

West Virginia Board of Treasury Investments

# Analysis of Investment Performance

Period Ending September 30, 2025

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

## Executive Summary

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# Executive Summary

As of September 30, 2025, total assets in the **West Virginia Board of Treasury Investments Portfolio** totaled \$10.2 billion.

Assets in the Money Market Pool increased \$241.1 million during the quarter. The Government Money Market Pool increased \$57.8 million, while Short-Term Bond Pool assets increased \$10.8 million.

The **West Virginia Money Market Pool** led the return of the benchmark index by 17 basis points for the quarter. Longer-term results also have the fund ahead of its benchmark for the 1, 3 and 5 year periods.

The **West Virginia Government Money Market Pool** led the return of the benchmark by 13 basis points during the quarter. Longer-term results for the pool outpaced the benchmark for the 1, 3 and 5 year periods.

The **West Virginia Short Term Bond Pool** led the return of the benchmark index by 15 basis points for the quarter. Longer term results for the pool were above-benchmark for all longer time periods measured.

## Proxy Votes:

There were no proxy votes cast this quarter.

Performance commentary is based on net of fee results.

## Financial Market Conditions

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# Market Environment – September 2025

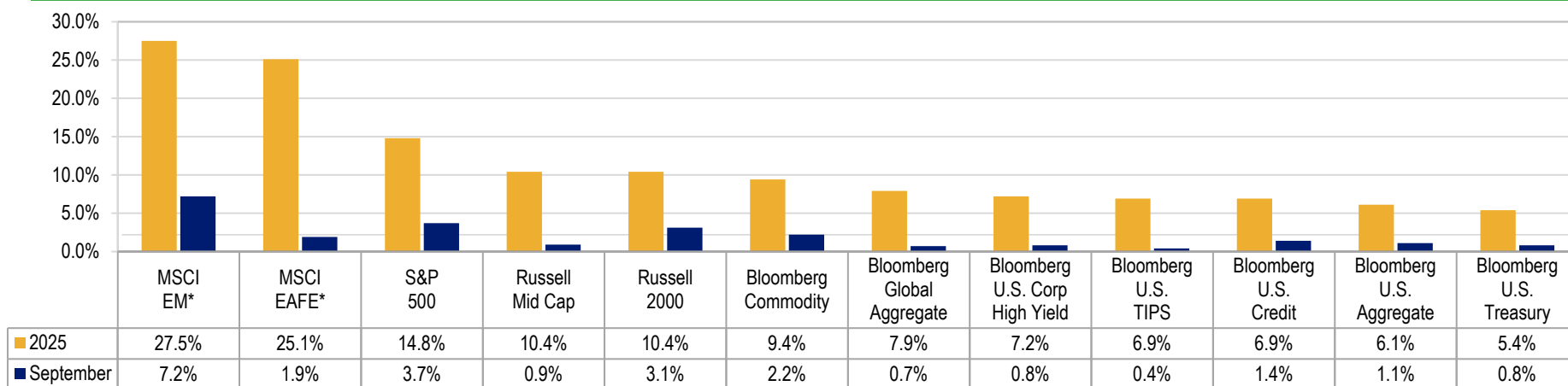
## September Highlights

- ❑ The Fed reduced its benchmark rate by 25 basis points to 4.00–4.25% with further rate cuts anticipated. Unemployment rose to 4.3% in August, as the BLS reported fewer than anticipated new jobs and further revised prior monthly results downward. Core PCE rose 0.2% in August, bringing the annualized rate to 2.9%.
- ❑ US stocks increased with growth ahead of value, except for mid-cap, and large exceeding small cap, on a relative basis. Info Tech (+7.3%) and Communication Services (+5.6%) were the leading S&P 500 sectors, while Materials (-2.1%) and Consumer Staples (-1.6%) performed the worst.
- ❑ Developed global stocks increased with of Europe (+2.0%) ahead of the Pacific (+1.7%). Emerging market stocks were positive as well with Asia (+7.5%) ahead of Latin America (+6.5%) and Eastern Europe (+1.6%). Netherlands and Peru led developed and emerging market economies, respectively.
- ❑ The Bloomberg US Agg index was positive as yields decreased across much of the curve. The 10-yr Treasury yield fell 8 basis points to 4.15%. US bonds were positive with FTSE 30-Year Treasury (+3.5%) performing the best and ICE BofA 1-3 Year Treasury (+0.3%) the worst. MBS (+1.2%), IG (1.4%) and HY (+0.8%) spreads tightened.
- ❑ Commodities had wide dispersion across major subsectors, including Precious Metals (+11.6%), Industrial Metals (+3.7%), Energy (-0.1%) and Agriculture (-3.4%).

## 2025 Highlights

- ❑ Global capital markets experienced wide dispersion given trade tensions and the uncertainty of the impact of US tariff policies. Annualized revised US GDP increased +3.8% in Q2 due to a drop in imports. Weaker YTD US Dollar Index (-9.1%) is a tailwind to international asset returns.
- ❑ US stocks lagged global markets with Communication Services (+24.5%) the top performing S&P 500 sector YTD, while Healthcare (2.6%), although positive, was the worst. Large capitalization stocks (+14.6%) lead the size segment, while small cap and mid-cap were even (+10.4%).
- ❑ Non-U.S. developed market stocks surged, as Europe (+27.5%) outperformed Pacific (+21.0%) on a regional basis with outsized returns in Spain (+62.1%). Positive Eastern Europe (+44.2%) and Latin American (+43.1%) emerging market returns also outperformed Asia (+26.4%) on a regional basis.
- ❑ Global fixed income outperformed US. Domestically, sectors are positive with High Yield (+7.2%) the top performing sector while Municipal Bonds (+2.6%) lagged. Treasury yields declined across the yield curve, with the long end dropping less than shorter maturities. US Fed cut rates for the first time in September, while the ECB reduced rates four times to a level of 2.0%.
- ❑ Commodities had wide performance dispersion across major subsectors, including Precious Metals (+47.9%), Industrial Metals (+8.3%), Agriculture (-2.9%) and Energy (-4.5%).

