3,428	5,133
<i>Israel</i>			
Bank Hapoalim BM	242,900	1,149	1,184
Bezeq Israeli Telecommunicatio	4,598,550	6,340	7,527
Koor Industries Ltd	25,000	1,209	1,662
Partner Communications Company	417,272	3,449	6,638
Taro Pharmaceutical Industries	388,780	3,965	2,585
<i>Total Israel</i>		16,112	19,596
<i>Italy</i>			
Banca Popolare dell'Etruria	46,734	1,027	968
Banche Popolari Unite Scpa	124,126	3,547	3,160
BasicNet Spa	23,445	45	56
Benetton Group Spa	21,700	227	379
Biesse SPA	89,555	1,344	2,963
Buzzi Unicem SPA	31,800	1,076	1,099
CIR SpA	193,728	593	746
Cofide-Compagnia Finanziaria	844,712	1,359	1,483
ENI SpA	116,300	3,064	4,225
Fiera Milano SpA	40,036	469	432
Finmeccanica SpA	66,400	1,236	2,047
Fondiaria-Sai SpA	5,890	302	285
IFI Institute Finanziario	46,400	728	1,869
IFIL - Investments SPA	286,000	2,758	3,086
Intek SpA	24,590	30	30
Intesa Sanpaolo	311,188	1,628	2,324
Italcementi SpA	38,400	1,164	1,189
KME Group	359,977	290	332
Mariella Burani Fashion Group	44,480	1,003	1,555
Meliorbanca Spa	12,274	58	65
Mittel SPA	23,497	197	176
Mondadori (Arnoldo) Editore	92,000	988	901
Pirelli & Company Spa	3,194,866	3,570	3,815
Telecom Italia Media SpA	1,891,432	877	694
<i>Total Italy</i>		27,580	33,879
<i>Japan</i>			
Acom Co Ltd	34,900	2,100	1,249
Adeka Corporation	33,500	349	355
Aichi Bank Ltd	4,100	448	448
Aichi Toyota Motor Company Ltd	11,000	240	196
Aida Engineering Ltd	33,000	218	240
Aiphone Company Ltd	5,700	89	90

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Aisan Industry Company	13,800	154	162
Aizawa Securities Company Ltd	23,100	175	168
Akita Bank Ltd	55,000	278	267
Alps Electric Co Ltd	127,500	1,503	1,272
AOC Holdings Inc	26,600	389	375
Arakawa Chemical Industries	11,200	139	137
Ardepro Company Ltd	5,670	1,833	1,765
Arnest One Corporation	31,100	303	269
Asahi Breweries Ltd	42,900	502	664
Ashai Pretec Corporation	67,800	1,840	1,889
Autobacs Seven Company Ltd	13,400	494	418
Benesse Corporation	5,800	166	168
BML Inc	11,700	234	203
Bosch Corporation	1,000	5	5
CAC Corp	19,200	168	158
Canon Finetech Inc	300	5	5
Cawachi Limited	14,800	524	437
Chiyoda Company Ltd	18,200	383	386
Chubu Steel Plate Company	30,400	383	285
Chukyo Bank Ltd	1,000	3	3
Coca-Cola Central Japan Co Ltd	11	88	84
Corona Corporation	7,700	132	122
Cosmos Initia Co Ltd	55,000	341	349
Creed Corporation	310	1,162	746
Csomo Oil Company	193,100	943	1,063
D& M Holdings Inc	20,000	78	87
Daiei Inc	36,400	384	384
Daichikoshu Company Ltd	2,400	32	26
Daiki Aluminum Industry Company	11,000	70	68
Dainichiseika Color & Chem	17,000	87	88
Dainippon Ink & Chemicals Inc	86,000	291	331
Dainippon Screen Mfg Co Ltd	52,000	398	392
Daisy Corporation	17,300	296	229
Daiwa Securities Co Ltd	219,500	1,641	2,334
Denki Kagaku Kogyo	49,000	216	220
Disco Corp	6,800	387	393
Eighteenth Bank Limited	81,000	419	338
Eizo Nannao Corporation	43,400	1,371	1,413
Faith Inc	620	129	102
Fields Corporation	63	162	78
Fuji Electric Holdings Co Ltd	81,000	374	411
Fuji Fire & Marine Insurance	90,000	372	359
Fuji Heavy Industries Ltd	564,000	3,379	2,695
Fuji Machine Mfg Co Ltd	16,400	215	383
Fujicco Company Ltd	1,000	10	11
Fujikura Ltd	31,000	208	230
Fukuda Corporation	21,000	105	77
Furuno Electric Company	16,000	152	161
Furusato Industries Ltd	8,600	122	131
Futaba Corporation	18,400	464	393
Glory Ltd	15,800	303	345

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
GMO Internet Inc	38,300	242	225
Hakuto Co Ltd	9,100	138	143
Hanwa Company Ltd	410,000	2,021	2,019
Heiwa Corporation	22,800	304	280
Hibiya Engineering Ltd	10,000	76	83
HI-LEX Corp	1,800	27	27
HIS Co Ltd	19,800	486	544
Hitachi Cable Ltd	49,000	258	286
Hitachi Capital Corporation	17,800	316	271
Hitachi Kiki Company Ltd	2,200	34	38
Hitachi Kokusai Electric Inc	35,000	413	431
Hitachi Maxell Ltd	30,900	417	360
Hitachi Medical Corporation	9,000	112	91
Hitachi Systems & Services Ltd	100	2	2
Hodogaya Chemical Company Ltd	44,000	136	139
Hokkaido Electric Power Co	60,100	1,080	1,302
Honda Motor Co Ltd	37,400	1,101	1,363
Hyakugo Bank Ltd	31,000	205	210
Iida Home Max	9,300	160	152
Inabata & Company Ltd	5,500	52	37
Ines Corp	6,000	42	45
Itoham Foods Inc	72,000	320	318
JALUX Inc	800	14	14
Japan Digital Laboratory Co	19,500	298	267
Japan General Estate Company	71,600	1,594	1,577
Japan Hotel & Resort Inc	215	1,245	1,168
Japan Pulp & Paper Company	73,000	285	276
Japan Wool Textile Company Ltd	39,000	317	313
Joint Corp	116,635	3,216	3,655
Kamei Corporation	20,000	244	127
Kanto Auto Works Ltd	9,800	132	145
Kasumi Company Ltd	34,000	191	183
Kato Sangyo Company Ltd	18,500	232	239
Keihanshin Real Estate Company	23,000	167	166
Keisel Electric Railway Co	38,000	237	222
Kinki Nippon Tourist Co Ltd	2,000	7	6
Kioritz Corporation	31,000	123	96
Kirayaka Holdings Inc	1,000	2	2
Kissei Pharmaceutical Co Ltd	4,000	71	70
Kita-Nippon Bank Ltd	200	9	9
Kohnan Shoji Co Ltd	800	10	10
Komori Corporation	37,000	663	866
Konaka Co Ltd	13,800	157	131
Kurabo Industries Ltd	434,000	965	1,223
Kyokuyo Co Ltd	256,000	437	529
Kyorin Co Ltd	1,000	14	14
Kyowa Hakko Kogyo Co Ltd	35,000	338	330
Kyushu Electric Power Co Inc	47,300	868	1,237
Mae House Company Ltd	400	6	6
Maenica Inc	9,500	285	238
Maeda Road Construction Co Ltd	93,000	694	823

*A - Adjustable rate security.*

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Marubeni Corporation	365,800	915	3,006
MAX Compay Ltd	1,000	15	15
Mercian Corp	124,854	338	296
Mie Bank Ltd	67,000	383	336
Mikuni Coca-Cola Bottling Co	22,000	246	228
Mitani Corporation	12,300	165	137
Mitsubishi Chemical Holdings	141,000	903	1,292
Mitsui Engineering & Shipbuild	43,000	103	229
Nagase & Company Ltd	21,000	267	280
Nakanishi Inc	10,505	1,064	1,309
Nakayama Steel Works Ltd	76,000	353	268
NEC Leasing Ltd	11,200	217	214
NEC Networks & System Int	24,600	284	258
Nichicon Corporation	3,200	45	46
Nihon Yamamura Glass Co Ltd	58,000	174	149
Nippon Beet Sugar Manufact	78,000	229	205
Nippon Flour Mills Company Ltd	118,000	491	455
Nippon Kayaku Company Ltd	58,000	455	458
Nippon Koei Company Ltd	12,000	35	36
Nippon Light Metal Company	293,000	794	764
Nippon Mining Holdings Inc	112,000	776	1,072
Nippon Oil Corporation	470,500	3,762	4,366
Nippon Road Company Ltd	87,000	195	159
Nippon Shinyaku Company Ltd	41,000	312	377
Nippon Steel Corporation	316,000	1,162	2,221
Nippon Telegraph & Telephone	600	2,680	2,658
Nishimatsu Construction Co	1,000	3	4
Nissan Motor Co Ltd	200,700	2,230	2,147
Nissan Shatai Company Ltd	83,000	469	487
Nissay Dowa General Insurance	69,000	445	430
Nissen Company Ltd	600	4	4
Nisshin Fudosan Company Ltd	10,300	143	141
Nisshin Steel Company	143,000	508	652
Nitto Kogyo Corporation	5,100	84	74
NOF Corporation	5,000	25	23
Nohmi Bosai Ltd	5,000	30	30
Nomura Securities Co Ltd	126,100	2,199	2,451
NTT DoCoMo	2,000	3,278	3,158
Oenon Holdings	141,000	448	377
Oiles Corporation	14,580	320	325
OJI Paper Co Ltd	400,000	2,079	1,940
Okabe Company Ltd	17,000	85	92
Okasan Holdings Inc	68,000	477	451
Okaya & Company Ltd	500	7	7
Okinawa Electric Power Company	9,850	592	576
Okk Corp	42,000	156	156
Okuwa Company Ltd	10,000	124	135
Onward Kashiyama Company	24,000	396	306
Osaka Securities Exchange Co	658	1,727	3,037
Osaka Securities Finance Co	23,700	155	85
Osaka Steel Company Ltd	14,900	240	282

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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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Pacific Industrial Company Ltd	2,000	11	10
Pacific Metals Company Ltd	93,245	909	1,559
Pioneer Corporation	24,400	323	331
POINT INC	25,575	1,336	1,514
Rakuten Inc	980	325	329
Rengo Co Ltd	171,000	750	842
Ricoh Company Ltd	170,000	3,029	3,923
Riso Kagaku Corporation	13,500	248	273
Roland Corporation	9,600	206	241
Royal Holdings Company Ltd	20,200	276	255
Ryoden Trading Co Ltd	23,000	180	182
Ryosan Company Ltd	11,600	310	286
S Foods Inc	4,000	34	37
Sakai Chemical Industry Co	49,000	333	374
Sakata Inx Corporation	3,000	15	17
Sanden Corporation	72,000	307	314
Sanyo Chemical Industries Ltd	39,000	256	259
Satori Electric Company Ltd	100	2	2
Sazaby Inc	7,300	194	203
Seikagaku Corporation	8,900	97	103
Sekisui Chemical Co Ltd	20,000	154	154
Sekisui Jushi Corp	4,000	31	32
Senshu Electric Co Ltd	2,400	53	59
Shidax Corporation	68	71	62
Shiga Bank Ltd	57,000	386	390
Shinkawa Ltd	13,000	352	273
Shinko Securities Company	64,000	356	331
ShinMaywa Industries Ltd	42,000	253	209
Showa Corporation	29,600	480	394
Sinanen Company Ltd	38,000	190	188
Sintokogio Ltd	16,000	155	234
Sojitz Corp	157,800	671	705
SSP Company Ltd	25,000	121	121
Sumisho Computer Systems Corp	20,200	389	400
Sumitomo Bakelite Co Ltd	161,000	992	1,125
Sumitomo Pipe & Tube Company	8,000	58	61
Sumitomo Precision Products Co	51,000	262	274
Sumitomo Rubber Industries Ltd	41,700	493	497
Sumitomo Seika Chemicals Co	37,000	211	193
Taiheiyo Cement Corp	82,000	348	363
Taiho Kogyo Company Ltd	13,700	178	203
Takagi Securities Company Ltd	60,000	275	244
Takara Leben Company Ltd	21,800	345	273
Takefuji Corporation	16,700	1,051	560
Takeuchi Mfg Co Ltd	41,400	1,436	1,911
Tanabe Seiyaku Co Ltd	127,000	1,152	1,510
TKC Corporation	11,600	211	210
TOA Corp	6,000	46	46
Toagosei Company Ltd	57,000	217	224
Tokai Tokyo Securities Co Ltd	77,000	445	440
Tokyo Energy & Systems Inc	1,000	8	8

