

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending February 28, 2026

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Market Environment – February 2026

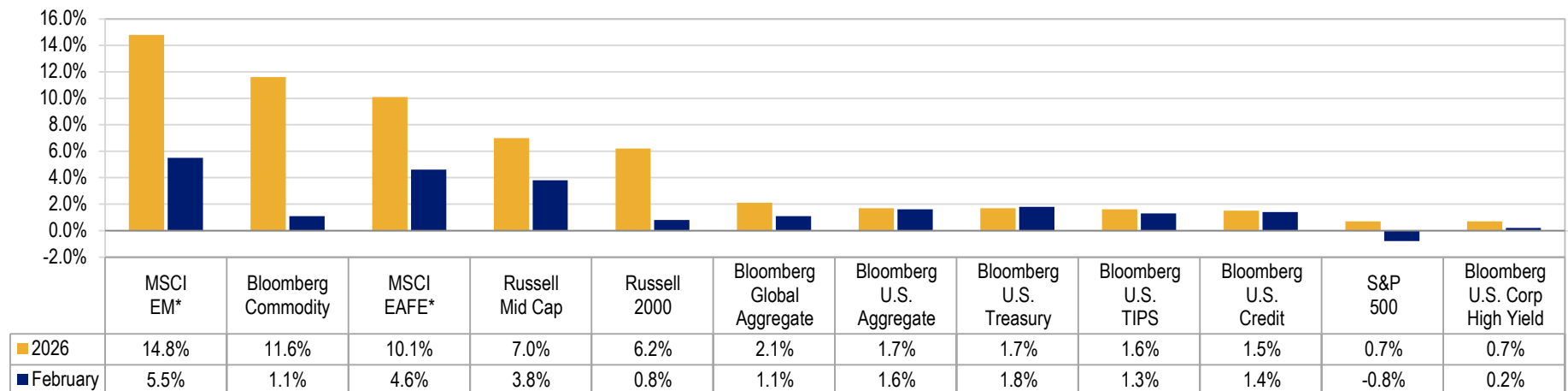
February Highlights

- ❑ The Supreme Court invalidated Trump's global tariffs under IEEPA that same day that 4Q GDP decelerated by an annualized rate of 1.4%. BLS unemployment rate rose to 4.4% with 92,000 jobs lost in February that was below expectations. February inflation measured by core CPI was 2.4%, which is on par with January.
- ❑ US equities declined for the first time in nine months with valuations still ahead of longer-term averages. Mid cap was the leading size segment followed by small in positive territory. Value exceeded growth on a relative basis across the size spectrum. Utilities (+10.3%) and Energy (+14.4%) were the leading S&P 500 sectors, while Consumer Discretionary (-5.4%) performed worst.
- ❑ International equity outperformed US on a relative basis. Within EM, Asia (+6.2%) was ahead of Latin America (+3.8%) and Eastern Europe (-1.5%) on a regional basis, with Korea the top country. Within EAFE developed markets, Pacific (+7.6%) led Europe (+3.3%) regionally, with Japan the top performing country.
- ❑ The Bloomberg US Aggregate index surged as the yield curve steepened. Yields fell across the curve with the 10-year reaching 3.96% amid a flight to quality rally. US bonds were all positive with the 30-year Treasury (+4.5%) leading, while High Yield (+0.2%) trailed on a sector basis as spreads widened.
- ❑ Commodities had wide performance dispersion across major subsectors, including Precious Metals (+12.4%), Agriculture (+3.0%), Industrial Metals (-0.0%) and Energy (-5.7%).

