

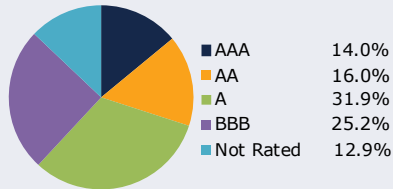
West Virginia Short Term Bond Pool

Portfolio Overview as of 9/30/2026

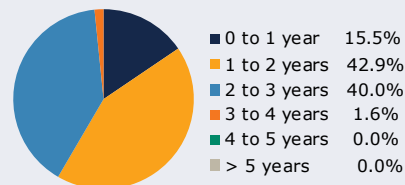
Pool Assets

\$737 million

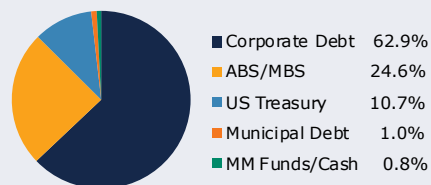
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

630 Days

Top Holdings (%)

United States Treasury	10.7%
Benchmark Mortgage Trust	2.2%
Ares Strategic Income Fund	1.1%
T-Mobile US Trust	1.1%
RGA Global Funding	1.0%
Bank of America Corp	1.0%
PFS Financing Corp	1.0%
Avis Budget Rental Car Funding	1.0%
Ford Credit Floorplan	0.9%
Hyundai Auto Receivables Trust	0.9%

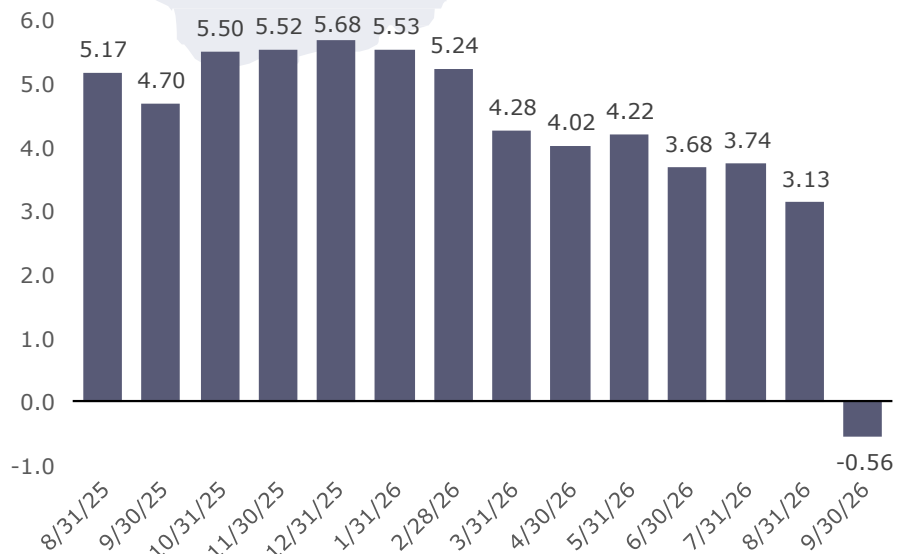
Total % of Portfolio **20.9%**

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

September brought a clear shift in the macroeconomic backdrop as the Federal Reserve's Open Market Committee (FOMC) delivered its first rate hike since 2023 as growth showed few signs of weakness and oil prices moved higher. The August jobs report, released September 4, showed nonfarm payrolls jumped 162,000, far above the 53,000 consensus, while the unemployment rate held at 4.1% and the prior two months were revised up by a combined 55,000. The August Consumer Price Index (CPI), released September 11, rose 0.4% month-over-month as gasoline prices jumped 3.9%, holding the year-over-year rate at 3.4%; core CPI rose 0.3%, an increase from the 0.2% expected, though the annual core rate still ticked down slightly to 2.4% from 2.5%. At the September 15-16 meeting, the FOMC voted unanimously, 12-0, to raise the federal funds rate 25 bps to 3.75-4.00%, with Fed Chair Kevin Warsh calling inflation "too high" for "too long" and the committee's updated projections pointing to potentially at least one more hike before year-end. Market participants went even further, pricing in up to four additional rate hikes by the end of 2027. Renewed attacks on shipping in the Strait of Hormuz pushed Brent crude toward \$109 early in the month before a partial de-escalation helped exports recover by month-end. The two-year Treasury yield rose 0.55% for the month, closing near 4.90%, its highest level since early 2024.

Short duration credit came under pressure in September as a historic wave of new issuance met with a less accommodating interest rate environment. The ICE BofA 1-3yr US Corporate Index option-adjusted spread widened 10 bps during the month for an excess return of -0.11%, with most of the move concentrated in the back half of the month. Short maturities bore the brunt of the rate repricing following the Fed's hike and hawkish dot plot, given their outsized sensitivity to near-term policy expectations. The move higher in oil prices weighed most heavily on the transportation sector, which includes airlines. Media and cable names also underperformed as they anticipated a pending large issuance from Paramount on the last day of September. The absence of any hyperscaler issuance this month appears to have boosted the performance of the technology sector.

Securitized markets saw one of their busiest stretches of the year in September and the heavy calendar finally put a dent in what had appeared to be a steady run of spread tightening as the month progressed. Asset-backed securities (ABS) issuance remained strong across most collateral types, and more alternative collateral types like timeshares, fleet lease and stranded cost utilities outperformed prime auto loans and credit cards. For the month, 0-3yr ABS outperformed duration-matched Treasuries by 0.09%. Collateralized loan obligation (CLO) new issuance picked up meaningfully as a fresh wave of leveraged loan supply improved the arbitrage for managers, though mezzanine tranche spreads remained historically tight and senior AAA and AA paper stayed well-supported. Non-agency commercial mortgage-backed security (CMBS) fundamentals remained resilient, with diversified conduit transactions continuing to find solid demand even as broader rate volatility weighed on valuations across fixed income. Agency mortgage-backed securities (MBS) appeared to take the brunt of the spike in interest volatility and significantly underperformed other securitized assets 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 09.30.2026 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 **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. 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. **Agency mortgage-backed securities** (MBS) are fixed-income investments representing claims on pools of residential mortgages that are issued or guaranteed by a U.S. government agency or government-sponsored enterprise. A **hyperscaler** is a large-scale cloud service provider that operates massive global data center networks to deliver elastic computing, storage, and networking services. The **Federal Open Market Committee** (FOMC) is the 12-member group inside the Federal Reserve System that sets U.S. interest rates and national monetary policy. The **federal funds rate** is the target interest rate range set by the FOMC at which commercial banks and other depository institutions lend their excess reserve balances to each other overnight.