

| WEST VIRGINIA |

BOARD OF TREASURY INVESTMENTS

Board of Treasury Quarterly Meeting Minutes Thursday, October 31, 2024

The quarterly meeting of the West Virginia Board of Treasury Investments was held on Thursday, October 31, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Riley Moore, Committee Chair
Mark Mangano
Michael Nusbaum, Proxy for John "JB" McCuskey
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith

BTI/ STO Staff Present:

Denise Baker
Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Lindsay Marchio
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

Keith Reynolds, Segal Marco Advisors

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the August 8, 2024 Board Meeting
- IV. Executive Director’s Report
- V. Reports
 - a. Audit Committee
 - i. Report
 - b. Investment Committee
 - i. Report
 - c. Personnel and Governance Committee
 - i. Report
- VI. Old Business
- VII. New Business
- VIII. Next Board Meeting - (Tentatively Thursday, January 30, 2025)
- IX. Adjourn

MINUTES

- I. Call to Order

Riley Moore, Committee Chair, called the meeting to order at 11:21 a.m.

- II. Roll Call – Declare Quorum

A silent roll call was taken and a quorum declared.

- III. Approval of Minutes of the August 8, 2024 Board Meeting– **Tab 1**

Partick Smith moved to approve the August 8, 2024, minutes as printed behind Tab 1 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

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IV. Executive Director's Report – Kara – Tab 2

Kara Hughes provided a summary of the Executive Director's Report, a copy of which is provided behind Tab 2 of the Board packet.

There was no Board action necessary for this agenda item.

V. Reports

The chair moved to the next order of business regarding Committee Reports.

a. Audit Committee

Michael Nusbaum, proxy for John "JB" McCuskey, Audit Committee Chair, presented the Audit Committee Report. The Audit Committee met on Thursday, October 31, 2024, and heard the following reports:

- 1) Review the September 30, 2024, Operating Report
- 2) Review the Budget to Actual Report for the quarter ended September 30, 2024
- 3) Review and approve the June 30, 2024, Annual Comprehensive Financial Report
- 4) Purchasing Card Activity for the quarter ended September 30, 2024
- 5) Review the Internal Audit Report

The Committee recommends the Board adopt the following motions:

- 1) Ratify the Purchasing Card Activity for the quarter ended September 30, 2024. Michael Nusbaum, proxy for John "JB" McCuskey, Audit Committee Chair, noted that he would abstain from voting on the motion since the Purchasing Card Program is administered by the State Auditor's Office. Patrick Smith moved the Board ratify the purchasing card activity for the quarter ended September 30, 2024. Mark Mangano seconded. Motion carried unanimously.
- 2) Authorize release of the June 30, 2024, Annual Comprehensive Financial Report (ACFR) and approve the Internal Audit Report. Patrick Smith moved to authorize release of the FY 2024 ACFR and approve staff to submit the ACFR to the GFOA for consideration for the Certificate of Achievement for Excellence in Financial Reporting. Mark Mangano seconded. Motion carried unanimously.

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b. Investment Committee

Dr. Peter Shirley, proxy for Larry Pack, Investment Committee Chair, presented the Investment Committee Report. The Investment Committee met on Thursday, October 31, 2024, and heard the following reports:

- 1) Loan Pool Report
- 2) Contracts Report
- 3) Due Diligence Report for UBS Global Asset Management
- 4) Due Diligence Report for Federated Hermes, Inc.
- 5) Review of extension of the Federated Hermes, Inc. contract for the WV Money Market Pool
- 5) Investment Consultant Report

The Committee recommends the Board adopt the following motion:

- 1) Approve the extension of the Federated Hermes, Inc., contract for the WV Money Market Pool through June 30, 2026, per W.Va. Code R. §112-17, Section 7.4. Mark Mangano moved to adopt the motion. Patrick Smith seconded. Motion carried unanimously.

c. Personnel and Governance Committee

Riley Moore, Committee Chair, presented the Personnel & Governance Committee Report. The Personnel and Governance Committee met on Thursday, October 31, 2024. Actions taken were to:

- 1) Approve the minutes of the August 8, 2024, Personnel & Governance Committee Meeting

Patrick Smith moved the Board approve the Personnel & Governance Committee Report. Mark Mangano seconded. Motion carried unanimously.

