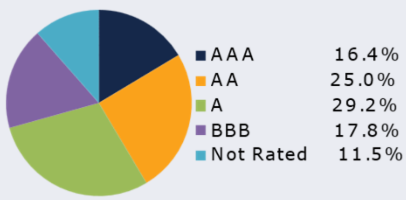
West Virginia Short Term Bond Pool

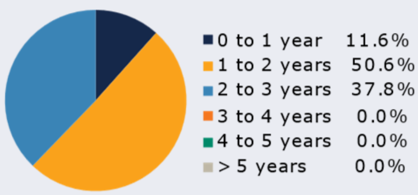
Portfolio Overview as of 04/30/2025

Pool Assets
$719 million

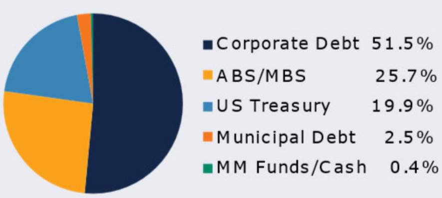
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
626 Days

Top Holdings (%)

United States Treasury	19.9%
Toyota Auto Loan Extended	1.7%
Blackstone Private Credit Fund	1.4%
Sierra Timeshare Rec Funding	1.3%
T-Mobile US Trust	1.1%
Wheels Fleet Lease Funding	1.1%
Bank of NY Mellon Corp	1.1%
Discover Card Master Trust	1.1%
Bank of America Corp	1.0%
PFS Financing Corp	1.0%
Total % of Portfolio	**30.7%**

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.

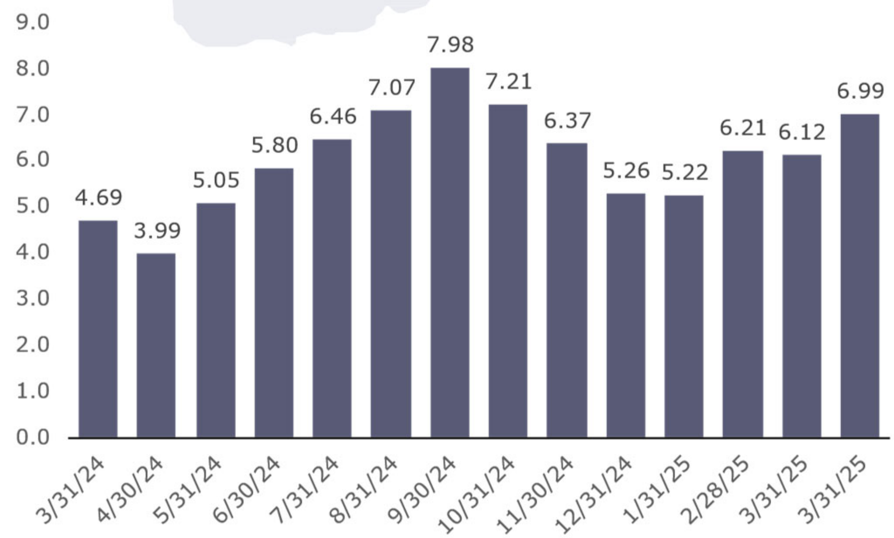
» Easy access is provided through the State Treasurer's Office online system.

» 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

April took fixed income investors for a wild ride. President Trump's April 2 announcement of aggressive new tariffs on nearly all goods imported into the U.S. from outside North America shocked market participants who were expecting a more benign trade policy. Volatility reigned as economists, companies, and trade partners scrambled to come to grips with what the new regime would mean for growth, inflation, and cross-currency flows. While short term interest rates initially plunged alongside equity indices, concerns about outflows of capital from the U.S. Treasury market soon caused a spike in yields and a concerning drop in market liquidity that ultimately led to Trump announcing a delay in the imposition of the new 'reciprocal' tariffs on April 9. Economic data released in April largely preceded most of the worries about global tariffs but showed a sharp increase in the trade imbalance that caused real GDP to contract by 0.3% during the first quarter. However, other indicators showed that the economy remained on solid footing prior to April, including the March nonfarm payroll report, which showed that employers added 228,000 new jobs during the previous month. Meanwhile, inflation showed signs of slowing, with the consumer price index falling 0.1% month-over-month, allowing investors to speculate about the Fed potentially cutting the fed funds rate as soon as their June meeting. The stabilization in markets following the tariff delay announcement and the softer inflation print moved short term yields lower into month-end. For the month, two-year Treasury yields traded as high as 3.96% but ultimately closed 28 bps lower than they began the month at 3.60%.

The tariff whipsaw greatly impacted the performance of corporate bonds as well this month. Cyclical industries and companies with more sensitivity to swings in the business cycle, as well as those most directly impacted by the new tariffs, sold off sharply over the first week of the month. Underperforming sectors included auto manufacturers, energy and commodity producers, and business development companies. Lower rated securities meaningfully decompressed from higher quality, while shorter duration bonds underperformed longer duration on a spread basis amidst heavy investor selling to fund client outflows and diminishing liquidity. However, a dramatic reversal occurred following the tariff delay announcement on April 9 and corporate bonds recovered a significant portion of their losses in spread terms by month-end. While the option-adjusted spread on the ICE BofA 1-3Y U.S. Corporate Index widened by 22 bps between March 31 and April 8, spreads reversed course and tightened by 9 bps between April 8 and April 30. Despite the rally, the index underperformed duration-matched Treasuries by 0.21% for the month.

Securitized products similarly suffered from the tariff-induced volatility experienced in other markets but the higher quality bias of the sector helped agency mortgage-backed securities (agency MBS), asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) outperform short duration corporate bonds. ABS, particularly those with more esoteric collateral types, lagged the broader securitized universe, generating -0.14% worth of excess return for the month as spreads widened 14 bps. Short duration CMBS, which should see little impact from tariffs while benefitting from lower interest rates, outperformed the group and only underperformed Treasuries by 0.04% in April.

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 04.30.2025 unless otherwise stated. Source: Bloomberg L.P. Fed = Federal Reserve; bps = basis points; GDP = gross domestic product. 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 ICE BofA U.S. Corporate Index tracks the performance of publicly-issued, USD-denominated, investment-grade rated corporate debt. Each security must have a fixed coupon schedule, a minimum amount outstanding of $250MM, and one to three years remaining till final maturity.