

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTE**

Board Meeting  
December 09, 2025

## OPERATING REPORT

### AUGUST 2025

**Board of Treasury Investments**

315 70<sup>th</sup> Street, SE  
Charleston WV  
25304  
(304) 340-1564  
www.wvbt.com

**Board of Directors**

Larry Pack,  
State Treasurer,  
Chairman

Patrick Morrissey,  
Governor

Mark A. Hunt,  
State Auditor

Patrick M. Smith,  
CPA  
Appointed by the  
Governor

Mark A. Mangano,  
Esq. Attorney  
Appointed by the  
Governor

**Executive Staff**

Executive Director  
Kara K. Hughes,  
CPA, MBA, CFE,  
CGIP

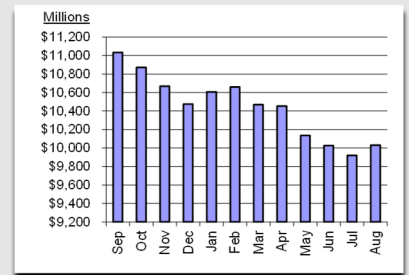
Chief Financial Officer  
Karl Shanholtzer,  
CFA, CPA, CIA

### Total Net Assets Under Management

**\$10,030,601,000**

Last Month  
**\$9,920,337,000**

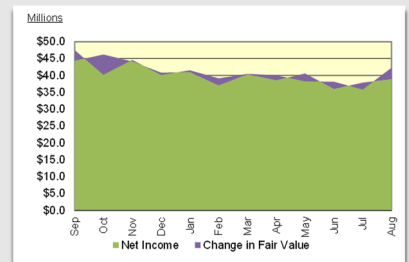
Beginning of Fiscal Year  
**\$10,025,892,000**



**Net Assets for the Past 12 Months**

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$78,133,000**



**Monthly Net Income & Changes in Fair Value for the Past 12 Months**

### Money Market Pools

As of August 31, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	4.4585%	40 Days	\$8.6 Billion
WV Gov't Money Market	4.3004%	41 Days	\$605.1 Million

\* Yields represent the simple money market yield net of fees.  
\*\* W.A.M. is the weighted average maturity.

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

## THE ECONOMIC STATE

### AUGUST 2025

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#### Will We See Rate Cuts?

It was a solid month for equities as global markets experienced a continued rally driven by strong earnings for S&P 500 companies, relatively modest inflation signals, and market optimism regarding the likelihood of upcoming Fed rate cuts.

#### Macroeconomics

July's monthly CPI increase of 0.2% kept annual inflation to 2.7% as the impact of current and anticipated price increases from tariffs continued to slowly seep into the economy. The Fed's preferred measure of inflation, Core PCE (Personal Consumption Expenditures), increased by 0.3% in July with an annualized rate of 2.9%. The PPI (Producer Price Index), was up 0.9% for the month, and 3.3% year over year, suggesting that higher supply chain costs have yet to fully flow to the consumer sector. As anticipated, the Fed held benchmark rates steady at 4.25–4.50% in August, with a future rate cut anticipated as developing softness in certain key economic indicators are beginning to become apparent.

#### Equity Markets

US equities had a fourth consecutive month of positive returns with the S&P 500 up 2.0% reaching another all-time high on August 28th. On a sector basis for the month, Materials (+5.8%) was the top contributor and Utilities (-1.6%) was the weakest. Despite the continuing surge in AI demand, the tech sector returned a modest 0.3%. Russell 2000 small-cap U.S. stocks (+7.1) surged in a broadening market rally, with Russell midcap stocks (+2.5%) outpacing Russell 1000 large caps (+2.1). Russell 3000 all-cap value index(+3.4%) outperformed Russell 3000 all-cap growth index (+1.3%) on a relative basis during the month.

International equity markets were also positive with developed (EAFE +4.3%) ahead of emerging regions (EM +1.3%) on a relative basis. Within developed markets, Pacific (+5.9%) outperformed Europe (+3.4%) on a regional basis with the highest returns from Singapore (+7.1%) and Japan (+7.0%). Within emerging markets, Latin America (+8.2%) outperformed Eastern Europe (+0.9%) and Asia (+0.7%) and on a regional basis, with the highest returns from Columbia (+12.0%), Chile (+11.2%) and Brazil (+10.4).