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*See accompanying notes to financial statements.*

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Tokyo Ohka Kogyo Company Ltd	10,300	254	231
Tokyo Rakutechi Company Ltd	2,000	9	9
Tokyo Style Co Ltd	56,000	609	632
Tokyo Tekko Company Ltd	55,000	422	348
Toppa Printing Co Ltd	228,300	2,861	2,449
Topy Industries Limited	140,000	525	531
Torii Pharmaceutical Co Ltd	11,000	235	179
Toshiba Corporation	118,000	742	1,027
Toshiba Tec Corporation	64,000	294	379
Tosoh Corporation	114,000	568	632
TOTO Ltd	39,000	380	337
Towa Real Estate Development	21,000	81	81
Toyo Ink Mfg Co Ltd	44,000	188	167
Toyo Securities Co Ltd	47,000	197	195
Toyota Motor Corp	52,000	1,977	3,284
Trusco Nakayama Corporation	15,600	345	306
Tsurumi Manufacturing Co Ltd	1,000	10	10
Ube Industries Ltd	175,000	529	538
Unimat Life Corporation	9,500	116	118
Unipres Corporation	700	7	5
UNY Company Ltd	38,000	442	450
Yamaha Corp	5,100	106	106
Yamato Kogyo Co Ltd	20,700	313	820
Yamazaki Baking Company Ltd	44,000	367	375
Yodogawa Steel Works Ltd	46,000	284	255
Yokohama Rubber Company Ltd	324,000	1,930	2,434
Yonekyu Corporation	15,000	159	172
Yuraku Real Estate Company Ltd	45,000	272	216
<i>Total Japan</i>	9.4%	115,359	125,203
<i>Korea</i>			
Asia Cement Company Ltd	160	10	14
BYC Company Ltd	22	4	6
Choongwae Pharma Corp	4,000	164	205
Daeduck Electronics Company	657,180	5,568	5,513
Daekyo Company Ltd	2,250	193	227
Daewoo Heavy Indus & Machinery	3,260	80	109
Daewoong Company Ltd	5,570	155	182
Daou Technology Inc	11,020	94	129
Dong IL Corporation	94	10	10
Dongbu Insurance Company Ltd	12,180	387	409
Doosan Corporation	5,020	447	782
E1 Corp	2,130	197	210
GS Holdings Corp	9,000	345	437
GS Home Shopping Inc	500	43	46
Halla Engineering & Const Corp	7,440	163	204
Hanil Cement Company Ltd	270	25	33
Hankook Tire Company Ltd	6,780	111	122
Hanmi Capital Company Ltd	5,400	47	59
Hanshin Construction Company	1,250	25	38
Hanwha Corporation	2,660	106	155

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Hyundai Cement Company Ltd	590	22	33
Hyundai Mipo Dockyard Company	2,930	522	815
Hyundai Steel Co	25,800	281	1,424
Ilung Pharmaceuticals Co	80	11	9
KCC Engineering & Construction	3,389	150	238
Kiswire Ltd	4,560	142	170
KIWOOM Securities Co Ltd - Rights	11,720	131	131
KIWOOM Securities Co Ltd	40,785	2,696	3,112
Korea Airport Service Company	2,350	109	160
Korea Electric Power Corp	184,600	6,254	8,192
Korea Gas Corporation	4,810	212	311
Korea Kumho Petrochemical Co	5,150	183	332
Korea Zinc Company	3,480	387	591
KT Corporation	133,600	5,976	6,247
KT Freetel Company	301,620	7,645	9,304
Kumho Industrial Company	6,470	299	314
Kumho Tire Co Inc	575,660	7,135	8,630
Kyeryong Construction Indus	5,420	248	295
LG Chemical Ltd	36,235	1,566	3,063
LG Chemical Ltd - Preferred	14,920	667	681
LG Dacom Corporation	14,170	344	386
LG Electronics Inc	201,660	12,108	16,676
LG Petrochemical Company Ltd	6,130	190	239
Lotte Chilsung Beverage Co	5,490	5,094	7,065
LS Cable Ltd	51,460	1,231	3,609
Maeil Dairy Industry	290	12	12
Muhak Company Ltd	280	1	1
Namyang Dairy Products Co Ltd	164	160	161
Pacific Corporation	1,170	192	217
People & Telecommuication	8,000	87	121
Poongsan Corp	44,900	486	1,366
POSCO Refractories & Environ	2,036	35	55
Pusan Bank	2,500	39	36
Sambu Construction Co Ltd	3,840	217	196
Samchully Co Ltd	720	129	133
Samsung Electronics Co Ltd	15,320	9,453	9,386
Samwhan Corporation	7,550	180	266
Samyang Genex Company Ltd	1,466	145	140
Seah Besteel Corporation	61,600	1,023	1,327
Shinsegae Engieering & Constr	290	15	13
Shinsegae Internet & Commerce	688	45	68
Shinyoung Securities Company	4,360	231	288
SK Corp	15,300	688	2,228
SK Gas Company Ltd	3,470	208	276
SK Telecom Company Ltd	508,900	11,193	13,919
Taekwang Industrial Co Ltd	10	11	12
TS Corporation	2,820	108	132
Yesco Company Ltd	480	16	18
Youngone Corporation	11,490	81	98
<i>Total Korea</i>	8.4%	86,532	111,386

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
<b>International Equity (continued)</b>				
<i>Malaysia</i>				
AmInvestment Group Bhd		863,588	676	891
Proton Holdings Berhad		4,290,500	8,234	7,456
<i>Total Malaysia</i>	0.6%		8,910	8,347
<i>Mexico</i>				
Alfa SA A Shares		1,481,630	7,128	11,661
Banco Compartamos SA de CV		290,950	1,127	1,820
Mexichem SAB de CV		797,139	2,378	2,622
Telefonos de Mexico SA		288,810	5,809	10,943
Telefonos de Mexico SA		1,722,105	1,811	3,271
Urbi Desarrollos Urbanos SA		644,195	1,932	2,948
<i>Total Mexico</i>	2.5%		20,185	33,265
<i>Netherlands</i>				
Aegon NV		114,000	1,599	2,254
Akzo Nobel NV		23,400	972	2,021
BE Semiconductor Industries		8,482	45	56
Beter Bed Holding NV		41,260	1,478	1,396
Buhrmann NV		53,874	654	828
Hunter Douglas NV		14,720	1,279	1,392
ING Groep NV		90,800	2,758	4,021
Kas Bank NV		19,991	461	696
Koninklijke (Royal) KPN NV		86,600	725	1,441
Koninklijke BAM Groep NV		57,600	1,387	1,632
Qiagen NV		119,480	1,419	2,126
Royal Dutch Shell A Shares		107,300	3,186	4,375
Univar NV		4,338	186	230
Vedior NV		67,193	1,510	2,015
<i>Total Netherlands</i>	1.8%		17,659	24,483
<i>New Zealand</i>				
Air New Zealand Ltd		188,300	296	384
Briscoe Group Limited		107,800	103	137
CDL Hotels New Zealand Limited		166,297	66	112
Fletcher Building Ltd		174,400	661	1,664
Hallenstein Glasson Holdings		9,637	33	35
New Zealand Refining Company		19,705	76	114
Pumpkin Patch Ltd		325,377	658	842
Tourism Holdings Limited		97,600	144	189
<i>Total New Zealand</i>	0.3%		2,037	3,477
<i>Norway</i>				
ABG Sundal Collier ASA		7,785	20	20
Acta Holding ASA		831,010	2,551	4,362
Aker Yards AS		69,000	883	1,203
Eitzen Chemical ASA		327,875	1,461	1,410
Norsk Hydro ASA		71,500	1,009	2,760
Norwegian Property ASA		208,635	1,855	2,605
Sparebanken More		714	32	29
Steen & Strom Invest ASA		19,035	1,086	1,112

A - Adjustable rate security.

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See accompanying notes to financial statements.

**West Virginia Investment Management Board  
Investment Pools  
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**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value
<b>International Equity (continued)</b>				
TGS Nopec Geophysical Company		249,615	3,396	5,114
Wavefiled Inseis ASA		175,010	1,343	1,556
<i>Total Norway</i>	1.5%		13,636	20,171
<i>Panama</i>				
Banco Latinoamericano de Exp	0.9%	613,490	10,141	11,534
<i>Philippines</i>				
Philippine Long Distance Tel	0.5%	126,130	3,817	7,227
<i>Portugal</i>				
Banco Comercial Portugues SA		269,800	758	1,509
CIMPOR-Cimentos de Portugal		35,281	313	333
Energias de Portugal SA		279,400	797	1,543
Semapa-Sociedade de Inv e Ges		16,404	276	296
Sonae Industria-SGPS SA		5,092	65	74
Teixeira Duarte SA		257,254	1,296	1,407
<i>Total Portugal</i>	0.4%		3,505	5,162
<i>Russia</i>				
MMC Norilsk Nickel	0.4%	25,400	2,871	5,639
<i>Singapore</i>				
Asia Food & Properties Limited		505,000	124	192
Beyonics Technology Ltd		133,000	30	47
Bonvests Holdings Ltd		15,000	11	17
Cerebos Pacific Ltd		77,000	158	203
Chemoil Energy Limited		3,299,800	2,842	2,755
Chuan Hup Holdings Ltd		300,000	62	79
Del Monte Pacific Ltd		10,000	3	5
ECS Holdigs Ltd		29,000	8	11
GK Goh Holdings Limited		155,000	85	126
Guocoland Limited		61,000	86	194
Haw Par Corporation Limited		86,000	323	430
Ho Bee Investment Ltd		175,000	124	269
Hotel Plaza Limited		172,000	122	262
Jardine Cycle & Carriage Ltd		45,000	266	462
K1 Ventures Limited		492,000	106	101
Kim Eng Holdings Ltd		191,000	151	256
Low Keng Huat (Singapore) Ltd		117,000	88	62
Mapletree Logistics Trust		2,332,825	2,161	2,166
Metro Holdings Ltd		268,000	144	187
MobileOne Limited		1,965,600	2,636	2,827
Neptune Orient Lines Ltd		656,000	1,356	2,273
Noble Group Limited		39,000	43	44
Peoples Food Holdings Limited		110,000	101	134
PSC Corporation Ltd		18,300	1	1
QAF Ltd		91,000	25	32
Singapore Airlines Ltd		173,000	1,383	2,127
Singapore Airport Terminal Svs		14,000	23	28
Singapore Petroleum Company		26,000	84	98

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See accompanying notes to financial statements.



