

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
May 21, 2026

OPERATING REPORT

MARCH 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

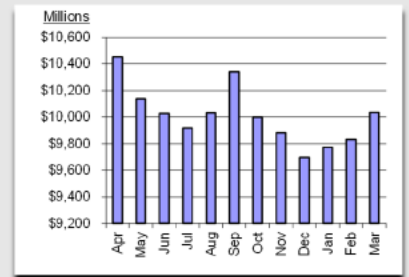
Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$10,032,837,000

Last Month
\$9,832,050,000

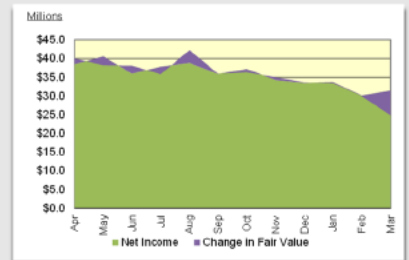
Beginning of Fiscal Year
\$10,025,892,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$307,496,000



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

Money Market Pools

As of March 31, 2026

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	3.8082%	39 Days	\$8.5 Billion
WV Gov't Money Market	3.6474%	33 Days	\$632.5 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

MARCH 2026

U.S.–Israeli operations against Iran temporarily closed the Strait of Hormuz, disrupting about 20% of global seaborne oil shipments. This supply shock drove crude prices higher and increased energy-related inflation pressures. Rising commodity costs reduced expectations for Federal Reserve easing and added to market volatility. U.S. economic momentum softened, with Q4 2025 GDP revised to 0.5% annualized, reflecting broad downward adjustments in consumer spending, exports, government expenditures, and investment. Labor markets remained resilient, with job gains exceeding expectations and unemployment improving to 4.3%. Headline inflation rose to 3.3% year over year, while core inflation held at 2.6%. Fixed income markets declined as persistent inflation concerns pushed intermediate- and long-term yields higher. Investment-grade corporate bonds faced pressure from heavy March issuance (the second-highest on record) and a 5-basis-point widening in spreads, leading to their weakest monthly performance since October 2024. The Federal Reserve left rates unchanged at the March meeting, signaling a cautious approach as policymakers monitored ongoing economic data.

Broad Market Environment:

- Equity and fixed income markets declined broadly in March given geopolitical tensions and resulting supply shocks.
 - U.S.-Israeli operations against Iran led to the closure of the Strait of Hormuz
 - ~20% of global seaborne oil supply disrupted
 - Brent crude surged from ~\$76 to \$118/barrel
 - Inflation fears rose; bond yields increased as Fed easing expectations were reduced
- Growth backdrop weakened:
 - 4Q25 GDP revised lower to 0.5% annualized (down 0.2 percentage points)
 - Downward revisions across exports, consumer spending, government spending, investment, and imports
- Labor market was generally positive:
 - +178,000 jobs added in March
 - Unemployment rate declined to 4.3% (from 4.4%)
 - Job gains concentrated in healthcare, but were more subdued in other sectors amidst declining federal employment, cooling wage growth
- Inflation rose over the month, driven primarily by energy prices, especially gasoline:
 - Headline CPI: 3.3% YoY (up from 2.4%)
 - Monthly CPI: +0.9% (vs. +0.3% prior)
 - Core CPI: 2.6% YoY, +0.2% MoM

Fixed Income Environment:

- Fixed income declined in March (Bloomberg U.S. Aggregate: -1.8%) as rising oil prices fueled inflation concerns and pushed yields higher
- Selloff concentrated in intermediate and long maturities; short end largely unchanged
- Fed held rates at 3.50%–3.75%, maintaining outlook for one rate cut in 2026
- Investment-grade corporates faced challenges:
 - Heavy issuance (\$237B; second busiest March on record)
 - Spreads widened 5 bps to 89 bps
 - Largest monthly loss since Oct 2024 (-2.0%)
- Treasury yields rose across most maturities:
 - 2-year: +41 bps to 3.79%
 - 10-year: +33 bps to 4.30%
 - 30-year: +24 bps to 4.88%
 - The short-end was more stable -- 90-day: +3 bps to 3.70%

West Virginia Board of Treasury Investments

Financial Highlights as of March 31, 2026

WV Short Term Bond Pool

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

April 1 - March 31	Return	Net Assets At Mar 31 <i>(In Millions)</i>
2026	4.3%	\$ 743.0
2025	6.1%	\$ 715.2
2024	4.7%	\$ 676.1
2023	0.9%	\$ 701.6
2022	(2.3%)	\$ 713.7

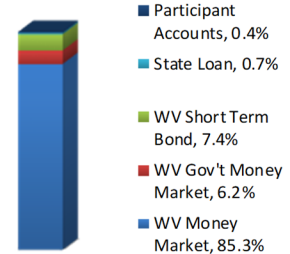


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings *(In Thousands)*

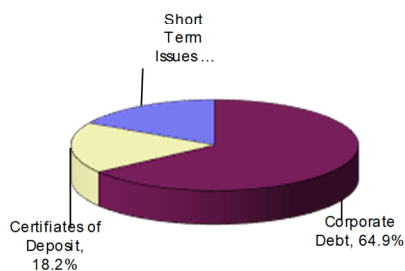
Pool	Net Asset Value	Mar Net Income <i>(Loss)</i>	Fiscal YTD Net Income <i>(Loss)</i>
WV Money Market	\$ 8,545,020	\$ 26,380	\$ 264,973
WV Gov't Money Market	632,523	1,911	18,757
WV Short Term Bond	743,016	(3,785)	20,674
Loans	69,704	247	1,942
Participant Accounts	42,574	116	1,150
	\$ 10,032,837	\$ 24,869	\$ 307,496

