

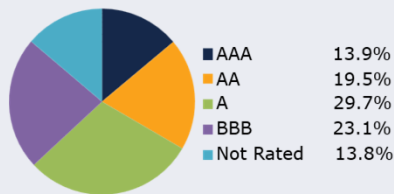
West Virginia Short Term Bond Pool

Portfolio Overview as of 5/31/2026

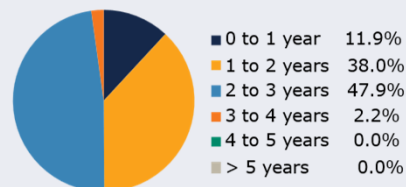
Pool Assets

\$748 million

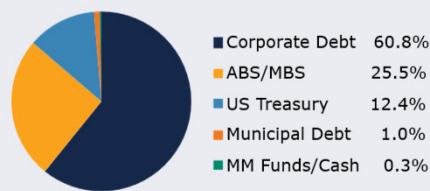
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration

679 Days

Top Holdings (%)

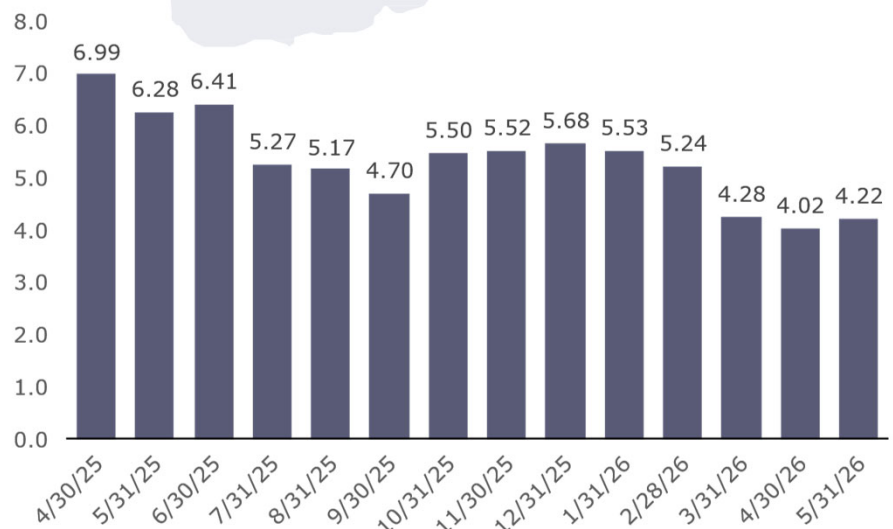
United States Treasury	12.4%
Benchmark Mortgage Trust	2.2%
GM Financial Auto Leasing Trus	1.5%
Blackstone Private Credit Fund	1.4%
Ares Strategic Income Fund	1.1%
T-Mobile US Trust	1.1%
Sprint	1.1%
RGA Global Funding	1.0%
Caterpillar Finl Services	1.0%
Bank of America Corp	1.0%
Total % of Portfolio	23.8%

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

Short-term fixed income markets saw a continued repricing of inflation and monetary policy expectations as the U.S. conflict with Iran dragged on with limited fighting but limited concrete progress towards reopening the Strait of Hormuz. Consistent news reports of a potential deal to resolve the conflict helped to bring oil prices down in the last two weeks of the month, but bond investors appeared less convinced, and yields remained above levels from April. Incoming Fed Chair Kevin Warsh was confirmed by the Senate and was officially sworn in on May 22. Warsh was seemingly appointed by President Trump with a mandate to lower interest rates, though the environment facing him could prove challenging. Economic data released during May showed continued improvement in the labor market as initial jobless claims remained very low and employers added an additional 115,000 new jobs, well above consensus estimates. Inflation pressures continued to build as core prices rose 0.4% month-over-month and 2.8% year-over-year, well above the Fed's 2% target. Over the course of the month, fed funds futures markets moved from pricing in a small chance of a rate cut in the near term to a better chance of a rate hike by early 2027. Two-year Treasury yields moved 0.13% higher to close at 4.00%, the highest monthly close since January of last year.

Despite the ongoing geopolitical uncertainty and rising expectations for tighter monetary policy, short-dated investment-grade corporate bonds remained relatively resilient, supported by company earnings and ongoing demand for high quality yield. The move higher in Treasury yields acted to draw in buyers of corporate bonds and retail fixed income funds added an average of \$5.6B per week during the month. Meanwhile, investment grade corporate issuance slowed slightly to \$158B, still quite high but also the lightest month of the year to date. The strong performance of U.S. equities also underpinned risk appetite in the corporate bond market as many higher beta sectors like finance companies, autos, media and BBB-rated technology outperformed. At the index level, the option-adjusted spread on the Bloomberg U.S. Corporate 1-3Y Index moved seven bps tighter to 0.46%, just two bps from its tightest level of the year. For the month, bonds in the index outperformed duration-matched Treasuries by 0.16%.

Securitized markets performed well for the month in the face of rate volatility and higher yields that pressured total returns, though underlying fundamentals remained broadly intact. Early in the month, the rise in Treasury yields and renewed volatility weighed on agency mortgage backed-securities (MBS) spreads, although performance recovered over the last few days of the month as yields recovered somewhat. At the same time, asset-backed securities (ABS) and non-agency commercial mortgage-backed securities (CMBS) continued to benefit from strong structural demand, as investors favored shorter-duration assets with predictable cash flows and reduced sensitivity to macro shocks. Broader securitized issuance remained steady, supported by resilient consumer credit performance and ongoing demand for yield in a higher rate environment. Across the sector, investor positioning increasingly reflected a preference for defensive carry, structural protection, and lower duration exposure, consistent with the broader shift in markets toward managing inflation risk and geopolitical uncertainty rather than positioning for near-term policy easing. May performance for agency MBS was roughly in-line with Treasuries while ABS and CMBS outperformed by 0.10% and 0.12%, respectively.

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 05.31.2026 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 **fed funds rate** refers to the interest rate that depository institutions (such as banks and credit unions) charge other depository institutions for overnight lending of capital from their reserve balances on an uncollateralized basis. **Option-adjusted spread (OAS)** is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to account for an embedded option. 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.