

*Investment  
Performance  
Report*

West Virginia  
Investment Management Board

June 30, 2000



## **Summit Strategies Group**

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November 29, 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, 2000.

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, 2000, in conformity with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

Summit Strategies, Inc.

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**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1999 to June 30, 2000**

<b>Trust Accounts</b>	<b>Total Rate of Return*</b>
Public Employees' Retirement System	8.2%
Teachers' Retirement System	8.1
Public Safety, Death, Disability, and Retirement System	8.0
Deputy Sheriffs' Retirement System	7.8
Judges' Retirement System	8.0
State Police Retirement System	7.4
Workers' Compensation Fund I	7.7
Workers' Compensation Fund II	7.3
Workers' Compensation EELF	8.4
Pneumoconiosis	6.4
Wildlife Endowment Fund	5.6
Prepaid Tuition Trust Fund	12.2

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

**Consolidated Pension Fund Investment Pools**

	<b>Rates of Return</b>		
	<u>Gross of all fees</u>	<u>Net of manager fees</u>	<u>Net of all fees</u>
S&P 500 Index Qualified Pool	7.3%	7.3%	7.2%
S&P 500 Index Non-Qualified Pool	7.3	7.3	7.2
Large Cap Domestic Pool	13.9	13.7	13.7
Non-Large Cap Domestic Pool	7.5	7.3	7.2
International Qualified Pool	6.6	5.9	5.9
International Non-Qualified Pool	6.9	5.9	5.9
International Equity Pool	39.7	38.9	38.8
Fixed Income Pool	5.4	5.4	5.3
Fixed Income Qualified Pool	3.4	3.4	3.4
Fixed Income Non-Qualified Pool	3.5	3.5	3.4
Short-Term Fixed Income Pool	5.8	5.6	5.6
Statutory Investments	7.3	7.3	7.3

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1999 to June 30, 2000**

**Consolidated Fund Investment Pools**  
**Total Rates of Return**

	<u>Gross of all fees</u>	<u>Net of manager fees</u>	<u>Net of all fees</u>
Cash Liquidity Pool	5.9%	5.8%	5.8%
Government Money Market Pool	5.7	5.6	5.5
Enhanced Yield Pool	5.2	5.2	5.1

**30-Day Money Market Yield (annualized %)**  
(See Note 3).

	<u>Cash Liquidity Pool</u>	<u>Government Money Market Pool</u>
July 1999	4.8%	4.8%
August 1999	5.1	5.0
September 1999	5.1	4.9
October 1999	5.2	4.9
November 1999	5.4	5.1
December 1999	5.4	5.0
January 2000	5.9	5.5
February 2000	5.7	5.5
March 2000	5.7	5.5
April 2000	6.2	6.3
May 2000	6.2	6.3
June 2000	6.3	6.4

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 1999 to June 30, 2000**

**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 30-day money market yield represents the rate of income, net of expenses, earned over the past thirty days. The return is annualized over a 365-day year, assuming no reinvestment of earnings.