

| WEST VIRGINIA |

BOARD OF TREASURY INVESTMENTS

Board of Treasury Quarterly Meeting Minutes Tuesday, August 19, 2025

The quarterly meeting of the West Virginia Board of Treasury Investments was held on Tuesday, August 19, 2025, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Larry Pack, Committee Chair
Douglas Buffington II, Proxy for Patrick Morrisey
Mark Mangano
Michael Nusbaum, Proxy for Mark Hunt
Patrick Smith

BTI/ STO Staff Present:

Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Mindy Parsley, via telephone
Keith Peck
Karl Shanholtzer
Justin Warden

Others Present:

Anoop Bhasin, Department of Revenue

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 27, 2025 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 Tuesday, December 9, 2025)
- IX. Adjourn

MINUTES

I. Call to Order

Larry Pack, Committee Chair, called the meeting to order at 11:59 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken and a quorum declared.

III. Approval of Minutes of the May 27, 2025 Board Meeting - Tab 1

Patrick Smith moved to approve the May 27, 2025, 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 summarized the Executive Director's Report, included behind Tab 2 of the Board packet. This past quarter staff spent a significant amount of time fulfilling audit requests, preparing the June 30, 2025, financial statements and the Annual Comprehensive Financial Report. As in prior years, the June 30 financial statements will meet both the draft and final due dates of September 15th and October 15th, respectively, imposed by the State of WV's Financial Accounting and Reporting Section. In the coming months, BTI staff will be performing a due diligence review on Sterling Capital on August 27th, developing an RFP for an investment consultant, and continuing research on digital assets.

Kara also highlighted that the BTI was recently notified by Standard & Poor's that they are reaffirming the AAAM rating for the WV Money Market (WVMM) and the WV Government Money Market (WVGMM) Pools. The AAAM rating is the highest money market credit rating an organization can earn and signifies an extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit and liquidity risks.

There is 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 Mark Hunt, Committee Chair, presented the Audit Committee Report. The Audit Committee met on Tuesday, August 19, 2025, and heard the following reports:

- 1) Review of the June 30, 2025, Operating Report
- 2) Review of the Budget to Actual Report for the quarter ended June 30, 2025
- 3) Review and approval of the FY 2027 Appropriation Request
- 4) Purchasing Card Activity for the quarter ended June 30, 2025
- 5) Review and approval of the June 30, 2025, Financial Statements and external audit update
- 6) Review the Internal Audit Report and approve the Audit Committee Charter and FY 2026 Audit Plan
- 7) Review the Broadband Loan Internal Audit Report

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The Committee recommends that the Board adopt the following motions:

- 1) Ratify the Purchasing Card Activity for the quarter ended June 30, 2025. Michael Nusbaum, proxy for Mark Hunt, 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 that the Board ratify the Purchasing Card Activity for the quarter ended June 30, 2025. Mark Mangano seconded. Motion carried unanimously.
- 2) Approve the FY 2027 Appropriation Request, the June 30, 2025, Financial Statements and external audit update, FY 2026 Audit Plan, Audit Committee Charter, and Internal Audit Report, and the Broadband Loan Internal Audit Report. Patrick Smith moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.

b. Investment Committee

Larry Pack, Investment Committee Chair, presented the Investment Committee Report. The Investment Committee met on Tuesday, August 19, 2025, and heard the following reports:

- 1) Review of the Broadband Loan Insurance Program
- 2) Contracts Report
- 3) Annual review and approval of the Investment Policy
- 4) Annual review and approval of Money Market/ Fixed Income funds
- 5) Annual review and approval of the Primary Dealer List
- 6) Report of Sterling Capital Management Performance
- 7) Investment Consultant Report

The Committee recommends that the Board adopt the following motions:

- 1) Approve the current *Investment Policy Statement*, inclusive of the list of NRSRO's in section IV; sub-section H, the list of authorized investment types in Appendix A, and the individual pool and account investment guidelines in Appendices C-1 and C-7. Patrick Smith moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.
- 2) Approve investment in the Federated Hermes Government Obligations Fund, Federated Hermes Treasury Obligations Fund, Dreyfus Government Cash Management Institutional Fund, and the Invesco Government and Agency Fund – Institutional. Patrick Smith moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.

