

Schedule of Investment Performance

*West Virginia
Investment Management Board* _____

June 30, 1998

CONTENTS

Independent Auditors' Report.....	i
Consolidated Pension Fund	1
Consolidated Fund	2
Notes to the Schedule of Investment Performance	3



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December 30, 1998

Board of Trustees
West Virginia Investment Management Board

We have conducted a performance audit of the accompanying Schedule of Investment Performance (the "Schedule") of the individual investment pools comprising the Consolidated Fund and the Consolidated Pension Fund of the West Virginia Investment Management Board (WVIMB). The audit was conducted in accordance with Article 6 of the West Virginia State Board of Investments (Section 12-6-6 (d)) for the year ending June 30, 1998.

Our examination included such testing, as we believed adequate, to verify that the performance information provided in the Schedule has been prepared and fairly presented in accordance with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

This Schedule is the responsibility of WVIMB's management. Our responsibility is to express an opinion on the Schedule based on our audit.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the performance of the individual investment pools comprising the Consolidated Fund and the Consolidated Pension Fund listed above, as of June 30, 1998, in conformity with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

Summit Strategies, Inc.

Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 1997 to June 30, 1998

Trust Accounts	Total Rate of Return*
Public Employees' Retirement System	10.80%
Teachers' Retirement System	10.70
Public Safety Retirement System	10.70
Judges' Retirement System	10.70
State Police Retirement System	10.60
Workers' Compensation Fund I	10.50
Workers' Compensation Fund II	10.80
Workers' Compensation EELF	9.50
Pneumoconiosis	10.80

** Returns are net of all fees. Note 2.*

Consolidated Pension Fund Investment Pools	Total Rate of Return*
Short-Term Fixed Income Pool	6.40%
Fixed Income Pool I	8.42 – a
Fixed Income Pool II	11.04
S&P 500 Index Qualified Pool	13.13 – b
S&P 500 Index Non-Qualified Pool	13.21 – b
EAFE Index Qualified Pool	5.22 – b
EAFE Index Non-Qualified Pool	1.81 – c
Non-Large Cap Domestic Pool	0.66 – b

** Returns are net of all fees. Note 3.*

a – Returns are for the periods July 1, 1997 through January 16, 1998 (pool dissolution date).

b – Returns are for the period February 2, 1998 (pool inception date) through June 30, 1998.

c – Returns are for the period February 2, 1998 (pool inception date) through June 1, 1998 (pool dissolution date).

**Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 1997 to June 30, 1998**

**Consolidated Fund
— Investment Pools —**

	Cash Liquidity Pool	Government Money Market Account	Enhanced Yield Pool	Municipal Bond Restricted Pool
Total rate of return for the period July 1, 1997 to June 30, 1998 * <i>Note 3.</i>	5.59%	5.65%	7.02%	6.71%
Distributed dividend rate of return by money (annualized %) * <i>Note 4.</i>				
July 1997	5.48	5.54	5.91	5.81
August 1997	5.31	5.40	5.90	5.62
September 1997	5.40	5.45	6.01	5.78
October 1997	5.41	5.48	5.90	5.75
November 1997	5.44	5.50	6.02	5.77
December 1997	5.60	5.61	5.98	5.86
January 1998	5.45	5.50	5.86	5.76
February 1998	5.46	5.49	6.28	5.75
March 1998	5.42	5.47	5.87	5.71
April 1998	5.41	5.45	6.00	5.67
May 1998	5.40	5.52	5.85	6.86
June 1998	5.42	5.47	6.02	6.00

* *Returns are net of all fees.*

Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 1997 to June 30, 1998

Note 1

This report represents the performance returns of the West Virginia Investment Management Board. It is prepared to comply with *West Virginia Code §12-6-6(d)*.

Note 2

The Total Rate of Return for the Trust Accounts is calculated using the Modified Bank Administration Institute (BAI) time weighted rate of return method. The Modified BAI method determines the Internal Rate of Return (IRR) for the period. In the Modified BAI approach, the IRR is that value that satisfies the following equation:

$$MVE = \sum F_i(1+R)^{w_i}$$

Note 3

The Total Rate of Return for the Consolidated Pension Fund and the Consolidated Fund investment pools is calculated using the Modified Dietz time weighted rate of return method. The Modified Dietz method weights each cash flow by the amount of time it is held in the portfolio. The formula for the Modified Dietz method is:

$$R_{DIETZ} = \frac{MVE - MVB - F}{MVB + FW}$$

Note 4

The Dividend Rate of Return represents an annualized yield recognizing net investment income and realized gains or losses on investments sold for the Cash Liquidity Pool, the Government Money Market Pool and the Municipal Bond Restricted Pool. The Enhanced Yield Pool's dividend rate of return does not include realized gains or losses on investments sold, as they are not distributed monthly. These four pools declare a monthly dividend that is reinvested for all participants in the pool making the distribution.