## Returns



Source: Investment Metrics; \*Net dividends reinvested

**Total Fund**

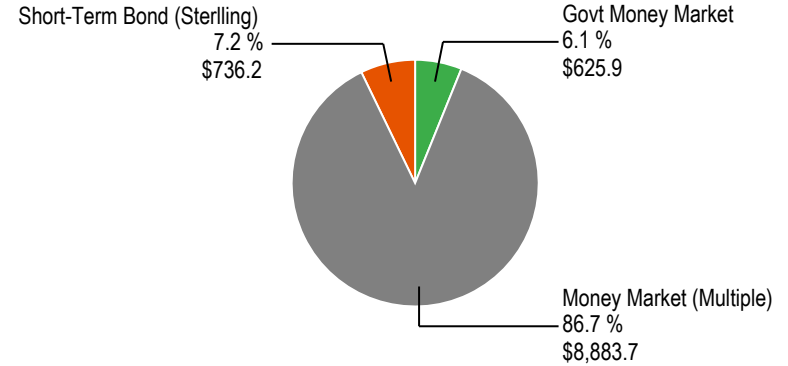
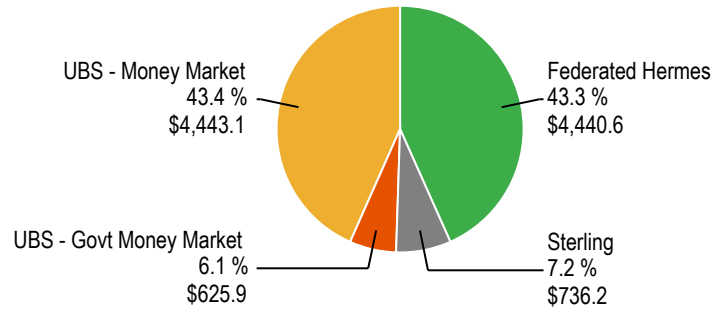
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Total Assets

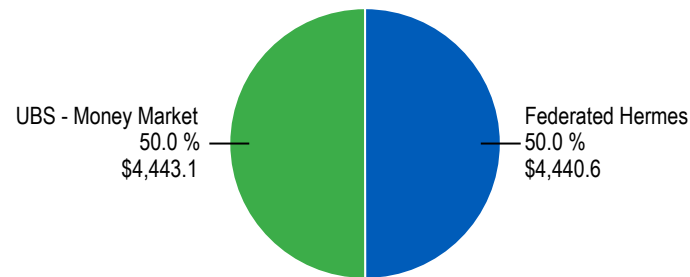
\$10,245,878,822

Manager Allocation

Investment Pool Allocation



Money Market Allocation



## West Virginia Board of Treasury Investments

## Total Fund Allocation and Performance - Net of Fees

As of September 30, 2025

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,245,878,822	100.0							
Money Market Pool*	8,883,718,771	86.7	0.375	1.134	3.420	1.134	4.648	5.099	3.221
<i>Custom Money Market Pool Index**</i>			0.319	0.972	2.970	0.972	4.075	4.447	2.759
Federated Hermes - Money Market	4,440,637,940	43.3	0.375	1.145	3.417	1.145	4.645	5.116	3.230
UBS - Money Market	4,443,080,831	43.4	0.376	1.124	3.424	1.124	4.651	5.083	3.212
Government Money Market Pool	625,914,435	6.1	0.339	1.094	3.275	1.094	4.515	4.901	3.058
<i>Custom Government Money Market Pool Index***</i>			0.325	0.972	3.012	0.972	4.141	4.487	2.788
UBS - Government	625,914,435	6.1	0.339	1.094	3.275	1.094	4.515	4.901	3.058
Short-Term Bond Pool	736,245,616	7.2	0.387	1.365	4.444	1.365	4.715	5.434	2.509
<i>Short-Term Bond Pool Index****</i>			0.348	1.228	4.205	1.228	4.249	4.816	1.892
Sterling - Short-Term Bond	736,245,616	7.2	0.387	1.365	4.444	1.365	4.715	5.434	2.509

\*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

## Total Fund Allocation and Performance - Gross of Fees

As of September 30, 2025

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,245,878,822	100.0							
Money Market Pool*	8,883,718,771	86.7	0.378	1.142	3.445	1.142	4.681	5.131	3.252
<i>Custom Money Market Pool Index**</i>			0.319	0.972	2.970	0.972	4.075	4.447	2.759
Federated Hermes - Money Market	4,440,637,940	43.3	0.378	1.153	3.441	1.153	4.678	5.146	3.258
UBS - Money Market	4,443,080,831	43.4	0.378	1.132	3.448	1.132	4.684	5.116	3.245
Government Money Market Pool	625,914,435	6.1	0.341	1.101	3.298	1.101	4.546	4.933	3.090
<i>Custom Government Money Market Pool Index***</i>			0.325	0.972	3.012	0.972	4.141	4.487	2.788
UBS - Government	625,914,435	6.1	0.341	1.101	3.298	1.101	4.546	4.933	3.090
Short-Term Bond Pool	736,245,616	7.2	0.392	1.380	4.490	1.380	4.777	5.497	2.570
<i>Short-Term Bond Pool Index****</i>			0.348	1.228	4.205	1.228	4.249	4.816	1.892
Sterling - Short-Term Bond	736,245,616	7.2	0.392	1.380	4.490	1.380	4.777	5.497	2.570