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- 3) Approve the Authorized Primary Dealer List and the BTI's current investment managers to be authorized brokers for the BTI. Patrick Smith moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.

c. Personnel and Governance Committee

Larry Pack, Personnel and Governance Committee Chair, presented the Personnel & Governance Committee Report. The Personnel and Governance Committee met on Tuesday, August 19, 2025. Actions taken were to:

- 1) Approve the Minutes of the May 27, 2025, Personnel and Governance Committee Meeting

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

VI. Old Business

There was no old business.

VII. New Business

There was no new business.

VIII. Next Board Meeting - (Tentatively Tuesday, December 9, 2025)

IX. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Patrick Smith seconded. Meeting adjourned at 12:06 p.m.

Approved by: 
Larry Pack, Committee Chair

Minutes approved: January 9, 2026
(Date)

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Audit Committee Meeting Minutes Tuesday, August 19, 2025

The quarterly Audit Committee meeting of the West Virginia Board of Treasury Investments was held on Tuesday, August 19, 2025, 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 Mark Hunt, Committee Chair
Douglas Buffington II, Proxy for Patrick Morrisey
Mark Mangano
Larry Pack
Patrick Smith

BTI/ STO Staff Present:

Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Jacob Flatley
Diane Holcomb, via telephone
Kara Hughes
Mindy Parsley, via telephone
Keith Peck
Karl Shanholtzer
Justin Warden

Others Present:

Anoop Bhasin, Department of Revenue

Alex Christie, Maher Duessel, via telephone
Jeff Kent, Maher Duessel, via telephone
Samantha Strojcek, Maher Duessel, via telephone

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 27, 2025 Meeting
- IV. Review the June 30, 2025 Operating Report
- V. Review the Budget to Actual Report for the quarter ended June 30, 2025
- VI. Review and approve the FY 2027 Appropriation Request
- VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2025
- VIII. Review and approval of the June 30, 2025 Financial Statements and external audit update
- IX. Review the Internal Audit Report and approve the Audit Committee Charter and FY 2026 Audit Plan
- X. Review the Broadband Loan Internal Audit Report
- XI. Old Business
- XII. New Business
- XIII. Next Board Meeting (Tentatively Tuesday, December 9, 2025)
- XIV. Adjourn

MINUTES

I. Call to Order

Michael Nusbaum, proxy for Mark Hunt, Committee Chair, called the Audit Committee meeting to order at 10:09 a.m.

II. Roll Call – Declare Quorum

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

III. Approval of Minutes of the May 27, 2025 Meeting – Tab 3

Mark Mangano moved to approve the May 27, 2025, Audit Committee Minutes as printed behind Tab 3 of the Board packet. Patrick Smith seconded. Motion carried unanimously.

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IV. Review the June 30, 2025 Operating Report – Karl – Tab 4

Karl Shanholtzer presented the BTI's Operating Report for June 30, 2025, included behind Tab 4 of the Board packet. Total assets under management at quarter end were \$10,025,892,000. Fiscal year-to-date earnings were \$522,795,000. Net Assets of the Consolidated Fund decreased \$443.0 million over the quarter ended June 30, 2025. Karl concluded his review of the June 30, 2025, Operating Report by summarizing the changes in the individual 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 June 30, 2025 - Kara - Tab 5

Kara Hughes presented a summary of the Budget to Actual Report for the quarter ended June 30, 2025, included behind Tab 5 of the Board packet. The BTI Investments Fee Fund (Operating Fund) approved by the Legislature for FY 2026 totals \$7,110,000. Kara stated the BTI is under budget for the quarter ended June 30, 2025, by \$1,677,324.53 (\$588,356.74 for Administrative expenses (Indirect) and \$1,088,967.79 for Banking Costs (Direct)).

There was no Board action necessary for this agenda item.

