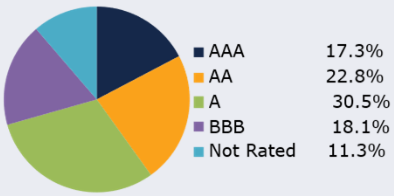
West Virginia Short Term Bond Pool

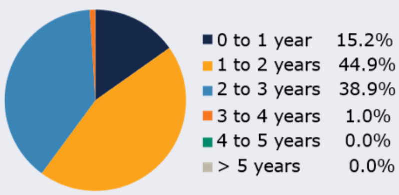
Portfolio Overview as of 06/30/2025

Pool Assets
$722 million

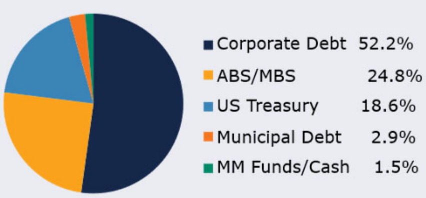
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
637 Days

Top Holdings (%)

United States Treasury	18.6%
Toyota Auto Loan Extended	1.6%
Invesco Government & Agency	1.5%
Blackstone Private Credit Fund	1.4%
Sierra Timeshare Rec Funding	1.2%
T-Mobile US Trust	1.1%
Bank of NY Mellon Corp	1.1%
Discover Card Master Trust	1.1%
Delta Air Lines	1.0%
Wheels Fleet Lease Funding	1.0%
Total % of Portfolio	**29.6%**

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.

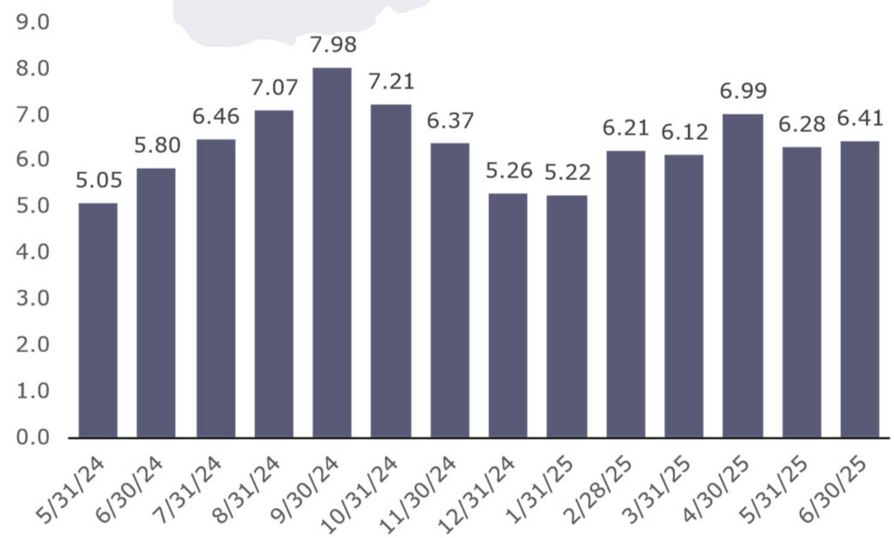
» Easy access is provided through the State Treasurer's Office online system.

» 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

The U.S. economy largely continued to chug along during June. Indicators on the labor market showed few signs of weakness as employers added another 139,000 jobs, continuing the recent trend and keeping the unemployment rate steady at 4.2%. Inflation data showed mixed signs of progress and remained above the Fed's 2% target. Core consumer prices rose 0.1% month-over-month and 2.8% year-over-year while the core PCE Index, the Fed's preferred measure of inflation, surprised to the upside at 0.2% month-over-month with the year-over-year figure ticking up to 2.7%. Despite pressure from President Trump to cut interest rates, the FOMC left rates unchanged during their June meeting as they maintained their cautious approach due to the uncertainty surrounding the impact of tariffs. Following the June meeting, Fed governors Christopher Waller and Michelle Bowman suggested that rate cuts could come as early as July, spurring a move lower in the front end of the yield curve. Meanwhile, financial markets mostly shrugged off any impact of Israeli and U.S. airstrikes on Iran's nuclear facilities as the conflict seemingly ended without drawing in any other nations. For the month, two-year Treasury yields fell 0.18% to 3.72%, while the fed funds futures market priced in an average of 2.5 rate cuts for the balance of 2025.

With the economy holding up well and tariffs failing to put a large dent in consumer or business fundamentals, corporate spreads continued to rally in June. The OAS on the ICE BofA 1-3Y U.S. Corporate Index tightened a further 6 bps this month for an excess return of 0.14%. In closing the month at 54 bps over Treasuries, the index finished 37 bps off the widest levels of the year, experienced in April, and just 5 bps above the tightest levels seen since 2021. Compression remained the theme, with BBBs outperforming single-As by 0.06% and more volatile sectors like energy and autos outperforming the broader index. The media sector underperformed badly, driven by the downgrade of WarnerMedia to junk status by both Moody's and S&P.

The agency MBS market saw generally stable to modestly positive performance, driven by rangebound interest rates and attractive yield levels, though foreign demand slowed and marginal buyers became scarce due to overweight positioning. The ABS market rebounded, delivering 0.12% of excess return and benefiting from robust primary issuance, particularly in auto loans and consumer credit. Dealers were net buyers amid strong investor demand, though tighter spreads and limited secondary inventory posed some challenges. The CMBS market experienced tightening spreads throughout the month, especially in lower-rated and longer-duration bonds, amid steady issuance and active secondary trading. Strong demand from money managers and constrained short AAA supply supported pricing and CMBS outperformed duration-matched Treasuries by 0.16% for the month.