VI. Old Business

There was no old business.

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VII. New Business

There was no new business.

VIII. Next Board Meeting - (Tentatively Thursday, January 30, 2025)

IX. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. Meeting adjourned at 11:28 a.m.

Approved by: 
Riley Moore, Chair

Minutes approved: Thursday, February 27, 2025
(Date)

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BOARD OF TREASURY INVESTMENTS

Audit Committee Meeting Minutes Thursday, October 31, 2024

The quarterly Audit Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, October 31, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Michael Nusbaum, Proxy for John "JB" McCuskey, Committee Chair, via telephone
Mark Mangano
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith

BTI/ STO Staff Present:

Denise Baker
Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Lindsay Marchio
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

Keith Reynolds, Segal Marco Advisors

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the August 8, 2024 Meeting
- IV. Review the September 30, 2024 Operating Report
- V. Review the Budget to Actual Report for the quarter ended September 30, 2024
- VI. Review and approve the June 30, 2024 Annual Comprehensive Financial Report
- VII. Ratify the Purchasing Card Activity for the quarter ended September 30, 2024
- VIII. Review the Internal Audit Report
- IX. Old Business
- X. New Business
- XI. Next Board Meeting (Tentatively Thursday, January 30, 2025)
- XII. Adjourn

MINUTES

I. Call to Order

Michael Nusbaum, proxy for John “JB” McCuskey, Committee Chair, called the Audit Committee meeting to order at 10:17 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum was declared.

III. Approval of Minutes of the August 8, 2024 Meeting – Tab 3

Patrick Smith moved to approve the August 8, 2024, Audit Committee Minutes as printed behind Tab 3 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

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IV. Review the September 30, 2024 Operating Report – Karl – Tab 4

Karl Shanholtzer presented the BTI's Operating Report for September 30, 2024, included behind Tab 4 of the Board packet. Total assets under management at quarter end were \$11,032,283,000. Fiscal year-to-date earnings were \$160,135,000. Net Assets of the Consolidated Fund increased \$165.4 million over the quarter ended September 30, 2024. Karl concluded his review of the BTI Operating Report by summarizing the changes by investment pools and accounts.

There was no Board action necessary for this agenda item.

V. Review the Budget to Actual Report for the quarter ended September 30, 2024 – Kara - Tab 5

Kara Hughes presented a summary of the Budget to Actual Report for the quarter ended September 30, 2024, included behind Tab 5 of the Board packet. The BTI Investments Fee Fund (Operating Fund) approved by the Legislature for FY 2025 totals \$7,110,000. Kara stated the BTI is under budget for the quarter ended September 30, 2024, by \$6,372,897.18 (\$1,409,897.57 for Administrative expenses (Indirect) and \$4,962,999.61 for Banking Costs (Direct)).

There was no Board action necessary for this agenda item.

VI. Review and approve the June 30, 2024 Annual Comprehensive Financial Report – Karl - Tab 6

Karl Shanholtzer presented the June 30, 2024, Annual Comprehensive Financial Report ("ACFR") for the BTI. The ACFR expands on the regular annual financial statements, presenting a wider variety of information about the BTI and its pools. The ACFR includes the previously released audited annual financial statements and three additional sections. The basic elements of the ACFR are as follows:

- 1) Introductory Section
- 2) Financial Section
- 3) Investment Section
- 4) Statistical Section

BTI staff have already submitted the draft to Maher Duessel and addressed all comments and questions. The BTI plans on submitting the ACFR, with the audit

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opinion, to the Government Finance Officers Association for consideration for the Certificate of Achievement for Excellence in Financial Reporting in November 2024.

