

*Investment
Performance
Report*

West Virginia
Investment Management Board

June 30, 2005



Summit Strategies Group

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

August 29, 2005

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, 2005.

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, 2005, 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, 2004 to June 30, 2005

Trust Accounts	Total Rate of Return*
Public Employees' Retirement System	10.7%
Teachers' Retirement System	10.6
Public Safety, Death, Disability, and Retirement System	10.6
Deputy Sheriffs' Retirement System	10.6
Judges' Retirement System	10.7
State Police Retirement System	10.6
Workers' Compensation Fund	5.5
Workers' Compensation EELF	9.3
Pneumoconiosis	9.1
Wildlife Endowment Fund	10.7
Prepaid Tuition Trust Fund	10.8
Prepaid Tuition Trust Escrow	8.1
Tobacco Settlement Trust Fund	10.8
Board of Risk and Insurance Management **	4.1

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

***Return is for the period 12/1/04 through 6/30/05.*

Investment Pools

	Total Rates of Return		
	<u>Gross of all fees</u>	<u>Net of manager fees</u>	<u>Net of all fees</u>
Large Cap Domestic Equity Pool	7.6%	7.6%	7.5%
Non-Large Cap Domestic Equity Pool	15.9	15.4	15.4
International Qualified Equity Pool	15.5	14.9	14.9
International Non-Qualified Equity Pool	15.4	14.3	14.3
International Equity Pool	16.0	15.6	15.5
Fixed Income Pool	10.5	10.3	10.3
Fixed Income Qualified Pool	6.5	6.5	6.4
Fixed Income Non-Qualified Pool	6.5	6.5	6.4
Short-Term Fixed Income Pool	2.2	2.2	2.2

**Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2004 to June 30, 2005**

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	2.2%	2.2%	2.1%
Government Money Market Pool	2.2	2.1	2.1
Enhanced Yield Pool	2.4	2.3	2.3

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

	<u>Cash Liquidity Pool</u>	<u>Government Money Market Pool</u>	<u>Short-Term Fixed Income Pool</u>
July 2004	1.2%	1.2%	1.3%
August 2004	1.4	1.3	1.4
September 2004	1.5	1.5	1.5
October 2004	1.7	1.6	1.5
November 2004	1.8	1.8	1.9
December 2004	2.1	2.0	2.2
January 2005	2.2	2.1	2.0
February 2005	2.4	2.4	2.3
March 2005	2.5	2.5	2.6
April 2005	2.7	2.7	2.5
May 2005	3.0	2.8	2.9
June 2005	3.0	2.9	3.1

Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2004 to June 30, 2005

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 during the respective month. The return is annualized over a 365-day or 366-day year, assuming no reinvestment of earnings.