Percent of Total Net Asset Value

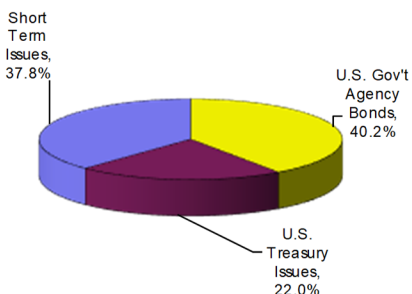


Securities by Type for Operating Pools *(Percentage of Asset Value)*

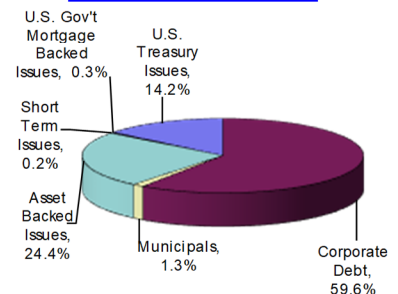
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
MARCH 31, 2026
(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>
Assets						
Investments:						
At amortized cost	\$ 8,556,146	\$ 639,663	\$ -	\$ 69,015	\$ 41,432	\$ 9,306,256
At fair value	-	-	740,908	-	1,023	741,931
Other assets	14,821	856	21,425	691	120	37,913
Total assets	<u>8,570,967</u>	<u>640,519</u>	<u>762,333</u>	<u>69,706</u>	<u>42,575</u>	<u>10,086,100</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	25,947	7,996	19,317	2	1	53,263
Total liabilities	<u>25,947</u>	<u>7,996</u>	<u>19,317</u>	<u>2</u>	<u>1</u>	<u>53,263</u>
Net Position						
Held in trust for investment pool participants	8,545,020	632,523	743,016	-	-	9,920,559
Held in trust for individual investment account holders	-	-	-	69,704	42,574	112,278
Total net position	<u>\$ 8,545,020</u>	<u>\$ 632,523</u>	<u>\$ 743,016</u>	<u>\$ 69,704</u>	<u>\$ 42,574</u>	<u>\$ 10,032,837</u>
Additions						
Investment income:						
Interest and dividends	\$ 11,946	\$ 1,139	\$ 2,805	\$ 248	\$ 117	\$ 16,255
Net (amortization) accretion	14,740	797	49	-	-	15,586
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	26,686	1,936	2,854	248	117	31,841
Investment expenses:						
Investment advisor, custodian bank & administrative fees	314	25	46	1	1	387
Total investment expenses	314	25	46	1	1	387
Net investment income	26,372	1,911	2,808	247	116	31,454
Net realized gain (loss) from investments	8	-	234	-	-	242
Net increase (decrease) in fair value of investments	-	-	(6,827)	-	-	(6,827)
Net increase (decrease) in net position from operations	26,380	1,911	(3,785)	247	116	24,869
Participant transaction additions:						
Purchase of pool units by participants	1,303,451	39,957	-	-	-	1,343,408
Reinvestment of pool distributions	26,380	1,911	4,172	-	-	32,463
Contributions to individual investment accounts	-	-	-	1,000	105	1,105
Total participant transaction additions	<u>1,329,831</u>	<u>41,868</u>	<u>4,172</u>	<u>1,000</u>	<u>105</u>	<u>1,376,976</u>
Total additions	1,356,211	43,779	387	1,247	221	1,401,845
Deductions						
Distributions to pool participants:						
Net investment income	26,372	1,911	2,808	-	-	31,091
Net realized gain (loss) from investments	8	-	234	-	-	242
Total distributions to pool participants	26,380	1,911	3,042	-	-	31,333
Participant transaction deductions:						
Redemption of pool units by participants	1,144,364	25,037	-	-	-	1,169,401
Withdrawals from individual investment accounts	-	-	-	219	105	324
Total participant transaction deductions	<u>1,144,364</u>	<u>25,037</u>	<u>-</u>	<u>219</u>	<u>105</u>	<u>1,169,725</u>
Total deductions	<u>1,170,744</u>	<u>26,948</u>	<u>3,042</u>	<u>219</u>	<u>105</u>	<u>1,201,058</u>
Net increase (decrease) in net position from operations	185,467	16,831	(2,655)	1,028	116	200,787
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	185,467	16,831	(2,655)	1,028	116	200,787
Net position at beginning of period	8,359,553	615,692	745,671	68,676	42,458	9,832,050
Net position at end of period	<u>\$ 8,545,020</u>	<u>\$ 632,523</u>	<u>\$ 743,016</u>	<u>\$ 69,704</u>	<u>\$ 42,574</u>	<u>\$ 10,032,837</u>