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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Singapore Reinsurance Corp Ltd	255,000	51	61
Suntec Real Estate Inv Trust	2,101,000	2,465	2,665
Unisteel Technology Ltd	2,005,421	1,304	2,937
United Food Holdings Ltd	344,000	41	47
United Overseas Insurance Ltd	8,000	18	22
UOB-Kay Hian Holdings Ltd	234,000	147	331
Wheelock Properties Limited	11,000	12	25
Wilmar International Ltd	1,605,020	2,762	3,337
Wing Tai Holdings Ltd	180,000	236	469
Zhogguo Jilong Ltd	25,810	1	2
<i>Total Singapore</i>	1.9%	19,583	25,284
<i>South Africa</i>			
African Bank Investments Ltd	340,375	1,206	1,443
Growthpoint Properties Ltd	688,270	1,300	1,449
Imperial Holdings Ltd	40,700	532	841
JSE Ltd	434,461	2,075	4,923
Remgro Ltd	118,500	2,379	3,174
Truworths International Ltd	705,145	2,361	3,650
<i>Total South Africa</i>	1.2%	9,853	15,480
<i>Spain</i>			
Banco Popular Espanol SA	82,400	1,634	1,538
Banco Santander Ctrl Hisp SA	351,300	4,840	6,495
Cementos Portland Valderrivas	9,200	1,184	1,148
Fomento de Construcciones	20,603	2,088	1,863
Iberia Lineas Aereas de Espana	147,729	380	738
Metrovacesa SA	373	41	42
NH Hoteles, SA	53,365	854	1,158
Obrascon Huarte Lain SA	20,695	960	936
Repsol SA	72,400	1,957	2,860
Sol Melia SA	10,671	208	238
Union Electrica Fenosa SA	50,700	2,790	2,715
<i>Total Spain</i>	1.5%	16,936	19,731
<i>Sweden</i>			
AB Sagax	851	10	11
Catena AB	28,100	167	447
D. Carnegie & Company AB	113,585	2,029	1,992
Electrolux AB	48,400	541	1,150
Elekta AB	116,315	1,228	2,019
FastPartner AB	36,210	133	205
Hemtex AB	218,345	3,363	4,187
Home Properties AB	4,993	72	72
Hufvudstaden AB	108,922	1,343	1,255
Husqvarna AB-A Shares	14,160	140	201
Husqvarna AB-B Shares	9,800	102	139
Kungsleden AB	98,216	1,569	1,228
NCC AB	44,100	1,230	1,193
Nordea AB	239,900	1,895	3,761
PartnerTech AB	15,958	287	249

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
RaySearch Laboratories AB	85,665	2,107	3,061
Saab AB	18,206	310	483
SAS AB	62,000	835	1,433
Teleca AB	74,960	354	319
Trelleborg AB	30,893	660	854
Volvo AB	111,500	868	2,228
<i>Total Sweden</i>		19,243	26,487
<i>Switzerland</i>			
Also Holding	7,167	236	395
Ascom Holding AG	33,574	404	412
Austriamicrosystems AG	17,835	1,245	1,324
Baloise Holding Ltd	52,487	4,687	5,186
Bank Sarasin & Cie	405	1,105	1,722
Banque Cantonale de Geneve	104	20	25
Bobst Group AG	7,122	455	447
Bucher Industries AG	8,010	766	1,283
Burckhardt Compression Holding	23,010	3,623	5,576
Charles Voegele Holding AG	2,825	195	313
Ciba Specialty Chemicals AG	31,251	1,989	2,034
Clariant AG	3,000	45	49
Conzzeta Holding AG	175	231	370
Credit Suisse Group	81,300	3,530	5,794
Elektrizitaets-Gesellschaft	124	148	142
Emmi AG	990	125	127
Energiedienst Holding AG	319	144	174
Forbo Holding AG	100	27	55
Georg Fischer AG	2,000	703	1,509
Graubundner Kantonalbank	147	101	135
Helvetia Patria Holding	3,400	981	1,304
Huber & Suhner AG	2,803	239	618
Inficon Holding AG	4,000	528	702
Jungfraubahn Holding AG	1,000	39	49
PSP Swiss Property AG	8,320	371	466
Rieter Holding AG	4,839	1,653	2,529
Schulthess Group AG	12,280	1,315	1,538
Siegfried Holding AG	708	95	116
Straumann AG	9,614	2,107	2,698
Swiss Life Holding	14,640	3,705	3,870
Swiss Prime Site AG	8,541	508	498
Syngenta AG	15,400	1,741	3,006
UBS AG	21,000	751	1,261
Vaudoise Assurances Holding SA	481	69	78
Verwaltungs und Privat Bank AG	7,014	1,043	1,826
Vetropack Holding AG	90	66	141
Walter Meier Holding AG	2,063	216	341
Zurich Financial Services AG	4,700	704	1,454
<i>Total Switzerland</i>		35,910	49,567
<i>Taiwan</i>			
Advanced Semiconductor Engr	212,210	136	289

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
China Motor Corporation	13,059,685	12,078	12,616
ChungHsin Electric & Machinery	1,713,000	789	1,243
Chunghwa Telecom Co Ltd	572,454	7,827	8,618
Far EasTone Telecommunications	6,309,000	7,360	7,832
Gigabyte Technology Company	1,665,000	1,204	1,244
Oriental Union Chemical Corp	9,510,000	5,767	8,102
Taishin Financial Holdings Co	2,629,000	1,475	1,452
Taiwan Mobile Co Ltd	1,647,000	1,437	2,017
United Microelectronics Corp	8,232,352	4,255	4,972
Walsin Lihwa Corporation	21,091,000	7,248	12,449
Winbond Electronics Corp	12,884,000	4,376	4,861
Yageo Corporation	23,997,000	8,148	12,455
<i>Total Taiwan</i>	5.9%	62,100	78,150
<i>Thailand</i>			
Charoen Pokphand Foods	7,682,700	1,166	1,157
Charoen Pokphand Foods Public	59,964,700	8,278	9,032
Siam Makro Public Company	678,800	1,019	1,740
Thai Union Frozen Prod Publ Co	5,134,500	3,296	3,673
<i>Total Thailand</i>	1.2%	13,759	15,602
<i>United Kingdom</i>			
Abacus Group plc	83,203	167	165
Accident Excyhange Group plc	5,822	10	16
Aegis Group PLC	379,350	1,103	1,047
Alba plc	6,475	20	19
Alexon Group PLC	40,712	159	208
Alliance & Leicester PLC	73,300	1,198	1,627
Alumasc Group plc	42,000	179	192
Amstrad PLC	115,573	364	289
Anite Group PLC	179,054	252	268
Ark Therapeutics Group PLC	723,590	1,090	2,174
AstraZeneca Group PLC	105,700	5,656	5,690
Aviva PLC	76,500	755	1,141
Barclays PLC	408,900	4,200	5,710
Blackrock International Land	82,700	41	55
BP Amoco PLC	275,700	3,270	3,335
Bradford & Bingley PLC	202,000	1,045	1,602
Brit Insurance Holdings PLC	38,879	221	269
British Energy Group PLC	214,549	1,968	2,329
British Polythene Industries	17,800	217	148
Brixton PLC	87,736	893	772
BT Group PLC	654,600	2,175	4,367
Capital & Regional PLC	42,924	1,148	1,002
Carphone Warehouse PLC	188,000	1,091	1,246
Castings PLC	3,129	15	19
Chaucer Holdings PLC	486,000	539	936
Chime Communications PLC	78,458	76	85
Clarkson PLC	25,148	365	460
Communis PLC	141,521	270	188
Cookson Group PLC	139,000	1,576	1,977

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Shares	Cost	Fair Value
<b>International Equity (continued)</b>			
Corporate Services Group PLC	254,518	43	42
Davis Service Group PLC	73,230	940	915
Delta PLC	94,732	268	254
Development Securities PLC	12,254	151	150
Drax Group PLC	153,641	2,397	2,240
DSG International	782,500	2,304	2,492
DTZ Holdings PLC	197,616	2,904	2,062
GKN PLC	350,500	1,687	2,801
GlaxoSmithKline PLC	64,000	1,514	1,676
Goldshield Group PLC	75,870	487	381
Greene King PLC	10,958	196	214
Group 4 Securicor PLC	538,000	2,172	2,283
Hammerson plc	123,000	4,037	3,539
Hardy Underwriting Group plc	10,345	59	57
HBOS	319,800	5,548	6,323
Helical Bar plc	25,273	215	235
Hikma Pharmaceuticals PLC	189,120	1,487	1,450
Hill & Smith Holdings PLC	1,353	10	10
Hitachi Capital UK PLC	36,394	149	194
Imperial Chemical Industries	94,937	1,012	1,185
Investec PLC	228,900	3,168	2,953
Invista Real Estate Inv Mngmnt	485,790	1,277	1,053
JJB Sports PLC	249,552	1,319	1,282
JKX Oil & Gas PLC	332,668	2,152	2,249
John David Group PLC	57,000	251	501
Johnson Service Group PLC	8,138	56	56
Kelda Group PLC	56,278	1,056	1,064
Kensington Group PLC	41,848	698	385
Kewill Systems plc	28,592	49	49
Legal & General Group PLC	1,038,700	2,655	3,128
Liberty International PLC	122,038	3,028	2,804
Lloyds TSB Group PLC	211,500	1,748	2,359
Logica PLC	699,000	2,454	2,128
London & Associated Properties	2,817	6	6
Low & Bonar PLC	66,340	183	192
Management Consulting Group	220,000	223	216
Mapeley Ltd	14,437	1,098	813
Marchpole Holdings PLC	41,133	136	134
Michael Page International	381,795	2,051	4,025
Millennium & Copthorne Hotels	86,715	829	1,117
Misys PLC	643	3	3
NCipher plc	13,729	68	68
NETeller PLC	150,761	413	532
Next PLC	16,695	748	673
Northern Foods PLC	290,100	781	693
Northgate Information Solution	609,639	995	979
NSB Retail Systems plc	131,329	74	74
Office2office PLC	18,333	79	82
Old Mutual PLC	541,800	1,197	1,836
Oxford Instruments PLC	5,712	25	34
Pochins PLC	1,592	11	10

*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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

<u>Security Name</u>		<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<b>International Equity (continued)</b>				
Premier Oil PLC		52,055	1,280	1,166
Primary Health Properties PLC		11,950	102	98
Psion PLC		32,899	71	84
Qinetiq Plc		111,000	422	414
RM PLC		33,659	114	140
Rotork PLC		209,010	3,085	3,828
Royal & Sun Alliance Insurance		1,063,100	1,800	3,103
Royal Dutch Shell B Shares		113,500	3,343	4,743
RPC Group PLC		34,400	184	197
Sage Group PLC		608,000	3,001	2,860
Savills PLC		252,865	2,916	3,003
ScS Upholstery plc		26,292	140	132
Smiths News PLC		185,749	521	499
SOCO International PLC		90,505	981	3,497
Spectris plc		58,500	1,088	1,063
Tate & Lyle PLC		295,458	2,862	3,364
Taylor Woodrow PLC		165,800	930	1,200
Ted Baker PLC		238,520	2,195	2,483
Trafficmaster plc		60,325	68	69
Trinity Mirror plc		126,048	1,334	1,338
TT Electronics PLC		261,500	802	965
Vega Group OKC		6,000	32	30
Vitec Group PLC		3,902	46	47
Vodafone Group PLC		2,164,500	5,825	7,287
Whitbread PLC		39,104	1,475	1,388
<i>Total United Kingdom</i>	10.6%		<u>121,091</u>	<u>140,335</u>
Total Equities	98.6%		995,391	1,306,174
<b>Short-term Issues</b>				
Dreyfus Cash Management Institutional Fund		18,738,225	18,738	18,738
Total Short-term Issues	1.4%		<u>18,738</u>	<u>18,738</u>
<b>Total International Equity</b>			<u>\$ 1,014,129</u>	<u>\$ 1,324,912</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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Short-Term Fixed Income</b>						
<i>Short-term Issues</i>						
Goldman Sachs Repurchase Agreement	5.300 %	5.300 %	07/02/2007	\$ 270,709	\$ 270,709	\$ 270,709
Morgan Stanley Dean Witter Repurchase Agreement	5.350	5.350	07/02/2007	300,000	300,000	300,000
Alpine Securitization	0.000	5.477	07/02/2007	55,000	55,000	55,000
Dexia Delaware LLC	0.000	5.366	07/02/2007	23,345	23,345	23,345
Federal Home Loan Bank	0.000	5.196	07/02/2007	40,000	40,000	40,000
Govco Incorporated	0.000	5.447	07/02/2007	27,354	27,354	27,354
Rabobank USA Financial Group	0.000	5.396	07/02/2007	55,000	55,000	55,000
Atlantis One Funding	0.000	5.326	07/03/2007	3,000	3,000	3,000
Bank of America Corp	0.000	5.360	07/05/2007	8,000	7,996	7,996
Federal Home Loan Bank	0.000	4.877	07/05/2007	150,000	149,940	149,940
United States Treasury	0.000	4.088	07/05/2007	150,000	149,950	149,950
ING Funding LLC	0.000	5.363	07/11/2007	6,000	5,992	5,992
United States Treasury	0.000	4.390	07/12/2007	37,000	36,956	36,956
CAFCO LLC	0.000	5.360	07/19/2007	5,000	4,987	4,987
Calyon North America Inc	0.000	5.392	07/19/2007	3,000	2,992	2,992
Goldman Sachs Group LP	0.000	5.359	07/19/2007	5,000	4,988	4,988
Ciesco LLC	0.000	5.357	07/20/2007	6,000	5,984	5,984
Clipper Receivables Corp	0.000	5.366	08/01/2007	6,000	5,974	5,974
Windmill Funding Corp	0.000	5.370	08/06/2007	5,000	4,974	4,974
CRC Funding LLC	0.000	5.372	08/08/2007	6,000	5,967	5,967
Barton Capital Corp	0.000	5.368	08/09/2007	5,000	4,972	4,972
Nordea NA Inc	0.000	5.363	08/16/2007	5,000	4,967	4,967
Fairway Finance Corporation	0.000	5.374	08/21/2007	3,000	2,978	2,978
Aquinas Funding LLC	0.000	5.381	08/22/2007	5,000	4,963	4,963
Amsterdam Funding Corp	0.000	5.372	08/23/2007	5,000	4,962	4,962
Dexia Delaware LLC	0.000	5.363	08/29/2007	5,000	4,958	4,934
Sheffield Receivables Corp	0.000	5.384	09/10/2007	5,000	4,949	4,934
Societe Generale NA	0.000	5.373	09/10/2007	7,000	6,929	6,876
Federal Home Loan Mort Corp	0.000	5.204	09/18/2007	3,000	2,967	2,965
Greenwich Capital Holdings Inc	0.000	5.358	10/26/2007	4,000	3,933	3,905
Federal National Mortgage Assn	0.000	5.263	11/30/2007	2,000	1,957	1,956
JP Morgan Capital Prime Money Market Fund	0.000	5.247		1	1	1
Total Short-Term Issues	100.0%				1,209,644	1,209,521
<b>Total Short-Term Fixed Income</b>					<u>\$ 1,209,644</u>	<u>\$ 1,209,521</u>
<b>Fixed Income</b>						
<i>Commingled Fixed Income Pools</i>						
Western Asset High Yield Fund				35,978	\$ 371,113	\$ 378,490
Western Asset Opportunistic Emerging Market				506	9,438	9,334
Western Asset FRN Hi Income Fund				3,831	45,227	47,967
Western Asset Mortgage Backed Portfolio LLC				76,947	801,812	848,576
Western Asset Strategic EMD LLC				10,111	159,786	228,069
Total Commingled Fixed Income Pools	63.6%				1,387,376	1,512,436

