

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

6 Month CD Auction

January 9, 2008

Board Meeting

January 31, 2008

OPERATING REPORT

NOVEMBER 2007

Board of Treasury Investments

1900 Kanawha Boulevard East
Suite E-122
Charleston WV 25305
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www.wvbt.com

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

Chief Financial Officer

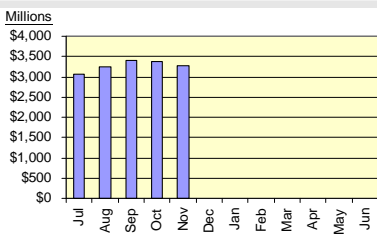
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$3,260,370,000

Last Month
\$3,364,572,000

Beginning of Fiscal Year
\$2,923,172,000



15.1% Growth This Fiscal Year

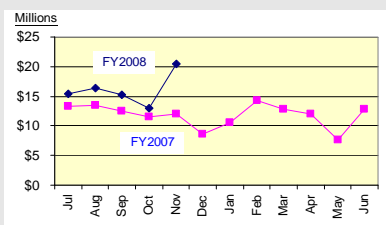
Total Net Income & Gains

This Month

\$20,398,000

Fiscal Year

\$80,301,000

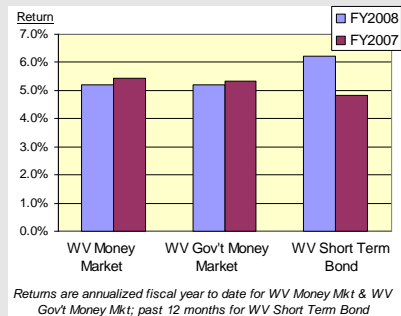


Outpacing Last Year

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	Nov. 2007	Fiscal Year 2008	Fiscal Year 2007
WV Money Market	4.7%	5.2%	5.4%
WV Gov't Money Market	4.6%	5.2%	5.3%
	Fiscal Year 2008 <i>(Past 12 Months)</i>	Fiscal Year 2007 <i>(Past 12 Months)</i>	
WV Short Term Bond	6.2%	4.8%	



Returns are annualized fiscal year to date for WV Money Mkt & WV Gov't Money Mkt; past 12 months for WV Short Term Bond

Fiscal Year Return Comparisons

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

NOVEMBER 2007

Economic Growth Highest in Four Years; Treasury Yields Shift Lower

The U.S. unemployment rate remained at 4.7% in November, but job growth rose more than expected, up 94,000. October's job growth was revised up to a 170,000 increase. During the third quarter, the U.S. economy grew at a revised 4.9% annual growth rate, the most in four years. The revised pace was a full percentage point stronger than previously estimated. Growth during the third quarter was boosted by increases in exports, consumer spending, and business investment. Consumer spending grew at a 3.0% pace in the third quarter, following a 1.4% increase in the previous quarter, and business investment jumped more than 8.0%. Home construction remained the largest drag on GDP with a 20.1% plunge in homebuilding. Over the past twelve months, consumer prices rose 3.5%, the biggest 12-month increase since August 2006. The core CPI, which excludes food and energy, rose 0.2% for the fifth straight month and 2.2% for the trailing twelve months. The Producer Price Index rose at a slower pace than forecast in October, rising 0.1% after a 1.1% increase in September. Energy costs fell in October due to the timing of the survey after rising 4.1% in September. Excluding food and energy costs, producer prices were unchanged in October. Over the last twelve months, the PPI rose 6.1% and the core PPI rose 2.5%.

Consolidated Fund Continues Growth

The Board of Treasury Investments continues to grow. Since its inception in July of 2005, the BTI has added over 100 new accounts and has increased its size by nearly \$1 billion. Twenty-three new accounts totaling \$25 million have been added from local governments.

New accounts are opened every month. This is attributed, in part, to presentations and outreach informing local governments of their ability to invest their excess cash in the state's short term investment pools. Word of mouth has had an influence. Many new accounts have been generated by the success of existing accounts. The competitive

The Fed lowered the overnight lending rate at the October 31st meeting by 25 basis points, dropping it to 4.50%, as slowing growth concerns remained at the forefront. The Fed meets next on December 11, 2007 and the market is expecting another 25 basis point cut. For the month of November, the yield curve steepened as yields shifted lower on the short end of the curve. The curve remained slightly inverted on the short end. The 3-month Treasury fell almost 77 bps to 3.14% as the 6-month Treasury dropped 72 bps to 3.35%. The 2-year Treasury yield declined the most, falling 95 bps to 3.00%, while the 5-year Treasury dropped 79 bps to 3.38%. The 10-year Treasury yield fell 53 bps to 3.94% as the 30-year Treasury yield dipped 37 bps to 4.38%, widening the yield spread between the 30-year and the 2-year Treasury to 138 bps.

