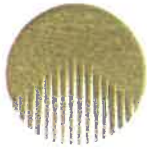


*Investment  
Performance  
Report*

West Virginia  
Investment Management Board

June 30, 2002



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September 30, 2002

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 operated by 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, 2002.

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 as of June 30, 2002, 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, 2001 to June 30, 2002**

<b>Trust Accounts</b>	<b>Total Rate of Return*</b>
Public Employees' Retirement System	(2.9)%
Teachers' Retirement System	(3.0)
Public Safety, Death, Disability, and Retirement System	(2.8)
Deputy Sheriffs' Retirement System	(2.9)
Judges' Retirement System	(2.9)
State Police Retirement System	(2.9)
Workers' Compensation Fund I	(4.2)
Workers' Compensation Fund II	(2.8)
Workers' Compensation EELF	0.2
Pneumoconiosis	4.4
Wildlife Endowment Fund	(0.1)
Prepaid Tuition Trust Fund	(2.7)
Tobacco Settlement Trust Fund **	<u>0.6</u>

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

*\*\* Return is for the period 8/1/01 through 6/30/02.*

**Investment Pools**

	<b>Total Rates of Return</b>		
	<u>Gross of</u> <u>all fees</u>	<u>Net of</u> <u>manager fees</u>	<u>Net of</u> <u>all fees</u>
S&P 500 Index Qualified Pool	(18.2)%	(18.2)%	(18.2)%
S&P 500 Index Non-Qualified Pool	(18.1)	(18.1)	(18.1)
Large Cap Domestic Pool	(19.5)	(19.6)	(19.7)
Non-Large Cap Domestic Pool	0.3	(0.1)	(0.1)
International Qualified Pool	14.9	14.2	14.2
International Non-Qualified Pool	15.2	14.3	14.3
International Equity Pool	(13.3)	(13.6)	(13.7)
Fixed Income Pool	9.1	9.0	9.0
Fixed Income Qualified Pool	8.2	8.2	8.1
Fixed Income Non-Qualified Pool	8.1	8.1	8.0
Short-Term Fixed Income Pool	2.9	2.7	2.7

**Schedule of Investment Performance  
West Virginia Investment Management Board  
For the Period July 1, 2001 to June 30, 2002**

**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	2.9%	2.8%	2.8%
Government Money Market Pool	2.9	2.9	2.8
Enhanced Yield Pool	7.0	7.0	6.9

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

	<u>Cash Liquidity Pool</u>	<u>Government Money Market Pool</u>
July 2001	4.5%	4.1%
August 2001	4.2	3.9
September 2001	3.6	3.4
October 2001	3.1	3.6
November 2001	2.9	2.4
December 2001	2.7	2.3
January 2002	2.7	2.8
February 2002	2.6	2.8
March 2002	2.2	1.9
April 2002	2.1	2.0
May 2002	2.3	2.3
June 2002	2.0	1.8

**Schedule of Investment Performance**  
**West Virginia Investment Management Board**  
**For the Period July 1, 2001 to June 30, 2002**

**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 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.