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Fixed Income (continued)</b>						
<i>U. S. Treasury Issues</i>						
United States Treasury	4.500 %	4.620 %	03/31/2009	\$ 25,000	24,950	24,825
United States Treasury	2.375	2.751	04/15/2011	2,259	2,242	2,235
United States Treasury	4.625	4.714	12/31/2011	66,940	66,702	66,130
United States Treasury	4.500	4.933	03/31/2012	15,875	15,586	15,589
United States Treasury	4.500	5.008	04/30/2012	2,430	2,378	2,386
United States Treasury	2.000	1.790	07/15/2014	5,087	5,123	4,884
United States Treasury	1.875	2.014	07/15/2015	1,509	1,500	1,426
United States Treasury	2.000	2.562	01/15/2016	11,171	10,912	10,611
United States Treasury	2.500	2.365	07/15/2016	22,480	22,610	22,235
United States Treasury	2.375	2.000	01/15/2025	40,638	41,897	39,089
United States Treasury	2.000	1.998	01/15/2026	31,046	31,048	28,131
United States Treasury	2.375	2.450	01/15/2027	3,474	3,449	3,337
United States Treasury	4.500	4.835	02/15/2036	44,362	42,066	40,189
Total U. S. Treasury Issues	11.0%				270,463	261,067
<i>U. S. Government Agency Issues</i>						
U. S. Government Agency Bonds						
Student Loan Marketing Assn	3.900 A	3.933	04/01/2009	4,300	4,298	4,027
Federal Home Loan Mortgage	5.250	5.597	02/24/2011	2,365	2,338	2,353
Federal Home Loan Bank	4.875	4.960	11/18/2011	19,180	19,117	18,878
Federal Home Loan Mortgage	4.750	4.784	03/05/2012	4,590	4,584	4,486
Federal Farm Credit Bank	5.125	5.073	08/25/2016	1,330	1,335	1,305
Federal Home Loan Bank	4.875	4.994	05/17/2017	2,560	2,536	2,445
Federal Home Loan Mort Corp	6.750	4.330	09/15/2020	1,860	2,309	2,132
Federal Home Loan Mortgage	5.625	5.630	11/23/2035	3,030	3,028	2,859
Total U. S. Government Agency Bonds					39,545	38,485
U. S. Government Agency MBS						
FNMA				47,000	46,382	46,474
Total U. S. Government Agency MBS					46,382	46,474
Total U.S. Government Agency Issues	3.6%				85,927	84,959
<i>Corporate Issues</i>						
U. S. Corporate Bonds						
GMAC LLC	6.125	7.688	08/28/2007	8,070	8,051	8,075
Merrill Lynch & Company Inc	3.375	3.386	09/14/2007	1,505	1,505	1,499
ChevronTexaco Capital Co	3.500	3.721	09/17/2007	1,000	1,000	997
CIT Group Holdings	5.750	5.763	09/25/2007	120	120	120
GMAC LLC	6.311	7.103	11/30/2007	1,450	1,445	1,447
GMAC LLC	4.375	6.713	12/10/2007	4,195	4,154	4,165
Clear Channel Communications	4.625	5.069	01/15/2008	200	200	198
Dominion Resources Inc	4.125	4.153	02/15/2008	280	280	278
US Bancorp	3.125	3.167	03/15/2008	1,620	1,620	1,594
Diageo Capital PLC	3.375	3.540	03/20/2008	3,280	3,276	3,229
SLM Corp	5.330 A	5.963	04/18/2008	5,800	5,774	5,766
GMAC LLC	5.125	7.880	05/09/2008	3,360	3,285	3,318
Dryden Investor Trust	7.157	6.704	07/23/2008	326	326	331

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See accompanying notes to financial statements.

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

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Fixed Income (continued)</b>						
Niagra Mohawk Power Corp	7.750	4.736	10/01/2008	2,600	2,694	2,666
General Motors Nova Fin	6.850	6.889	10/15/2008	4,710	4,708	4,686
Tyco International Group SA	6.125	6.879	11/01/2008	470	465	474
Sprint Capital Corp	6.125	8.326	11/15/2008	2,220	2,158	2,232
Waste Management Inc	6.500	4.789	11/15/2008	3,488	3,566	3,527
GMAC LLC	5.850	7.939	01/14/2009	4,700	4,561	4,632
Tyco International Group SA	6.125	5.018	01/15/2009	110	112	111
Kinder Morgan Energy Partners	6.300	5.914	02/01/2009	710	714	718
Atlantic Richfield Co	5.900	4.235	04/15/2009	1,345	1,383	1,359
Clear Channel Communications	4.250	5.336	05/15/2009	1,140	1,118	1,102
GMAC LLC	5.625	9.165	05/15/2009	2,034	1,913	1,989
DaimlerChrysler NA Holdings	5.750	5.896	05/18/2009	1,560	1,556	1,564
Caterpillar Fin Serv Crp	4.500	4.559	06/15/2009	1,265	1,264	1,245
Anadarko Petroleum Corp	5.760 A	5.760	09/15/2009	5,090	5,090	5,095
Electronic Data Systems	7.125	6.128	10/15/2009	2,430	2,481	2,501
Ford Motor Credit Company	7.375	8.662	10/28/2009	16,475	16,070	16,354
Dominion Resources Inc	5.125	5.202	12/15/2009	900	898	894
Ford Motor Credit Company	7.875	7.547	06/15/2010	3,380	3,408	3,379
Household Finance Corporation	8.000	6.765	07/15/2010	2,130	2,201	2,275
Aiful Corporation	5.000	5.167	08/10/2010	2,610	2,598	2,544
Koninklijke KPN NV	8.000	5.703	10/01/2010	3,370	3,597	3,607
Dominion Resources Inc	4.750	4.773	12/15/2010	280	280	273
Union Pacific Corp	6.650	5.135	01/15/2011	1,530	1,604	1,578
Ford Motor Credit Company	7.375	7.594	02/01/2011	715	710	698
JPMorgan Chase & Co	6.750	5.716	02/01/2011	2,210	2,283	2,296
Tyco International Group SA	6.750	4.956	02/15/2011	1,090	1,154	1,142
Wal-Mart Stores	4.125	4.195	02/15/2011	3,340	3,332	3,207
Residential Capital Corp	6.000	6.188	02/22/2011	1,790	1,779	1,730
Kinder Morgan Energy Partners	6.750	6.157	03/15/2011	710	724	735
Anadarko Finance Co	6.750	5.381	05/01/2011	100	105	103
JPMorgan Chase & Co	5.600	5.609	06/01/2011	2,290	2,289	2,295
Ford Motor Credit Company	10.610 A	10.700	06/15/2011	5,800	5,783	6,266
El Paso Performance-Link	7.750	7.724	07/15/2011	6,890	6,896	7,097
Glitmir Bank I HF	6.330	6.330	07/28/2011	2,530	2,530	2,575
Household Finance Corporation	6.375	5.707	10/15/2011	120	123	123
Tyco International Group SA	6.375	7.551	10/15/2011	3,650	3,489	3,779
Bank One Corporation	5.900	6.087	11/15/2011	3,235	3,212	3,281
FirstEnergy Corp	6.450	6.603	11/15/2011	280	278	287
DaimlerChrysler NA Holdings	7.300	6.090	01/15/2012	2,830	2,964	3,002
Goldman Sachs Group Inc	6.600	6.556	01/15/2012	2,710	2,715	2,806
Lehman Brothers Holdings	6.625	5.436	01/18/2012	3,480	3,645	3,609
Hypothekebank In Essen	5.000	5.023	01/20/2012	2,060	2,058	2,033
Commonwealth Edison	6.150	4.735	03/15/2012	2,000	2,118	2,009
Kinder Morgan Energy Partners	7.125	6.137	03/15/2012	140	146	147
Sprint Capital Corp	8.375	6.005	03/15/2012	3,690	4,044	4,020
Weyerhaeuser Company	6.750	5.618	03/15/2012	2,030	2,122	2,100
Morgan Stanley Dean Witter Co	6.600	5.476	04/01/2012	3,615	3,783	3,745
Union Pacific Corp	6.500	5.180	04/15/2012	1,210	1,277	1,246
XTO Energy Inc	7.500	4.796	04/15/2012	625	696	672
AOL Time Warner Inc	6.875	4.868	05/01/2012	2,010	2,182	2,097

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**  
**Investment Pools**  
**Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Fixed Income (continued)</b>						
AT&T Corp Wireless Services	8.125	5.709	05/01/2012	480	528	528
Household Finance Corporation	7.000	5.660	05/15/2012	20	21	21
Residential Capital LLC	6.500	6.586	06/01/2012	560	558	546
General Electric Capital Corp	6.000	5.144	06/15/2012	790	819	804
Verizon Global Funding Corp	6.875	4.979	06/15/2012	90	97	95
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	2,604	2,419
Verizon Global Funding Corp	7.375	5.220	09/01/2012	1,180	1,294	1,271
Wells Fargo & Company	5.125	4.707	09/01/2012	140	143	137
Dominion Resources Inc	5.700	5.555	09/17/2012	1,010	1,017	1,011
Exelon Corp	4.750	4.637	10/01/2012	1,200	1,206	1,153
Detroit Edison Company	5.200	5.223	10/15/2012	630	629	617
Waste Management Inc	6.375	5.111	11/15/2012	1,730	1,832	1,769
Household Finance Corporation	6.375	6.462	11/27/2012	440	438	451
International Business Machs	4.750	4.464	11/29/2012	3,360	3,406	3,240
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,626	1,590
General Electric Capital Corp	5.450	5.188	01/15/2013	760	769	752
ASIF Global Financing	4.900	4.776	01/17/2013	510	513	494
General Electric Company	5.000	4.831	02/01/2013	4,800	4,839	4,654
TXU Energy Co	7.000	7.000	03/15/2013	560	560	578
Ontario Electricity	7.450	4.403	03/31/2013	3,950	4,555	4,349
Altria Group Inc	7.000	6.421	11/04/2013	970	999	1,030
Eastman Kodak Co	7.250	6.905	11/15/2013	2,785	2,832	2,785
Telecom Italia Capital	5.250	5.287	11/15/2013	585	584	557
Tyco International Group SA	6.000	4.798	11/15/2013	5,800	6,179	5,956
Kinder Morgan Energy Partners	5.000	6.162	12/15/2013	940	883	889
Export Import Bk Korea	5.250	5.344	02/10/2014	855	851	831
AES Corporation	7.750	7.362	03/01/2014	120	122	120
Tenet Healthcare Corporation	9.875	8.756	07/01/2014	249	263	247
Citigroup Inc	5.000	4.900	09/15/2014	6,750	6,790	6,421
Clear Channel Communications	5.500	6.427	09/15/2014	1,995	1,890	1,705
JPMorgan Chase & Co	5.125	5.030	09/15/2014	560	563	538
AT&T Inc	5.100	5.289	09/15/2014	1,220	1,206	1,164
Telecom Italia Capital	4.950	4.995	09/30/2014	1,090	1,087	1,010
Codeco Inc	4.750	4.899	10/15/2014	1,020	1,011	952
TXU Corp	5.550	7.064	11/15/2014	430	393	365
Comcast Corp	6.500	5.698	01/15/2015	4,825	5,057	4,947
Oncor Electric Delivery	6.375	6.472	01/15/2015	110	109	112
Clear Channel Communications	4.900	6.368	05/15/2015	1,140	1,038	920
GMAC LLC	0.000	8.026	06/15/2015	50	27	28
Key Bank NA	4.950	5.908	09/15/2015	1,990	1,867	1,872
JPMorgan Chase & Co	5.150	5.329	10/01/2015	790	781	750
Telecom Italia Capital	5.250	5.332	10/01/2015	1,100	1,094	1,023
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	2,195	2,172	2,141
Hydro-Quebec	7.500	5.062	04/01/2016	470	550	531
Glitmir BankI HF	6.693 A	6.701	06/15/2016	5,000	4,997	5,150
TNK BP Finance	7.500	7.516	07/18/2016	4,060	4,056	4,186
TNK-BP Finance SA	7.500	6.703	07/18/2016	211	222	218
Sigma Finance Inc	8.500 A	8.500	08/11/2016	7,240	7,240	7,227
Petrobras Intl Fin Co	6.125	6.177	10/06/2016	4,130	4,115	4,047
RaboBank Capital Fund Trust	5.254	5.163	10/21/2016	480	483	449
Sprint Nextel Corporation	6.000	6.050	12/01/2016	130	130	123

