

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
December 09, 2025

OPERATING REPORT

JULY 2025

Board of Treasury Investments

315 70th 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

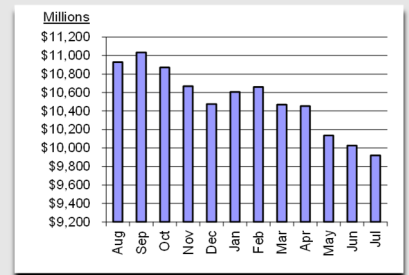
Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,920,337,000

Last Month
\$10,025,892,000

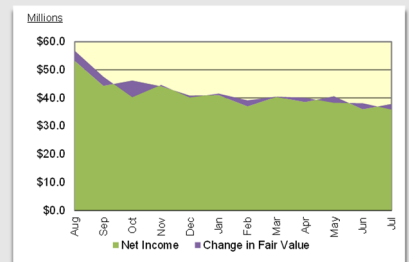
Beginning of Fiscal Year
\$9,920,337,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$35,829,000



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

Money Market Pools

As of July 31, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	4.4510%	40 Days	\$8.5 Billion
WV Gov't Money Market	4.3026%	35 Days	\$633.1 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

JULY 2025

Uncertainty Ahead in Global Markets

Global markets climbed higher, led by the continued rally of concentrated tech mega-caps focused on artificial intelligence and strong earnings for S&P 500 companies. President Trump's domestic agenda continued to take shape with passage of the omnibus tax and spending package known as, One Big Beautiful Bill Act, that sets fiscal policy. Despite uncertain global economic conditions impacted by ongoing tariff and geopolitical tensions, risk assets were mostly positive in the month and year to date.

Macroeconomics

Second quarter U.S. GDP increased at a higher than expected annualized growth rate of 3%, which was a considerable improvement from Q1's -0.5% contraction. However, it is notable that a slow-down in imports helped boost GDP results. The Q1 surge in imports as companies sought to build inventory ahead of impending tariffs, was a negative drag on GDP, while the imports decline in Q2 was a positive factor. Otherwise, the underlying components were headlined by 1.4% modest growth in consumer spending in Q2.

June's monthly CPI increase of 0.3% was not unexpected, raising annual inflation to 2.7% as the impact of current and anticipated price increases from tariffs continued to seep into the economy. The Fed's preferred measure of inflation, core PCE increased by 0.3% in June with an annualized inflation rate of 2.8%. As anticipated, the Fed held benchmark rates steady at 4.25–4.50% in July with two rate cuts growing more likely by year-end according to the dot plot, as developing softness in certain key economic indicators are beginning to become apparent.

Equity Markets

US equities had a 2.2% return, as the S&P 500 reached 10 all-time highs given strong corporate earnings, despite losing momentum near month-end given pending August 1st tariff/trade deadlines. On a sector basis for the month, Information Technology (+1.7%) was the top contributor and Health Care (-0.3%) was the weakest. On a year to date basis, the only negative portion of US markets remains small capitalization stocks (S&P 600 index at -3.6%).

International equity markets were mixed with, developed (EAFE -1.4%) markets declining and emerging regions (EM +1.9%) increasing. Within developed markets, Pacific (-0.5%) outperformed Europe (-1.8%) on a regional basis with the highest return from Hong Kong (+4.8%). Within emerging markets, Eastern Europe (+3.1%) outperformed Asia (+2.5%) and Latin America (-4.4%) on a regional basis, with the highest return from Thailand (+14.3%). International markets have outperformed the U.S year to date helped by the weakened US Dollar.

Fixed Income

The bond market was generally resilient despite the macro concerns around fiscal deficits, inflation, and tariffs. Fixed income returns were mixed with U.S. Treasury yields rising (inversely prices fell, hence negative returns) across the curve with 2-year U.S. Treasury bonds up 23 bps to 3.9% and 30-year Treasuries up 10 bps to 4.9%. Investment grade, high yield and mortgage-backed securities all saw slightly tighter spreads contribute to positive results across the risk spectrum.

Looking Ahead

Although July finished on a relatively positive note, the months ahead loom with some degree of uncertainty as US trade deals and deadlines continue to shape the global economy. Given an anticipated consumer spending slowdown if prices begin to creep higher, and with employment showing signs of sagging, the probability of Federal Reserve rate cut(s) appear to be on the horizon.

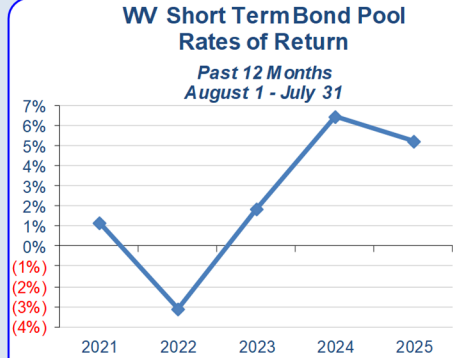
West Virginia Board of Treasury Investments

Financial Highlights as of July 31, 2025

WV Short Term Bond Pool

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

<u>Aug 1 - July 31</u>	<u>Return</u>	<u>Net Assets At Jul 31 (In Millions)</u>
2025	5.3%	\$ 724.1
2024	6.5%	\$ 689.9
2023	1.9%	\$ 705.1
2022	(3.1%)	\$ 695.6
2021	1.2%	\$ 819.7

