

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

Next Board Meeting
April 26, 2007

Next CD Auction
May 15, 2007

OPERATING REPORT

FEBRUARY 2007

Board of Treasury Investments

1900 Kanawha Boulevard East
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Charleston WV 25305
(304) 340-1578
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

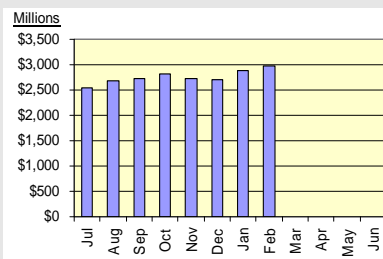
Chief Financial Officer
Kara K. Brewer,

Total Net Assets Under Management

\$2,980,570,000

Last Month
\$2,889,414,000

Beginning of Fiscal Year
\$2,481,176,000

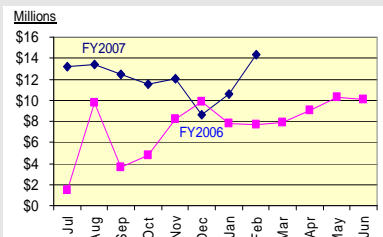


20.1% Growth This Fiscal Year

Total Net Income & Gains

This Month \$14,326,000

Fiscal Year \$96,368,000

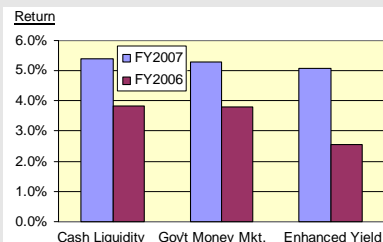


Outpacing Last Year

Effective Rates of Return

Time Weighted, Annualized, Net of All Fees

	Feb. 2007	Fiscal Year to Date 2007	Fiscal Year to Date 2006
Cash Liquidity	4.9%	5.4%	3.8%
Gov't Money Mkt	5.1%	5.3%	3.8%
Enhanced Yield	5.1% <i>(Past 12 Months)</i>	2.6% <i>(Past 12 Months)</i>	



Returns are annualized fiscal year to date for Cash Liquidity & Gov't Money Mkt; past 12 months for Enhanced Yield

Returns Exceed Prior Year's

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

FEBRUARY 2007

U.S. Economy Continues Expansion

The U.S. unemployment rate unexpectedly fell in February to 4.5%, approaching the five-year low of 4.4% in October. The U.S. economy added 97,000 jobs in February, easing concerns of an economic slowdown. The U.S. economy expanded at a faster pace than expected in the fourth quarter, growing at a 3.5% annual pace. A rebound in consumer spending propelled the economy as gasoline prices fell and wages grew. Consumer spending continues to prevent a sharper slowdown and is expected to keep the economy moving forward. U.S. consumer prices rose more than forecast in January, increasing 0.2%, while the core CPI, which excludes food and energy, rose 0.3%. Core inflation climbed to 2.7% during the trailing twelve months, the biggest rise since October. The Producer Price Index declined in January due to lower crude oil costs. The PPI dropped -0.6% in January which followed a 0.9% increase in December. The core PPI advanced 0.2% for the second month in a row.

BTI Places \$25 million with West Virginia Banks

The Board of Treasury Investments February certificates of deposit auction set a record for both the number of bids received (208) and amount of earnings over the benchmark (\$18,043). Awards were made to the following banks:

BB&T	\$5,000,000
Citizens National Bank – Berkeley Springs	\$1,500,000
First Community Bank	\$5,000,000
First National Bank of Williamson – Williamson	\$1,000,000
Freedom Bank, Inc. – Belington	\$5,000,000
Jefferson Security Bank – Shepherdstown	\$1,500,000
Main Street Bank – Wheeling	\$1,000,000
WesBanco Bank, Inc. – Wheeling	\$5,000,000

The program has placed over \$100 million in state banks since its inception.

The overnight lending rate remained at 5.25% in February after the Fed left rates unchanged at its last five meetings. Moderating inflation at both the consumer and producer level continued to validate the pause. For the month of February, yields shifted lower across the curve declining 23-29 bps from the 2- to 30-year Treasury. Ninety-Day T-Bills earned 38 bps followed by the Merrill Lynch 1-3 Year Treasury Index up 80 bps. For the first two months of the year, long bonds returned the most, up 2.5%.