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**  
**Investment Pools**  
**Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Fixed Income (continued)</b>						
Comcast Corp	6.500	6.518	01/15/2017	2,405	2,402	2,455
United Mexican States	5.625	5.884	01/15/2017	268	263	262
Kinder Morgan Energy Partners	6.000	6.017	02/01/2017	1,060	1,059	1,037
Bank Of America Corp	5.420	3.544	03/15/2017	1,500	1,729	1,438
TNK BP Finance	6.625	6.734	03/20/2017	1,170	1,161	1,133
Southern Natural Gas Co	5.900	5.893	04/01/2017	570	570	551
Tennessee Valley Authority	6.250	4.935	12/15/2017	1,220	1,350	1,288
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2018	5,000	2,367	2,073
Dynegy Holdings Inc	7.750	8.740	06/01/2019	2,290	2,124	2,150
Kerr-McGee Corporation	6.950	6.236	07/01/2024	330	354	342
TXU Corp	6.500	8.415	11/15/2024	850	703	703
WMX Technologies Inc	7.100	6.889	08/01/2026	2,110	2,157	2,167
Altria Group Inc	7.750	7.158	01/15/2027	2,330	2,474	2,725
Ford Motor Company	6.625	9.174	10/01/2028	11,960	9,131	8,940
Tyco International Group SA	6.875	6.073	01/15/2029	5,440	5,951	6,279
Conoco Inc	6.950	5.676	04/15/2029	1,200	1,389	1,310
Russian Federation	7.500 A	5.650	03/31/2030	16,696	18,917	18,324
Tennessee Valley Authority	7.125	7.246	05/01/2030	2,140	2,111	2,560
Koninklijke KPN NV	8.375	6.760	10/01/2030	2,835	3,368	3,179
Anadarko Finance Co	7.500	6.498	05/01/2031	1,720	1,927	1,848
Ford Motor Company	7.450	8.079	07/16/2031	670	626	535
El Paso Corporation	7.800	11.209	08/01/2031	469	333	475
Kerr-McGee Corporation	7.875	6.583	09/15/2031	4,805	5,552	5,553
GMAC LLC	8.000	7.354	11/01/2031	9,370	10,050	9,582
FirstEnergy Corp	7.375	6.870	11/15/2031	6,600	6,989	7,144
El Paso Corporation	7.750	7.814	01/15/2032	222	220	224
Southern Natural Gas Co	8.000	9.184	03/01/2032	1,450	1,282	1,644
General Motors Corp	0.000	6.441	03/06/2032	132	2,764	2,922
Sprint Capital Corp	8.750	7.014	03/15/2032	1,680	2,020	1,887
Waste Management Inc	7.750	7.781	05/15/2032	50	50	55
El Paso Natural Gas	8.375	8.455	06/15/2032	1,470	1,458	1,724
United Mexican States	7.500	6.129	04/08/2033	506	595	586
General Motors Corp	8.375	9.244	07/15/2033	3,980	3,638	3,632
Time Warner Entertainment Co	8.375	8.068	07/15/2033	4,080	4,216	4,735
Vale Overseas Limited	8.250	6.608	01/17/2034	210	253	246
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	2,830	2,881	2,742
United Mexican States	6.750	5.308	09/27/2034	14,976	18,041	15,973
TXU Corp	6.550	7.855	11/15/2034	1,870	1,597	1,512
Anadarko Petroleum Corp	6.450	6.433	09/15/2036	5,800	5,813	5,579
Vale Overseas Limited	6.875	6.896	11/21/2036	5,340	5,326	5,368
Wisconsin Electric Power Note	5.700	5.705	12/01/2036	5,000	4,996	4,706
Wells Fargo Capital X	5.950	5.915	12/15/2036	980	985	914
Pacific Gas & Electric Corp	5.800	5.854	03/01/2037	800	794	746
Wyeth	5.950	5.999	04/01/2037	3,460	3,437	3,307
Shinsei Fin Cayman LTD	6.418 A	6.407	01/29/2049	4,160	4,106	4,045
MUFG Capital Fin 1 LTD	6.346 A	6.347	07/29/2049	2,090	2,090	2,054
IBJ Preferred Capital Co LLC	8.790 A	8.571	12/29/2049	6,380	6,393	6,567
Rabobank Capital Fund Trust	5.260	5.155	12/29/2049	230	234	221
Resona PFD Global Securities	7.191 A	7.038	12/29/2049	750	753	767
Wachovia Capital Trust	5.800	5.795	12/29/2049	2,540	2,542	2,529
ILFC E-Capital Trust II	6.250 A	6.204	12/21/2065	4,520	4,553	4,409

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value
<b>Fixed Income (continued)</b>						
American Express	6.800	6.517	09/01/2066	1,090	1,136	1,124
Total U. S. Corporate Bonds					412,187	407,966
Corporate Asset Backed Issues						
Systems 2001 Asset Trust	6.664	5.380	09/15/2013	7,688	7,995	7,969
Public Service New Hampshire	6.480	5.468	05/01/2015	540	561	558
Pegasus Aviation Lease Sec	8.370	17.655	07/25/2017	500	328	340
IndyMac Residential Asset Sec	4.750	4.520	02/25/2019	9,394	9,450	8,924
Keycorp Student Loan Trust	5.370 A	5.405	12/27/2019	1,063	1,063	1,062
GMAC Commercial Mortgage Sec.	6.700	6.575	05/15/2030	972	987	976
Deutsche Mortgage & Asset Rcv	6.538	6.487	06/15/2031	607	613	607
Commercial Mortgage Lease	6.746	5.249	06/20/2031	3,549	3,783	3,685
Bear Stearns Adj Rate Mortgage	3.516 A	3.919	06/25/2034	1,890	1,808	1,841
Master Performing Loan Trust	7.000	6.361	08/25/2034	133	136	135
Morgan Stanley Mortgage Loan	5.349 A	5.456	10/25/2034	2,254	2,243	2,251
Merrill Lynch Mortgage Invest	4.536 A	5.014	12/25/2034	80	78	79
Banc of America Mortgage Sec	4.708 A	5.242	04/25/2035	1,555	1,522	1,532
JP Morgan Mortgage Trust	4.975 A	5.418	08/25/2035	3,097	3,048	3,057
Washington Mutual	4.919 A	5.280	08/25/2035	2,979	2,931	2,944
GMAC Mortgage Corp Loan Trust	5.040 A	5.455	09/19/2035	1,504	1,483	1,488
Washington Mutual	4.836 A	5.114	10/25/2035	1,790	1,766	1,769
Countrywide Alternative Loan T	5.457 A	5.614	12/25/2035	3,016	2,997	2,987
Washington Mutual	5.062 A	5.414	12/25/2035	3,232	3,185	3,187
Mastr ARM Trust	4.845 A	5.215	01/25/2036	2,464	2,418	2,424
Wells Mortgage Backed Trust	5.240	5.413	04/25/2036	901	895	893
Countrywide Home Loans	5.734 A	5.690	06/20/2036	1,714	1,713	1,708
Bear Stearns Adj Rate Mortgage	5.000	5.185	03/01/2037	2,150	2,112	2,112
Washington Mutual	5.691 A	5.778	03/01/2037	187	185	186
Morgan Stanley Mortgage Loan	6.639 A	6.590	06/25/2037	5,430	5,484	5,484
CS First Boston Mtg Sec Corp	6.480	6.085	05/17/2040	481	491	484
LB-UBS Commercial Mortgage Tr	4.954	4.962	09/15/2040	12,900	12,961	12,215
JPM Morgan Chase Comm Mortgage	4.918	4.916	10/15/2042	3,600	3,617	3,385
Asset Securitization Corp	7.004 A	4.882	02/14/2043	600	658	633
GE Capital Commercial Mortgage	5.512 A	5.062	11/10/2045	5,740	5,841	5,583
Total Corporate Asset Backed Issues					82,352	80,498
Total Corporate Issues	20.6%				494,539	488,464
<b>Short-term Issues</b>						
Federal National Mortgage Assn *	0.000	5.232	03/17/2008	2,610	2,516	2,515
Dreyfus Cash Management Institutional Fund	0.000	5.215		27,039,310	27,039	27,039
Total Short-term Issues	1.2%				29,555	29,554

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  
Investment Pools  
Schedule of Investments in Securities (Continued)**

**June 30, 2007**

*(Dollars in thousands, except Share Data)*

<u>Security Name</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<b>Fixed Income (continued)</b>						
<i>Swaps</i>						
Goldman Sachs Interest Rate Swap			09/19/2037	23,530,000	-	(1,886)
Total Swaps					-	(1,886)
<b>Total Fixed Income</b>					<u>\$ 2,267,860</u>	<u>\$ 2,374,594</u>
<b>Fixed Income Qualified</b>						
<i>Commingled Fixed Income Pools</i>						
Barclay's Global Investors Qualified Mortgage Index				7,009,813	\$ 219,173	\$ 231,019
Barclay's Global Investors Qualified Intermediate Corp				20,581,130	632,917	691,361
Barclay's Global Investors Qualified Long Corporate				5,784,991	224,857	231,668
Total Commingled Fixed Income	100.0%				<u>1,076,947</u>	<u>1,154,048</u>
<b>Total Fixed Income Qualified</b>					<u>\$ 1,076,947</u>	<u>\$ 1,154,048</u>
<b>Fixed Income Nonqualified</b>						
<i>Commingled Fixed Income Pools</i>						
Barclay's Global Investors Non-Qualified Mortgage Index				2,984,969	\$ 79,703	\$ 84,211
Barclay's Global Investors Non-Qualified Intermediate Corp				11,013,549	236,363	252,045
Barclay's Global Investors Non-Qualified Long Corporate				3,351,897	81,837	84,440
Total Commingled Fixed Income Pools	100.0%				<u>397,903</u>	<u>420,696</u>
<b>Total Fixed Income Nonqualified</b>					<u>\$ 397,903</u>	<u>\$ 420,696</u>

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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**West Virginia Investment Management Board**  
**Investment Pools**  
**Statement of Operations**  
**Year Ended June 30, 2007**  
*(Dollars in thousands)*

