

MARKET VALUE STATEMENT

Asset Distribution Across Investment Managers

	March 31, 2007		December 31, 2006	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$ 67,827,694.89	35.5%	\$ 66,709,589.79	35.9%
INTECH Large Cap Growth	\$ 8,861,598.65	4.6%	\$ 8,882,874.16	4.8%
Rainier Large Cap Growth	\$ 8,986,887.89	4.7%	\$ 8,651,839.85	4.7%
Vanguard Large Cap Index	\$ 21,830,812.41	11.4%	\$ 21,600,256.21	11.6%
AllianceBernstein Diversified Value	\$ 9,406,067.48	4.9%	\$ 9,410,670.58	5.1%
Great Lakes Large Cap Value	\$ 8,928,285.49	4.7%	\$ 8,785,223.83	4.7%
Eagle Asset Mgmt	\$ 4,982,209.61	2.6%	\$ 4,686,004.67	2.5%
TAMRO Capital Partners	\$ 4,831,833.36	2.5%	\$ 4,692,720.49	2.5%
International Equity	\$ 26,298,401.64	13.8%	\$ 25,311,789.13	13.6%
Artisan International Fund	\$ 13,051,886.59	6.8%	\$ 12,462,918.06	6.7%
Harbor International Fund	\$ 13,246,515.05	6.9%	\$ 12,848,871.07	6.9%
Emerging Markets	\$ 5,351,404.27	2.8%	\$ 5,224,308.42	2.8%
SSgA Emerging Markets Fund	\$ 5,351,404.27	2.8%	\$ 5,224,308.42	2.8%
Domestic Fixed Income	\$ 80,505,713.91	42.1%	\$ 79,309,144.65	42.6%
Vanguard Total Bond Index	\$ 44,470,727.80	23.3%	\$ 43,823,971.71	23.6%
Western Asset Mgmt	\$ 16,985,974.21	8.9%	\$ 16,725,544.11	9.0%
Richmond Capital Management	\$ 9,521,429.11	5.0%	\$ 9,380,847.77	5.0%
Atlantic Asset Management	\$ 9,527,582.79	5.0%	\$ 9,378,781.06	5.0%
Cash Equivalents	\$ 11,203,229.87	5.9%	\$ 9,436,363.26	5.1%
STI Classic Instl Cash Management	\$ 11,203,229.87	5.9%	\$ 9,436,363.26	5.1%
Total Fund	\$ 191,186,444.58	100.0%	\$ 185,991,195.25	100.0%

PERFORMANCE SUMMARY

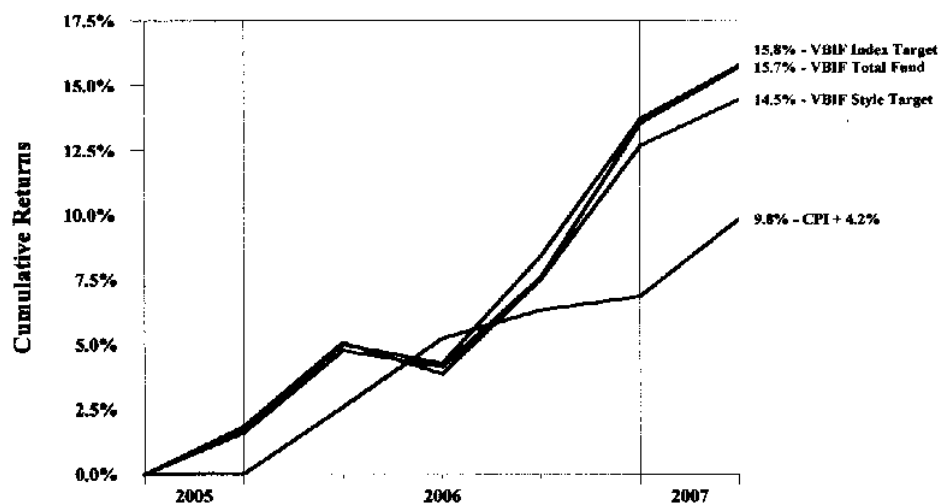
Total Fund Returns for Periods Ended March 31, 2007

	Last Quarter	Last Year	Last 1 1/2 Years
VBIF Total Fund	1.9	10.4	10.2
VBIF Index Target	1.8	10.2	10.2
VBIF Style Target	1.6	8.9	9.4

First Quarter Overview

- ✓ Surviving a sharp correction in February, global stock and bond markets rallied to end the quarter with modest gains.
- ✓ The VBIF portfolio was up 1.9% for the quarter, 10.4% for the one year period and 10.2% annualized for the last 1 ½ years.
- ✓ The Fund matched or exceeded all custom benchmarks for all periods measured.
- ✓ Excellent relative results were posted by Great Lakes large cap value, Rainier large cap growth, Eagle small cap, and Artisan International for the quarter.
- ✓ Bernstein large cap value underperformed its benchmarks due primarily to holdings in the financial and energy sectors, while INTECH large cap growth underperformed due to the continuing low volatility and stable correlation of stocks in their universe.
- ✓ SSGA's international emerging markets fund underperformed the benchmarks slightly due to their focus on larger cap, high quality companies.
- ✓ Bond returns were tightly spaced with less than 0.25% separating the top and bottom deciles of the Callan core bond universe. The Fund's managers gained between 1.4% and 1.6%.