Ninety-day T-Bills returned 0.47% in November, underperforming the 1.72% return of 1-3 Year Government Bonds. Year-to-date in 2007, 90-Day T-bills have earned 4.71%, while 1-3 Year Government Bonds have returned 7.05%. For the last 12 months, T-bills underperformed with a 5.17% return as 1-3 Year Government Bonds earned 7.08%.

October CD Auction

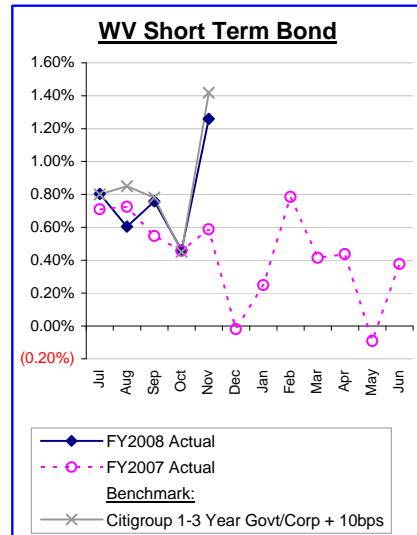
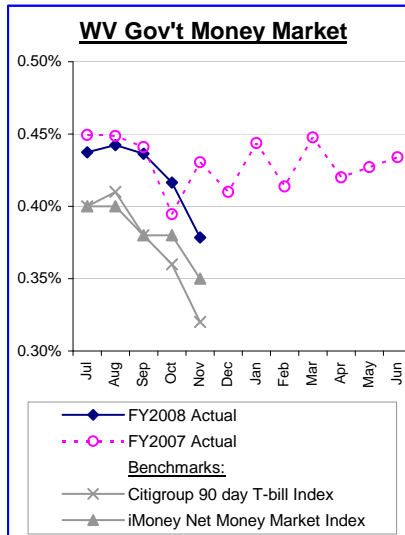
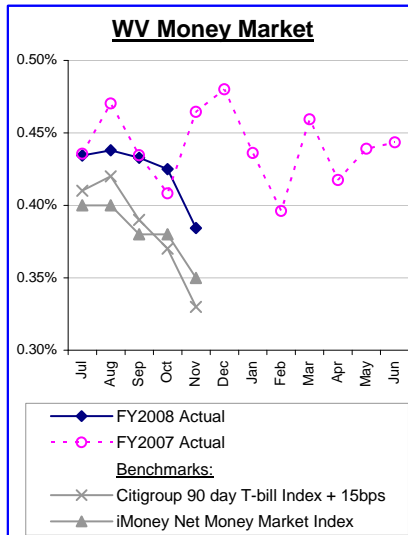
The BTI offered its first one-year CD auction in October. There were 115 bids received for the \$25 million offering. The competition resulted in \$93,643 of additional interest for the state. The following banks received awards:

BB&T – Charleston	\$5,000,000
Chase Bank – Charleston	\$2,000,000
Fifth Third Bank – Huntington	\$5,000,000
First Community Bank - Bluefield	\$5,000,000
Jefferson Security Bank – Shepherdstown	\$2,000,000
United Bank, Inc. – Parkersburg	\$1,000,000
WesBanco Bank Inc. – Wheeling	\$5,000,000

West Virginia Board of Treasury Investments

Financial Highlights as of November 30, 2007

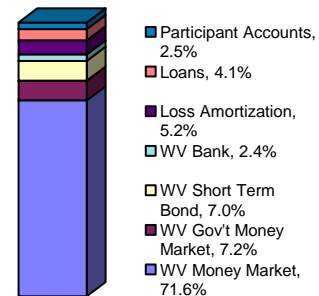
Monthly Rates of Return for Operating Pools (Net of Fees)



Summary of Value and Earnings (In Thousands)

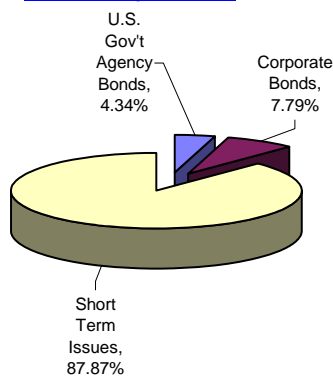
Pool	Asset Value	Nov. Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 2,333,696	\$ 9,487	\$ 49,037
WV Gov't Money Market	233,435	905	4,984
WV Short Term Bond	238,169	3,001	9,110
WV Bank	75,937	374	1,268
Loss Amortization	167,476	5,845	13,199
Loans	132,232	438	889
Participant Accounts	79,425	348	1,814
	<u>\$ 3,260,370</u>	<u>\$ 20,398</u>	<u>\$ 80,301</u>