VI. Review and approve the FY 2027 Appropriation Request – Kara - Tab 6

Kara Hughes presented the FY 2027 Appropriation Request, included behind Tab 6 of the Board packet. As part of the annual budget process, agencies are required to submit their appropriation requests to the State Budget Office. The appropriation request for fiscal year 2027 is required to be submitted to the State Budget Office in early September 2025. For fiscal year 2027, the BTI is requesting the same overall appropriation amount as was approved for fiscal year 2026 (\$7,110,000). The appropriation request for fiscal year 2027 is based on the fiscal year 2026 expenditure schedule. For fiscal year 2027, staff have reviewed the amounts budgeted for fiscal year 2026 and do not have any recommended adjustments. The budget as presented is based on the appropriation request instructions published by the State Budget Office on August 5, 2025. The deadline for submission is September 1, 2025.

Patrick Smith moved to recommend the Board approve the FY 2027 Appropriation Request. Mark Mangano seconded. Motion carried unanimously.

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VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2025 – Kara - 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. Kara Hughes provided a summary of the BTI Purchasing Card activity for the quarter ended June 30, 2025. The total amount of P-card transactions for the quarter ended June 30, 2025, was \$7,803.83.

Michael Nusbaum abstained from voting since the Auditor's Office administers the Purchasing Card program. Mark Mangano moved to recommend the Board ratify the Purchasing Card activity for the quarter ended June 30, 2025. Patrick Smith seconded. Motion carried unanimously.

VIII. Review and approval of the June 30, 2025 Financial Statements and external audit update – Karl Shanholtzer and Maher Duessel, Jeff Kent - Tab 8

Jeff Kent, Partner at Maher Duessel, presented an overview of the June 30, 2025, financial statements and external audit update. Jeff provided an overview of how the fiscal year 2025 audit was performed. The reports that will be issued include the Financial Statements, Communication to Those Charged with Governance, Annual Comprehensive Financial Report, and the Agreed Upon Procedures Report. There were no exceptions or findings of relevance noted on any of the testing completed while performing the external audit.

Karl Shanholtzer then provided some brief comments on the June 30, 2025, financial statements. Karl inquired if Jeff had any comments concerning the Management's Discussion and Analysis (MD&A). Jeff responded he was going to send one question to Karl about changing the wording of a note, but was otherwise fine with the MD&A. Karl informed the Board he would make the correction and then issue a revised copy to the Board. Karl anticipates sending out the final Annual Comprehensive Financial Report (ACFR) sometime in September after receiving Board approval. This will be the earliest the ACFR has ever been issued.

Patrick Smith moved to recommend the Board allow staff to e-mail the June 30, 2025, audited annual financial statements and Annual Comprehensive Financial Report to Board members and, if no issues, authorize approval of financial statements. Mark Mangano seconded. Motion carried unanimously.

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IX. Review the Internal Audit Report and approve the Audit Committee Charter and FY 2026 Audit Plan – Jamie Chambers - Tab 9

Jamie Chambers presented the Internal Audit Report included behind Tab 9 of the Board packet. Jamie updated the BTI on the significant internal audit activities completed during the fourth quarter of fiscal year 2025. Internal Audit completed the following testing: Testing of Portfolio Compliance, S&P Surveillance Testing, Income Distribution Testing, Review of Month-End Trial Balance, Daily Cash Management Testing, and Daily Rates and Balances Testing. Internal Audit also conducted a review of the Audit Committee Charter, performed and updated the Risk Assessment for FY 2026, and prepared the proposed Audit Plan for FY 2026. There were no significant exceptions noted with any of the completed testing for the fourth quarter, and no changes were necessary for the FY 2026 Audit Committee Charter. However, Internal Audit recommended members of the Board approve and sign the FY 2026 Audit Committee Charter due to the new Board membership. Jamie commented Internal Audit would be reincorporating the Interest and Amortization Test into the routine audit process going forward. Patrick Smith asked why the Interest and Amortization test had been eliminated. Jamie responded the Interest and Amortization Test had been eliminated due to the learning curve as she was working to learn all the processes and formulas for the various testing that is performed for the BTI internal audit. Now that she has a better knowledge and understanding of properly implementing the formulas for the Interest and Amortization Test, it is being reinstated.