	<u>Large Cap Domestic</u>	<u>Non-Large Cap Domestic</u>
<b>Investment income</b>		
Interest income	\$ -	\$ 5
Dividend income	36,887	16,180
Less withholding tax	-	-
Securities lending income	5,371	12,603
Shareholder litigation proceeds	3,234	82
Commission recapture	51	102
Net accretion	-	2
<b>Total investment income</b>	<u>45,543</u>	<u>28,974</u>
<b>Expenses</b>		
Investment advisor fees	(3,416)	(4,081)
Trustee fees	(11)	(7)
Custodian bank fees	(74)	(68)
Management fees	(499)	(322)
Fiduciary bond fees	(52)	(34)
Professional service fees	(140)	(91)
Litigation fees	(13)	-
Overdraft fees	(1)	-
Securities lending agent fees	(62)	(227)
Securities lending borrower rebates	(4,994)	(11,425)
<b>Total expenses</b>	<u>(9,262)</u>	<u>(16,255)</u>
<b>Investment income (loss), net</b>	36,281	12,719
<b>Realized and unrealized gain from investments and foreign currency</b>		
Net realized gain from:		
Investments	185,419	122,521
Foreign currency transactions	-	-
Net increase in the fair value of:		
Investments	129,222	78,185
Translation of assets and liabilities in foreign currencies	-	-
<b>Net gain from investments and foreign currency</b>	<u>314,641</u>	<u>200,706</u>
<b>Net increase in net assets from operations</b>	<u>\$ 350,922</u>	<u>\$ 213,425</u>

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ -	\$ -	\$ 75
-	-	35,157
-	-	(3,158)
-	-	8,594
-	-	-
-	-	81
-	-	-
-	-	40,749
(2,439)	(444)	(6,610)
(3)	-	(7)
-	-	(951)
(130)	(16)	(318)
(14)	(2)	(33)
(36)	(4)	(89)
-	-	(4)
-	-	-
-	-	(279)
-	-	(7,201)
<u>(2,622)</u>	<u>(466)</u>	<u>(15,492)</u>
(2,622)	(466)	25,257
17,697	239	123,096
-	-	13,287
83,405	12,679	201,199
-	-	13,455
<u>101,102</u>	<u>12,918</u>	<u>351,037</u>
<u>\$ 98,480</u>	<u>\$ 12,452</u>	<u>\$ 376,294</u>

**West Virginia Investment Management Board**  
**Investment Pools**  
**Statement of Operations (Continued)**

**Year Ended June 30, 2007**

*(Dollars in thousands)*

	<b>Short-Term Fixed Income</b>	<b>Fixed Income</b>
<b>Investment income</b>		
Interest income	\$ 4,132	\$ 47,195
Dividend income	12	28,213
Less withholding tax	-	-
Securities lending income	2,000	18,770
Shareholder litigation proceeds	-	9
Commission recapture	-	-
Net accretion	7,046	502
<b>Total investment income</b>	<b>13,190</b>	<b>94,689</b>
<b>Expenses</b>		
Investment advisor fees	(104)	(1,092)
Trustee fees	(1)	(15)
Custodian bank fees	(13)	(62)
Management fees	(40)	(643)
Fiduciary bond fees	(4)	(67)
Professional service fees	(11)	(181)
Litigation fees	-	-
Overdraft fees	-	-
Securities lending agent fees	(21)	(158)
Securities lending borrower rebates	(1,893)	(17,981)
<b>Total expenses</b>	<b>(2,087)</b>	<b>(20,199)</b>
<b>Investment income (loss), net</b>	<b>11,103</b>	<b>74,490</b>
<b>Realized and unrealized gain from investments and foreign currency</b>		
Net realized gain from:		
Investments	3	17,433
Foreign currency transactions	-	-
Net increase in the fair value of:		
Investments	-	86,427
Translation of assets and liabilities in foreign currencies	-	-
<b>Net gain from investments and foreign currency</b>	<b>3</b>	<b>103,860</b>
<b>Net increase in net assets from operations</b>	<b>\$ 11,106</b>	<b>\$ 178,350</b>

*See accompanying notes to financial statements.*



<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ -	\$ -
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(139)	(51)
(7)	(3)
-	-
(294)	(133)
(31)	(14)
(82)	(37)
-	-
-	-
-	-
-	-
<u>(553)</u>	<u>(238)</u>
(553)	(238)
7,291	1,134
-	-
61,978	24,372
-	-
<u>69,269</u>	<u>25,506</u>
<u>\$ 68,716</u>	<u>\$ 25,268</u>

**West Virginia Investment Management Board**  
**Investment Pools**  
**Statement of Changes in Net Assets**

**Year Ended June 30, 2007**

*(Dollars in thousands, except for Unit Transactions)*

	Large Cap Domestic	Non-Large Cap Domestic
<b>Operations</b>		
Investment income (loss), net	\$ 36,281	\$ 12,719
Net realized gain from investments	185,419	122,521
Net realized gain from foreign currency transactions	-	-
Net increase in the fair value of investments	129,222	78,185
Net increase in the translation of assets and liabilities in foreign currencies	-	-
<b>Net increase in net assets from operations</b>	<b>350,922</b>	<b>213,425</b>
<b>Distributions to unitholders</b>		
Investment income, net	-	-
Net realized gain (loss) on investments	-	-
<b>Total distributions</b>	<b>-</b>	<b>-</b>
<b>Fund unit transactions</b>		
Proceeds from sale of units	346,374	206,856
Reinvestment of distributions	-	-
	346,374	206,856
Amount paid for repurchase of units	(341,250)	(91,564)
<b>Net increase (decrease) in net assets from fund unit transactions</b>	<b>5,124</b>	<b>115,292</b>
<b>Increase in net assets</b>	356,046	328,717
Net assets, beginning of period	1,727,793	1,000,731
<b>Net assets, end of period</b>	<b>\$ 2,083,839</b>	<b>\$ 1,329,448</b>
<b>Fund unit transactions</b>		
Units sold	28,925,881	9,431,201
Units issued from reinvestment of distributions	-	-
	28,925,881	9,431,201
Units repurchased	(26,900,241)	(4,183,373)
Net increase (decrease) in fund units	2,025,640	5,247,828

*See accompanying notes to financial statements.*

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ (2,622)	\$ (466)	\$ 25,257
17,697	239	123,096
-	-	13,287
83,405	12,679	201,199
-	-	13,455
<u>98,480</u>	<u>12,452</u>	<u>376,294</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
12,850	8,580	177,997
-	-	-
<u>12,850</u>	<u>8,580</u>	<u>177,997</u>
<u>(37,669)</u>	<u>(8,559)</u>	<u>(127,277)</u>
<u>(24,819)</u>	<u>21</u>	<u>50,720</u>
73,661	12,473	427,014
<u>419,844</u>	<u>51,220</u>	<u>920,827</u>
<u>\$ 493,505</u>	<u>\$ 63,693</u>	<u>\$ 1,347,841</u>
357,558	282,004	8,832,214
-	-	-
<u>357,558</u>	<u>282,004</u>	<u>8,832,214</u>
<u>(1,169,957)</u>	<u>(281,324)</u>	<u>(6,226,115)</u>
<u>(812,399)</u>	<u>680</u>	<u>2,606,099</u>

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

**Year Ended June 30, 2007**

*(Dollars in thousands, except for Unit Transactions)*

	<b>Short-Term Fixed Income</b>	<b>Fixed Income</b>
<b>Operations</b>		
Investment income (loss), net	\$ 11,103	\$ 74,490
Net realized gain from investments	3	17,433
Net realized gain from foreign currency transactions	-	-
Net increase in the fair value of investments	-	86,427
Net increase in the translation of assets and liabilities in foreign currencies	-	-
<b>Net increase in net assets from operations</b>	<b>11,106</b>	<b>178,350</b>
<b>Distributions to unitholders</b>		
Investment income, net	(11,103)	(74,490)
Net realized gain (loss) on investments	-	-
<b>Total distributions</b>	<b>(11,103)</b>	<b>(74,490)</b>
<b>Fund unit transactions</b>		
Proceeds from sale of units	2,367,326	207,644
Reinvestment of distributions	11,103	74,050
	2,378,429	281,694
Amount paid for repurchase of units	(1,566,492)	(146,632)
<b>Net increase (decrease) in net assets from fund unit transactions</b>	<b>811,937</b>	<b>135,062</b>
<b>Increase in net assets</b>	<b>811,940</b>	<b>238,922</b>
Net assets, beginning of period	397,960	2,099,171
<b>Net assets, end of period</b>	<b>\$ 1,209,900</b>	<b>\$ 2,338,093</b>
<b>Fund unit transactions</b>		
Units sold	2,367,325,988	16,643,206
Units issued from reinvestment of distributions	11,102,389	5,984,604
	2,378,428,377	22,627,810
Units repurchased	(1,566,492,856)	(11,944,277)
Net increase (decrease) in fund units	<b>811,935,521</b>	<b>10,683,533</b>

*See accompanying notes to financial statements.*

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ (553)	\$ (238)
7,291	1,134
-	-
61,978	24,372
-	-
<u>68,716</u>	<u>25,268</u>
-	-
-	-
-	-
279,959	53,692
-	-
<u>279,959</u>	<u>53,692</u>
<u>(174,949)</u>	<u>(28,149)</u>
<u>105,010</u>	<u>25,543</u>
173,726	50,811
980,245	369,853
<u>\$ 1,153,971</u>	<u>\$ 420,664</u>
18,436,474	5,931,731
-	-
<u>18,436,474</u>	<u>5,931,731</u>
<u>(11,482,799)</u>	<u>(3,109,743)</u>
<u>6,953,675</u>	<u>2,821,988</u>

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# West Virginia Investment Management Board

## Investment Pools

### 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 all other 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 related operations of the IMB (referred to herein as the Investment Pools) and do not reflect any activity occurring with the Administrative Fund of the IMB or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board applicable to investment companies, which is a comprehensive basis of accounting other than U.S. GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Investments Pools.

A summary of the differences between the financial statements of the Investments Pools prepared in accordance with U.S. GAAP for investment companies, and U.S. GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management's Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Provided but not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or fund unit transactions between U.S. GAAP for investment companies and U.S. GAAP for state and local governments.

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.

**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. 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 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. Interest rate swap values are based on market levels received from third parties or determined by valuation models. 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.

**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. In the event of a default by the seller and a decline in the fair value of the collateral, 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.

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The IMB limits its exposure to credit 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 compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses. 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.

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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.

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

**Asset-Backed Securities** - Certain portfolios invest in various asset-backed securities, mortgage-backed securities, and structured corporate debt. 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 to the maturity date or call date 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.

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Distributions to Participants** - 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 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 remaining pools do not routinely distribute dividends.

**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 3. 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, 2007, this pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the pool.

### **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, 2007, this pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the pool.

### **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, 2007, was \$493,748,000. 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, 2007, was \$63,696,000. 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.

### NOTE 3. INVESTMENT RISK DISCLOSURES (Continued)

#### International Equity

This pool is not exposed to credit risk, interest rate risk, or custodial credit risk. At June 30, 2007, this pool, in accordance with West Virginia statutes, did not hold securities of any one issuer in excess of 5 percent of the value of the pool. This pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of the securities and cash denominated in foreign currencies as of June 30, 2007 are as follows:

Currency	Equity Securities	Cash	Total
Australian Dollar	\$ 46,223,161	\$ 511,319	\$ 46,734,480
Brazil Cruzeiros Real	45,999,956	2	45,999,958
British Pound	140,476,291	302,597	140,778,888
Canadian Dollar	60,122,086	2,566,263	62,688,349
Danish Krone	3,851,377	63,533	3,914,910
Euro	266,416,058	3,821,725	270,237,783
Hong Kong Dollar	79,936,951	613,522	80,550,473
Hungarian Forint	12,073,967	114,414	12,188,381
Indian Rupee	13,748,116	-	13,748,116
Israeli Shekel	17,010,706	25,201	17,035,907
Japanese Yen	125,202,715	2,100,776	127,303,491
Malaysian Ringgit	8,346,813	184,506	8,531,319
Mexican New Peso	22,321,990	50,806	22,372,796
New Taiwan Dollar	68,582,811	51,895	68,634,706
New Zealand Dollar	3,476,562	39,666	3,516,228
Norwegian Krone	20,171,136	53,776	20,224,912
Philippine Peso	7,226,908	-	7,226,908
Singapore Dollar	32,274,713	511,686	32,786,399
South African Rand	15,480,425	16,520	15,496,945
South Korean Won	97,467,405	223,670	97,691,075
Swedish Krona	26,486,686	772,632	27,259,318
Swiss Franc	49,566,642	625,996	50,192,638
Thailand Baht	15,602,098	-	15,602,098
Total	<u>\$ 1,178,065,573</u>	<u>\$ 12,650,505</u>	<u>\$ 1,190,716,078</u>

This table excludes securities held by the pool that are denominated in US dollars. The market value of these US dollar denominated securities is \$146,846,527.

