

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
March 26, 2026

OPERATING REPORT FEBRUARY 2026

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbf.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

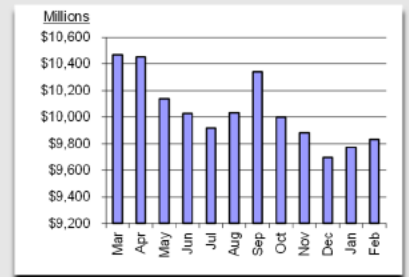
Executive Director
Kara K. Hughes,
CPA, MBA, CFE,
CGIP

Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,832,050,000

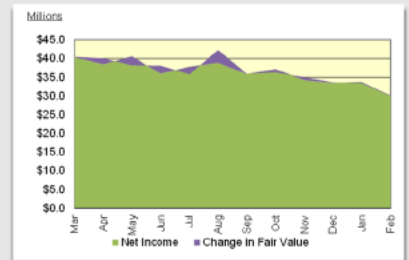
Last Month **Beginning of Fiscal Year**
\$9,773,651,000 **\$10,025,892,000**



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$282,627,000



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

Money Market Pools

As of February 28, 2026

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	3.8540%	41 Days	\$8.4 Billion
WV Gov't Money Market	3.6863%	43 Days	\$615.7 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

FEBRUARY 2026

A sustained flight-to-quality highlighted the month amid concerns over generative AI's potential impact on companies' businesses and workforces. Additional emerging vulnerabilities in private credit and geopolitical tensions added to the backdrop of the month. If that wasn't enough, the Supreme Court ruled that Trump exceeded his authority by imposing reciprocal tariffs under the International Emergency Economic Powers Act (IEEPA) of 1977. The month ended with the U.S. and Israel launching an attack on Iran that decimated the country's top leadership and set the stage for potentially escalating hostilities and increased market volatility.

Macroeconomics

Economic data was mixed for the month. Fourth quarter U.S. GDP decelerated below expectations to an annualized rate of 1.4 percent, due to lingering effects of the 43-day government shutdown and softer consumer spending. Despite a weaker fourth quarter, the overall economy grew by a preliminary 2.2 percent in 2025, exceeding consensus expectations of 2.0 percent and below the 2.8 percent increase in 2024. Core PCE (excluding food and energy) rose at an annualized rate of 2.9 percent in December, which is above the Fed's preferred 2 percent inflation target. Although the official February jobs report has not yet been released, some economists anticipate around 60,000 jobs being created during the month, which would be a decline from January (130,000) but ahead of expectations.

Equity Markets

The positive returns streak for U.S. equities ended at nine months, as the S&P 500 Index returned -0.8 percent. The market experienced rotation away from tech-driven large cap growth stocks and demonstrated improved market breadth. Sector performance was notably divergent with Utilities (+10.4 percent), Energy(+9.4 percent) and Materials (+8.4 percent) as the top contributors, while Consumer Discretionary (-5.4percent), Communication Services (-5.1 percent) and Technology (-3.9 percent) were the weakest. Performance contributors broadened as equal-weight indices outperformed their cap-weighted counterparts, mid- and small-capitalization stocks outperformed large cap, value exceeded growth and defensive sectors outpaced cyclicals.

International equity markets outperformed the U.S. again this month with emerging markets (EM) up +5.5percent and developed markets (EAFE) up +4.6 percent. Developed markets were led by Far East and Pacific(+7.6 percent) ahead of Europe (+3.3 percent). Emerging markets were led by Far East (+7.2 percent) and Asia(+6.3 percent) ahead of Latin America (+3.8 percent) and Eastern Europe (-0.1 percent). On a country basis, Japan (+8.6 percent) was strong for developed markets, while Korea (+22.1 percent), Thailand (+20.6 percent)and Taiwan (+12.8 percent) led emerging market results with China (-5.8 percent) and India (+1.5 percent)lagging.