Patrick Smith moved to recommend the Board approve the Internal Audit Report, Audit Committee Charter, and Annual Audit Plan for FY 2026. Mark Mangano seconded. Motion carried unanimously.

X. Review the Broadband Loan Internal Audit Report – Jamie Chambers - Tab 10

Jamie Chambers presented findings from the review of the Broadband Loan Internal Audit Report included behind Tab 10 of the Board packet. An onsite review of original project files maintained in paper format was conducted at the West Virginia Economic Development Authority (EDA) office, located at 180 Association Drive, Charleston, WV, between February 21 and 27. This review aimed to assess the completeness of hardcopy documentation and verify consistency with amounts requested from the West Virginia Board of Treasury Investments. There were two findings noted during this audit: (1) appearance of documentation gaps and (2) collateral concerns. There were also multiple observations made to bring to the Board's attention.

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1. Appearance of Documentation Gaps

For applications submitted after March 15, 2021, W. Va. Code §31-15-8a(c)(2) outlines the minimum documentation required for loan insurance. EDA staff confirmed that these requirements apply to all post-March 2021 applications. Of the thirteen BLINS agreements reviewed, seven were committed after March 15, 2021. During the review of the physical loan files, several instances were noted where required documentation was not present.

EDA management responded to this audit finding by stating that training will be held at the agency for all staff to better understand the importance of detailed record keeping for files as it pertains to broadband loan insurance. Checklists will be utilized, and when the file is complete, there will be a signature signifying that the file is complete. EDA does not have a sign-out or placeholder card system for files. Training will also better explain this system to ensure all employees are utilizing it correctly. Mark Mangano asked where the breakdown is in the documentation process that results in the appearance of documentation gaps. Jamie responded that many of the missing documents are from a transition period. The minimum documentation requirement started in 2021. Prior to 2021, it was at EDA's discretion what documentation should be required. Jamie also clarified that missing documentation in the files does not mean the bank has not reviewed them, instead it means the missing documentation is something that is not physically in the file. Treasurer Pack asked if the EDA requires annual statements. Jamie replied the EDA does not require annual statements. The EDA relies on banks for the monitoring, and the EDA sends a monthly email to the bank to check the status of the loan. Treasurer Pack asked how long the EDA loans are for to which Jamie replied it depends on the specific loan as they have different time frames, up to 20 years.

2. Collateral Concerns

The identification of collateral submitted with loan insurance applications appears to lack the specificity and does not fully comply with the asset description requirements outlined in W. Va. Code §31-15-8a(c)(2). Most projects are collateralized using blanket UCC-1 filings with the Secretary of State's Office. These filings generally describe collateral as "all business assets" or "assets associated with the project," which lacks the specificity intended by the statute. The actual value of the fiber systems serving as project collateral is not clearly defined, though EDA loan officers believe it to be substantial, particularly to other broadband providers.

EDA management responded to this audit finding by stating that the EDA typically looks for the bank to have the best collateral that they can obtain. EDA can make suggestions if they feel the bank could require a stronger position. A lot of the time EDA sees the bank taking a blanket lien on all assets for BLINS projects. There are

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some CityNet projects that specify that we have collateral in the “fiber network.” While EDA tries to ensure that the bank has the best possible collateral available, the primary purpose in requesting loan insurance from the EDA is usually due to the lack of adequate collateral securing the bank loan. In addition, with the nature of the collateral (accounts receivable, fiber cable sections, etc.), serial or identification numbers are unlikely obtainable. EDA will however ensure that they collect any and all obtainable detailed information regarding collateral for their files. Treasurer Pack asked how long the UCC-1 filing is in effect. Mark Mangano responded that UCC-1 filings must be renewed every four years. Note: EDA attended the Investment Committee meeting to discuss the Broadband Program. During that meeting, the issue with the life of the UCC-1 filing was brought to EDA’s attention.

Mark Mangano moved to recommend the Board approve the Broadband Loan Internal Audit Report. Patrick Smith seconded. Motion carried unanimously.

XI. Old Business

There was no old business.

XII. New Business

There was no new business.

XIII. Next Board Meeting (Tentatively Tuesday, December 9, 2025)

XIV. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. The meeting adjourned at 10:52 a.m.