Mark Mangano moved to recommend the Board authorize release of the FY 2024 ACFR and approve staff to submit the ACFR to the GFOA for consideration for the Certificate of Achievement for Excellence in Financial Reporting. Patrick Smith seconded. Motion carried unanimously.

VII. Ratify the Purchasing Card Activity for the quarter ended September 30, 2024 – Denise - Tab 7

According to P-card policies and procedures, if a spending unit is a board, a written report of Purchasing Card transactions must be provided to Board members to be approved or ratified at regularly scheduled meetings. Denise Baker provided a summary of the BTI Purchasing Card activity for the quarter ended September 30, 2024. The total amount of P-card transactions for the quarter ended September 30, 2024, was \$990.92.

Michael Nusbaum, Proxy for John “JB” McCuskey, Committee Chair, abstained from voting since the Auditor’s Office administers the Purchasing Card program. Patrick Smith moved to recommend the Board ratify the Purchasing Card activity for the quarter ended September 30, 2024. Mark Mangano seconded. Motion carried unanimously.

VIII. Review the Internal Audit Report – Jamie – Tab 8

Jamie Chambers presented a review of the Internal Audit Report with a summary of significant internal audit activities completed during the first quarter of fiscal year 2025. The entirety of the Internal Audit Report was included behind Tab 8 of the Board packet. Activities completed included BTI Internal Audit updates, testing of portfolio compliance, S&P Surveillance Testing, Income Distribution Testing, review of month-end trial balance, Transaction Testing, Daily Cash Management Testing, and Daily Rates and Balances Testing. There were no significant issues noted during any of the testing performed, and there were no significant exceptions noted with the accuracy of any of the reports.

Patrick Smith recommended the Board approve the Internal Audit Report. Mark Mangano seconded. Motion passed unanimously.

IX. Old Business

There was no old business.

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X. New Business

There was no new business.

XI. Next Board Meeting (Tentatively Thursday, January 30, 2025)

XII. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. The meeting adjourned at 10:30 a.m.

Approved by:



Michael Nusbaum, proxy for John "JB" McCuskey, Committee Chair

Minutes approved:

2/26/2025

(Date)

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BOARD OF TREASURY INVESTMENTS

Investment Committee Meeting Minutes Thursday, October 31, 2024

The quarterly Investment Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, October 31, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Dr. Peter Shirley, Proxy for Larry Pack, Committee Chair
Mark Mangano
Riley Moore
Michael Nusbaum, Proxy for John "JB" McCuskey, via telephone
Patrick Smith

BTI/ STO Staff Present:

Denise Baker
Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Lindsay Marchio
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

Keith Reynolds, Segal Marco Advisors
Francois Otieno, Segal Marco Advisors, via telephone

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AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the August 8, 2024 Board Meeting
- IV. Review the Loan Pool Report
- V. Review the Contracts report and take action if necessary
- VI. Due Diligence Report for UBS Global Asset Management
- VII. Due Diligence Report for Federated Hermes, Inc.
- VIII. WV Money Market Pool contract – Federated Hermes, Inc.
- IX. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended September 30, 2024
- X. Old Business
- XI. New Business
- XII. Next Board Meeting (Tentatively Thursday, January 30, 2025)
- XIII. Adjourn

MINUTES

I. Call to Order

Dr. Peter Shirley, proxy for Larry Pack, Committee Chair, called the Investment Committee meeting to order at 10:39 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

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III. Approval of Minutes of the August 8, 2024 Board Meeting – Tab 9

Patrick Smith moved to approve the August 8, 2024, Investment Committee minutes as printed behind Tab 9 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

IV. Review the Loan Pool Report – Karl – Tab 10

Karl Shanholtzer provided an overview of the Loan Pool Report as of September 30, 2024. Karl reported the Net Asset Value of the State Loan Pool as of September 30, 2024, as follows:

<u>Type</u>	<u>Net Asset Value</u>
WVEDA Revolving Broadband Loan	\$39,427,236.24
Invesco Government & Agency Inst. Fund	<u>\$107,623.45</u>
Total	\$39,534,859.69

As of September 30, 2024, the WVEDA Revolving Broadband Loan program held seven loan commitments in Traditional Broadband Loan Insurance (BLINS) projects and six loan commitments for Letters of Credit for federally funded broadband expansion projects. As of September 30, 2024, the WVBTI exposure to the Broadband Loan program is \$79,887,887.69. For these debt obligations, the outstanding loan balance is \$39,427,236.24. The remaining \$40,460,651.45 is held by the State Treasurer’s Office in the WVSTO Broadband Account. Karl proceeded to go over the loan numbers. Karl stated the BTI reconciles their numbers to the WVEDA and there are always some discrepancies based on the differing accounting practices. Steve Bohman asked if the BTI is not concerned about balance discrepancies when they are not material. Karl confirmed and responded the BTI will never transfer an amount to WVEDA that is more than is on the BTI’s record. Kara Hughes stated that the BTI Internal Auditor, Jamie Chambers is in the process of auditing the WVEDA and will provide a full report to the Board in 2025.

There was no Board action necessary for this agenda item.

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V. Review the Contracts report and take action if necessary – Kara – Tab 11

Kara Hughes presented the Contracts report. There were four contracts up for renewal: (1) Federated Hermes, Inc, (2) Maher Duessel, (3) State Street Global Exchange (US) LLC (formerly Princeton Financial Systems), and (4) Cerifi Checkpoint Learning.

There was no Board action necessary for this agenda item.

VI. Due Diligence Report for UBS Global Asset Management – Francois Otieno – Segal Marco Advisors - Tab 12

Francois Otieno, representative with Segal Marco Advisors, provided the Due Diligence Report for UBS Global Asset Management. Segal Marco Advisors and BTI staff conducted the annual due diligence meeting with UBS in person on September 26, 2024, in Chicago. The following were the key topics discussed during the meeting.

- Organizational overview
- Broad discussion on the economy, markets, and portfolios
- Risk management
- Compliance
- Operations overview

Francois then provided a summary of Segal Marco Advisors assessment of UBS AM across their Seven Principles framework. This assessment is contained in the UBS – Money Market Strategy Due Diligence Summary Report provided behind Tab 12 of the Board packet.

There was no Board action necessary for this agenda item.

VII. Due Diligence Report for Federated Hermes, Inc. – Francois Otieno – Segal Marco Advisors - Tab 13

Francois Otieno, representative with Segal Marco Advisors, provided the Due Diligence Report for Federated Hermes, Inc. Segal Marco Advisors and BTI staff conducted the annual due diligence meeting with Federated Hermes, Inc., in person on September 12, 2024. The following were the key topics discussed during the meeting.

- Organizational Update/ Overview
- Broad discussion on the economy, the Fed and portfolio

Francois then provided a summary of Segal Marco Advisors assessment of Federated Hermes, Inc. across their Seven Principles framework. This assessment is contained in

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the Federated Hermes – Money Market Strategy Due Diligence Summary Report provided behind Tab 13 of the Board packet.

There was no Board action necessary for this agenda item.

VIII. WV Money Market Pool contract – Federated Hermes, Inc. – Kara – Tab 14

Federated Hermes, Inc.'s (FHI) contract as co-manager for the WV Money Market Pool (WVMM) expires on June 30, 2025. The contract was originally awarded through an RFP process with an original contract date of July 1, 2015, through June 30, 2016, with nine additional one-year extensions. The Board fully executed these extensions based upon the investment consultant's due diligence reviews that supported FHI's excellent performance and competitive fees.

