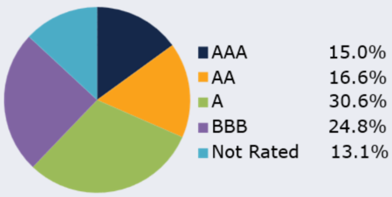
West Virginia
Short Term Bond Pool

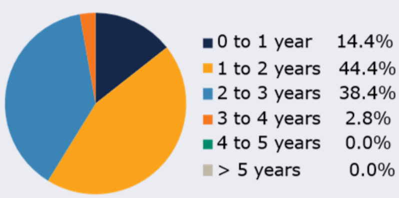
Portfolio Overview as of 8/31/2026

Pool Assets
$741 million

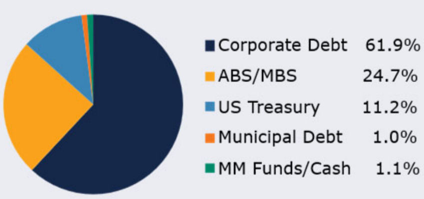
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
632 Days

Top Holdings (%)

United States Treasury	11.2%
Benchmark Mortgage Trust	2.2%
GM Financial Auto Leasing Trus	1.5%
Hyundai Auto Receivables Trust	1.2%
Invesco Government & Agency	1.1%
Ares Strategic Income Fund	1.1%
T-Mobile US Trust	1.1%
Sprint	1.0%
RGA Global Funding	1.0%
Caterpillar Finl Services	1.0%
Total % of Portfolio	**22.4%**

The West Virginia Short Term Bond Pool was created to invest restricted moneys of participants which have a longer-term investment horizon. The objective of the portfolio is to earn an incremental return over the WV Money Market Pool with an objective of asset growth rather than current income. The risk factor is higher than the WV Money Market Pool and is managed through numerous maturity restrictions, diversification, guidelines, and credit limits.

Pool Features and Benefits:

» Professional management is provided by the West Virginia Board of Treasury investments' staff and professional investment advisor (Sterling Capital Management).

» Floating net asset value (NAV).

» Investment yields are competitive with other short duration fixed income pools.

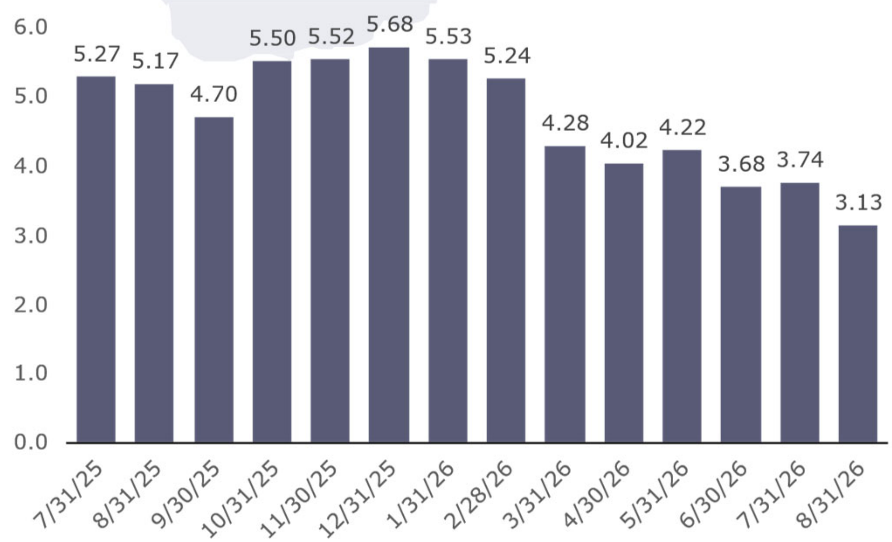
» Easy access is provided through the State Treasurer's Office online system.

» Account can be opened for as little as $100 with no limit on the number of transactions.

» Contributions and withdrawals are allowed monthly.

» Income is distributed on a monthly basis.

Return Summary



To learn how to make the West Virginia Short Term Bond Pool work for your cash investing needs call: 304-340-1564 or visit: wvbti.org

Portfolio holdings and composition are shown as of the date indicated. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

An investment in the Pool is not insured or guaranteed by any government or government agency and it is possible to lose money by depositing money in the Pool.