Approved by: 
Michael Nusbaum, Proxy for Committee Chair Mark Hunt

Minutes approved: 12/10/2025
(Date)

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Investment Committee Meeting Minutes Tuesday, August 19, 2025

The quarterly Investment Committee meeting of the West Virginia Board of Treasury Investments was held on Tuesday, August 19, 2025, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Larry Pack, Committee Chair
Douglas Buffington II, Proxy for Patrick Morrissey
Mark Mangano
Michael Nusbaum, Proxy for Mark Hunt
Patrick Smith

BTI/ STO Staff Present:

Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Jacob Flatley
Diane Holcomb, via telephone
Kara Hughes
Mindy Parsley, via telephone
Keith Peck
Karl Shanholtzer
Justin Warden

Others Present:

Anoop Bhasin, Department of Revenue

Joseph Brouse, West Virginia Economic Development Authority
Taylor Cole, West Virginia Economic Development Authority

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 27, 2025 Board Meeting
- IV. Review the Broadband Loan Insurance Program
- V. Review the Contracts report and take action if necessary
- VI. Annual review and approval of the Investment Policy
- VII. Annual review and approval of Money Market/Fixed Income funds
- VIII. Annual review and approval of the Primary Dealer List
- IX. Report on Sterling Capital Management Performance and take corrective action if necessary
- X. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2025
- XI. Old Business
- XII. New Business
- XIII. Next Board Meeting (Tentatively Tuesday, December 9, 2025)
- XIV. Adjourn

MINUTES

- I. Call to Order

Larry Pack, Committee Chair, called the Investment Committee meeting to order at 10:55 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 May 27, 2025 Board Meeting – Tab 11

Patrick Smith moved to approve the May 27, 2025, Investment Committee minutes as printed behind Tab 11 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

IV. Review the Broadband Loan Insurance Program – Kara (BTI) and Taylor Cole (EDA) – Tab 12

Kara Hughes began with an overview of the Loan Pool Report as of June 30, 2025, as included behind Tab 12 of the Board packet. Kara reported the Net Asset Value of the State Loan Pool as of June 30, 2025, as follows:

<u>Type</u>	<u>Net Asset Value</u>
WVEDA Revolving Broadband Loan	\$52,452,837.13
Invesco Govt & Agency Institutional Fund	<u>\$213,176.86</u>
Total	\$52,666,013.99

As of June 30, 2025, 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 June 30, 2025, the WVBTI exposure to the Broadband Loan program is \$79,770,119.18. For these debt obligations, the outstanding loan balance is \$52,452,837.13. The remaining \$27,317,282.05 is held by the State Treasurer’s Office in the WVSTO Broadband Account.

There were four new draws for the quarter totaling \$7,378,426.34. The draws were for the following loan insurance commitments:

04/21/2025	CityNet WV, LLC	Traditional BLINS	\$1,913,502.97
04/21/2025	MicroLogic, Inc.	Traditional BLINS	\$ 320,162.63
06/18/2025	CityNet WV, LLC	Traditional BLINS	\$4,750,445.42
06/18/2025	MicroLogic, Inc.	Traditional BLINS	\$ 394,315.32

Principal repayments totaling \$58,287.44 were also received during the quarter. The Revolving Broadband Loan rate resets quarterly based on the twelve-month trailing average yield on the WV Money Market Pool. The maximum annual change in the loan rate each fiscal year is limited to +/- 1.00%. The interest rate reset on July 1, 2025, from

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3.28% to 4.28% and will not change for the remainder of fiscal year 2026 unless the trailing twelve-month average return on the WV Money Market Pool falls below 4.28%.