Based upon the positive opinions outlined in Segal Marco's due diligence report, the BTI wishes to enact W.Va. Code R. §112-17, Section 7.4 allowing the BTI to extend the FHI contract through June 30, 2026. W.Va. Code R. §112-17 incorporates certain provisions related to exempt purchases for the BTI. Specifically, Section 7.4 of Series 17, *Contracts for Investment Management Services*, covers BTI contract terms for investment and rating services. This provision allows the BTI to extend contracts from year to year indefinitely, after expiration of the initial term of the contract, if extension is determined to be the action most consistent with the Board's fiduciary duties. The memorandum provided behind Tab 14 of the Board packet fulfills the procedural rule requirement to present findings to the Board at least six months prior to contract expiration at a regular or special meeting of the BTI.

Mark Mangano moved to recommend the Board extend the Federated Hermes, Inc. contract for the WV Money Market Pool through June 30, 2026, per W.Va. Code R. §112-17, Section 7.4. Patrick Smith seconded. Motion carried unanimously.

IX. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended September 30, 2024 – Jeff Boucek – Segal Marco Advisors - Tab 15

Keith Reynolds, a representative with Segal Marco Advisors, provided a summary of the Investment Consultant Report. As of September 30, 2024, total assets in the West Virginia Board of Treasury Investments Portfolio totaled \$11.0 billion. Assets in the Money Market Pool increased \$82.7 million during the quarter. The Government Money Market Pool increased \$64.5 million, while Short-Term Bond Pool assets increased \$20.7 million. The West Virginia Money Market Pool led the return of the benchmark index by 23 basis points for the quarter. Longer-term results also have the fund ahead of its benchmark for the one, three, and five-year periods. The West Virginia Government Money Market Pool led the return of the benchmark by 14 basis points during the quarter. Longer-term results for the pool outpaced the benchmark for

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the one, three, and five-year periods. The West Virginia Short Term Bond Pool led its benchmark index by 6 basis points for the quarter. Longer term results for the pool were above-benchmark for all longer time periods measured. There were no proxy votes cast this quarter. As of September 30, 2024, there were no securities in the portfolios that do not meet the minimum credit quality restrictions contained in the Investment Policy Statement.

There was no Board action necessary for this agenda item.

X. Old Business

There was no old business

XI. New Business

There was no new business.

XII. Next Board Meeting (Tentatively Thursday, January 30, 2025)

XIII. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. The meeting adjourned at 11:18 a.m.

Approved by: _____


Dr. Peter Shirley, proxy for Larry Pack, Committee Chair

Minutes approved: _____

2-26-25

(Date)

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BOARD OF TREASURY INVESTMENTS

Personnel & Governance Committee Meeting Minutes Thursday, October 31, 2024

The quarterly Personnel & Governance Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, October 31, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Riley Moore, Committee Chair
Mark Mangano
Michael Nusbaum, Proxy for John "JB" McCuskey
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith

BTI/ STO Staff Present:

Denise Baker
Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Lindsay Marchio
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

Keith Reynolds, Segal Marco Advisors

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AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the August 8, 2024 Board Meeting
- IV. Old Business
- V. New Business
- VI. Next Board Meeting – (Tentatively Thursday, January 30, 2025)
- VII. Adjourn

MINUTES

I. Call to Order

Riley Moore, Committee Chair, called the meeting to order at 11:18 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

III. Approval of Minutes of the August 8, 2024 Board Meeting – **Tab 16**

Mark Mangano moved to approve the August 8, 2024, Personnel and Governance Committee Minutes as printed behind Tab 16 of the Board packet. Patrick Smith seconded. Motion carried unanimously.

IV. Old Business

There was no old business.

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V. New Business

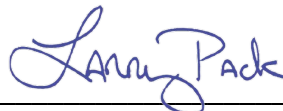
There was no new business.

VI. Next Board Meeting – (Tentatively Thursday, January 30, 2025)

VII. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Patrick Smith seconded. The meeting adjourned at 11:20 a.m.

Approved by: _____



Riley Moore, Chair

Minutes approved: _____

Friday, March 7, 2025

(Date)