Commentary

August began with a modest July jobs report that appeared to cast doubt on the prospect of near-term Fed rate hikes but ended with Fed Chair Kevin Warsh's hawkish Jackson Hole speech, which pushed short rates sharply higher into month-end. The July employment report, released August 7, showed that nonfarm payrolls unexpectedly fell by 23,000, versus a consensus estimate of an 83,000 gain, as a 53,000 drop in government jobs and weakness in retail and leisure/hospitality outweighed modest private sector gains. The unemployment rate fell to a 13-month low of 4.1%, though the decline again reflected a further drop in labor force participation to 61.4%, its lowest level since February 2021, rather than stronger hiring. Wage growth also cooled, with average hourly earnings up just 3.2% year-over-year, the slowest pace since May 2021. July consumer price index (CPI), released August 12, rose +0.1% month-over-month after June's outsized decline, pulling the year-over-year rate down slightly to 3.4% from 3.5%; core CPI rose +0.2%, lowering the annual core rate to 2.5% from 2.6%. The in-line inflation data further lowered the market odds of a September hike, but sentiment reversed late in the month after Warsh at the Jackson Hole symposium on August 28, stated that underlying inflation trends "have not meaningfully improved." Based on his presentation of a relatively strong economy, Warsh also stated his belief that current monetary policy was not restrictive. The hawkish tone sent short rates sharply higher; the two-year Treasury yield rose +0.05% for the month, closing at 4.34%, its highest level since February 2025 and 0.24% above the intra-month low reached on August 14.

Investment grade corporate issuance set a record for the third consecutive month in August, with supply reaching $165B and surpassing 2020's prior August record, as artificial intelligence (AI) and data center-related financing appeared to support the pace of new deals. Despite the historic level of supply, spreads tightened modestly through much of the month as strong investor demand and resilient credit fundamentals helped absorb the calendar with little difficulty, in our view. For the month, the ICE BofA 1-3yr Corporate Index saw spreads tighten one bps for an excess return of 0.06%. Sector performance favored financials, particularly finance companies, which saw comparatively lighter issuance and fading concerns about private credit fundamentals. Within non-financials, lower beta sectors like consumer products and pharmaceuticals lagged while some communications and technology names lagged amid ongoing concerns about the pace and durability of hyperscaler capital spending, although these sub-sectors still managed to slightly outperform Treasuries for the month.

Securitized products again offered a defensive complement to corporates in August, supported by lighter net supply. Asset-backed security (ABS) issuance remained active, with growth concentrated in equipment, aircraft, and emerging data center collateral. Spreads on higher-quality prime auto and credit card ABS closed the month almost unchanged while wider trading sub-asset classes outperformed. Collateralized loan obligation (CLO) issuance remained below 2025's record pace, with managers continuing to favor refinancing over resets; senior AAA and AA tranches appeared to stay well-supported and stable through the month, while spreads on mezzanine and lower-rated tranches showed further dispersion tied to weaker underlying loan credit and manager selection. CLOs again seem to have benefitted from the move higher in short-term interest rates to outperform Treasuries. Non-agency commercial mortgage-backed securities (CMBS) also had a strong month and the ICE BofA 0-3yr Fixed Rate CMBS Index outperformed Treasuries by 0.06%, matching the performance of short duration corporate bonds.

The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Data is as of 08.31.2026 unless otherwise stated.

Sources: Bloomberg L.P. Fed = Federal Reserve; bps = basis points. Yields are subject to market conditions and are therefore expected to fluctuate. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The **Consumer Price Index** (CPI) is a statistical metric used to measure the average change over time in the prices paid by urban households for a representative "market basket" of consumer goods and services. The **ICE BofA 1-3 Year US Corporate Index** tracks short-term, investment-grade, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market with a remaining maturity of 1 to 3 years. The **ICE BofA 0-3yr Fixed Rate CMBS Index** is a subset of the broader ICE BofA Commercial Mortgage-Backed Securities Index that tracks the performance of short-term, investment-grade, fixed-rate commercial mortgage-backed securities with a remaining term to final maturity of less than 3 years. An **asset-backed security (ABS)** is a financial investment that derives its value and income from a pool of underlying assets, such as loans or receivables. A **collateralized loan obligation (CLO)** is a financial instrument that repackages corporate loans into securities sold to investors, offering exposed opportunities for diversified returns. **Commercial mortgage-backed securities (CMBS)** are fixed-income investments backed by mortgages on commercial properties rather than residential real estate. A **hyperscaler** is a large-scale cloud service provider that operates massive global data center networks to deliver elastic computing, storage, and networking services.