EDA representatives, Taylor Cole and Joseph Brouse, then provided an overview of the process of how a loan is made, approved, and funded by the EDA. They also addressed the concentration of funds by CityNet, LLC and the general due diligence process. Kara asked if there had been any late payments by internet service providers or if the EDA would have any knowledge of that. Taylor Cole responded that as part of the process in completing the monthly broadband loan insurance report, banks with outstanding balances for the internet service providers are contacted. If the project is still advancing the EDA will anticipate withdrawals. If there were ever a month the EDA expects to see a decline or increase but it is not reflected in the outstanding balance, this would prompt the EDA to ask the bank for the reason a payment was not advanced for that particular month. Taylor stated the EDA currently utilizes a spot check and getting annual financials would be very beneficial for the EDA moving forward. Kara then asked what the EDA's recovery process would be as far as collateral in the event of a default. Joseph Brouse responded that it would depend largely on the default provisions within the bank and that the BTI would be notified in the event of a default. Treasurer Pack expressed his concerns about the large concentration of funding for CityNet, LLC, and stated there may be something more that needs to be done to further protect EDA funds in the event of a default. Treasurer Pack also expressed his concerns with collateral, specifically in the event a UCC is expired and needs to be monitored. Ed stated the EDA was trying to address Treasurer Pack's concerns by addressing items in loan agreements and obtaining more identifying information of collateral. Karl Shanholtzer asked what was happening with the second and third year increases to the RDOF program and also asked how the rural revisions they made earlier this year affect the obligations of the letter of credit amounts. Taylor responded she would research the answers to these questions and provide Karl with an email later containing her findings.

There was no Board action necessary for this agenda item.

V. Review the Contracts report and take action if necessary – Kara – Tab 13

Kara Hughes presented the Contracts report, as included behind Tab 13 of the Board packet. There are two contracts up for renewal this quarter: (1) Sterling Capital Management, LLC, and (2) State Street Global Exchange (US) LLC, formerly known as Princeton Financial Systems. Kara stated the contract renewal for State Street Global Exchange (US) LLC, formerly known as Princeton Financial Systems, permits an annual 5% increase.

There was no Board action necessary for this agenda item.

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VI. Annual review and approval of the Investment Policy – Karl – Tab 14

Karl Shanholtzer presented the annual review of the Investment Policy, as included behind Tab 14 of the Board packet. West Virginia State Code §12-6C-9 requires that the Board, at each annual meeting, adopt, review, modify or cancel the investment policy of each fund or pool created. The code also requires that the Board review the list of authorized investment types at the annual meeting. The BTI maintains the required investment policies for the pools and accounts in Appendix C of the *Investment Policy Statement* and the list of authorized investment types in Appendix A of the *Investment Policy Statement*.

In addition to the investment guidelines and authorized investment types, the BTI also maintains a list of the nationally recognized statistical rating organizations (NRSRO's) that the BTI deems suitable to rely upon for credit ratings. This list is contained in section IV; sub-section H, of the *Investment Policy Statement*. The Board reviews this list annually to determine whether the NRSRO's continue to be suitable to rely upon for credit ratings. The proposed list of NRSRO's for the *Investment Policy Statement* are:

- Moody's Investor Services
- Standard & Poor's
- Fitch Ratings

Staff have reviewed the current *Investment Policy Statement* and appendices and have the following recommended changes:

- **Section IX. Other Policies:** Add reference to the *Prohibited Foreign Investment Policy*
- **Appendix A: Permissible Securities:**
 - Revise **Mortgage-Backed Securities** to **Non-Government Mortgage backed Securities** – With the Moody's downgrade of the U.S. government credit rating, government mortgage-backed securities are now rated AA+/Aa1/AA+. Securities issued or backed by the U.S. government, or any agency or corporation thereof, are not restricted as to ratings or maximum concentration by state code. Non-governmental asset-backed securities, which includes mortgage-backed securities, are required to be rated AAA/Aaa/AAA.
 - Add the following security type:
Government Mortgage-Backed Securities: Securities backed by groups or pools of mortgages unconditionally guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof.