Cumulative Return: Actual vs Targets



FUND PERFORMANCE HIGHLIGHTS

Returns for Periods Ended March 31, 2007

	<u>Last Quarter</u>	<u>Last Year</u>	<u>Last 1 1/2 Years</u>
<u>Domestic Equity</u>			
<i>INTECH Large Cap Growth</i>	(0.1%)	--	--
S&P:500 Growth	(0.1%)	8.1%	8.6%
<i>Rainier Large Cap Growth</i>	4.0%	--	--
Russell 1000 Growth	1.2%	7.1%	8.9%
<i>Vanguard Large Cap Index</i>	1.1%	12.0%	12.6%
MSCI:US Prime Mkt 750	1.1%	12.1%	12.7%
<i>Bernstein Divers. Value</i>	0.1%	--	--
<i>Great Lakes Large Value</i>	1.8%	--	--
Russell 1000 Value	1.2%	16.8%	16.2%
 <i>Eagle Asset Management</i>	 6.5%	 --	 --
<i>TAMRO Capital Partners</i>	3.2%	--	--
MSCI:US Small Cap 1750	3.5%	6.8%	13.7%
<i>Russell 2000 Index</i>	1.9%	5.9%	14.2%
 <u>International Equity</u>			
<i>Artisan International</i>	4.7%	--	--
<i>Harbor International</i>	3.1%	--	--
MSCI:EAFE US\$	4.1%	20.2%	23.3%
<i>SSgA Emerging Markets</i>	2.8%	--	--
MSCI:Emer Markets	2.3%	21.0%	28.4%
 <u>Domestic Fixed Income</u>			
<i>Atlantic Asset Management</i>	1.6%	--	--
<i>Richmond Capital Mgmt</i>	1.6%	--	--
<i>Western Asset Core Plus</i>	1.4%	--	--
<i>Vanguard Total Bond</i>	1.5%	6.7%	4.4%
LB:Aggr Bond	1.5%	6.6%	4.3%
 <i>VBIF Total Fund</i>	 1.9%	 10.4%	 10.2%
<i>VBIF Style Target</i>	1.6%	8.9%	9.4%
<i>VBIF Index Target</i>	1.8%	10.2%	10.2%

Style Target = 30% CAI: Lg Cap Broad Style; 5% CAI: Sm Cap Broad Style; 12% CAI: Intl Core Equity Style; 3% CAI: Emerging Markets Style; 45% CAI: Core Bond Style; 5% CAI: Cash Management

Index Target = 30% MSCI U.S. Prime Market 750; 5% MSCI U.S. Small Cap 1750; 12% MSCI EAFE; 3% MSCI Emerging Markets; 45% LB Aggregate; 5% 90-day T-Bill

**Virginia Birth-Related
Neurological Injury Compensation Fund**

EXECUTIVE SUMMARY

Current Assets

Investment Time Horizon	10 + years
Target Annual Return	6.8% nominal return (CPI plus 4.2%)*
Risk Tolerance	95% confidence that losses will not exceed 7.1% in a given year

Asset Allocation	Lower Limit	Normal Allocation	Upper Limit
Total Equities		50%	
Total Fixed Income/Cash		50%	
		100%	
Domestic Equities		35%	
<i>Large Cap</i>	25%	30%	35%
<i>Small Cap</i>	2 %	5%	8%
International Equities		15%	
<i>Developed International</i>	9%	12%	15%
<i>Emerging Market</i>	1%	3%	5%
Fixed Income		45%	
<i>Domestic Fixed Income</i>	35%	45%	55%
Cash	3%	5%	15%

Total Fund Evaluation Benchmarks

Short Term - Performance will be measured against a weighted blend of market and/or median manager benchmarks based upon the strategic asset allocation policy of the Fund.

Long Term -- Inflation (CPI) plus 4.2%

*CPI assumption = 2.6% (2005 Capital Markets Projections of Callan Associates, Inc)

Benchmarks (This table identifies the benchmarks available for comparative performance.)

Asset Class	Market Index	Callan Style Database
<i>Total Portfolio</i>	Custom Weighted Blend	
<i>Large Cap U.S. Equities</i>	S&P 500 MSCI US Prime Market 750 Russell 1000 Russell 1000 Growth Russell 1000 Value	Large Cap Broad Large Cap Growth Large Cap Value
<i>Small Cap U.S. Equities</i>	S&P 600 Russell 2000 Russell 2000 Growth Russell 2000 Value	Small Cap Broad Small Cap Growth Small Cap Value
<i>Developed International Equities</i>	MSCI EAFE MSCI EAFE Growth MSCI EAFE Value	Core International Equity
<i>Emerging Markets Equity</i>	MSCI Emerging Markets	Emerging Markets Equity
<i>Domestic Fixed Income</i>	Lehman Aggregate Lehman Intermediate Aggregate	Core Fixed Income