

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
December 09, 2025

OPERATING REPORT SEPTEMBER 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

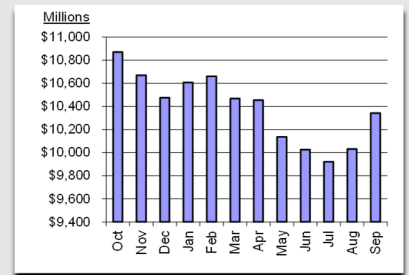
Executive Staff

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

Chief Financial Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management
\$10,341,341,000

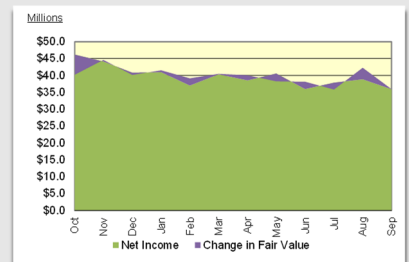
Last Month **\$10,030,601,000** **Beginning of Fiscal Year** **\$10,025,892,000**



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$114,104,000



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

Money Market Pools
As of September 30, 2025

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	4.3759%	43 Days	\$8.9 Billion
WV Gov't Money Market	4.2030%	38 Days	\$625.7 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

SEPTEMBER 2025

Government Shutdown

Despite the government shutdown and the Congressional standoff regarding the upcoming fiscal year federal government funding, it was another solid month for risk assets. Global capital markets continued an upward trajectory driven by strong corporate earnings, along with what is anticipated to be the first of several Fed rate cuts given concerns about a weakening labor market and uncertain inflationary pressures.

Macroeconomics

The Fed reduced its benchmark rate by 25 basis points to 4.00–4.25% in September, with further rate cuts anticipated given continued weakness in labor markets and despite moderately elevated inflation data. August's monthly CPI increase of 0.4% lifted annual inflation to 2.9% as the impact of current and anticipated price increases from tariffs continued to slowly seep into the economy. The Fed's preferred measure of inflation, Core PCE (Personal Consumption Expenditures), increased by 0.2% in August with an annualized rate of 2.9%.

The ISM Manufacturing PMI survey results increased slightly to 49.1 in August, but the overall negative trend continues in lower employment, inventories and new orders. The annualized unemployment rate increased to 4.3% in August with further weakness in labor markets as the Bureau of Labor Statistics (BLS) reported below consensus hiring estimates of 22,000 jobs vs 75,000 forecast, along with a combined net downward revisions to June and July of 21,000 jobs. The Conference Board Consumer Confidence Index survey fell 3.6 points in September to 94.0.

Fixed Income

Fixed income markets were positive with the Bloomberg US Aggregate Index up 1.1%. The U.S. Treasury yield curve modestly steepened in anticipation of further rate cuts and weakening employment data, as 1-year U.S. Treasuries declined (22 bps to 3.6%) slightly more than 30-year Treasuries (14 bps to 4.7%). Mortgage-backed securities, investment-grade corporates and high yield all had spreads tighten with heavy new issuance of the latter to take advantage of a favorable rate environment.

Looking Ahead

September ended on the eve of a government shutdown of unknown duration due to political differences regarding fiscal spending. Generally, the stock market has taken such events in stride, but that may ultimately depend on the length of the stalemate. The shutdown does mean that certain key economic monitoring data including the September US jobs report, will not be available from government sources. The Fed, having prioritized weakening labor market conditions with the September rate cut decision, may look to private sector jobs data at their October policy meeting. As such, it is worth noting that payroll processor ADP reported a net loss of 32,000 corporate jobs in September, which is suggestive of a slowing economy and further monetary policy easing.

West Virginia Board of Treasury Investments

Financial Highlights as of September 30, 2025

WV Short Term Bond Pool

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

<u>October 1 - September 30</u>	<u>Return</u>	<u>Net Assets At Sept 30 (In Millions)</u>
2025	4.7%	\$ 732.9
2024	8.0%	\$ 702.3
2023	3.6%	\$ 683.1
2022	(4.4%)	\$ 686.4
2021	1.0%	\$ 821.2

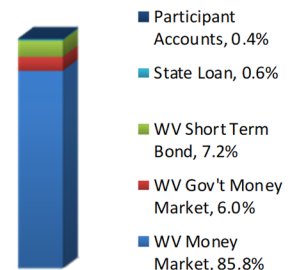


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

Summary of Value and Earnings (In Thousands)

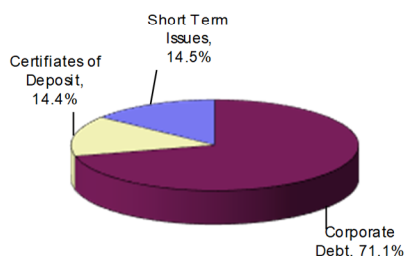
<u>Pool</u>	<u>Net Asset Value</u>	<u>Sep Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 8,881,305	\$ 30,723	\$ 96,557
WV Gov't Money Market	625,711	2,084	6,635
WV Short Term Bond	732,888	2,828	9,887
Loans	59,594	203	606
Participant Accounts	41,843	133	419
	<u>\$ 10,341,341</u>	<u>\$ 35,971</u>	<u>\$ 114,104</u>