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- Strike “the Linked Deposit Program” from the definition of **Other Investments**. The statute authorizing the linked deposit program was repealed by House Bill 3440.
- **Appendix C-1 Investment Guidelines – West Virginia Money Market Pool:**
 - Revise rating restriction on asset-backed and mortgage-backed securities to apply to non-government asset-backed and mortgage-backed securities
- **Appendix C-3 Investment Guidelines – West Virginia Short Term Bond Pool:**
 - **Maturity Restrictions, Diversification Guidelines and Credit Limits** section:
 - Revise maximum percentage limit of BBB securities from 20% to 30% in the restrictions on investment in A-2 commercial paper. The board approved a maximum of 30% investment in BBB rated securities. The limit in this restriction was not updated for the revised limit
 - Revise rating restriction on asset-backed and mortgage-backed securities to apply to non-government asset-backed and mortgage-backed securities
 - Revise maximum percentage limit of asset-backed and mortgage-backed securities from 50% to 65%. The board approved a maximum of 60% investment in asset- and mortgage- backed securities. The limit in this restriction was not updated for the revised limit

Mark Mangano recommended the Board approve the current *Investment Policy Statement*, inclusive of the list of NRSRO’s in section IV; sub-section H, the list of authorized investment types in Appendix A, and the individual pool and account investment guidelines in Appendices C-1 and C-7. Patrick Smith seconded. Motion carried unanimously.

VII. Annual review and approval of Money Market/Fixed Income funds – Karl - Tab 15

Karl Shanholtzer provided the annual review of the Money Market/Fixed Income funds. The BTI’s Investment Policy Statement requires that Money Market Funds and Fixed Income Funds utilized by investment managers be approved in advance by the Board. The following is a list of money market and fixed income funds that staff are recommending be authorized for use by the BTI and its investment managers.

- 1) UBS

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UBS has not requested authorization to use any of the UBS funds for the WV Money Market or WV Government Money Market Pools. UBS will continue to use a board authorized BNY Mellon fund as a sweep vehicle for these accounts.

2) Federated Hermes

Federated has requested re-authorization for the following government money market and treasury funds:

- a) Federated Hermes Government Obligations Fund (GOIXX)
- b) Federated Hermes Treasury Obligations Fund (TOIXX)

3) Sterling Capital Management

Sterling has not requested authorization to use any additional money market or fixed income funds for the WV Short Term Bond Pool. Sterling will continue to use the authorized BNY Mellon fund as a sweep vehicle for this account.

4) BNY Mellon Sweep Funds

BTI staff have evaluated the government agency sweep accounts offered by BNY Mellon and are recommending the Dreyfus Government Cash Management Institutional Fund (DGCXX) and the Invesco Government and Agency Portfolio – Institutional (AGPXX).

Patrick Smith recommended the Board approve investment in the Federated Hermes Government Obligations Fund, Federated Hermes Treasury Obligations Fund, Dreyfus Government Cash Management Institutional Fund, and the Invesco Government and Agency Fund – Institutional. Mark Mangano seconded. Motion carried unanimously.

VIII. Annual review and approval of the Primary Dealer List – Karl – Tab 16

Karl Shanholtzer provided the annual review of the Primary Dealer List. BTI policy requires that the Board approve the Authorized Primary Dealer List annually. The approval of the Authorized Primary Dealer List operates as a formality in case the BTI were ever directed to execute a trade on an agency's behalf.

The following is the list of the Primary Government Securities Dealers Reporting to the Government Securities Dealers Statistics Unit of the Federal Reserve Bank of New York as of June 30, 2025, authorized by the WV Board of Treasury Investments:

- 1) ASL Capital Markets Inc.

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- 2) Bank of Montreal, Chicago Branch
- 3) Bank of Nova Scotia, New York Agency
- 4) BNP Paribas Securities Corp.
- 5) Barclays Capital Inc.
- 6) BofA Securities, Inc.
- 7) Cantor Fitzgerald & Co.
- 8) Daiwa Capital Markets America Inc.
- 9) Deutsche Bank Securities Inc.
- 10) Jefferies LLC
- 11) Mizuho Securities USA LLC
- 12) NatWest Markets Securities Inc.
- 13) Nomura Securities International, Inc.
- 14) RBC Capital Markets, LLC
- 15) Santander US Capital Markets LLC
- 16) SMBC Nikko Securities America, Inc.
- 17) Societe Generale, New York Branch
- 18) UBS Securities LLC.

Patrick Smith moved to recommend the Board approve the Authorized Primary Dealer List and the BTI's current investment managers be authorized brokers for the BTI. Mark Mangano seconded. Motion carried unanimously.

