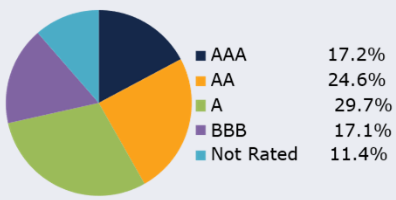
West Virginia
Short Term Bond Pool

Portfolio Overview as of 05/31/2025

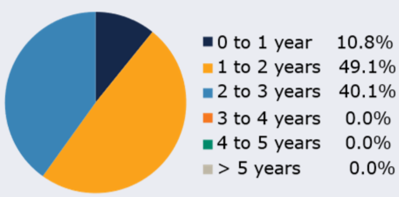
Pool Assets

$720 million

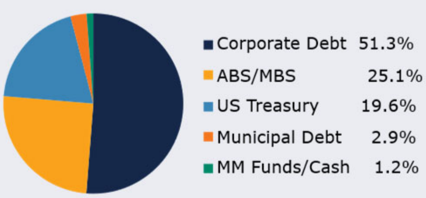
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

664 Days

Top Holdings (%)

United States Treasury	19.6%
Toyota Auto Loan Extended	1.6%
Blackstone Private Credit Fund	1.4%
Sierra Timeshare Rec Funding	1.2%
Invesco Government & Agency	1.2%
T-Mobile US Trust	1.1%
Bank of NY Mellon Corp	1.1%
Wheels Fleet Lease Funding	1.1%
Discover Card Master Trust	1.0%
Bank of America Corp	1.0%
Total % of Portfolio	**30.3%**

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.

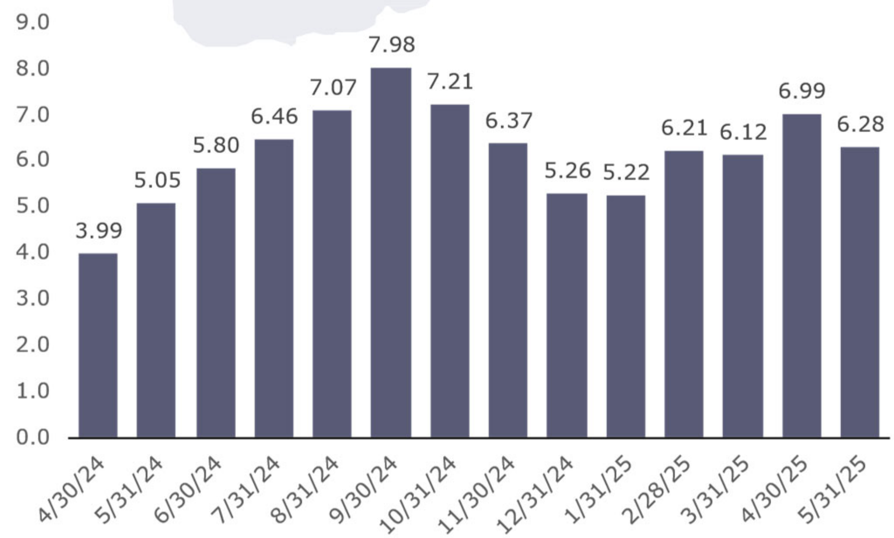
» Easy access is provided through the State Treasurer's Office online system.

» 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

While uncertainty surrounding the impact of the rollback of President Trump's "liberation day" tariffs during the previous month continued to reverberate through fixed income markets during May, the U.S. economy continued to show considerable resilience. U.S. employers added 177,000 new jobs during April while initial and continuing jobless claims remained steady. The S&P Global U.S. Composite Purchasing Managers Index and other survey measures beat analyst expectations while the Citi Economic Surprise Index improved to its best level since the end of January. Meanwhile, inflation data showed more moderation in the pace of price increases as the headline Consumer Price Index rose 0.2% month-over-month and 2.3% year-over-year (2.8% ex-food and energy). Trump heralded a trade deal with the U.K. that included a base 10% tariff rate for goods imported into the U.S. as the first of many such deals to come but further announcements with large trade partners were largely absent. For its part, the FOMC remained on the sidelines, comfortable with the current pace of growth and inflation, leaving interest rates unchanged at the May meeting. The continued resilience of the economy prompted investors to lower the odds of a series of rate cuts this year, pushing short term Treasury yields higher. For the month, two-year Treasury yields moved 0.29% higher to close at 3.90%.

Corporate bond valuations benefitted greatly from the improvement in economic sentiment as fear gauges faded and demand surged. The option-adjusted spread on the ICE BofA 1-3Y U.S. Corporate Index tightened 14bps for an excess return of 0.36%, the best performance for this index since November 2023. While lower quality, higher beta portions of the market led the way, the rally was rather broad-based, with every sector generating strong positive excess returns. Strong technical dynamics continued to underpin corporate valuations as well. Investment grade issuance rose to $155B in May, leaving the year-to-date total at $797B (up 4.5% year-over-year), but elevated maturities of $95B sharply reduced net supply. The year-to-date net investment grade supply of $307B represents a 20% decrease from last year's pace.

The May rally in risk assets extended to non-agency securitized products as well. Zero to 3-year AAA-rated ABS saw spreads tighten 15bps for an excess return of 0.19%, led by more esoteric, wider trading structures. Similarly, 0-3 year AAA-rated non-agency commercial mortgage-backed securities generated 0.24% of excess returns in May. Like corporate bonds, the performance for ABS and commercial MBS represented the best monthly performance for these indices in years. Agency MBS experienced some volatility during the month due to gyrations in interest rates but modestly outperformed Treasuries for the month.

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 05.31.2025 unless otherwise stated. Source: Bloomberg L.P. Fed = Federal Reserve; bps = basis points; FOMC = Federal Open Market Committee; ABS = asset-backed securities; MBS = mortgage-backed securities. 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 **ICE BofA 1-3Y U.S. Corporate Index** tracks the performance of publicly-issued, USD-denominated, investment-grade rated corporate debt. Each security must have a fixed coupon schedule, a minimum amount outstanding of $250MM, and one to three years remaining till final maturity. The **S&P Global U.S. Composite Purchasing Managers Index™** is a survey-based economic indicator designed to provide timely insight into business conditions. The **Citi Economic Surprise Index** measures data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected and a negative reading means that data releases have been worse than expected. The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending.