

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTE**

Board Meeting  
March 26, 2026

## OPERATING REPORT DECEMBER 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 Morrisey,  
Governor

Mark A. Hunt,  
State Auditor

Patrick M. Smith,  
CPA  
Appointed by the  
Governor

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

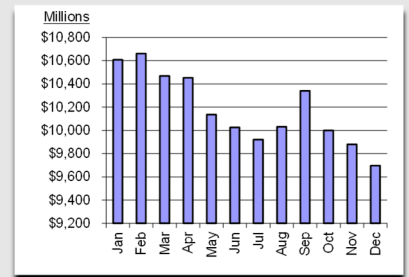
**Executive Staff**

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

Chief Financial Officer  
Karl Shanholtzer,  
CFA, CPA, CIA

**Total Net Assets Under Management**  
**\$9,697,601,000**

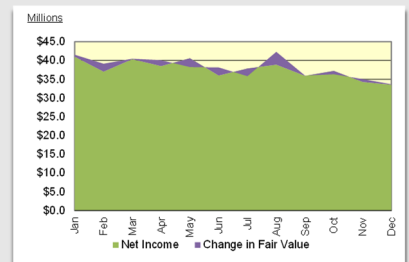
**Last Month** **\$9,881,029,000**      **Beginning of Fiscal Year** **\$10,025,892,000**



**Net Assets for the Past 12 Months**

**Total Net Income & Changes in Fair Value**

**Fiscal Year**  
**\$219,151,000**



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

**Money Market Pools**

As of December 31, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	3.9796%	40 Days	\$8.2 Billion
WV Gov't Money Market	3.8306%	36 Days	\$614.8 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

### DECEMBER 2025

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The month of December was mixed as hopes of a holiday season rally fell flat, despite a third consecutive year of strong equity market performance. Benefitting from the US central bank monetary policy and a weaker dollar, international developed and emerging market equities both outpaced the US. The Federal Reserve cut its benchmark rate again in December, the third and last action for the year. The year ends at an effective federal funds target range of 3.50%-3.75%. The 9-3 vote reflects a divided Fed, with consensus projections suggesting another cut in 2026.

#### Macroeconomics

Third quarter U.S. GDP increased at a higher-than-expected annualized growth rate of 4.3%. Underlying components reflected increases in consumer spending, exports, and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased.

The government shutdown impacted various economic data releases, such as PCE, PPI and CPI for October. November's monthly CPI increase of 0.2% brought the annual inflation to a lower than expected 2.7%. Core PCE for November was 2.8-2.9% year over year. December numbers will not be released until mid-January, but expectations are that both CPI and PCE will be on par with the November results. The BLS report about employment in November featured a better than expected 64,000 jobs added resulting in a further rise in the unemployment rate to 4.6%. The Conference Board Consumer Confidence Index survey fell for a fifth consecutive month in December to 89.1 as four out of five components decreased.

#### Equity Markets

Despite ending the year with four straight down days, US equities had an eighth consecutive month of positive returns with the S&P 500 up 0.1%. On a sector basis, Financials (+3.1%) were the top contributor with Technology down (-0.35%) and Utilities (-5.1%) the weakest. Russell 1000 large stocks (0.0%) were ahead of Russell Midcap (-0.3%) and Russell 2000 small cap stocks (-0.6%). Russell 3000 all-cap value index (+0.7%) outperformed Russell 3000 all-cap growth index (-0.6%) during the month.

U.S. equity markets finished 2025 with double-digit gains for the third year in a row, including one of the most rapid recoveries on record after approaching bear market territory in early April. The S&P 500 gained 17.9% and posted 39 record closing highs, amid issues of geopolitics, tariffs, inflation, weakening labor market and a historically long government shutdown. Large tech stocks helped fuel the momentum, with the AI frenzy and the Magnificent Seven (25%) providing the highest returns during the year.