IX. Report on Sterling Capital Management Performance and take corrective action if necessary – Sterling Capital Management – Tab 17

Sterling Capital representatives, Max Anthony, Pete Brown, and Austin Dunlap provided an organizational overview of Sterling Capital, a portfolio review, and a market outlook, as included behind Tab 17 of the Board packet.

There was no Board action necessary for this agenda item.

X. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2025 – Jeff Boucek – Segal Marco Advisors - Tab 18

Jeff Boucek and Keith Reynolds, representatives for Segal Marco Advisors, provided an analysis of investment performance. A copy of the Investment Consultant report was provided behind Tab 18 of the Board packet. As of June 30, 2025, total assets in the West Virginia Board of Treasury Investments portfolio totaled \$9.9 billion. Assets in the Money Market Pool decreased \$418.8 million during the quarter. The Government Money Market Pool decreased \$37.3 million, while Short-Term Bond Pool assets increased \$6.9 million. The West Virginia Money Market Pool led the return of the benchmark index by 14 basis points for the quarter. Longer-term results also have the

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fund ahead of its benchmark for the 1, 3, and 5 year periods. The West Virginia Government Money Market Pool led the return of the benchmark by 8 basis points during the quarter. Longer-term results for the pool outpaced the benchmark for the 1, 3, and 5 year periods. The West Virginia Short Term Bond Pool led its benchmark index by 11 basis points for the quarter. Longer term results for the pool were above-benchmark for all longer time periods measured. As of June 30, 2025, there were no managers or accounts on the Watch list, and there were no securities in the portfolios that did not meet the minimum credit quality restrictions contained in the Investment Policy Statement.

There was no Board action necessary for this agenda item.

XI. Old Business

There was no old business.

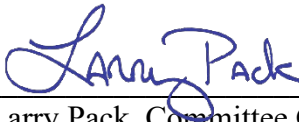
XII. New Business

There was no new business.

XIII. Next Board Meeting (Tentatively Tuesday, December 9, 2025)

XIV. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Patrick Smith seconded. The meeting adjourned at 11:57 a.m.

Approved by: 
Larry Pack, Committee Chair

Minutes approved: January 9, 2026
(Date)

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BOARD OF TREASURY INVESTMENTS

Personnel & Governance Committee Meeting Minutes Tuesday, August 19, 2025

The quarterly Personnel & Governance Committee meeting of the West Virginia Board of Treasury Investments was held on Tuesday, August 19, 2025, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Larry Pack, Committee Chair
Douglas Buffington II, Proxy for Patrick Morrisey
Mark Mangano
Michael Nusbaum, Proxy for Mark Hunt
Patrick Smith

BTI/ STO Staff Present:

Steve Bohman
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Kara Hughes
Mindy Parsley, via telephone
Keith Peck
Karl Shanholtzer
Justin Warden

Others Present:

Anoop Bhasin, Department of Revenue

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 27, 2025 Board Meeting
- IV. Old Business
- V. New Business
- VI. Next Board Meeting – (Tentatively Tuesday, December 9, 2025)
- VII. Adjourn

MINUTES

I. Call to Order

Larry Pack, Committee Chair, called the meeting to order at 11:58 a.m.

II. Roll Call – Declare Quorum

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

III. Approval of Minutes of the May 27, 2025 Board Meeting – Tab 19

Patrick Smith moved to approve the May 27, 2025, Personnel and Governance Committee Minutes as printed behind Tab 19 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

IV. Old Business

There was no old business.

V. New Business

There was no new business.

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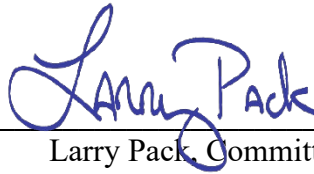
BOARD OF TREASURY INVESTMENTS

VI. Next Board Meeting – (Tentatively Tuesday, December 9, 2025)

VII. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. The meeting adjourned at 11:58 a.m.

Approved by: _____



Larry Pack, Committee Chair

Minutes approved: January 9, 2026
(Date)