

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
December 09, 2025

OPERATING REPORT

OCTOBER 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

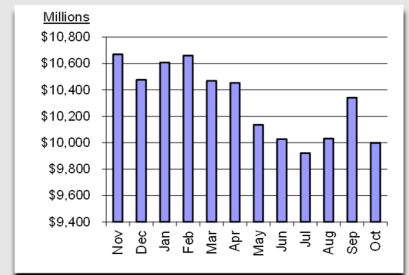
Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$9,999,421,000

Last Month
\$10,341,341,000

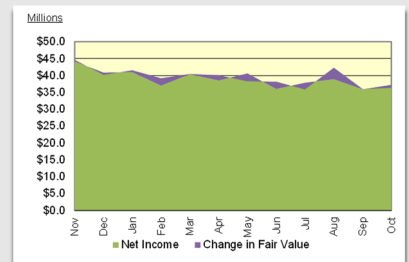
Beginning of Fiscal Year
\$10,025,892,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$150,428,000



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

Money Market Pools

As of October 31, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	4.2705%	45 Days	\$8.5 Billion
WV Gov't Money Market	4.1173%	34 Days	\$649.3 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

OCTOBER 2025

Government Shutdown

Markets shrugged off the ongoing government shutdown with mostly positive results. Capital markets continued an upward trajectory driven by strong corporate earnings, and a second consecutive Fed rate cut reflecting persistent concerns regarding a softening labor market and uncertain inflationary pressures.

Macroeconomics

The Fed reduced its benchmark rate by 25 basis points to 3.75–4.0% in October by a 10-2 vote. The Fed also indicated it would end (by December) its quantitative tightening (QT) program on its \$6.6 trillion balance sheet with reinvestment of maturing security proceeds into shorter-term Treasury bills. September's monthly CPI increase of 0.3% lifted annual inflation to 3.0%. This is the only release of official economic data we will see during the government shutdown.

The ISM Manufacturing PMI survey results decreased to 48.7 in October, with the overall negative trend continuing in lower inventories, new orders and higher prices. The Bureau of Labor Statistics (BLS) release of unemployment data has been delayed by the government shutdown. However, according to private sector payroll service ADP, companies added 42,000 jobs in the month, which is a modest rebound from September. The Conference Board Consumer Confidence Index survey fell one point in October to 94.6.

Equity Markets

US equities had a sixth consecutive month of positive returns with the S&P 500 up 2.3%. On a sector basis, Information Technology (+6.2%) was the top contributor with Materials (-5.0%) the weakest. Russell 1000 large U.S. cap stocks (+2.2%) outpaced Russell 2000 small-cap stocks (+1.8) and Russell midcap stocks (-0.8%). Russell 3000 all-cap growth index (+3.5%) outperformed Russell 3000 all-cap value index (+0.4%) during the month.

US equity market valuations are at historic highs with both trailing and forward P/E ratios head of longer term averages. Progress on trade deals, favorable corporate earnings, AI/tech enthusiasm and Fed rate cuts all contributed to the market backdrop.

International equity markets were also positive with emerging regions (EM +4.2%) ahead of developed regions (EAFE +1.2%). International markets have outperformed the US S&P 500 (17.5%) year to date; helped by the weakened US Dollar as the MSCI EM (32.9%) was ahead of the MSCI EM Local Currency (+30.0%) and the MSCI EAFE (26.6%) was significantly ahead of the MSCI EAFE Local Currency (+17.5%).

Fixed Income

Fixed income markets were positive with the Bloomberg US Aggregate Index up 0.6%. The U.S. Treasury yield curve steepened, as yields mostly declined month-on-month but increased by 8 basis points on the 1-year Treasury (3.7%). Spreads widened during the month from very tight levels on Investment-grade corporates, high yield and asset-backed securities.

Looking Ahead

While, a lessening in global trade tensions, and continued strong corporate earnings contributed to the positive capital market returns, markets are priced for perfection. Looking ahead, equity valuations are elevated, the labor market is softening, and the Federal Reserve is weighing future interest rate reductions (which are priced into the market). In addition, the Supreme Court will be hearing arguments related to the constitutionality of President Trump's tariff actions pursuant to the International Emergency Economic Powers Act of 1977.

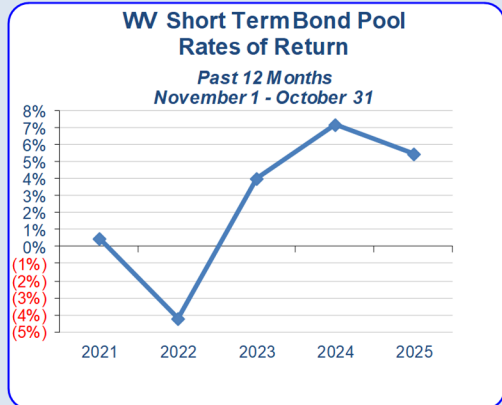
West Virginia Board of Treasury Investments

Financial Highlights as of October 31, 2025

WV Short Term Bond Pool

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

November 1 - October 31	Return	Net Assets At Oct 31 (In Millions)
2025	5.5%	\$ 734.0
2024	7.2%	\$ 699.1
2023	4.1%	\$ 674.0
2022	(4.2%)	\$ 685.2
2021	0.5%	\$ 829.1

