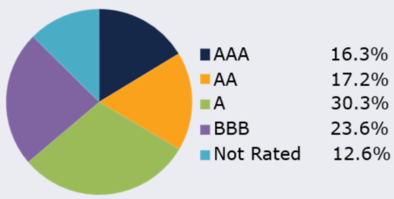
West Virginia Short Term Bond Pool

Portfolio Overview as of 7/31/2026

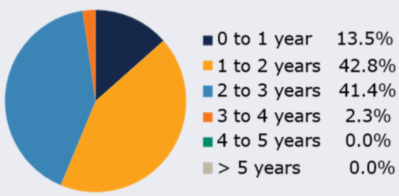
Pool Assets

$739 million

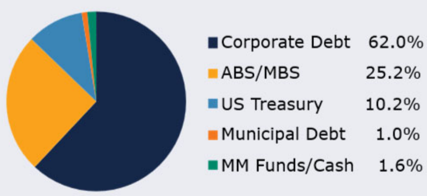
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

642 Days

Top Holdings (%)

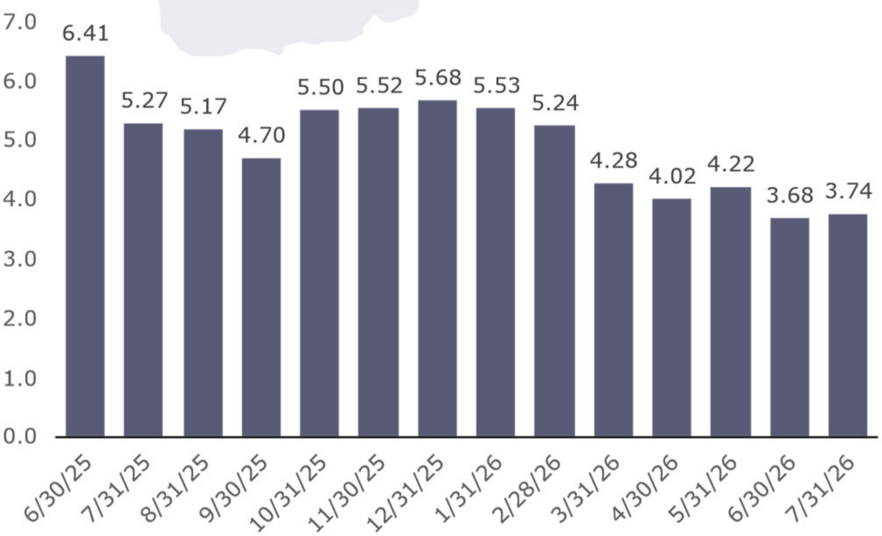
United States Treasury	10.2%
Benchmark Mortgage Trust	2.2%
Invesco Government & Agency	1.6%
GM Financial Auto Leasing Trus	1.6%
Blackstone Private Credit Fund	1.4%
Hyundai Auto Receivables Trust	1.2%
Ares Strategic Income Fund	1.1%
T-Mobile US Trust	1.1%
Sprint	1.0%
RGA Global Funding	1.0%
Total % of 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

July brought conflicting signals for rates markets, as weaker labor data, and a surprisingly subdued consumer price index (CPI) report were ultimately overshadowed by rekindled oil-driven inflation fears and an interesting Fed meeting. The June jobs report, released July 2, showed nonfarm payrolls rose to just 57,000, well below the roughly 115,000 consensus estimate, while April and May were revised down a combined 74,000. The unemployment rate fell to a one-year low of 4.2%, though the improvement reflected a drop in labor force participation to 61.5%, the lowest since March 2021, rather than stronger hiring. June CPI, released July 14, fell 0.4% month-over-month, its largest drop since 2020, pulling headline inflation down to 3.5% from 4.2% in May as energy prices retreated. Core CPI was flat for the month for the first time in years, lowering the year-over-year rate to 2.6% from 2.9%, though Fed Chair Kevin Warsh cautioned against declaring "mission accomplished." At Warsh's second meeting as chair on July 28-29, his Federal Open Market Committee (FOMC) held the federal funds rate steady at 3.50-3.75% but three regional presidents dissented in favor of a hike, in what Warsh called a "good family fight." Warsh's desire to provide much guidance on the FOMC's new framework caused some volatility in longer term rates but short-term rates fell from their oil-price-driven highs following the meeting. The two-year Treasury yield rose 0.13% for the month, closing at 4.29%.

Short duration credit investors focused more on a record setting new issue calendar and a modest give back in valuations rather than on the macro noise. Investment grade issuance volume remained on pace to challenge all-time records, driven by a wave of bank issuance following strong second quarter earnings, alongside continued artificial intelligence (AI)-related hyperscaler and data-center financing. Investment grade new issue supply totaled $143B for the month, the busiest July on record. Risk premia finished the month modestly wider as the heavy issuance and interest rate volatility weighed on valuations, though flows continued to skew toward buying as the backup in yields drew in income-focused investors. Banks and financials outperformed on solid earnings while technology and hyperscaler names lagged amid persistent concerns over the pace and durability of AI-related capital spending. For the month, the ICE BofA 1-3yr Corporate Index saw spreads widen two bps, resulting in a negative excess return relative to duration-matched Treasuries of -0.02%.

Securitized markets were more resilient than corporates in July, benefiting from lighter net supply and continued structural demand for short, high-quality assets. Asset-backed securities issuance continued to diversify beyond traditional autos into data center, aircraft, and student loan collateral, though credit card and small business loan asset-backed securities (ABS) remained softer; spreads across most ABS sectors held steady to modestly tighter on the month. Collateralized loan obligation (CLO) issuance continued to trail 2025's record pace, with managers favoring refinancings over resets amid growing dispersion in underlying loan credit; senior AAA and AA tranches remained well-supported and stable, while spreads on mezzanine and lower-rated tranches widened further amid increasing differentiation by manager quality and collateral concentration. Non-agency commercial mortgage-backed securities (CMBS) fundamentals continued to show signs of bottoming, with several analysts noting that trophy office properties are pricing in more distress than is warranted given the ongoing recovery in return-to-office trends. Overall, short duration ABS and non-agency CMBS again outperformed duration-matched Treasuries for the month, while CLO performance was more mixed given the widening seen further down the capital structure.

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 07.31.2026 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 **unemployment rate** is the percentage of the labor force that is jobless, actively looking for work, and available to take a job. The **fed funds rate** refers to the interest rate that depository institutions (such as banks and credit unions) charge other depository institutions for overnight lending of capital from their reserve balances on an uncollateralized basis. **Fed funds futures** are interest rate derivatives that allow investors to speculate on or hedge against future changes in the U.S. federal funds rate. The **Federal Open Market Committee (FOMC)** is the branch of the Federal Reserve System that sets U.S. monetary policy, determines interest rates, and oversees open market operations. A **hyperscaler** is a large-scale cloud computing and data center provider that offers massive storage, networking, and computing resources on demand. 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.

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.