

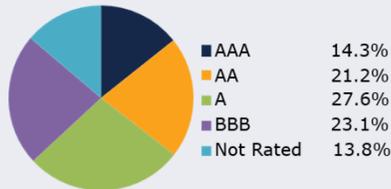
West Virginia Short Term Bond Pool

Portfolio Overview as of 2/28/2026

Pool Assets

\$746 million

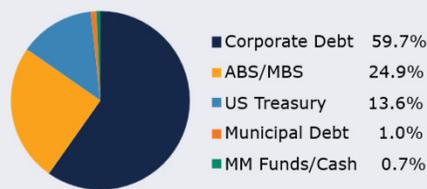
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

669 Days

Top Holdings (%)

United States Treasury	13.6%
Benchmark Mortgage Trust	2.3%
GM Financial Auto Leasing Trus	1.5%
Blackstone Private Credit Fund	1.4%
Ares Strategic Income FU	1.1%
Sprint	1.1%
T-Mobile US Trust	1.1%
World Omni Auto Rec	1.1%
RGA Global Funding	1.0%
Caterpillar Finl Services	1.0%

Total % of Portfolio 25.2%

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

While headlines surrounding potential artificial intelligence (AI) disruption and worries about private credit weighed on investor sentiment in February, economic data released during the month revealed a more promising outlook. The U.S. economy added 130,000 jobs in January, the best monthly total since the end of 2024, and the unemployment rate fell to 4.3%, while wages increased 3.7% year-over-year. Activity indicators like the Institute for Supply Management's Services and Manufacturing Indices surprised to the upside, indicating a broadening of the rebound in economic activity following the government shutdown late in 2025. Meanwhile, the Consumer Price Index (CPI) came in slightly below expectations at 0.2% month-over-month and 2.4% year-over-year, continuing a very slow moderation in inflation. Though the Federal Open Market Committee (FOMC) did not meet in February, the release of the January meeting minutes reaffirmed a hawkish pause: policymakers held the fed funds rate at 3.5%-3.75%, highlighted concerns about sticky core services inflation, and signaled that future moves could be "two-sided," keeping rate hikes on the table if needed. Despite the relatively hawkish comments from the Fed, short-term yields fell on the month as investors grew increasingly concerned about future weakness in the labor market due to AI disruption and potential U.S. action in Iran. Two-year Treasury yields fell nearly 20bps to 3.38% during the month.

The release of new AI models designed to increase productivity in a number of industries, including software development, legal services, and financial analysis and planning, along with a series of viral commentary pieces warning of a dire outlook for the future of white-collar workers, sparked a series of selloffs in risk assets during February. Also adding to poor consumer sentiments, a near-record amount of issuance in the investment-grade market and the poor performance of corporate bonds were unsurprising. The option-adjust spread on the Bloomberg U.S. Corporate 1-3Y Index widened six basis points to erase the index's January gains, underperforming Treasuries by 0.10%. Weakness was most acute in the technology and finance company sectors, where software exposure is highest. Industrials and utilities outperformed financials by a wide margin for the month.

Securitized products generally outperformed short-duration corporate bonds this month as spreads remained fairly stable to generate small positive excess returns. Stability in the labor market supported consumer asset-backed security (ABS) fundamentals and the sector outperformed Treasuries by 0.03%. Commercial mortgage-backed securities (CMBS) fundamentals also showed further improvement as delinquency rates declined from 8.1% to 7.5%, helping the sector generate 6bps of excess returns. After outperforming for several months, agency mortgage-backed securities (MBS) gave back some of their recent gains and spreads widened, causing a slightly negative excess return 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 02.28.2026 unless otherwise stated. Sources: Bloomberg L.P. Fed = Federal Reserve; bps = basis points; ISM = Institute for Supply Management. 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 **ISM Manufacturing Index (Manufacturing PMI)** indicates the level of demand for products by measuring the amount of ordering activity at the nation's factories. The **ISM Non-Manufacturing Index (Services PMI)** measures business. 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. 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.