

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending October 31, 2025

Jeffrey C. Boucek, CFA, Senior Vice President
J. Keith Reynolds, Vice President
Alan Peak, Associate Consultant

Segal Marco Advisors

Market Environment – October 2025

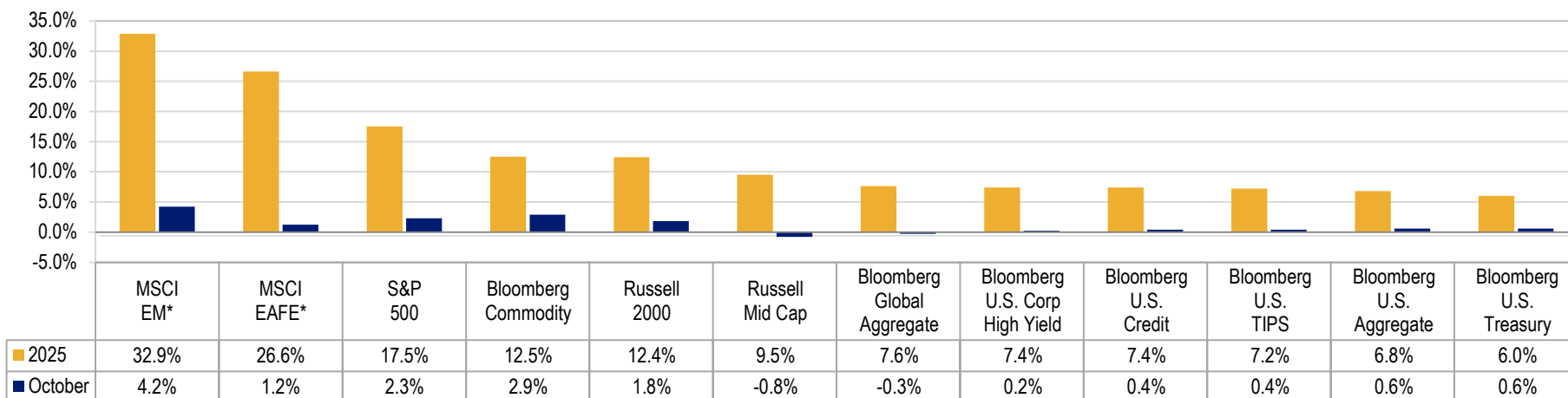
October Highlights

- ❑ The Fed again reduced its benchmark rate by 25 basis points to 3.75–4.00% and indicated an end by December of its quantitative tightening (QT) program. September's monthly CPI increase of 0.3% lifted annual inflation to 3.0%, which is the only official economic data available during the government shutdown. The US Dollar Index (+2.1%) increased for only the second positive month this year.
- ❑ US equities had a mostly positive month with large cap ahead of small cap, while mid cap was negative. Growth exceeded value on a relative basis across the size spectrum. Information Technology (+6.2%) was the leading S&P 500 sector, while Materials (-5.0%) performed the worst. Valuations reached historic highs with both trailing and forward P/E ratios ahead of longer-term averages.
- ❑ International equities were also positive with emerging markets ahead of developed regions. Within emerging markets, Asia (+4.9%) was ahead of Eastern Europe (+1.1%) and Latin America (+0.9%) on a regional basis. Within developed markets, Pacific (+2.1%) led Europe (+0.7%) on a regional basis.
- ❑ The Bloomberg US Agg index was positive as yields decreased across much of the curve. The 10-yr Treasury yield fell 6 basis points to 4.09%. US bonds were all positive with FTSE 30-Year Treasury (+1.4%) performing the best and High Yield (+0.2%) the worst.
- ❑ Commodities were positive across major subsectors, including Industrial Metals (+4.8%), Agriculture (+4.6%), Precious Metals (+3.5%) and Energy (+0.7%).