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## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow - Net of Fees

Quarter Ending September 30, 2025

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>9,936,172,620</b>	<b>194,436,437</b>	<b>115,269,764</b>	<b>10,245,878,822</b>
Money Market Pool	8,642,632,788	142,605,919	98,480,064	8,883,718,771
Federated Hermes - Money Market	4,319,681,498	71,309,127	49,647,315	4,440,637,940
UBS - Money Market	4,322,951,290	71,296,792	48,832,749	4,443,080,831
Government Money Market Pool - UBS	568,084,752	51,061,493	6,768,190	625,914,435
Short-Term Bond Pool - Sterling Capital	725,455,081	769,025	10,021,510	736,245,616

## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow - Net of Fees

Fiscal Year To Date Ending September 30, 2025

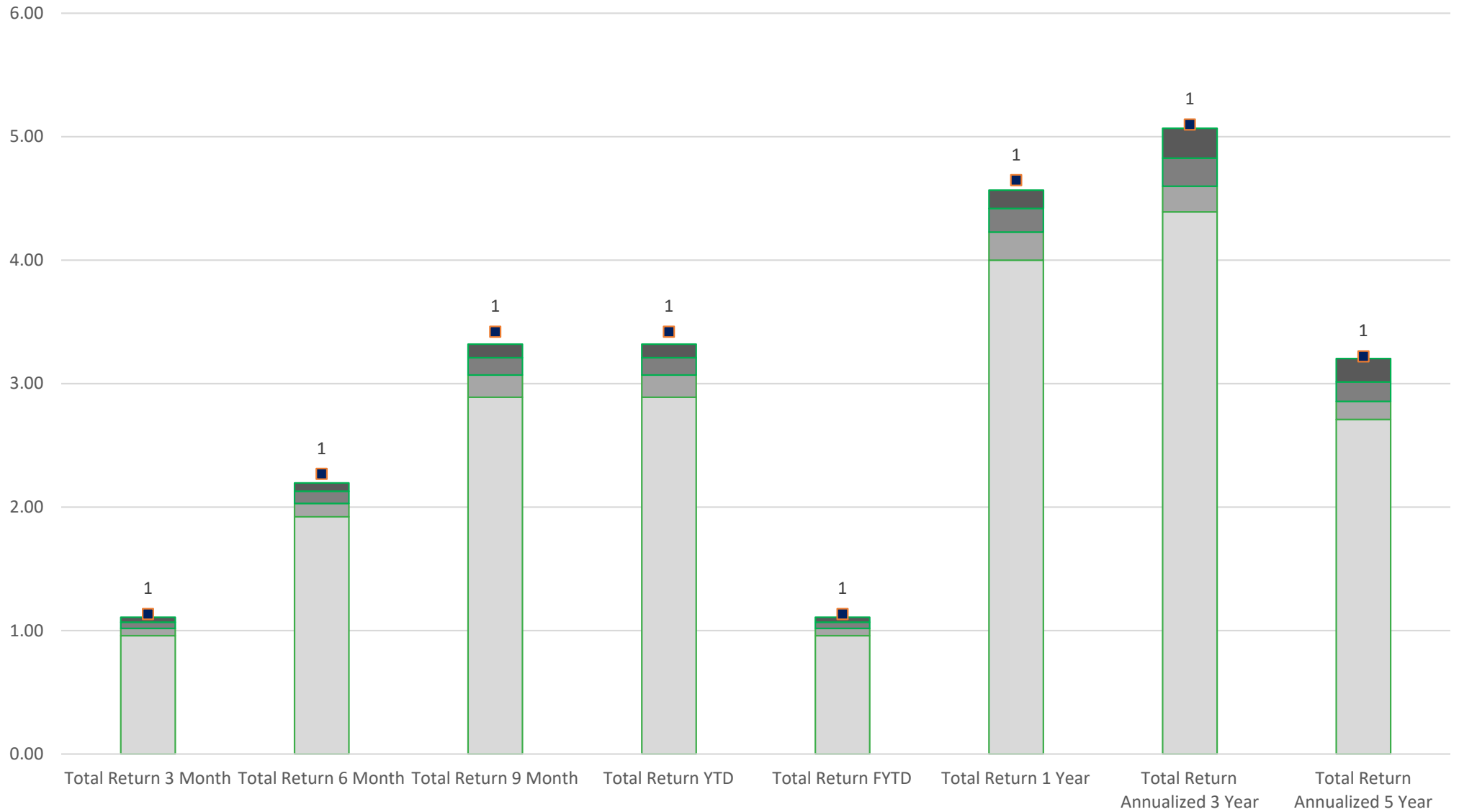
	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
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Money Market Pool	8,642,632,788	142,605,919	98,480,064	8,883,718,771
Federated Hermes - Money Market	4,319,681,498	71,309,127	49,647,315	4,440,637,940
UBS - Money Market	4,322,951,290	71,296,792	48,832,749	4,443,080,831
Government Money Market Pool - UBS	568,084,752	51,061,493	6,768,190	625,914,435
Short-Term Bond Pool - Sterling Capital	725,455,081	769,025	10,021,510	736,245,616

## Money Market Pool

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# WV Money Market Pool - Prime Money Market Universe\*