Fixed Income

Fixed income markets surged with the Bloomberg U.S. Aggregate Index up 1.6 percent, which was the strongest return in over a year. The U.S. Treasury yield curve steepened to its widest level in four years as yields fell across the spectrum from 2- to 30-years amid mounting global risks. Investment-grade (IG) corporates, high yield and asset-backed securities spreads widened throughout the month from historically tight levels as part of the flight-to-quality dynamics, but total returns remained positive.

Looking Ahead

The outlook continues to evolve as financial markets absorb the implications of rising and expanding geopolitical tensions, AI disruption and other concerns. Market depth and return participation in equity markets has become more diverse as valuations and safety gain strength amid global turmoil. Investors also await the policy statements and rate decision at the next Federal Reserve meeting scheduled in mid-March.

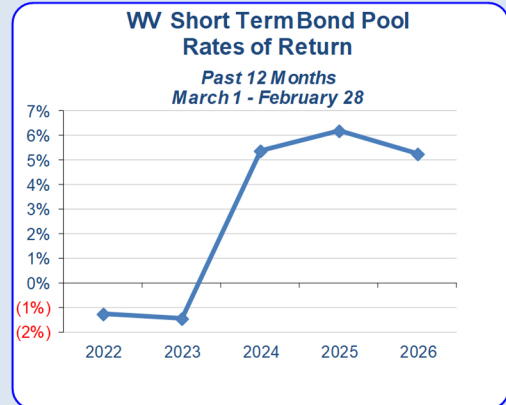
West Virginia Board of Treasury Investments

Financial Highlights as of February 28, 2026

WV Short Term Bond Pool

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

March 1 - February 28	Return	Net Assets At Feb 28 (In Millions)
2026	5.2%	\$ 745.7
2025	6.2%	\$ 712.5
2024	5.4%	\$ 673.2
2023	(1.5%)	\$ 694.1
2022	(1.3%)	\$ 804.3

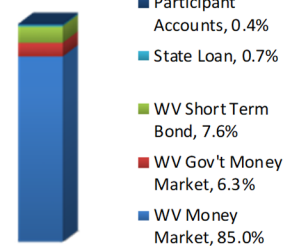


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

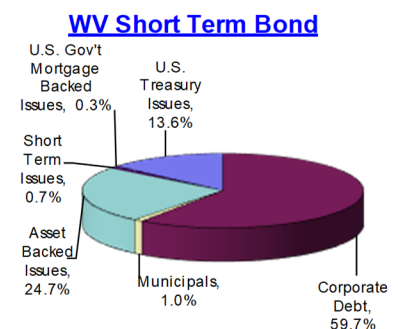
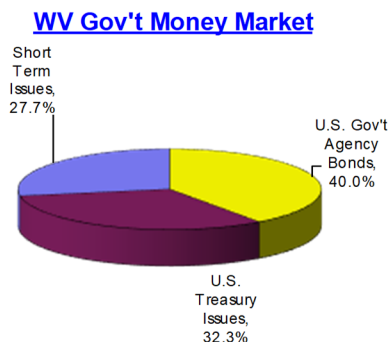
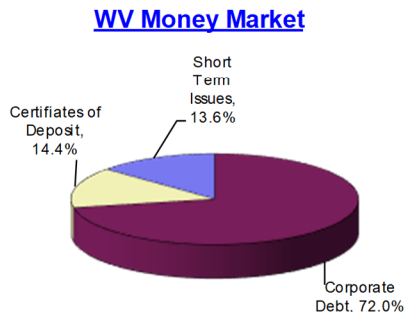
Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	Feb Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 8,359,553	\$ 24,602	\$ 238,593
WV Gov't Money Market	615,692	1,789	16,846
WV Short Term Bond	745,671	3,274	24,459
Loans	68,676	219	1,695
Participant Accounts	42,458	108	1,034
	<u>\$ 9,832,050</u>	<u>\$ 29,992</u>	<u>\$ 282,627</u>