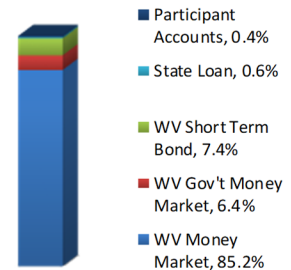


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

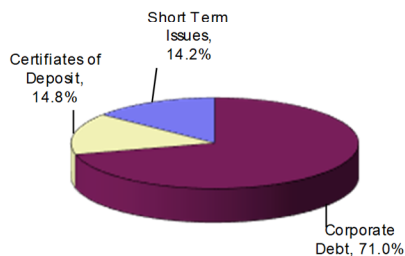
<u>Pool</u>	<u>Net Asset Value</u>	<u>Jul Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,464,526	\$ 32,506	\$ 32,506
WV Gov't Money Market	633,079	2,199	2,199
WV Short Term Bond	724,090	788	788
Loans	57,041	196	196
Participant Accounts	41,601	140	140
	<u>\$ 9,920,337</u>	<u>\$ 35,829</u>	<u>\$ 35,829</u>

Percent of Total Net Asset Value

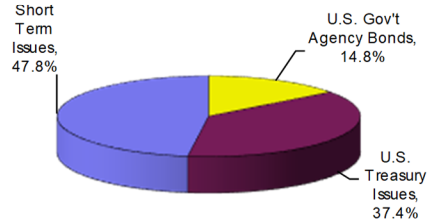


Securities by Type for Operating Pools *(Percentage of Asset Value)*

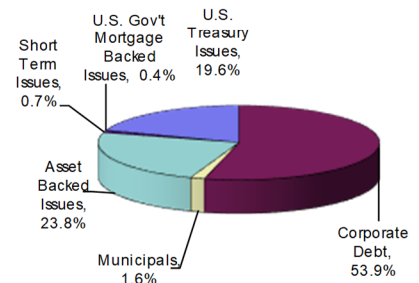
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
JULY 31, 2025
(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	\$ 8,451,323	\$ 638,622	\$ -	\$ 56,846	\$ 40,428	\$ 9,187,219
At fair value	-	-	725,914	-	1,033	726,947
Other assets	14,557	476	15,304	197	142	30,676
Total assets	<u>8,465,880</u>	<u>639,098</u>	<u>741,218</u>	<u>57,043</u>	<u>41,603</u>	<u>9,944,842</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,354	6,019	17,128	2	2	24,505
Total liabilities	<u>1,354</u>	<u>6,019</u>	<u>17,128</u>	<u>2</u>	<u>2</u>	<u>24,505</u>
Net Position						
Held in trust for investment pool participants	8,464,526	633,079	724,090	-	-	9,821,695
Held in trust for individual investment account holders	-	-	-	57,041	41,601	98,642
Total net position	<u>\$ 8,464,526</u>	<u>\$ 633,079</u>	<u>\$ 724,090</u>	<u>\$ 57,041</u>	<u>\$ 41,601</u>	<u>\$ 9,920,337</u>
Additions						
Investment income:						
Interest and dividends	\$ 14,570	\$ 1,611	\$ 2,639	\$ 197	\$ 141	\$ 19,158
Net (amortization) accretion	18,271	612	218	-	-	19,101
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>32,841</u>	<u>2,223</u>	<u>2,857</u>	<u>197</u>	<u>141</u>	<u>38,259</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	335	24	45	1	1	406
Total investment expenses	<u>335</u>	<u>24</u>	<u>45</u>	<u>1</u>	<u>1</u>	<u>406</u>
Net investment income	32,506	2,199	2,812	196	140	37,853
Net realized gain (loss) from investments	-	-	109	-	-	109
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(2,133)</u>	<u>-</u>	<u>-</u>	<u>(2,133)</u>
Net increase (decrease) in net position from operations	32,506	2,199	788	196	140	35,829
Participant transaction additions:						
Purchase of pool units by participants	1,560,362	79,934	900	-	-	1,641,196
Reinvestment of pool distributions	32,506	2,199	3,025	-	-	37,730
Contributions to individual investment accounts	-	-	-	3,920	128	4,048
Total participant transaction additions	<u>1,592,868</u>	<u>82,133</u>	<u>3,925</u>	<u>3,920</u>	<u>128</u>	<u>1,682,974</u>
Total additions	1,625,374	84,332	4,713	4,116	268	1,718,803
Deductions						
Distributions to pool participants:						
Net investment income	32,506	2,199	2,812	-	-	37,517
Net realized gain (loss) from investments	-	-	109	-	-	109
Total distributions to pool participants	<u>32,506</u>	<u>2,199</u>	<u>2,921</u>	<u>-</u>	<u>-</u>	<u>37,626</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,769,474	17,000	-	-	-	1,786,474
Withdrawals from individual investment accounts	-	-	-	130	128	258
Total participant transaction deductions	<u>1,769,474</u>	<u>17,000</u>	<u>-</u>	<u>130</u>	<u>128</u>	<u>1,786,732</u>
Total deductions	<u>1,801,980</u>	<u>19,199</u>	<u>2,921</u>	<u>130</u>	<u>128</u>	<u>1,824,358</u>
Net increase (decrease) in net position from operations	(176,606)	65,133	1,792	3,986	140	(105,555)
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	(176,606)	65,133	1,792	3,986	140	(105,555)
Net position at beginning of period	8,641,132	567,946	722,298	53,055	41,461	10,025,892
Net position at end of period	<u>\$ 8,464,526</u>	<u>\$ 633,079</u>	<u>\$ 724,090</u>	<u>\$ 57,041</u>	<u>\$ 41,601</u>	<u>\$ 9,920,337</u>