#### Fixed Income

Fixed income markets were mixed with the Bloomberg US Aggregate Index down -0.1%. The U.S. Treasury yield curve steepened, as yields declined at the front-end given the recent Fed rate cut in early December but increased at the middle and long-end with the 10-year reaching 4.17% principally due to persistent inflation concerns. Investment-grade corporates, high yield, and asset-backed securities spread levels remained tight during the month.

#### Looking Ahead

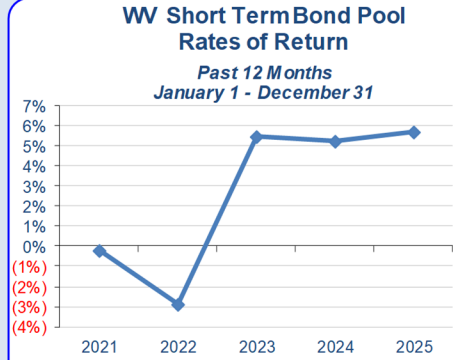
The near-term outlook is mixed and influenced by whether the previous quarter's economic momentum continues, and the central bank maintains a dovish policy regarding rates. While high income household spending, rising exports and corporate tech expenditures may continue to boost growth, uncertainty remains regarding stretched tech valuations along with labor market softness and inflation concerns. The latter conditions will be the primary focus of a divergent Fed that faces questions of independence associated with a looming leadership change in May.

# West Virginia Board of Treasury Investments Financial Highlights as of December 31, 2025

## WV Short Term Bond Pool

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

<u>January 1 - December 31</u>	<u>Return</u>	<u>Net Assets At Dec 31 (In Millions)</u>
2025	5.7%	\$ 741.1
2024	5.3%	\$ 704.5
2023	5.5%	\$ 691.2
2022	(2.9%)	\$ 690.6
2021	(0.2%)	\$ 818.7

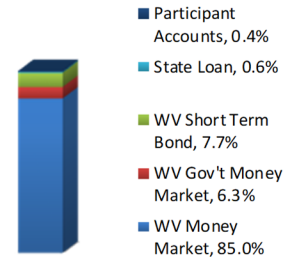


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

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

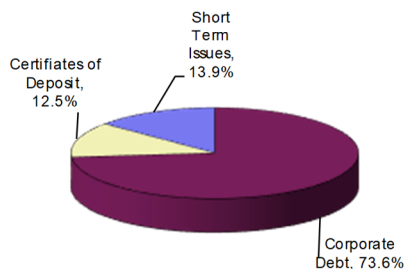
<u>Pool</u>	<u>Net Asset Value</u>	<u>Dec Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,237,341	\$ 28,382	\$ 185,422
WV Gov't Money Market	614,831	1,999	12,990
WV Short Term Bond	741,140	2,935	18,685
Loans	62,061	218	1,250
Participant Accounts	42,228	129	804
	<u>\$ 9,697,601</u>	<u>\$ 33,663</u>	<u>\$ 219,151</u>

