

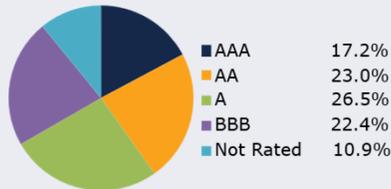
West Virginia Short Term Bond Pool

Portfolio Overview as of 12/31/2025

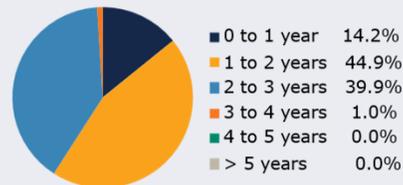
Pool Assets

\$741 million

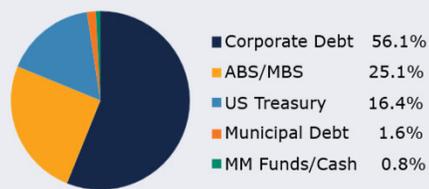
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

655 Days

Top Holdings (%)

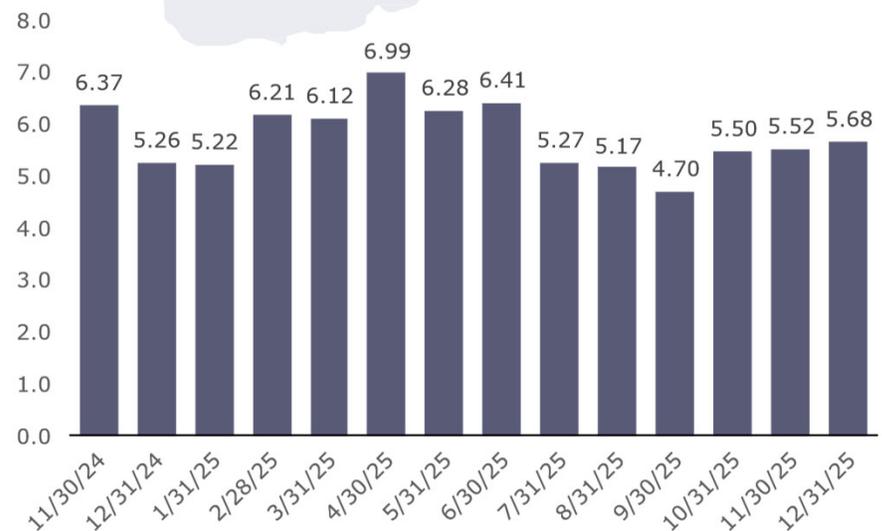
United States Treasury	16.4%
Benchmark Mortgage Trust	2.3%
Blackstone Private Credit Fund	1.4%
Ares Strategic Income FU	1.1%
World Omni Auto Rec	1.1%
Sprint	1.1%
T-Mobile US Trust	1.1%
Toyota Auto Loan Extended	1.0%
RGA Global Funding	1.0%
Delta Air Lines	1.0%
Total % of Portfolio	27.5%

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: wvbt.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

The Federal Reserve's Open Market Committee (FOMC) cut the fed funds rate by 25bps for the third straight meeting in December, bringing the target range to 3.50%-3.75% in response to softening labor market data. With inflation continuing to run above the Fed's 2% target, two FOMC voters dissented on the decision to cut rates – preferring to leave rates unchanged – while one, recent temporary appointee Stephen Miran, dissented in favor of a 50bps cut. The FOMC also announced a resumption in the expansion of its balance sheet, through purchases of short-term Treasury bills and notes, in an effort to enhance market liquidity and function. In his press conference, Fed Chair Jerome Powell suggested that rates were now close to what some FOMC members consider neutral – where policy does not restrain or boost economic activity – and that the committee would likely need to see significant changes in the economic outlook before changing policy rates again in the coming months. The October and November payroll reports, delayed by the government shutdown and released days after the FOMC meeting, showed a net loss of 41,000 jobs and a rise in the unemployment rate to 4.6%. The November CPI report showed core prices rose 2.6% year-over-year, significantly below expectations, but many economists questioned the methodology used to account for a lack of survey data due to the shutdown, leaving the inflation picture muddled. The FOMC's move to cut rates lowered Treasury yields inside one year but longer rates rose slightly on the month, with the 3Y Treasury yield closing 0.05% higher at 3.54%.

Corporate bond supply finally tapered off to close out the heaviest year of investment grade issuance since 2020, with just \$37B issued in December. This typical seasonal pattern was a welcome respite from a market that absorbed an average of \$156B per month over the previous three months and helped keep risk premia relatively steady. The technology and media sectors underperformed as Paramount and Netflix fought to win the bidding for Warner Bros Discovery, and Oracle reported solid earnings but increased estimates for 2026 capital expenditures, worsening fears about continued heavy issuance. Overall, the option-adjusted spread on the Bloomberg 1-3Y U.S. Corporate Bond Index was unchanged at 51bps for the month to finish the year exactly one basis point tighter.

Securitized products turned in a similar performance to corporate bonds this month as activity slowed into the end of the year. Agency mortgage-backed securities outperformed non-agency structured products to cap off a very strong year thanks to a sustained lack of interest rate volatility, generating 0.17% in excess returns for the month. Commercial mortgage-backed securities overcame unusually heavy supply to post 0.04% of excess returns. Asset-backed securities saw some weakness in datacenter-backed bonds but still managed to modestly outperform duration-matched Treasuries.

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 12.31.2025 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. Specific securities identified and described do not represent all of the securities purchased, sold, or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The **Bloomberg U.S. Corporate 1-3 Year Index** measures the investment grade, fixed-rate, taxable corporate bond market with 1-3 year maturities. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. The **Consumer Price Index (CPI)**, calculated by the Bureau of Labor Statistics (BLS), measures the monthly change in price for a figurative basket of goods and services.