Percent of Total Net Asset Value



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



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
FEBRUARY 28, 2026
(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 8,349,037	\$ 614,867	\$ -	\$ 68,235	\$ 41,328	\$ 9,073,467
At fair value	-	-	747,805	-	1,020	748,825
Other assets	12,125	950	13,346	444	112	26,977
Total assets	<u>8,361,162</u>	<u>615,817</u>	<u>761,151</u>	<u>68,679</u>	<u>42,460</u>	<u>9,849,269</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,609	125	15,480	3	2	17,219
Total liabilities	<u>1,609</u>	<u>125</u>	<u>15,480</u>	<u>3</u>	<u>2</u>	<u>17,219</u>
Net Position						
Held in trust for investment pool participants	8,359,553	615,692	745,671	-	-	9,720,916
Held in trust for individual investment account holders	-	-	-	68,676	42,458	111,134
Total net position	<u>\$ 8,359,553</u>	<u>\$ 615,692</u>	<u>\$ 745,671</u>	<u>\$ 68,676</u>	<u>\$ 42,458</u>	<u>\$ 9,832,050</u>
Additions						
Investment income:						
Interest and dividends	\$ 11,443	\$ 989	\$ 2,698	\$ 220	\$ 109	\$ 15,459
Net (amortization) accretion	13,451	820	749	-	-	15,020
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>24,894</u>	<u>1,809</u>	<u>3,447</u>	<u>220</u>	<u>109</u>	<u>30,479</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	292	23	43	1	1	360
Total investment expenses	<u>292</u>	<u>23</u>	<u>43</u>	<u>1</u>	<u>1</u>	<u>360</u>
Net investment income	24,602	1,786	3,404	219	108	30,119
Net realized gain (loss) from investments	-	3	768	-	-	771
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(898)</u>	<u>-</u>	<u>-</u>	<u>(898)</u>
Net increase (decrease) in net position from operations	24,602	1,789	3,274	219	108	29,992
Participant transaction additions:						
Purchase of pool units by participants	1,123,661	24,662	-	-	-	1,148,323
Reinvestment of pool distributions	24,602	1,789	2,814	-	-	29,205
Contributions to individual investment accounts	-	-	-	6,352	120	6,472
Total participant transaction additions	<u>1,148,263</u>	<u>26,451</u>	<u>2,814</u>	<u>6,352</u>	<u>120</u>	<u>1,184,000</u>
Total additions	1,172,865	28,240	6,088	6,571	228	1,213,992
Deductions						
Distributions to pool participants:						
Net investment income	24,602	1,786	3,404	-	-	29,792
Net realized gain (loss) from investments	-	3	769	-	-	772
Total distributions to pool participants	<u>24,602</u>	<u>1,789</u>	<u>4,173</u>	<u>-</u>	<u>-</u>	<u>30,564</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,088,179	36,006	-	-	-	1,124,185
Withdrawals from individual investment accounts	-	-	-	724	120	844
Total participant transaction deductions	<u>1,088,179</u>	<u>36,006</u>	<u>-</u>	<u>724</u>	<u>120</u>	<u>1,125,029</u>
Total deductions	<u>1,112,781</u>	<u>37,795</u>	<u>4,173</u>	<u>724</u>	<u>120</u>	<u>1,155,593</u>
Net increase (decrease) in net position from operations	60,084	(9,555)	1,915	5,847	108	58,399
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	60,084	(9,555)	1,915	5,847	108	58,399
Net position at beginning of period	8,299,469	625,247	743,756	62,829	42,350	9,773,651
Net position at end of period	<u>\$ 8,359,553</u>	<u>\$ 615,692</u>	<u>\$ 745,671</u>	<u>\$ 68,676</u>	<u>\$ 42,458</u>	<u>\$ 9,832,050</u>