

*Investment  
Performance  
Report*

West Virginia  
Investment Management Board

June 30, 1999



**Summit Strategies Group**

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March 20, 2000

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, 1999.

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, 1999, in conformity with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

Summit Strategies, Inc.

*Summit Strategies, Inc.*

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1998 to June 30, 1999**

<b>Trust Accounts</b>	<b>Total Rate of Return*</b>
Public Employees' Retirement System	7.2%
Teachers' Retirement System	6.7
Public Safety, Death, Disability, and Retirement System	6.8
Deputy Sheriffs' Retirement System	6.5 - a
Judges' Retirement System	6.5
State Police Retirement System	6.1
Workers' Compensation Fund I	7.8
Workers' Compensation Fund II	6.6
Workers' Compensation EELF	8.0
Pneumoconiosis	6.0
Wildlife Endowment Fund	6.4

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

<b>Consolidated Pension Fund Investment Pools</b>	<b>Total Rate of Return*</b>
Short-Term Fixed Income Pool	6.5%
Fixed Income Qualified Pool	-2.5 - b
Fixed Income Non-Qualified Pool	-1.7 - b
Fixed Income Pool	2.1
International Equity Pool	14.0 - c
International Non-Qualified Pool	32.2 - c
International Qualified Pool	13.6
Non-Large Cap Domestic Pool	1.2
Large Cap Domestic Pool	3.9 - d
S&P 500 Index Qualified Pool	23.3
S&P 500 Index Non-Qualified Pool	23.3
Statutory Investments	5.8 - e

*\*Returns are before all fees. See Note 2.*

- a - Return is for the period September 1, 1998 (plan inception date) through June 30, 1999.
- b - Returns are for the period April 1, 1999 (pool inception date) through June 30, 1999.
- c - Returns are for the period October 1, 1998 (pool inception date) through June 30, 1999.
- d - Return is for the period February 1, 1999 (pool inception date) through June 30, 1999.
- e - Return is for the period September 1, 1998 (initial investment date) through June 30, 1999.

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1998 to June 30, 1999**

	<b>Consolidated Fund Investment Pools</b>		
	<b>Cash Liquidity <u>Pool</u></b>	<b>Government Money Market <u>Pool</u></b>	<b>Enhanced Yield <u>Pool</u></b>
Total rate of return for the period July 1, 1998 to June 30, 1999* (See Note 2).	5.2%	5.2%	5.2%

*\*Returns are before all fees.*

Distributed dividend rate of return  
by month (annualized %)\*  
(See Note 3).

July 1998	5.4	5.4	5.8
August 1998	5.4	5.4	5.8
September 1998	5.4	5.4	5.9
October 1998	5.2	5.1	5.8
November 1998	5.1	4.9	5.9
December 1998	5.0	4.8	5.7
January 1999	4.9	4.8	5.7
February 1999	4.8	4.7	6.1
March 1999	4.8	5.0	5.6
April 1999	4.8	4.8	5.8
May 1999	4.7	4.6	5.6
June 1999	4.7	4.6	5.8

*\*Returns are net of all fees.*

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1998 to June 30, 1999**

**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 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:

$$\text{RDIETZ} = \frac{\text{MVE} - \text{MVB} - \text{F}}{\text{MVB} + \text{FW}}$$

**Note 3**

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 and the Government Money Market 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.