BTI to Establish Advisory Councils

The month of March is being used by the Board of Treasury Investments to gather feedback from banks and local governments.

Banks have been surveyed for their opinions on the CD auction program and ideas on the development of new ways for the BTI to invest in West Virginia banks. An advisory council will be selected to work closely with BTI staff to expand the CD auction and create new investment products.

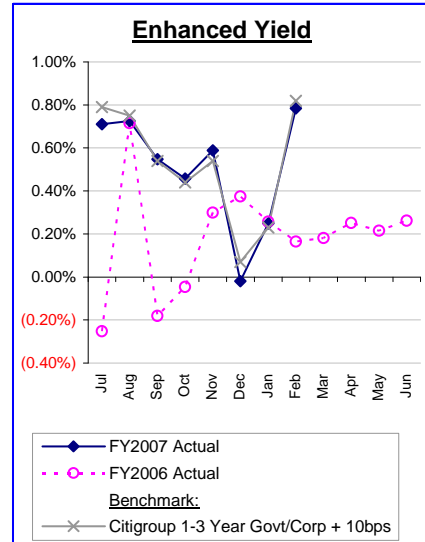
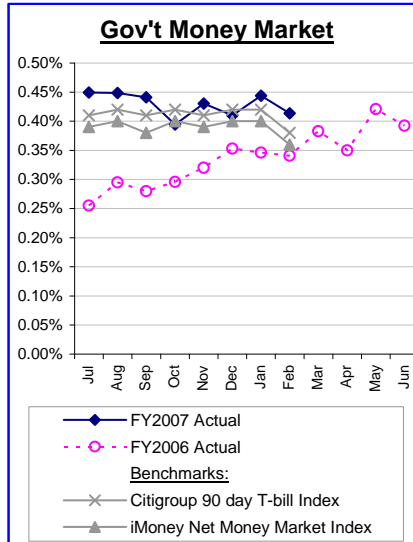
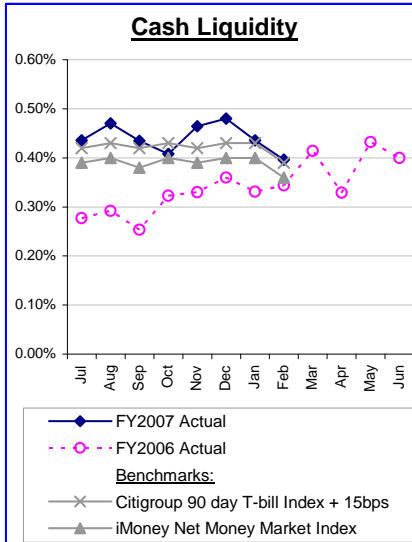
Over the last six months BTI staff has met with a variety of current and potential local

government investors. A surprising number of political subdivisions were not aware of their ability to invest in the state's short term pools. A main focus of the meetings has been to inform these groups of the opportunities for investing in the Consolidated Fund. While there are many astute public fund managers in West Virginia local governments, there are also a number of managers that have a desire to be better educated on financial topics. A survey will be sent to local governments and their agencies to gain insight into the needs of these groups. The advisory council will provide ongoing assistance to the BTI to develop educational seminars.

West Virginia Board of Treasury Investments

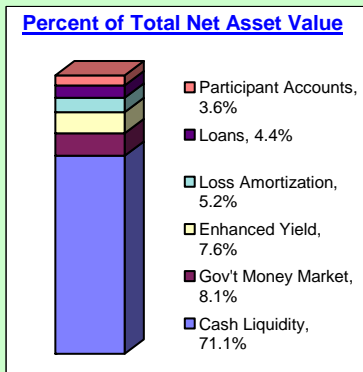
Financial Highlights as of February 28, 2007

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



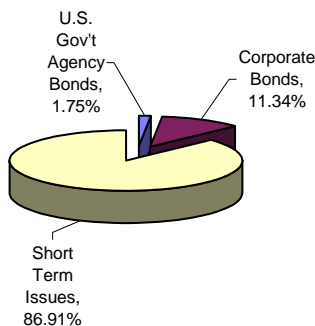
Summary of Value and Earnings *(In Thousands)*