International markets have outperformed the U.S S&P 500 (10.8%) year to date; helped by the weakened US Dollar as the MSCI EAFE (22.8%) was significantly ahead of the MSCI EAFE Local Currency (+11.6%) and the MSCI EM (19.0%) was ahead of the MSCI EM Local Currency (+16.1%).

#### Fixed Income

Fixed income markets were mostly positive with the Bloomberg US Aggregate Index up 1.2%. The U.S. Treasury yield curve steepened in anticipation of a rate cut as 2-year U.S. Treasuries declined 33 bps to 3.6% and 30-year Treasuries increased 4 bps to 4.9%, reflecting market worries over a longer-term inflation scenario and rising government debt. High yield and mortgage-backed securities both had tighter spreads, while investment-grade corporate spreads marginally widened.

#### Looking Ahead

Market uncertainty remains due to the US trade deal impacts and tariff policies continuing to evolve. With employment showing signs of softening, the Fed will more likely adopt a less restrictive rate policy posture at the upcoming September meeting, while continuing to focus on the data and inflation to guide further cuts later in the Fall.

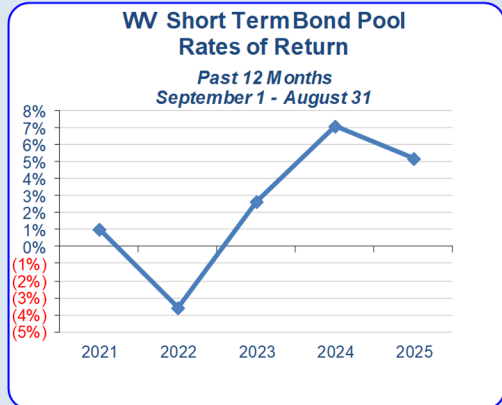
# West Virginia Board of Treasury Investments

## Financial Highlights as of August 31, 2025

### WV Short Term Bond Pool

#### Rates of Return for the Past 12 Months *Net of All Fees*

September 1 - August 31	Return	Net Assets At Aug 31 <i>(In Millions)</i>
2025	5.2%	\$ 730.1
2024	7.1%	\$ 696.1
2023	2.7%	\$ 709.0
2022	(3.6%)	\$ 693.0
2021	1.0%	\$ 820.1

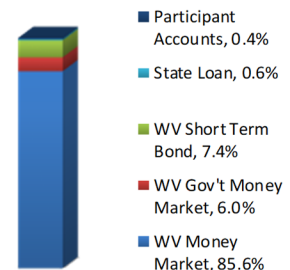


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

### Summary of Value and Earnings *(In Thousands)*

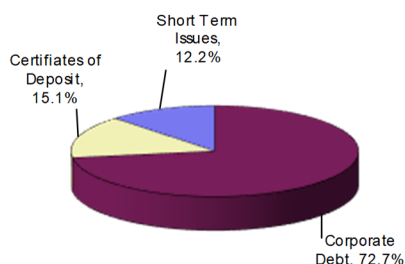
Pool	Net Asset Value	Aug Net Income <i>(Loss)</i>	Fiscal YTD Net Income <i>(Loss)</i>
WV Money Market	\$ 8,595,446	\$ 33,328	\$ 65,834
WV Gov't Money Market	605,110	2,353	4,552
WV Short Term Bond	730,080	6,272	7,059
Loans	58,218	206	402
Participant Accounts	41,747	146	286
	\$ 10,030,601	\$ 42,305	\$ 78,133

#### Percent of Total Net Asset Value

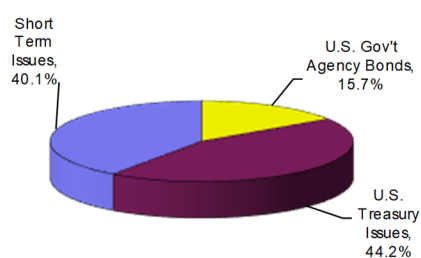


### Securities by Type for Operating Pools *(Percentage of Asset Value)*

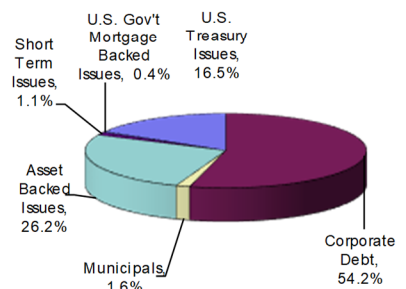
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