Percent of Total Net Asset Value

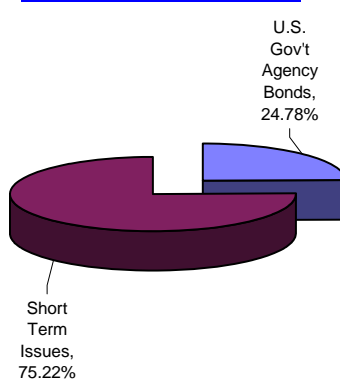


Securities by Type for Operating Pools (Percentage of Asset Value)

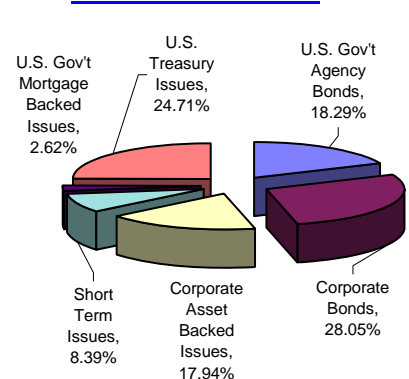
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS –
UNAUDITED

NOVEMBER 30, 2007

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>
Assets						
Investments:						
At amortized cost	\$ 2,329,337	\$ 233,044		\$ 75,000	\$ 131,796	\$ 41,233
At fair value	-	-	\$ 247,130	-	167,476	37,379
Collateral for securities loaned	591,173	45,550	80,700	-	-	-
Other assets	4,586	414	2,071	937	440	814
Total assets	<u>2,925,096</u>	<u>279,008</u>	<u>329,901</u>	<u>75,937</u>	<u>299,712</u>	<u>79,426</u>
Liabilities						
Payable for securities loaned	591,173	45,550	80,700	-	-	-
Other liabilities	227	23	11,032	-	4	1
Total liabilities	<u>591,400</u>	<u>45,573</u>	<u>91,732</u>	<u>-</u>	<u>4</u>	<u>1</u>
Net Assets	<u>\$ 2,333,696</u>	<u>\$ 233,435</u>	<u>\$ 238,169</u>	<u>\$ 75,937</u>	<u>\$ 299,708</u>	<u>\$ 79,425</u>
Investment income						
Interest and dividends	\$ 3,842	\$ 505	\$ 902	\$ 374	\$ 442	\$ 300
Securities lending income	1,913	176	393	-	-	-
Net accretion (amortization)	5,594	395	23	-	546	(20)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>11,349</u>	<u>1,076</u>	<u>1,318</u>	<u>374</u>	<u>988</u>	<u>280</u>
Expenses						
Fees	248	24	36	-	4	1
Securities lending borrower rebates	1,616	149	338	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	<u>1,864</u>	<u>173</u>	<u>374</u>	<u>-</u>	<u>4</u>	<u>1</u>
Net investment income	<u>9,485</u>	<u>903</u>	<u>944</u>	<u>374</u>	<u>984</u>	<u>279</u>
Net realized gain (loss)						
from investments	2	2	476	-	-	-
Net increase (decrease)						
in fair value of investments	-	-	1,581	-	5,299	69
Net gain (loss) from investments	<u>2</u>	<u>2</u>	<u>2,057</u>	<u>-</u>	<u>5,299</u>	<u>69</u>
Net increase (decrease) in net assets from operations	<u>9,487</u>	<u>905</u>	<u>3,001</u>	<u>374</u>	<u>6,283</u>	<u>348</u>
Distributions to participants	<u>9,487</u>	<u>905</u>	<u>1,420</u>	<u>375</u>	<u>438</u>	<u>-</u>
Participant activity						
Purchases, reinvestment of units and contributions	595,152	24,784	1,547	375	1,595	200
Redemptions and withdrawals	693,773	35,346	-	-	-	6,508
Inter-pool transfers in	25,680	-	-	-	-	-
Inter-pool transfers out	-	-	-	25,680	-	-
Net increase (decrease) in net assets from participant activity	<u>(72,941)</u>	<u>(10,562)</u>	<u>1,547</u>	<u>(25,305)</u>	<u>1,595</u>	<u>(6,308)</u>
Increase (decrease) in net assets	(72,941)	(10,562)	3,128	(25,306)	7,440	(5,960)
Net assets at beginning of period	2,406,637	243,997	235,041	101,243	292,268	85,385
Net assets at end of period	<u>\$ 2,333,696</u>	<u>\$ 233,435</u>	<u>\$ 238,169</u>	<u>\$ 75,937</u>	<u>\$ 299,708</u>	<u>\$ 79,425</u>