#### 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, 2007.

**NOTE 3. INVESTMENT RISK DISCLOSURES (Continued)**

Security Type	Moody's	S&P	Carrying Value	Percent
Agency discount notes	P1	A-1	\$ 400,340,793	32.8%
U.S. Treasury note	Aaa	AAA	274,589,706	22.5%
Commercial paper	P1	A-1	257,164,860	21.0%
U.S. Treasury bills	Aaa	AAA	186,905,168	15.3%
Agency bonds	Aaa	AAA	102,656,880	8.4%
Money market fund	Aaa	AAA	571	0.0%
Total rated investments			<u>\$ 1,221,657,978</u>	<u>100.0%</u>

This table includes securities received as collateral for repurchase agreements valued at \$582,723,099.

**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, 2007, 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, 2007, 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. All remaining securities are held by the IMB's custodian 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, 2007.

Security Type	Carrying Value	WAM (days)
Repurchase agreements	\$ 570,709,000	3
US Treasury bills	186,905,168	7
Commercial paper	257,164,860	17
Agency discount notes	194,864,281	8
Money market fund	571	1
Total assets	<u>\$ 1,209,643,880</u>	<u>7</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 rated assets in the Fixed Income pool as of June 30, 2007.

**NOTE 3. INVESTMENT RISK DISCLOSURES (Continued)**

Security Type	Moody's	S&P	Fair Value	Percent of Assets
Corporate bonds and notes	Baa	BBB	\$ 407,966,034	17.2%
U. S. Treasury bonds and notes	Aaa	AAA	261,067,200	11.0%
Corporate asset backed securities	Aaa	AAA	80,498,053	3.4%
Agency mortgage backed securities	Aaa	AAA	46,473,560	2.0%
Agency bonds	Aa	AA	38,485,188	1.6%
Money market funds	Aaa	AAA	27,039,310	1.1%
Agency discount notes	P1	A-1	2,514,911	0.1%
Total rated investments			<u>\$ 864,044,256</u>	<u>36.4%</u>

Unrated securities include commingled investment pools value at \$1,512,436,613 and an interest rate swap valued at \$(1,886,869). These securities represent 63.6 percent of the fair value of the pool's investments.

**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, 2007, 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, 2007, the Fixed Income pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized at 102 percent and the collateral is held in the name of the IMB. Investments in commingled funds are held in an account in the name of the IMB. All remaining securities are held by the IMB's custodian 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, 2007.

Security Type	Fair Value	Modified Duration (years)
Commingled investment pools	\$ 1,512,436,613	4.7
Corporate notes and bonds	407,966,034	6.5
U. S. Treasury notes and bonds	261,067,200	6.6
Corporate asset backed securities	80,498,053	8.3
Agency mortgage backed securities	46,473,560	10.6
Agency bonds	38,485,188	4.8
Money market fund	27,039,310	0.0
Agency discount notes	2,514,911	0.7
Total assets	<u>\$ 2,376,480,869</u>	<u>5.4</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

**NOTE 3. INVESTMENT RISK DISCLOSURES (Continued)**

interest rate changes. At June 30, 2007, the Fixed Income pool held \$126,971,613 of these securities. This represents approximately 5 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 \$1,154,047,650 at June 30, 2007, that invest in mortgage-backed securities and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.7 years. This pool is not exposed to custodial credit risk, concentration of credit risk, or foreign currency risk.

**Fixed Income Nonqualified**

This pool holds positions in institutional mutual funds with a combined value of \$420,696,395 at June 30, 2007, that invest in mortgage-backed securities and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.7 years. This pool is not exposed to custodial credit risk, concentration of credit risk, or foreign currency risk.

**NOTE 4. SECURITIES LENDING**

At June 30, 2007, 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	\$ 1,499,400	\$ 1,530,000
Non-Large Cap Domestic	59,884,362	62,707,158
International Equity	206,247,618	219,477,720
Short-Term Fixed Income	360,404,491	367,790,900
Fixed Income	300,313,015	305,713,551
Total	<u>\$ 928,348,886</u>	<u>\$ 957,219,329</u>

Of the collateral held, \$745,429,000 was received as cash. The collateral received as cash is invested in the Mellon GSL DBT II Collateral Fund.



## NOTE 5. FUTURES CONTRACTS

At June 30, 2007, open positions in futures contracts are as follows:

Expiration	Open Contracts		Position	Value Upon Entering Contract	Value at June 30, 2007	Net Gain (Loss)
<i>Non-Large Cap Domestic Pool</i>						
Sept 2007	42	Russell Mini	Long	\$ 3,576,942	\$ 3,536,820	\$ (40,122)
Sept 2007	11	S&P Mid 400	Long	1,010,740	994,620	(16,120)
				<u>\$ 4,587,682</u>	<u>\$ 4,531,440</u>	<u>\$ (56,242)</u>
<i>Fixed Income Pool</i>						
Sept 2007	2,103	US Treasury Bond	Long	229,677,703	226,598,250	(3,079,453)
Sept 2007	(2,253)	US 10YR T Note	Short	(239,654,578)	(238,149,152)	1,505,426
Sept 2007	2,141	US 5YR T Note	Long	224,533,852	222,831,276	(1,702,576)
				<u>\$214,556,977</u>	<u>\$ 211,280,374</u>	<u>\$ (3,276,603)</u>

At June 30, 2007, the Non-Large Cap Domestic and the Fixed Income pools have pledged cash and securities valued at \$184,000 and \$2,515,000 to cover initial margin requirements on open futures contracts.

At June 30, 2007, the net variation margin payable of \$15,000 in the Non-Large Cap Domestic pool and the net margin receivable of \$1,580,000 in the Fixed Income pool represent one day's settlement on open futures contracts.

## NOTE 6. SWAPS

At June 30, 2007, the Fixed Income pool held the following interest rate swap:

Counterparty	Face Value	Maturity Date	Interest Rate		Net Interest
			Receiving	Paying	Receivable (Payable)
Goldman	<u>\$ 23,530,000</u>	09/19/2037	5.250%	5.360%	<u>\$ -</u>
	<u>\$ 23,530,000</u>				<u>\$ -</u>

Under the terms of this swap, the Fixed Income pool is receiving interest based on a fixed rate of 5.25% and is paying interest based on the three-month LIBOR rate. At June 30, 2007, the Fixed Income pool had recorded an unrealized loss of \$1,886,869 on this swap. The interest receivable and payable begins accruing on September 19, 2007. At June 30, 2007, the Fixed Income pool has pledged \$2,200,000 cash as collateral on this swap.

## NOTE 7. FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 2007, 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	6/28/07	7/2/07	90,000	\$ 180,572		\$ 180,823	\$ (252)
Short/Cover	Euro Currency Unit	6/28/07	7/2/07		170,577	127,088	171,638	(1,061)
Short/Cover	Japanese Yen	6/28/07	7/2/07		187,704	23,147,665	187,438	266
Long/Cover	Brazil Real	6/28/07	7/2/07	5,866,700	3,046,053		3,051,599	(5,546)
Short/Cover	Hong Kong Dollar	6/28/07	7/3/07		4,421,950	34,566,385	4,421,441	509
Long/Cover	New Taiwan Dollar	6/29/07	7/2/07	32,784,154	997,509		1,000,401	(2,892)
Long/Cover	Euro Currency Unit	6/29/07	7/3/07	70,000	94,539		94,407	132
Short/Cover	Euro Currency Unit	6/29/07	7/3/07		26,251	19,454	26,274	(22)
Short/Cover	Brazil Real	6/29/07	7/3/07		1,546,370	2,986,349	1,550,545	(4,175)
Short/Cover	Hong Kong Dollar	6/29/07	7/3/07		321,161	2,511,225	321,215	(54)
Short/Cover	South Korean Won	6/29/07	7/3/07		5,753,206	5,310,784,426	5,748,223	4,983
Long/Cover	British Pound	6/29/07	7/4/07	819,464	1,644,132		1,642,438	1,694
Short/Cover	Hong Kong Dollar	6/29/07	7/5/07		2,110,141	16,496,235	2,110,060	81
					\$ 20,500,165		\$ 20,506,502	\$ (6,337)

## NOTE 8. FINANCIAL HIGHLIGHTS

	Large Cap Domestic	Non-Large Cap Domestic	International Qualified	International Nonqualified	International Equity
<b>Per Unit Operating Performance:</b>					
Net asset value, beginning of period	\$ 11.42	\$ 20.98	\$ 29.56	\$ 27.98	\$ 17.87
Income from investment operations:					
Net investment income (loss)	0.23	0.25	(0.19)	(0.26)	0.48
Net realized gain on investment transactions	1.94	3.88	7.48	7.06	6.05
Net realized gain from foreign currency transactions	-	-	-	-	0.25
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	0.25
Total from investment operations	2.17	4.13	7.29	6.80	7.03
Less distributions from net investment income	-	-	-	-	-
Net asset value, end of period	\$ 13.59	\$ 25.11	\$ 36.85	\$ 34.78	\$ 24.90
<b>Time-weighted Total Return *</b>	19.0%	19.5%	24.7%	24.3%	39.3%
<b>Supplemental Data:</b>					
Net assets, end of period (\$000s)	\$2,083,839	\$1,329,448	\$ 493,505	\$ 63,693	\$1,347,841
Ratio to average net assets:					
Expenses **	0.21%	0.40%	0.58%	0.81%	0.72%
Net investment income **	1.79%	1.09%	-0.58%	-0.81%	2.27%
Portfolio turnover rate	70.04%	95.70%	0.00%	0.00%	65.31%

**NOTE 8. FINANCIAL HIGHLIGHTS (continued)**

	<b>Short-Term Fixed Income</b>	<b>Fixed Income</b>	<b>Fixed Income Qualified</b>	<b>Fixed Income Nonqualified</b>
<b>Per Unit Operating Performance:</b>				
Net asset value, beginning of period	\$ 1.00	\$ 11.84	\$ 14.50	\$ 8.56
Income from investment operations:				
Net investment income (loss)	0.05	0.42	(0.01)	(0.01)
Net realized gain on investment transactions	-	0.60	0.99	0.59
Net realized gain from foreign currency transactions	-	-	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-
Total from investment operations	0.05	1.02	0.98	0.58
Less distributions from net investment income	(0.05)	(0.42)	-	-
Net asset value, end of period	<u>\$ 1.00</u>	<u>\$ 12.44</u>	<u>\$ 15.48</u>	<u>\$ 9.14</u>
<b>Time-weighted Total Return *</b>	5.4%	8.6%	6.8%	6.8%
<b>Supplemental Data:</b>				
Net assets, end of period (\$000s)	\$1,209,900	\$2,338,093	\$1,153,971	\$ 420,664
Ratio to average net assets:				
Expenses **	0.06%	0.09%	0.05%	0.06%
Net investment income **	4.05%	3.35%	-0.05%	-0.06%
Portfolio turnover rate	N/A	70.80%	8.33%	9.41%

\* -Return data is net of fees and is for the full fiscal year

\*\* - All ratios are for the full fiscal year



**SCHEDULE  
OF PARTICIPATION**

**West Virginia Investment Management Board**  
**Investment Pools**  
**Schedule of Participation**

**June 30, 2007**

*(Dollars in thousands)*

The following schedule details the participation in 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
Prepaid Tuition Trust Fund	\$ 26,510	\$ 16,074		\$ 6,262	\$ 15,083
Prepaid Tuition Trust Escrow Fund	-	-		-	-
Judges' Retirement System	26,586	15,972	\$ 6,042		14,984
WV Deputy Sheriffs' Retirement System	23,627	14,209	5,373		13,328
Public Safety Retirement System	129,958	78,391	29,600		73,537
State Police Retirement System	10,154	6,096	2,307		5,716
Public Employees' Insurance Agency	10,886	6,636		2,630	6,227
Board of Risk & Insurance Management	9,971	6,083		2,418	5,708
Public Employees' Retirement System	975,720	661,559	302,749		722,429
Teachers' Retirement System	649,125	390,047	147,434		364,755
Teachers' Employers Contribution	-	-	-		-
Wildlife Endowment Fund	9,977	6,049		2,350	5,676
Revenue Shortfall Reserve Fund	32,624	19,784		7,691	18,564
Revenue Shortfall Reserve Fund B	69,921	42,298		16,423	39,688
Workers' Compensation Old Fund	85,903	52,337		20,531	49,096
Workers' Compensation Uninsured	-	-		-	-
Workers' Compensation Self-Insured	-	-		-	-
Pneumoconiosis	22,877	13,913		5,388	13,050
<b>Total Amount</b>	<b>\$ 2,083,839</b>	<b>\$ 1,329,448</b>	<b>\$ 493,505</b>	<b>\$ 63,693</b>	<b>\$ 1,347,841</b>