Pool	Asset Value	Feb. Net Income (Loss)	Fiscal YTD Net Income (Loss)
Cash Liquidity	\$ 2,119,792	\$ 8,401	\$ 65,659
Gov't Money Market	240,607	880	6,656
Enhanced Yield	227,083	1,825	10,625
Loss Amortization	154,918	2,470	8,975
Loans	132,120	326	2,391
Participant Accounts	106,050	424	2,062
	<u>\$ 2,980,570</u>	<u>\$ 14,326</u>	<u>\$ 96,368</u>

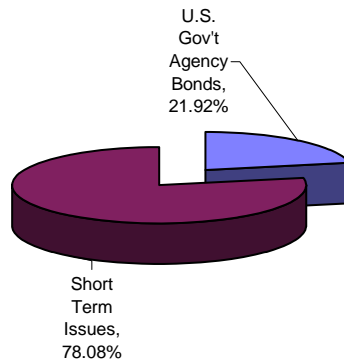


Securities by Type for Operating Pools *(Percentage of Asset Value)*

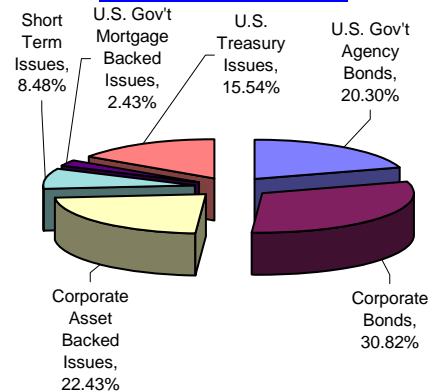
Cash Liquidity Pool



Gov't Money Market Pool



Enhanced Yield Pool



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

FEBRUARY 28, 2007

(IN THOUSANDS)

	Cash Liquidity	Government Money Market	Enhanced Yield	Other Pools	Participant Directed Accounts
Assets					
Investments:					
At amortized cost	\$ 2,115,966	\$ 245,284		\$ 131,751	\$ 28,034
At fair value	-	-	\$ 231,974	154,918	77,466
Collateral for securities loaned	374,171	56,628	76,177	-	-
Other assets	4,015	313	2,064	374	551
Total assets	2,494,152	302,225	310,215	287,043	106,051
Liabilities					
Payable for securities loaned	374,171	56,628	76,177	-	-
Other liabilities	189	4,990	6,955	5	1
Total liabilities	374,360	61,618	83,132	5	1
Net Assets	\$ 2,119,792	\$ 240,607	\$ 227,083	\$ 287,038	\$ 106,050
Investment income					
Interest and dividends	\$ 3,463	\$ 438	\$ 871	\$ 331	\$ 392
Securities lending income	1,435	217	793	-	-
Net accretion (amortization)	5,048	454	18	530	(11)
Provision for uncollectible loans	-	-	-	-	-
Total investment income	9,946	1,109	1,682	861	381
Expenses					
Fees	155	16	31	5	1
Securities lending borrower rebates	1,395	212	775	-	-
Total expenses	1,550	228	806	5	1
Net investment income	8,396	881	876	856	380
Net realized gain (loss)					
from investments	5	(1)	4	-	-
Net increase (decrease)					
in fair value of investments	-	-	945	1,940	44
Net gain (loss) from investments	5	(1)	949	1,940	44
Net increase (decrease) in net assets from operations	8,401	880	1,825	2,796	424
Distributions to participants	8,399	880	876	326	-
Participant activity					
Purchases, reinvestment of units and contributions	666,737	48,078	1,180	326	59
Redemptions and withdrawals	563,392	12,826	50,170	372	2,308
Net increase (decrease) in net assets from participant activity	103,345	35,252	(48,990)	(46)	(2,249)
Increase (decrease) in net assets	103,347	35,252	(48,041)	2,424	(1,825)
Net assets at beginning of period	2,016,445	205,355	275,125	284,614	107,875
Net assets at end of period	\$ 2,119,792	\$ 240,607	\$ 227,084	\$ 287,038	\$ 106,050