**WEST VIRGINIA BOARD OF TREASURY INVESTMENTS**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED**  
**AUGUST 31, 2025**  
*(IN THOUSANDS)*

West Virginia Board of Treasury Investments  
Schedule of Net Position and Changes in Net Position -- Unaudited  
For The Period Ended August 31, 2025

*(In Thousands)*

	<b>WV Money Market Pool</b>	<b>WV Government Money Market Pool</b>	<b>WV Short Term Bond Pool</b>	<b>Other Pools</b>	<b>Participant Directed Accounts</b>	<b>Total</b>
<b>Assets</b>						
Investments:						
At amortized cost	\$ 8,577,836	\$ 609,178	\$ -	\$ 57,816	\$ 40,565	\$ 9,285,395
At fair value	-	-	735,089	-	1,037	736,126
Other assets	18,294	926	18,738	403	146	38,507
Total assets	<u>8,596,130</u>	<u>610,104</u>	<u>753,827</u>	<u>58,219</u>	<u>41,748</u>	<u>10,060,028</u>
<b>Liabilities</b>						
Accrued expenses, dividends payable & payables for investments purchased	684	4,994	23,747	1	1	29,427
Total liabilities	<u>684</u>	<u>4,994</u>	<u>23,747</u>	<u>1</u>	<u>1</u>	<u>29,427</u>
<b>Net Position</b>						
Held in trust for investment pool participants	8,595,446	605,110	730,080	-	-	9,930,636
Held in trust for individual investment account holders	-	-	-	58,218	41,747	99,965
Total net position	<u>\$ 8,595,446</u>	<u>\$ 605,110</u>	<u>\$ 730,080</u>	<u>\$ 58,218</u>	<u>\$ 41,747</u>	<u>\$ 10,030,601</u>
<b>Additions</b>						
Investment income:						
Interest and dividends	\$ 15,790	\$ 1,627	\$ 2,667	\$ 207	\$ 147	\$ 20,438
Net (amortization) accretion	17,879	751	226	-	-	18,856
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>33,669</u>	<u>2,378</u>	<u>2,893</u>	<u>207</u>	<u>147</u>	<u>39,294</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	341	25	45	1	1	413
Total investment expenses	<u>341</u>	<u>25</u>	<u>45</u>	<u>1</u>	<u>1</u>	<u>413</u>
Net investment income	33,328	2,353	2,848	206	146	38,881
Net realized gain (loss) from investments	-	-	355	-	-	355
Net increase (decrease) in fair value of investments	-	-	3,069	-	-	3,069
Net increase (decrease) in net position from operations	33,328	2,353	6,272	206	146	42,305
Participant transaction additions:						
Purchase of pool units by participants	1,516,665	22,960	-	-	-	1,539,625
Reinvestment of pool distributions	33,328	2,353	2,921	-	-	38,602
Contributions to individual investment accounts	-	-	-	1,167	137	1,304
Total participant transaction additions	<u>1,549,993</u>	<u>25,313</u>	<u>2,921</u>	<u>1,167</u>	<u>137</u>	<u>1,579,531</u>
Total additions	1,583,321	27,666	9,193	1,373	283	1,621,836
<b>Deductions</b>						
Distributions to pool participants:						
Net investment income	33,328	2,353	2,848	-	-	38,529
Net realized gain (loss) from investments	-	-	355	-	-	355
Total distributions to pool participants	<u>33,328</u>	<u>2,353</u>	<u>3,203</u>	<u>-</u>	<u>-</u>	<u>38,884</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,419,073	53,282	-	-	-	1,472,355
Withdrawals from individual investment accounts	-	-	-	196	137	333
Total participant transaction deductions	<u>1,419,073</u>	<u>53,282</u>	<u>-</u>	<u>196</u>	<u>137</u>	<u>1,472,688</u>
Total deductions	<u>1,452,401</u>	<u>55,635</u>	<u>3,203</u>	<u>196</u>	<u>137</u>	<u>1,511,572</u>
Net increase (decrease) in net position from operations	130,920	(27,969)	5,990	1,177	146	110,264
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	130,920	(27,969)	5,990	1,177	146	110,264
Net position at beginning of period	8,464,526	633,079	724,090	57,041	41,601	9,920,337
Net position at end of period	<u>\$ 8,595,446</u>	<u>\$ 605,110</u>	<u>\$ 730,080</u>	<u>\$ 58,218</u>	<u>\$ 41,747</u>	<u>\$ 10,030,601</u>