	Short-Term Fixed Income	Fixed Income	Fixed Income Qualified	Fixed Income Nonqualified	Totals (Memorandum Only)
Prepaid Tuition Trust Fund	\$ 1,013	\$ 23,933		\$ 16,011	\$ 104,886
Prepaid Tuition Trust Escrow Fund	-	1,432		958	2,390
Judges' Retirement System	280	24,095	\$ 16,119		104,078
WV Deputy Sheriffs' Retirement System	481	21,541	14,411		92,970
Public Safety Retirement System	3,929	118,081	78,993		512,489
State Police Retirement System	564	9,286	6,212		40,335
Public Employees' Insurance Agency	1	85,949		57,495	169,824
Board of Risk & Insurance Management	5	55,623		37,209	117,017
Public Employees' Retirement System	19,032	955,693	649,981		4,287,163
Teachers' Retirement System	1,117,057	580,393	388,255		3,637,066
Teachers' Employers Contribution	153	-	-		153
Wildlife Endowment Fund	68	9,229		6,174	39,523
Revenue Shortfall Reserve Fund	26	30,182		20,191	129,061
Revenue Shortfall Reserve Fund B	825	64,548		43,082	276,784
Workers' Compensation Old Fund	43,712	239,080		159,922	650,581
Workers' Compensation Uninsured	7,216	-		-	7,216
Workers' Compensation Self-Insured	2,998	-		-	2,998
Pneumoconiosis	12,549	119,028		79,622	266,427
<b>Total Amount</b>	<b>\$ 1,209,909</b>	<b>\$ 2,338,093</b>	<b>\$ 1,153,971</b>	<b>\$ 420,664</b>	

***West Virginia  
Investment Management Board***\_\_\_\_\_

***Administrative Fund***

***Audited Financial Statements***

***June 30, 2007***





**West Virginia**  
**Investment Management Board**  
**Administrative Fund**

**Audited Financial Statements**

**June 30, 2007**

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# **West Virginia Investment Management Board**

## **Administrative Fund**

### **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 administrative financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the IMB Administrative Fund basic financial statements, which follow this discussion. The IMB operates investment pools and issues separate audited financial statements on the investment pools.

#### **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 \$22.9 million as compared to \$23.4 million for the prior fiscal year. The change primarily results from decreased fees charged to cover investment advisor costs. This was partially offset by increased fees charged to cover higher international custody costs.
- Fees paid to outside investment advisors decreased by \$1.1 million over the prior year as a result of lower performance-based fees for large cap domestic investment advisors. This was partially offset by an increase in base fees resulting from asset growth of the various investment pools. Average net assets of the investment pools managed by the IMB increased by \$1.2 billion over the previous year. The average expense ratio for investment advisor fees across all pools was 20.9 basis points for the year as compared to 25.4 basis points for the prior year.
- Administrative expenses increased by \$81,000 or 3.5% from the prior year. The expense ratio for administrative expenses was 2.7 basis points of average net assets as compared to 3.0 basis points for the previous year. Expenses with significant changes from the prior year are:
  - Personnel costs increased \$95,000,
  - Insurance expenses decreased by \$19,000,
  - Spending for office and computer supplies decreased by \$18,000,
- Dividend income for the year was \$256,000. This was \$82,000 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 Administrative Fund 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 Administrative Fund's financial position and the changes in the financial position during the current fiscal year.

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

## FINANCIAL ANALYSIS

The IMB Administrative Fund's total assets as of June 30, 2007, were \$8.8 million, and were mostly comprised of cash and cash equivalents and receivables for investment service fees. This was \$1 million higher than the prior year.

Total liabilities as of June 30, 2007, were \$4.7 million, consisting of invoices payable and accrued liabilities for external investment management fees, custodial fees, and administrative expenses. This was \$762,000 higher than the prior year.

<b>Table 1 Net Assets (In thousands)</b>	<b>2007</b>	<b>2006</b>
Cash and cash equivalents	\$ 4,593	\$ 4,042
Receivables	3,891	3,607
Other assets	<u>297</u>	<u>136</u>
Total assets	8,781	7,785
Total liabilities	<u>(4,730)</u>	<u>(3,968)</u>
Net assets	<u>\$ 4,051</u>	<u>\$ 3,817</u>
<i>Composition of net assets:</i>		
Invested in capital assets	\$ 11	\$ 20
Unrestricted	4,040	3,797

<b>Table 2 Changes in Net Assets (In thousands)</b>	<b>2007</b>	<b>2006</b>	<b>Percentage Change</b>
Investment service fees	\$ 22,934	\$ 23,441	-2.2%
Expenses			
Advisor fees	(18,376)	(19,467)	-5.6%
Custodian fees	(1,168)	(810)	44.2%
Trustee fees	(55)	(49)	12.2%
Fiduciary bond expense	(251)	(90)	178.9%
Professional service fees	(690)	(714)	-3.4%
Administrative expenses	<u>(2,416)</u>	<u>(2,335)</u>	<u>3.5%</u>
Operating loss	(22)	(24)	-8.3%
Nonoperating revenues	<u>256</u>	<u>173</u>	<u>48.0%</u>
Increase in net assets	234	149	57.0%
Net assets – beginning of year	<u>3,817</u>	<u>3,668</u>	<u>4.1%</u>
Net assets – end of year	<u>\$ 4,051</u>	<u>\$ 3,817</u>	<u>6.1%</u>

## **CAPITAL ASSETS**

The IMB Administrative Fund capitalized \$4,049 of computer equipment acquired during the year ended June 30, 2007. No capital assets were disposed of during this period.

## **CONTACTING THE IMB**

This financial report is designed to provide its readers with a general overview of the IMB Administrative Fund's finances. If you have any questions about this report, or need additional information including the audited financial statements of the IMB Investment Pools, 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](http://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 Administrative Fund (the Fund), an internal service fund of the State of West Virginia, as of June 30, 2007, 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 Fund'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 Fund'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.

As discussed in note 1, the West Virginia Investment Management Board is comprised of an Administrative Fund and nine Investment Pools. These financial statements present only the Administrative Fund of the West Virginia Investment Management Board and do not include the financial position and results of operations of the Investment Pools. Accordingly, these financial statements do not purport to, and do not, present the complete financial position of the West Virginia Investment Management Board as of June 30, 2007, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Investment Management Board Administrative Fund as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



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 primarily 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

September 12, 2007

**West Virginia Investment Management Board**  
**Administrative Fund**  
**Statement of Net Assets**  
**June 30, 2007**

**Assets**

Current assets:

Cash and cash equivalents	\$4,593,022
Accounts receivable	3,871,843
Prepaid expenses	259,114
Dividend receivable	19,227
	8,743,206
<b>Total current assets</b>	<b>8,743,206</b>

**Noncurrent assets**

Deposits	63
Prepaid insurance	26,524
Capital assets:	
Equipment	552,886
Office furniture	125,245
Leasehold improvements	45,492
Less accumulated depreciation	(712,851)
	10,772
<b>Total capital assets (net of accumulated depreciation)</b>	<b>10,772</b>
<b>Total noncurrent assets</b>	<b>37,359</b>

**Total assets** 8,780,565

**Liabilities**

Current liabilities:

Accounts payable and accrued expenses	4,729,968
	4,729,968
<b>Total current liabilities</b>	<b>4,729,968</b>

**Total liabilities** 4,729,968

Net assets

Invested in capital assets	10,772
Unrestricted	4,039,825
	4,050,597
<b>Total net assets</b>	<b>\$4,050,597</b>

*See accompanying notes to financial statements.*

**West Virginia Investment Management Board**  
**Administrative Fund**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended June 30, 2007**

<b>Operating revenues:</b>		
Investment service fees		\$22,934,208
	<b>Total operating revenues</b>	22,934,208
<b>Operating expenses:</b>		
Advisor fees		18,375,691
Custodian fees		1,168,171
Trustee fees		54,500
Fiduciary bond expense		251,359
Professional service fees		672,687
Shareholder litigation fees		17,981
Administrative expenses		2,416,109
	<b>Total operating expenses</b>	22,956,498
	<b>Operating loss</b>	(22,290)
<b>Nonoperating revenues:</b>		
Dividend income		255,503
	<b>Total nonoperating revenues</b>	255,503
	<b>Increase in net assets</b>	233,213
	<b>Net assets, beginning of year</b>	3,817,384
	<b>Net assets, end of year</b>	\$4,050,597

*See accompanying notes to financial statements.*



**West Virginia Investment Management Board  
Administrative Fund**

**Statement of Cash Flows  
For the Year Ended June 30, 2007**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$22,653,839
Cash paid to suppliers	(20,631,572)
Cash paid to employees	(1,718,730)
<b>Net cash provided by operating activities</b>	<u>303,537</u>
 <b>Cash flows from investing activities</b>	
Dividends on investments	251,921
<b>Net cash provided by investing activities</b>	<u>251,921</u>
 <b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(4,049)
<b>Net cash used in capital and related financing activities</b>	<u>(4,049)</u>
<b>Net increase in cash and cash equivalents</b>	551,409
Cash and cash equivalents at beginning of year	<u>4,041,613</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$4,593,022</u></u>
 <b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ (22,290)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	13,783
Changes in assets and liabilities:	
Increase in accounts receivable	(280,369)
Increase in prepaid expenses	(169,681)
Increase in accounts payable and accrued expenses	762,094
<b>Total adjustments</b>	<u>325,827</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 303,537</u></u>

*See accompanying notes to financial statements.*

**West Virginia Investment Management Board**  
**Administrative Fund**

**Notes to Financial Statements**

**June 30, 2007**

**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 Administrative Fund'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 ex officio members of the Board of Trustees. The Governor appoints all other trustees for a term of six years.

**Note 2. Significant Accounting Policies**

The accounting and reporting policies of the IMB Administrative Fund 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 Administrative Fund 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 Administrative Fund are derived from the allocation of fees to the investment 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 Administrative Fund 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 IMB Administrative Fund 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, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Office equipment	\$ 548,837	\$ 4,049	\$ -	\$ 552,886
Office furniture	125,245	-	-	125,245
Leasehold improvements	45,492	-	-	45,492
Total capital assets, being depreciated	719,574	4,049	-	723,623
Less accumulated depreciation for:				
Office equipment	(541,978)	(4,685)	-	(546,663)
Office furniture	(125,245)	-	-	(125,245)
Leasehold improvements	(31,845)	(9,098)	-	(40,943)
Total accumulated depreciation	(699,068)	(13,783)	-	(712,851)
Capital assets, net	<u>\$ 20,506</u>	<u>\$ (9,734)</u>	<u>\$ -</u>	<u>\$ 10,772</u>

Depreciation expense of \$13,783 was charged to the investment management activity and is included in the administrative expenses. Office equipment valued at \$4,049 was acquired and placed into service during the year. This equipment is being depreciated over a three year period.

**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, 2006 to June 30, 2007, totaled \$186,280. On December 7, 2006, the IMB executed an amendment to renew its long-term lease for a period of five years beginning on January 1, 2008 at a monthly cost of \$15,523. The IMB may extend the lease for an additional three years at the then existing fair market rental rate by giving notice to the landlord seven months prior to the expiration of the lease.

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

Fiscal Years ending June 30:

2008-2012	\$ 186,280 per year
Thereafter	\$ 93,140

**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. The IMB contributes 10 percent of each covered employee's compensation. Contributions for the period from July 1, 2006 to June 30, 2007, totaled \$122,697. The plan provides for a five-year vesting schedule with vesting increasing 20 percent per year.

**Note 6. Cash and Investment Risk**

At June 30, 2007, all of the IMB Administrative Fund's cash equivalents are invested in an institutional Treasury Money Market fund. This investment fund is rated Aaa by Moody's and AAA by Standard & Poor's and has no significant custodial credit risk or interest rate risk. The investment fund invests in U.S. Treasuries and thus is not exposed to a concentration of credit risk or any foreign currency risk. Cash balances are held in an FDIC insured bank account, the balance of which is below the \$100,000 insurance limit at all times.