Percent of Total Net Asset Value

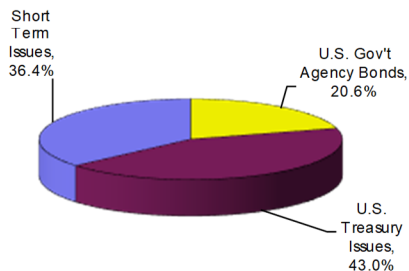


Securities by Type for Operating Pools (Percentage of Asset Value)

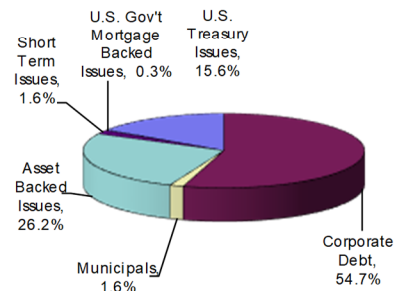
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
SEPTEMBER 30, 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	\$ 8,863,220	\$ 626,701	\$ -	\$ 58,990	\$ 40,703	\$ 9,589,614
At fair value	-	-	740,140	-	1,004	741,144
Other assets	19,088	1,110	11,443	605	137	32,383
Total assets	<u>8,882,308</u>	<u>627,811</u>	<u>751,583</u>	<u>59,595</u>	<u>41,844</u>	<u>10,363,141</u>
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased						
	1,003	2,100	18,695	1	1	21,800
Total liabilities	<u>1,003</u>	<u>2,100</u>	<u>18,695</u>	<u>1</u>	<u>1</u>	<u>21,800</u>
Net Position						
Held in trust for investment pool participants	8,881,305	625,711	732,888	-	-	10,239,904
Held in trust for individual investment account holders	-	-	-	59,594	41,843	101,437
Total net position	<u>\$ 8,881,305</u>	<u>\$ 625,711</u>	<u>\$ 732,888</u>	<u>\$ 59,594</u>	<u>\$ 41,843</u>	<u>\$ 10,341,341</u>
Additions						
Investment income:						
Interest and dividends	\$ 14,433	\$ 1,332	\$ 2,615	\$ 204	\$ 134	\$ 18,718
Net (amortization) accretion	16,602	775	194	-	-	17,571
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	<u>31,035</u>	<u>2,107</u>	<u>2,809</u>	<u>204</u>	<u>134</u>	<u>36,289</u>
Investment expenses:						
Investment advisor, custodian bank & administrative fees	318	23	44	1	1	387
Total investment expenses	<u>318</u>	<u>23</u>	<u>44</u>	<u>1</u>	<u>1</u>	<u>387</u>
Net investment income	30,717	2,084	2,765	203	133	35,902
Net realized gain (loss) from investments	6	-	458	-	-	464
Net increase (decrease) in fair value of investments	<u>-</u>	<u>-</u>	<u>(395)</u>	<u>-</u>	<u>-</u>	<u>(395)</u>
Net increase (decrease) in net position from operations	30,723	2,084	2,828	203	133	35,971
Participant transaction additions:						
Purchase of pool units by participants	1,710,921	57,939	1	-	-	1,768,861
Reinvestment of pool distributions	30,723	2,084	3,203	-	-	36,010
Contributions to individual investment accounts	-	-	-	1,379	142	1,521
Total participant transaction additions	<u>1,741,644</u>	<u>60,023</u>	<u>3,204</u>	<u>1,379</u>	<u>142</u>	<u>1,806,392</u>
Total additions	1,772,367	62,107	6,032	1,582	275	1,842,363
Deductions						
Distributions to pool participants:						
Net investment income	30,717	2,084	2,765	-	-	35,566
Net realized gain (loss) from investments	6	-	459	-	-	465
Total distributions to pool participants	<u>30,723</u>	<u>2,084</u>	<u>3,224</u>	<u>-</u>	<u>-</u>	<u>36,031</u>
Participant transaction deductions:						
Redemption of pool units by participants	1,455,785	39,422	-	-	-	1,495,207
Withdrawals from individual investment accounts	-	-	-	206	179	385
Total participant transaction deductions	<u>1,455,785</u>	<u>39,422</u>	<u>-</u>	<u>206</u>	<u>179</u>	<u>1,495,592</u>
Total deductions	<u>1,486,508</u>	<u>41,506</u>	<u>3,224</u>	<u>206</u>	<u>179</u>	<u>1,531,623</u>
Net increase (decrease) in net position from operations	285,859	20,601	2,808	1,376	96	310,740
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	285,859	20,601	2,808	1,376	96	310,740
Net position at beginning of period	8,595,446	605,110	730,080	58,218	41,747	10,030,601
Net position at end of period	<u>\$ 8,881,305</u>	<u>\$ 625,711</u>	<u>\$ 732,888</u>	<u>\$ 59,594</u>	<u>\$ 41,843</u>	<u>\$ 10,341,341</u>