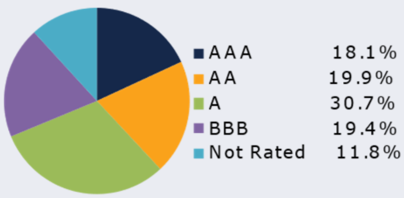
West Virginia Short Term Bond Pool

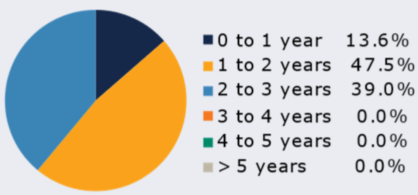
Portfolio Overview as of 03/31/2025

Pool Assets
$715 million

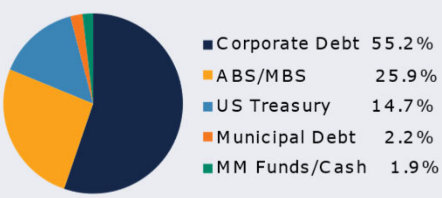
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
626 Days

Top Holdings (%)

United States Treasury	14.7%
Invesco Government & Agency	1.9%
Toyota Auto Loan Extended	1.7%
Blackstone Private Credit Fund	1.4%
Sierra Timeshare Rec Funding	1.4%
Wheels Fleet Lease Funding	1.2%
T-Mobile US Trust	1.1%
Discover Card Master Trust	1.0%
OneMain Direct Auto Receivable	1.0%
PFS Financing Corp	1.0%
Total % of Portfolio	**26.4%**

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.

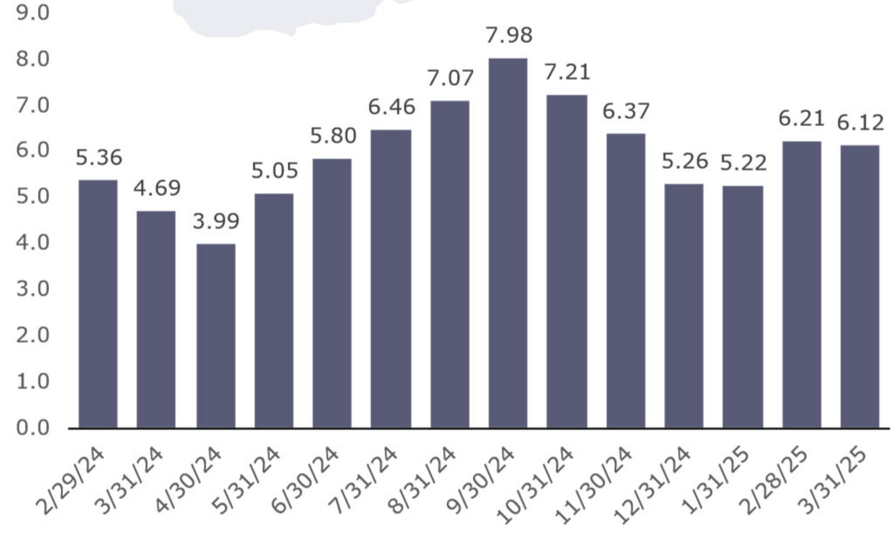
» Easy access is provided through the State Treasurer's Office online system.

» 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

The "will he/won't he" game of ping pong around potential tariffs on goods imported to the United States dominated headlines during March, as President Trump negotiated with Mexico and Canada, enacted a 25% tariff on all imported automobiles and pointed towards April 2, when he would announce a new set of yet-to-be-defined of tariffs on other global trading partners. While rising uncertainty around U.S. trade policy weighed on the minds of consumers, business leaders and investors, economic data released during the month showed a rather mixed picture. Core consumer prices, as measured by the PCE Index, increased 0.37% month-over-month and 2.79% year-over-year, well above the Fed's 2% target. U.S. non-farm payrolls increased by a healthy 151,000 during the previous month while the unemployment rate remained fairly steady at 4.1%. However, the University of Michigan survey of consumer sentiment showed sharply lower confidence in the economy as the "expectations" index fell to 52.6, the lowest reading since July 2022, and consumer expectations for inflation over the next year rose to 4.9%, also a nearly three-year high. For their part, the FOMC took a patient approach to the uncertainty around trade policy and left the fed funds rate unchanged while largely maintaining their forecasts for the year. Following the March FOMC meeting, Chairman Powell stated that the FOMC is not in a hurry to react to market developments and that "the right thing to do is wait." For the month, short-term interest rates moved modestly lower, as one-year, two-year and three-year Treasury yields fell 0.06%, 0.11% and 0.10%, respectively.

Sentiment among short duration corporate bond investors began to waver as March progressed due to the proliferation of tariff headlines and another heavy month of supply but risk premia widened only modestly. Investment grade corporate issuance totaled $194B for the month, a 15% increase over the prior four-year average for March, while Q1 issuance reached $539B, a new record for the first three months of the year. The option-adjusted spread on the ICE BofA 1-3Y Corporate Bond Index widened, underperforming duration-matched Treasuries by 0.07%. Highly cyclical sectors like finance companies (-0.15% excess return), transportation (-0.09%) and energy (-0.08%) underperformed, while the auto sector felt the most tariff pain and underperformed Treasuries by 0.18%.

Securitized products saw diverging performance between agency-backed assets and non-agency sectors. Short duration agency mortgage-backed securities (agency MBS) benefitted from the modest risk-off environment and move lower in interest rates to outperform Treasuries by 0.09% while non-agency products like asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) underperformed by 0.12% and 0.06%, respectively. While auto tariffs have the potential to boost the fundamental performance of ABS sub-sectors like auto loans and rental fleets in the short term as prices for used vehicles increase, improving the overcollateralization of the structures, the downshift in investor sentiment discouraged risk taking in the sector.

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 03.31.2025 unless otherwise stated. Source: Bloomberg L.P. Fed = Federal Reserve; FOMC = Federal Open Market Committee; PCE = Personal Consumption Expenditures; 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 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.