## As of September 30, 2025



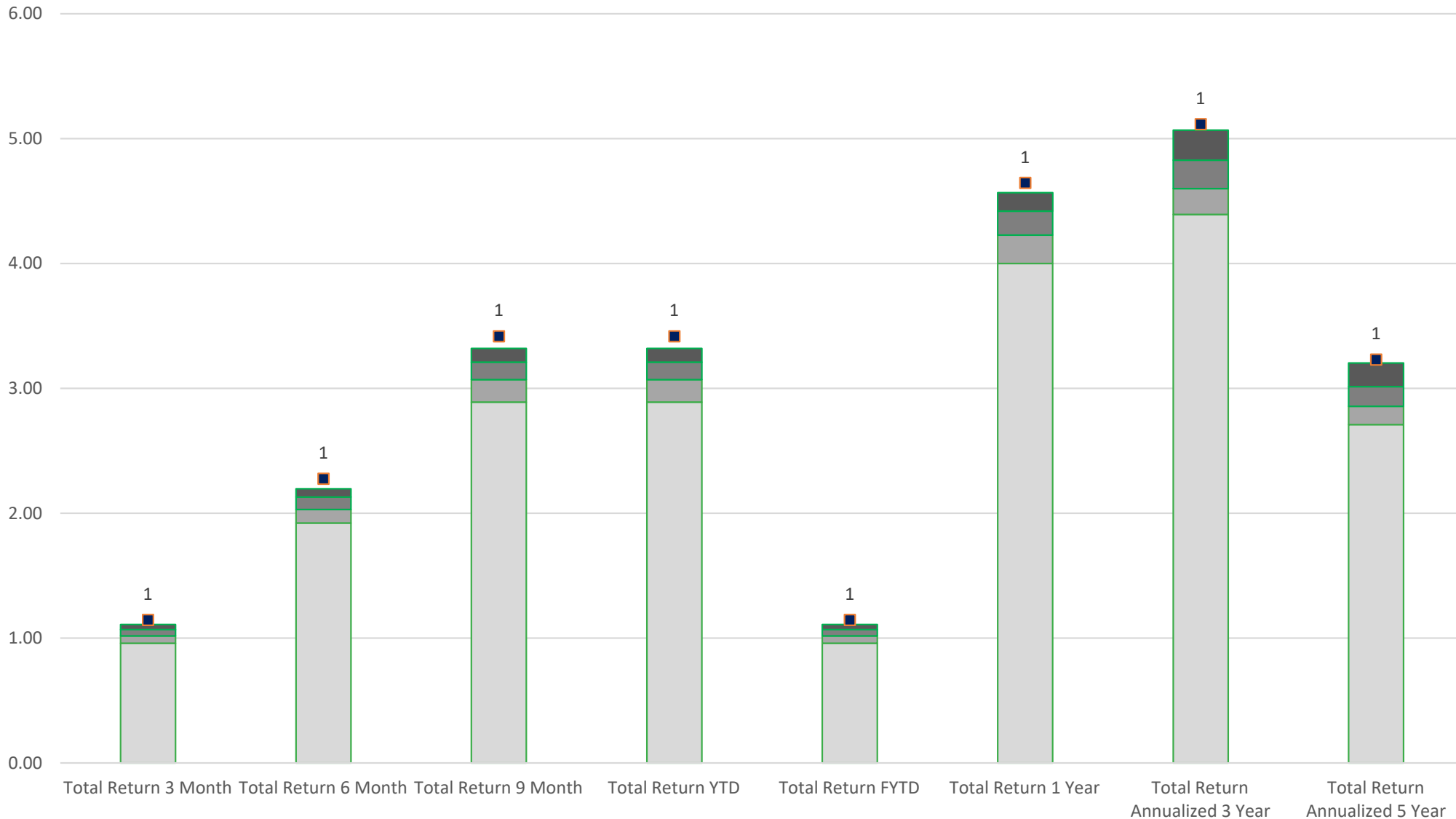
\*Universe AUM: \$1,219 Billion, 142 Investments

## Federated Hermes - Money Market

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# Federated Money Market Fund - Prime Money Market Universe\*

