

*Investment
Performance
Report*

West Virginia
Investment Management Board

June 30, 2001



Summit Strategies Group

7700 Bonhomme Avenue
Suite 300
St. Louis, MO 63105
www.summitstrategies.com
314.727.7211 phone
314.727.6068 fax

November 6, 2001

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, 2001.

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, 2001, 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, 2000 to June 30, 2001

Trust Accounts	Total Rate of Return*
Public Employees' Retirement System	(0.3)%
Teachers' Retirement System	(0.3)
Public Safety, Death, Disability, and Retirement System	(0.2)
Deputy Sheriffs' Retirement System	0.2
Judges' Retirement System	(0.1)
State Police Retirement System	0.5
Workers' Compensation Fund I	0.9
Workers' Compensation Fund II	0.9
Workers' Compensation EELF	2.8
Pneumoconiosis	7.6
Wildlife Endowment Fund	7.9
Prepaid Tuition Trust Fund	0.6

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

Consolidated Pension Fund Investment Pools

	Rates of Return		
	<u>Gross of all fees</u>	<u>Net of manager fees</u>	<u>Net of all fees</u>
S&P 500 Index Qualified Pool	(14.8)%	(14.8)%	(14.8)%
S&P 500 Index Non-Qualified Pool	(14.8)	(14.8)	(14.8)
Large Cap Domestic Pool	(13.9)	(14.1)	(14.1)
Non-Large Cap Domestic Pool	15.1	14.7	14.7
International Qualified Pool	10.4	9.8	9.8
International Non-Qualified Pool	10.1	9.3	9.3
International Equity Pool	(23.4)	(23.8)	(23.8)
Fixed Income Pool	12.0	11.9	11.9
Fixed Income Qualified Pool	12.2	12.2	12.1
Fixed Income Non-Qualified Pool	12.4	12.4	12.3
Short-Term Fixed Income Pool	6.2	6.2	6.1
Statutory Investments	6.7	6.7	6.6

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West Virginia Investment Management Board
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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	6.3%	6.2%	6.2%
Government Money Market Pool	6.3	6.2	6.2
Enhanced Yield Pool	9.4	9.2	9.2

Monthly Money Market Yield (annualized %)
(See Note 3).

	<u>Cash Liquidity Pool</u>	<u>Government Money Market Pool</u>
July 2000	6.5%	6.4%
August 2000	6.4	6.3
September 2000	6.5	6.4
October 2000	6.5	6.4
November 2000	6.5	6.3
December 2000	6.5	6.4
January 2001	6.3	6.0
February 2001	6.0	5.7
March 2001	5.5	5.6
April 2001	5.2	5.5
May 2001	4.7	4.5
June 2001	4.6	5.1

Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2000 to June 30, 2001

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