### Percent of Total Net Asset Value

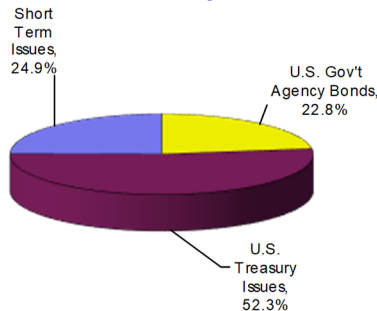


## Securities by Type for Operating Pools *(Percentage of Asset Value)*

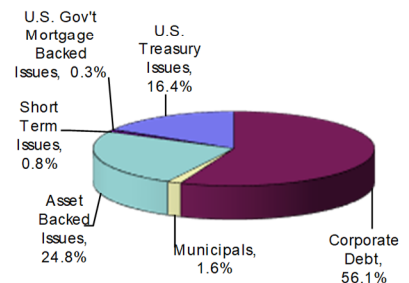
### WV Money Market



### WV Gov't Money Market



### WV Short Term Bond



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

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
<b>Assets</b>						
Investments:						
At amortized cost	\$ 8,223,678	\$ 625,399	\$ -	\$ 61,420	\$ 41,087	\$ 8,951,584
At fair value	-	-	737,533	-	1,014	738,547
Other assets	14,647	1,364	6,672	643	128	23,454
Total assets	<u>8,238,325</u>	<u>626,763</u>	<u>744,205</u>	<u>62,063</u>	<u>42,229</u>	<u>9,713,585</u>
<b>Liabilities</b>						
Accrued expenses, dividends payable & payables for investments purchased	984	11,932	3,065	2	1	15,984
Total liabilities	<u>984</u>	<u>11,932</u>	<u>3,065</u>	<u>2</u>	<u>1</u>	<u>15,984</u>
<b>Net Position</b>						
Held in trust for investment pool participants	8,237,341	614,831	741,140	-	-	9,593,312
Held in trust for individual investment account holders	-	-	-	62,061	42,228	104,289
Total net position	<u>\$ 8,237,341</u>	<u>\$ 614,831</u>	<u>\$ 741,140</u>	<u>\$ 62,061</u>	<u>\$ 42,228</u>	<u>\$ 9,697,601</u>
<b>Additions</b>						
Investment income:						
Interest and dividends	\$ 12,485	\$ 1,171	\$ 2,714	\$ 219	\$ 129	\$ 16,718
Net (amortization) accretion	16,223	854	145	-	-	17,222
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>28,708</u>	<u>2,025</u>	<u>2,859</u>	<u>219</u>	<u>129</u>	<u>33,940</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	326	26	46	1	-	399
Total investment expenses	<u>326</u>	<u>26</u>	<u>46</u>	<u>1</u>	<u>-</u>	<u>399</u>
Net investment income	28,382	1,999	2,813	218	129	33,541
Net realized gain (loss) from investments	-	-	116	-	-	116
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
Net increase (decrease) in net position from operations	28,382	1,999	2,935	218	129	33,663
Participant transaction additions:						
Purchase of pool units by participants	1,378,585	21,431	-	-	-	1,400,016
Reinvestment of pool distributions	28,382	1,999	2,869	-	-	33,250
Contributions to individual investment accounts	-	-	-	1,671	119	1,790
Total participant transaction additions	<u>1,406,967</u>	<u>23,430</u>	<u>2,869</u>	<u>1,671</u>	<u>119</u>	<u>1,435,056</u>
Total additions	1,435,349	25,429	5,804	1,889	248	1,468,719
<b>Deductions</b>						
Distributions to pool participants:						
Net investment income	28,382	1,999	2,813	-	-	33,194
Net realized gain (loss) from investments	-	-	117	-	-	117
Total distributions to pool participants	<u>28,382</u>	<u>1,999</u>	<u>2,930</u>	<u>-</u>	<u>-</u>	<u>33,311</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,601,737	16,769	-	-	-	1,618,506
Withdrawals from individual investment accounts	-	-	-	211	119	330
Total participant transaction deductions	<u>1,601,737</u>	<u>16,769</u>	<u>-</u>	<u>211</u>	<u>119</u>	<u>1,618,836</u>
Total deductions	<u>1,630,119</u>	<u>18,768</u>	<u>2,930</u>	<u>211</u>	<u>119</u>	<u>1,652,147</u>
Net increase (decrease) in net position from operations	(194,770)	6,661	2,874	1,678	129	(183,428)
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	(194,770)	6,661	2,874	1,678	129	(183,428)
Net position at beginning of period	8,432,111	608,170	738,266	60,383	42,099	9,881,029
Net position at end of period	<u>\$ 8,237,341</u>	<u>\$ 614,831</u>	<u>\$ 741,140</u>	<u>\$ 62,061</u>	<u>\$ 42,228</u>	<u>\$ 9,697,601</u>