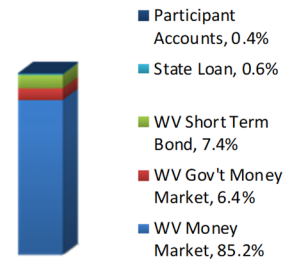


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

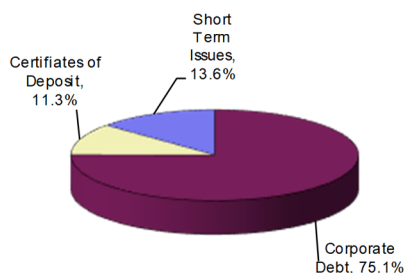
Pool	Net Asset Value	Oct Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 8,513,734	\$ 31,442	\$ 127,994
WV Gov't Money Market	649,289	2,236	8,872
WV Short Term Bond	734,033	2,301	12,188
Loans	60,388	215	821
Participant Accounts	41,977	134	553
	<u>\$ 9,999,421</u>	<u>\$ 36,328</u>	<u>\$ 150,428</u>

Percent of Total Net Asset Value

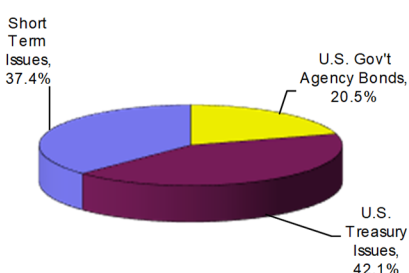


Securities by Type for Operating Pools (Percentage of Asset Value)

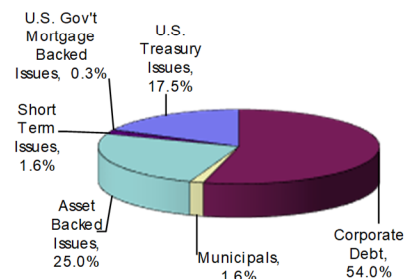
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
OCTOBER 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>
Assets						
Investments:						
At amortized cost	\$ 8,500,809	\$ 658,917	\$ -	\$ 60,174	\$ 40,837	\$ 9,260,737
At fair value	-	-	737,817	-	1,007	738,824
Other assets	14,262	393	5,771	216	134	20,776
Total assets	<u>8,515,071</u>	<u>659,310</u>	<u>743,588</u>	<u>60,390</u>	<u>41,978</u>	<u>10,020,337</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased						
	1,337	10,021	9,555	2	1	20,916
Total liabilities	<u>1,337</u>	<u>10,021</u>	<u>9,555</u>	<u>2</u>	<u>1</u>	<u>20,916</u>
Net Position						
Held in trust for investment pool participants	8,513,734	649,289	734,033	-	-	9,897,056
Held in trust for individual investment account holders	-	-	-	60,388	41,977	102,365
Total net position	<u>\$ 8,513,734</u>	<u>\$ 649,289</u>	<u>\$ 734,033</u>	<u>\$ 60,388</u>	<u>\$ 41,977</u>	<u>\$ 9,999,421</u>
Additions						
Investment income:						
Interest and dividends	\$ 14,422	\$ 1,426	\$ 2,742	\$ 216	\$ 134	\$ 18,940
Net (amortization) accretion	17,348	836	525	-	-	18,709
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>31,770</u>	<u>2,262</u>	<u>3,267</u>	<u>216</u>	<u>134</u>	<u>37,649</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	334	26	46	1	-	407
Total investment expenses	<u>334</u>	<u>26</u>	<u>46</u>	<u>1</u>	<u>-</u>	<u>407</u>
Net investment income	31,436	2,236	3,221	215	134	37,242
Net realized gain (loss) from investments	6	-	158	-	-	164
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(1,078)</u>	<u>-</u>	<u>-</u>	<u>(1,078)</u>
Net increase (decrease) in net position from operations	31,442	2,236	2,301	215	134	36,328
Participant transaction additions:						
Purchase of pool units by participants	993,781	37,301	-	-	-	1,031,082
Reinvestment of pool distributions	31,436	2,236	3,223	-	-	36,895
Contributions to individual investment accounts	-	-	-	662	129	791
Total participant transaction additions	<u>1,025,217</u>	<u>39,537</u>	<u>3,223</u>	<u>662</u>	<u>129</u>	<u>1,068,768</u>
Total additions	1,056,659	41,773	5,524	877	263	1,105,096
Deductions						
Distributions to pool participants:						
Net investment income	31,436	2,236	3,221	-	-	36,893
Net realized gain (loss) from investments	6	-	158	-	-	164
Total distributions to pool participants	<u>31,442</u>	<u>2,236</u>	<u>3,379</u>	<u>-</u>	<u>-</u>	<u>37,057</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,392,788	15,959	1,000	-	-	1,409,747
Withdrawals from individual investment accounts	-	-	-	83	129	212
Total participant transaction deductions	<u>1,392,788</u>	<u>15,959</u>	<u>1,000</u>	<u>83</u>	<u>129</u>	<u>1,409,959</u>
Total deductions	<u>1,424,230</u>	<u>18,195</u>	<u>4,379</u>	<u>83</u>	<u>129</u>	<u>1,447,016</u>
Net increase (decrease) in net position from operations	(367,571)	23,578	1,145	794	134	(341,920)
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	(367,571)	23,578	1,145	794	134	(341,920)
Net position at beginning of period	8,881,305	625,711	732,888	59,594	41,843	10,341,341
Net position at end of period	<u>\$ 8,513,734</u>	<u>\$ 649,289</u>	<u>\$ 734,033</u>	<u>\$ 60,388</u>	<u>\$ 41,977</u>	<u>\$ 9,999,421</u>