## As of September 30, 2025

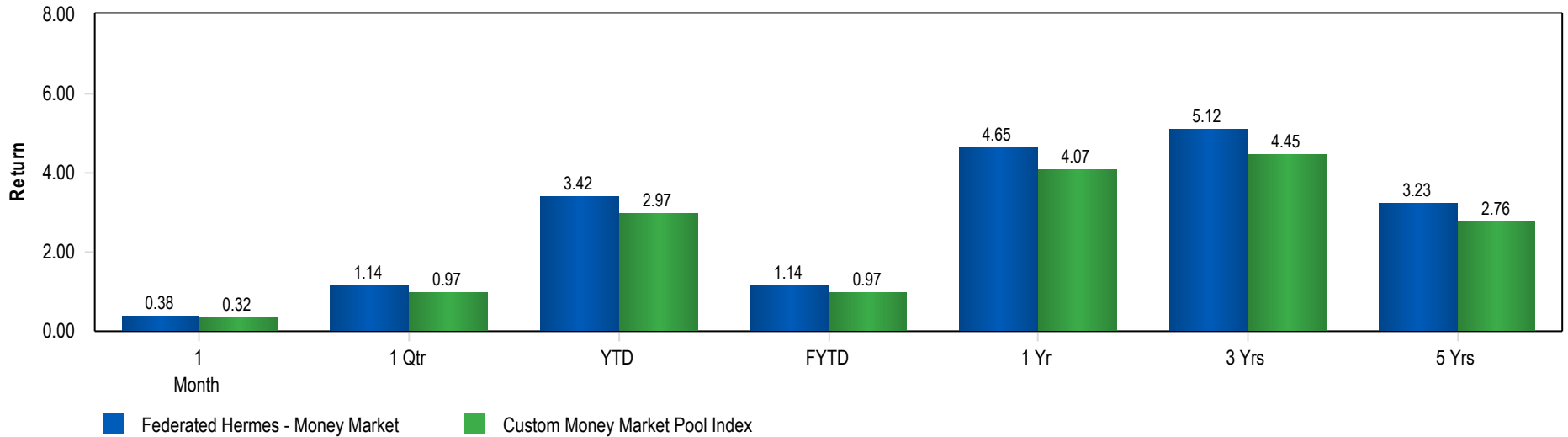


\*Universe AUM: \$1,219 Billion, 142 Investments

Gain/Loss

	1 Month	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
<b>Federated Hermes - Money Market</b>							
Beginning Market Value	4,296,431,640	4,319,681,498	4,569,047,806	4,319,681,498	4,857,592,619	4,371,131,742	2,662,374,486
Net Cash Flows	127,568,324	71,309,127	-279,707,518	71,309,127	-624,440,259	-646,761,089	1,023,891,300
Income							
Gain/Loss	16,637,976	49,647,315	151,297,651	49,647,315	207,485,579	716,267,287	754,372,154
Ending Market Value	4,440,637,940	4,440,637,940	4,440,637,940	4,440,637,940	4,440,637,940	4,440,637,940	4,440,637,940

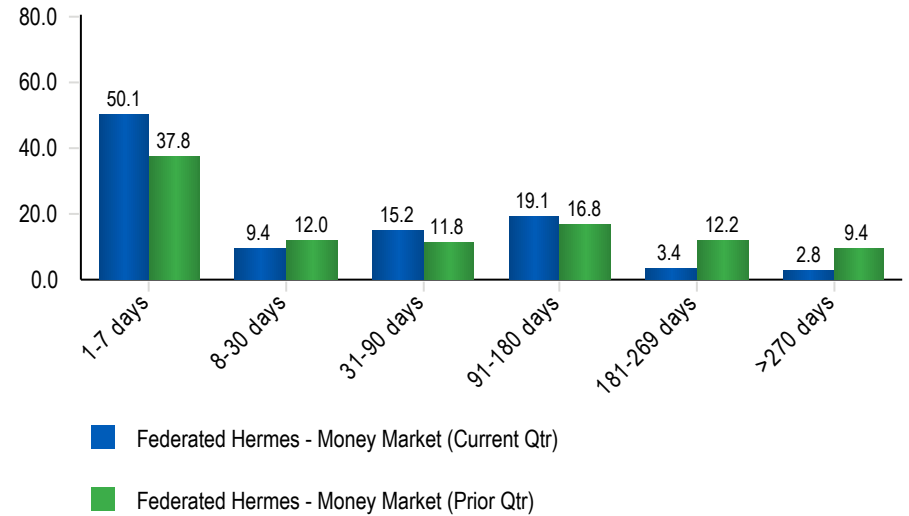
Return Summary



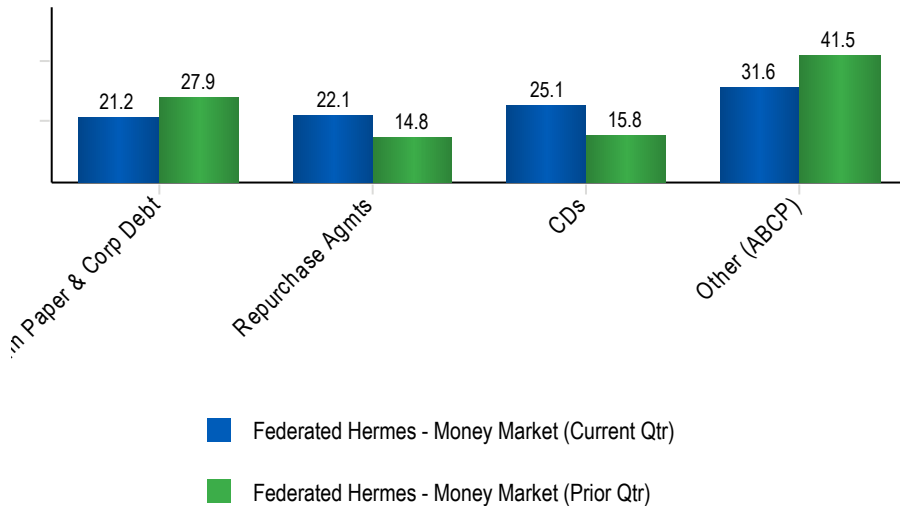
Portfolio Characteristics

	Portfolio	Policy (6/30/25)
Avg. Quality	A1/P1	A1/P1
Avg. Coupon	4.35	4.54
Weighted Average Maturity (Days)	51.78	50.00
Weighted Average Life (Days)	76.37	79.00
Yield To Maturity (%)	4.35	4.54
Number of Issuers	115	116

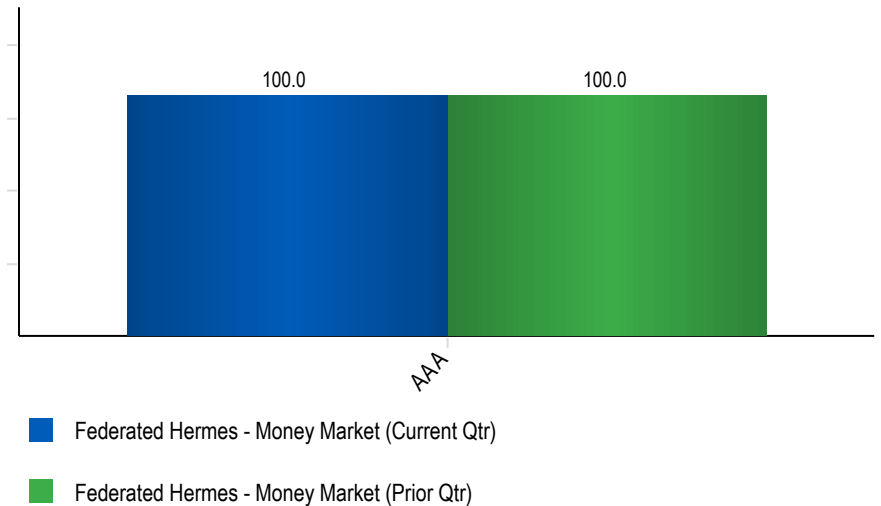
Maturity Distribution (%)