2026 Highlights

- ❑ Global capital markets experienced wide performance dispersion given the outbreak of war against Iran in the middle east, tariff ruling uncertainty, sticky inflation, softening labor market and another partial government shutdown. A weaker US Dollar Index (-4.5%) was a tailwind to international asset returns.
- ❑ US equities lagged global markets with Energy (+25.2%) the top performing S&P 500 sector, while Financials (-6.0%) was the worst. Middle capitalization stocks (+7.0%) were ahead of small (+6.2%) and large (+0.7%) companies. All-cap value (+7.3%) was ahead of growth (-4.8%).
- ❑ International equities surged with emerging markets ahead of developed regions. Within EM, Latin America (+19.7%) was ahead of Asia (15.0%) and Eastern Europe (10.6%). Within EAFE, Pacific (+14.8%) was ahead of Europe (7.9%).
- ❑ Global fixed income outperformed US. Domestically, all sectors were positive with Long Gov/Credit (+3.0%) the top performing sector while High Yield (+0.7%) lagged. Treasury yields declined across the middle and long end of the yield curve. After several rates cuts last year, expectations are for mostly steady rate levels at US Fed and ECB in 2026 barring market turmoil.
- ❑ Commodities were all positive across major subsectors, including Precious Metals (+24.7%), Energy (+13.7%), Industrial Metals (+5.6%) and Agriculture (+2.7%).

Returns



Source: Investment Metrics *Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of February 28, 2026

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,726,232,627	100.0					
Money Market Pool*	8,360,337,756	86.0	0.293	2.840	4.399	5.102	3.581
<i>Custom Money Market Pool Index**</i>			0.276	2.444	3.786	4.432	3.055
Federated Hermes - Money Market	4,179,020,754	43.0	0.294	2.852	4.411	5.117	3.589
UBS - Money Market	4,181,317,003	43.0	0.293	2.827	4.387	5.087	3.574
Government Money Market Pool	615,827,500	6.3	0.280	2.748	4.231	4.930	3.415
<i>Custom Government Money Market Pool Index***</i>			0.281	2.473	3.842	4.488	3.090
UBS - Government	615,827,500	6.3	0.280	2.748	4.231	4.930	3.415
Short-Term Bond Pool	750,067,371	7.7	0.444	3.420	5.319	5.683	2.838
<i>Short-Term Bond Pool Index****</i>			0.518	3.206	5.013	5.142	2.237
Sterling - Short-Term Bond	750,067,371	7.7	0.444	3.420	5.319	5.683	2.838

*The West Virginia Money Market Pool is a multi manager investment pool, which is managed by Federated Hermes and UBS Global Asset Management.

** Benchmark is iMoneyNet First Tier Retail Average as of 8/1/2021.

*** Benchmark is iMoneyNet Government & Agency Institutional Average as of 8/1/2021.

**** Benchmark is BofA Merrill Lynch 1-3 Year Government/Credit Index + 10 bps.

West Virginia Board of Treasury Investments

Comparative Performance - Net of Fees

As of February 28, 2026

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,726,232,627	100.0					
Money Market Pool*	8,360,337,756	86.0	0.291	2.818	4.366	5.070	3.551
<i>Custom Money Market Pool Index**</i>			0.276	2.444	3.786	4.432	3.055
Federated Hermes - Money Market	4,179,020,754	43.0	0.291	2.831	4.378	5.086	3.560
UBS - Money Market	4,181,317,003	43.0	0.290	2.806	4.354	5.054	3.542
Government Money Market Pool	615,827,500	6.3	0.278	2.727	4.200	4.899	3.384
<i>Custom Government Money Market Pool Index***</i>			0.281	2.473	3.842	4.488	3.090
UBS - Government	615,827,500	6.3	0.278	2.727	4.200	4.899	3.384
Short-Term Bond Pool	750,067,371	7.7	0.440	3.379	5.257	5.620	2.777
<i>Short-Term Bond Pool Index****</i>			0.518	3.206	5.013	5.142	2.237
Sterling - Short-Term Bond	750,067,371	7.7	0.440	3.379	5.257	5.620	2.777

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West Virginia Board of Treasury Investments

Investment Managers Cash Flow

1 Month Ending February 28, 2026

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	9,672,617,036	24,137,055	29,478,535	9,726,232,627
Money Market Pool	8,300,472,968	35,481,294	24,383,494	8,360,337,756
Federated Hermes - Money Market	4,149,069,922	17,740,647	12,210,184	4,179,020,754
UBS - Money Market	4,151,403,046	17,740,647	12,173,310	4,181,317,003
Government Money Market Pool - UBS	625,392,985	-11,344,239	1,778,753	615,827,500
Short-Term Bond Pool - Sterling Capital	746,751,083		3,316,288	750,067,371