2025 Highlights

- ❑ Global capital markets experienced wide dispersion given trade tensions and the uncertainty of the impact of US tariff policies. A weaker US Dollar Index (-8.1%) is a tailwind to international asset returns.
- ❑ US equities lagged global markets with Information Technology (+29.9%) the top performing S&P 500 sector YTD, while Consumer Staples (+1.5%) was the worst. Large capitalization stocks (+17.1%) are ahead of small cap (+12.4%) and mid-cap (+9.5%). All-cap growth (+20.9%) is ahead of value (+12.0%).
- ❑ International equities surged with emerging markets ahead of developed regions. The weakened US Dollar impacted EAFE returns (+26.6% in USD vs. +17.5% in Local Currency) more on a relative basis compared to EM returns (+32.9% in USD vs +30.0% Local Currency).
- ❑ Global fixed income outperformed US. Domestically, all sectors are positive with Mortgage Backed (+7.2%) the top performing sector while Municipal Bonds (+3.9%) lagged. Treasury yields declined across the yield curve, with the long end dropping less than shorter maturities. US Fed cut rates for second time this year in October, while the ECB reduced rates four times to a level of 2.0%.
- ❑ Commodities had wide performance dispersion across major subsectors, including Precious Metals (+53.1%), Industrial Metals (+13.5%), Agriculture (+1.6%) and Energy (-3.8%).

Returns



Source: Investment Metrics *Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of October 31, 2025

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,903,008,393	100.0					
Money Market Pool*	8,515,882,819	86.0	0.359	1.505	4.634	5.166	3.323
<i>Custom Money Market Pool Index**</i>			0.311	1.287	4.015	4.478	2.824
Federated Hermes - Money Market	4,256,571,234	43.0	0.356	1.512	4.640	5.181	3.329
UBS - Money Market	4,259,311,585	43.0	0.362	1.499	4.628	5.150	3.317
Government Money Market Pool	649,532,927	6.6	0.356	1.461	4.491	4.973	3.162
<i>Custom Government Money Market Pool Index***</i>			0.316	1.292	4.078	4.519	2.853
UBS - Government	649,532,927	6.6	0.356	1.461	4.491	4.973	3.162
Short-Term Bond Pool	737,592,647	7.4	0.319	1.703	5.574	5.657	2.607
<i>Short-Term Bond Pool Index****</i>			0.348	1.581	5.172	4.980	1.958
Sterling - Short-Term Bond	737,592,647	7.4	0.319	1.703	5.574	5.657	2.607

*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 October 31, 2025

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,903,008,393	100.0					
Money Market Pool*	8,515,882,819	86.0	0.356	1.495	4.601	5.134	3.292
<i>Custom Money Market Pool Index**</i>			0.311	1.287	4.015	4.478	2.824
Federated Hermes - Money Market	4,256,571,234	43.0	0.353	1.502	4.607	5.151	3.300
UBS - Money Market	4,259,311,585	43.0	0.360	1.488	4.595	5.117	3.284
Government Money Market Pool	649,532,927	6.6	0.354	1.451	4.460	4.942	3.131
<i>Custom Government Money Market Pool Index***</i>			0.316	1.292	4.078	4.519	2.853
UBS - Government	649,532,927	6.6	0.354	1.451	4.460	4.942	3.131
Short-Term Bond Pool	737,592,647	7.4	0.314	1.683	5.511	5.594	2.546
<i>Short-Term Bond Pool Index****</i>			0.348	1.581	5.172	4.980	1.958
Sterling - Short-Term Bond	737,592,647	7.4	0.314	1.683	5.511	5.594	2.546

*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

Investment Managers Cash Flow

1 Month Ending October 31, 2025

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,245,878,822	-378,665,959	35,795,531	9,903,008,393
Money Market Pool	8,883,718,771	-399,007,271	31,171,319	8,515,882,819
Federated Hermes - Money Market	4,440,637,940	-199,503,636	15,436,930	4,256,571,234
UBS - Money Market	4,443,080,831	-199,503,636	15,734,389	4,259,311,585
Government Money Market Pool - UBS	625,914,435	21,341,312	2,277,180	649,532,927
Short-Term Bond Pool - Sterling Capital	736,245,616	-1,000,000	2,347,031	737,592,647