Sector Distribution (%)



Credit Quality Distribution (%)

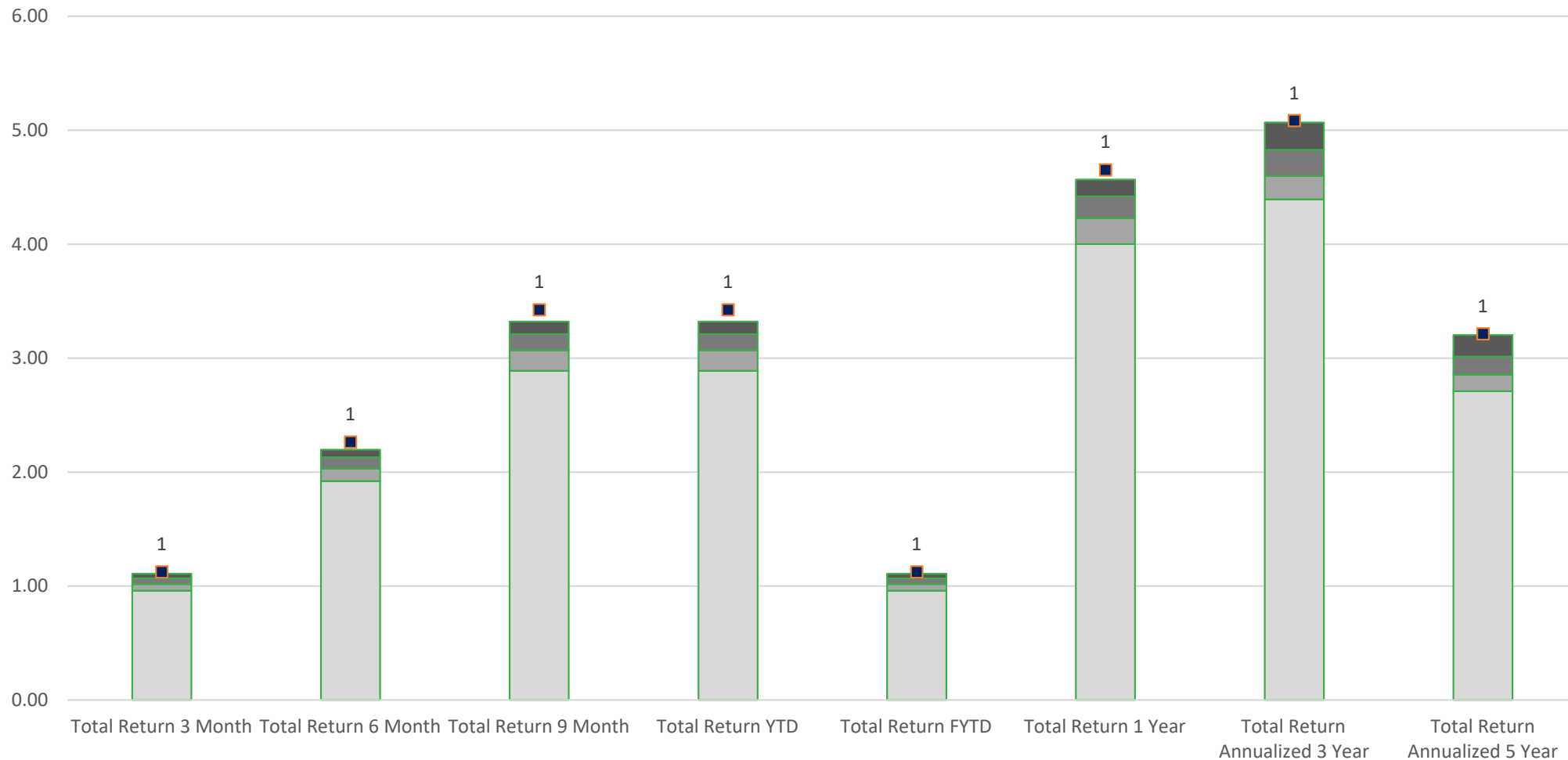


## UBS - Money Market

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# UBS Money Market Fund - Prime Money Market Universe\*

## As of September 30, 2025

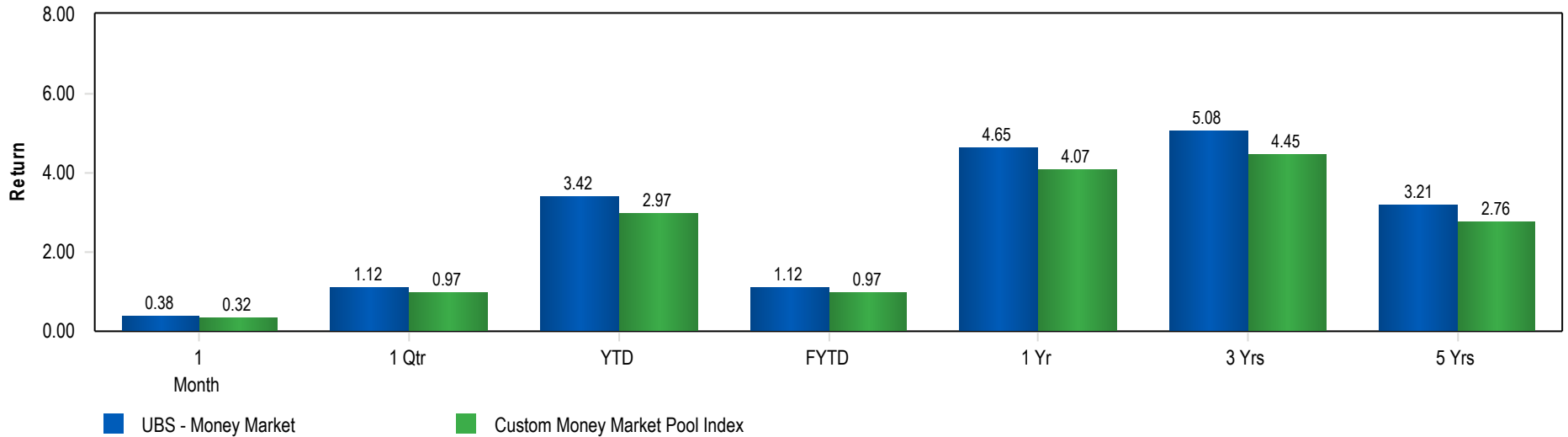


\*Universe AUM: \$1,219 Billion, 142 Investments

Gain/Loss

	1 Month	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
<b>UBS - Money Market</b>							
Beginning Market Value	4,298,839,947	4,322,951,290	4,571,028,170	4,322,951,290	4,859,549,208	4,377,546,304	2,668,306,590
Net Cash Flows	127,568,324	71,296,792	-279,745,634	71,296,792	-624,490,869	-647,290,870	1,022,927,774
Income							
Gain/Loss	16,672,560	48,832,749	151,798,295	48,832,749	208,022,492	712,825,398	751,846,467
Ending Market Value	4,443,080,831	4,443,080,831	4,443,080,831	4,443,080,831	4,443,080,831	4,443,080,831	4,443,080,831

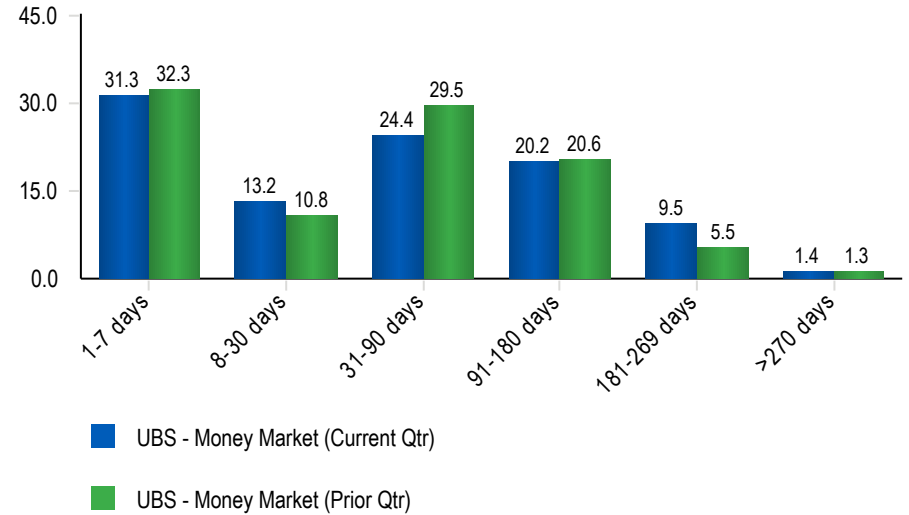
Return Summary



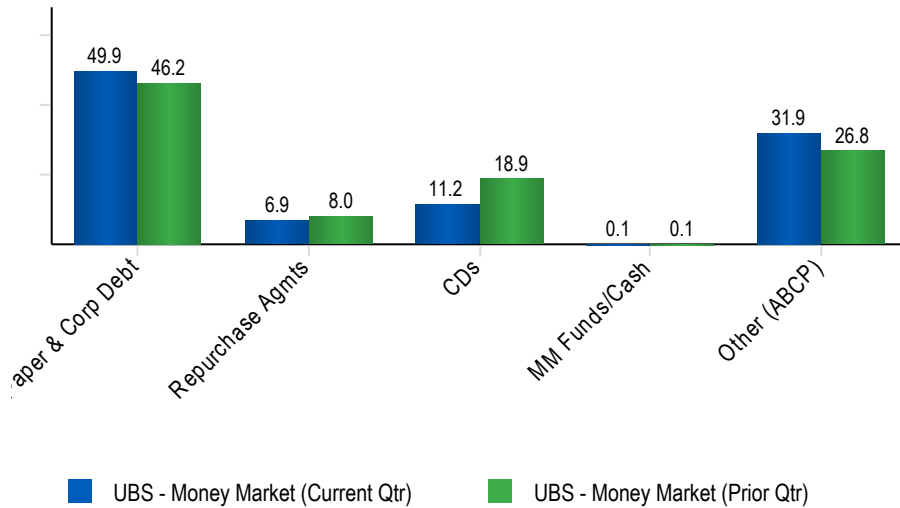
Portfolio Characteristics

	Portfolio	Portfolio (6/30/25)
Avg. Quality	AAA	AAA
Avg. Coupon	1.67	2.03
Weighted Average Maturity (Days)	33.71	31.84
Weighted Average Life (Days)	68.81	63.45
Yield To Maturity (%)	4.18	4.12
Number of Issuers	170	161

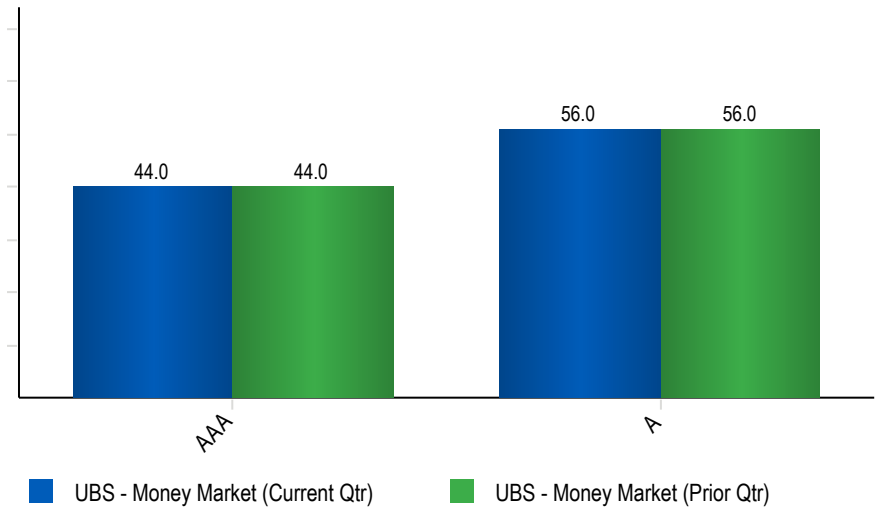
Maturity Distribution (%)



Sector Distribution (%)



Credit Quality Distribution (%)

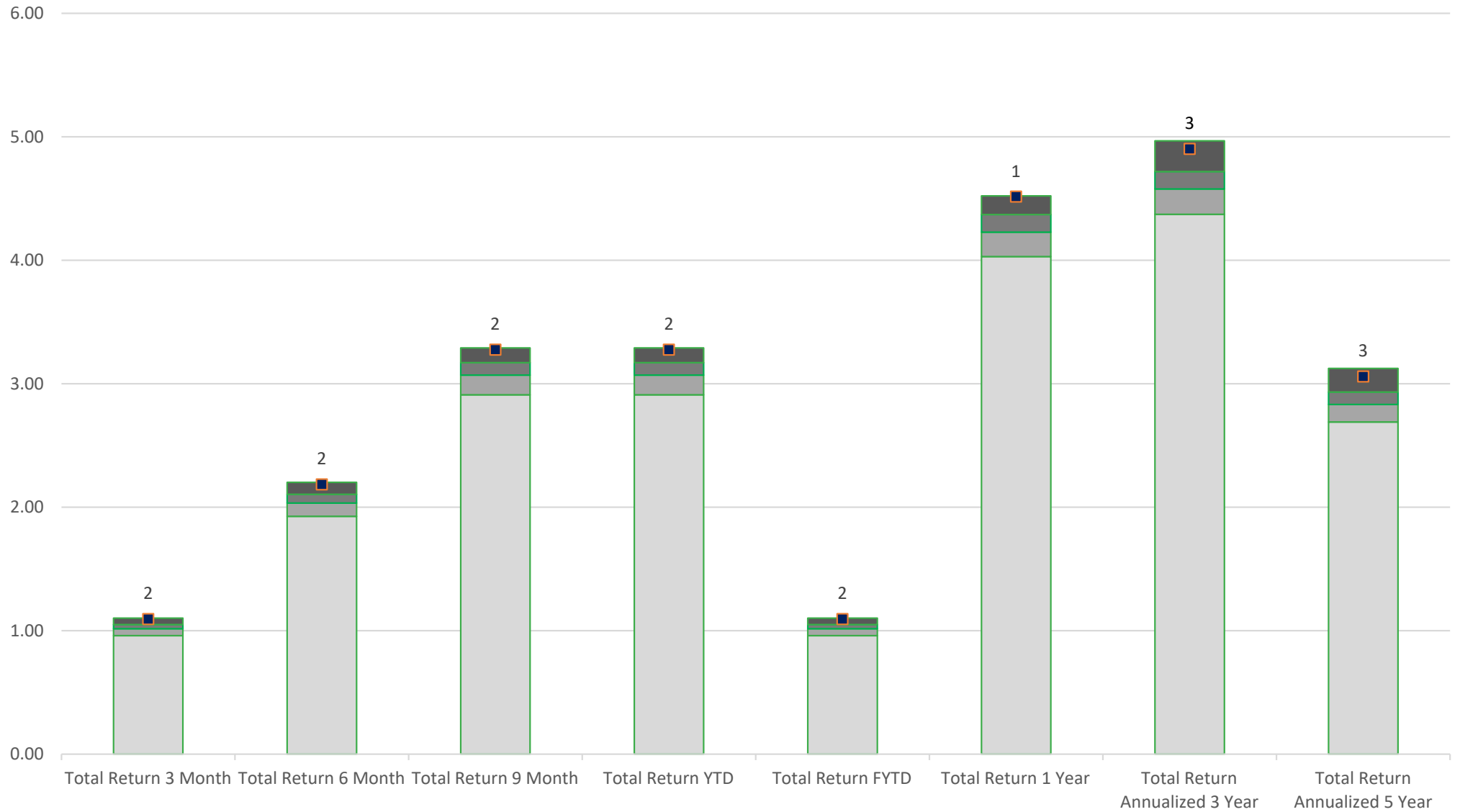


## Government Money Market Pool

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# UBS Government – Taxable Money Market Universe\*

## As of September 30, 2025

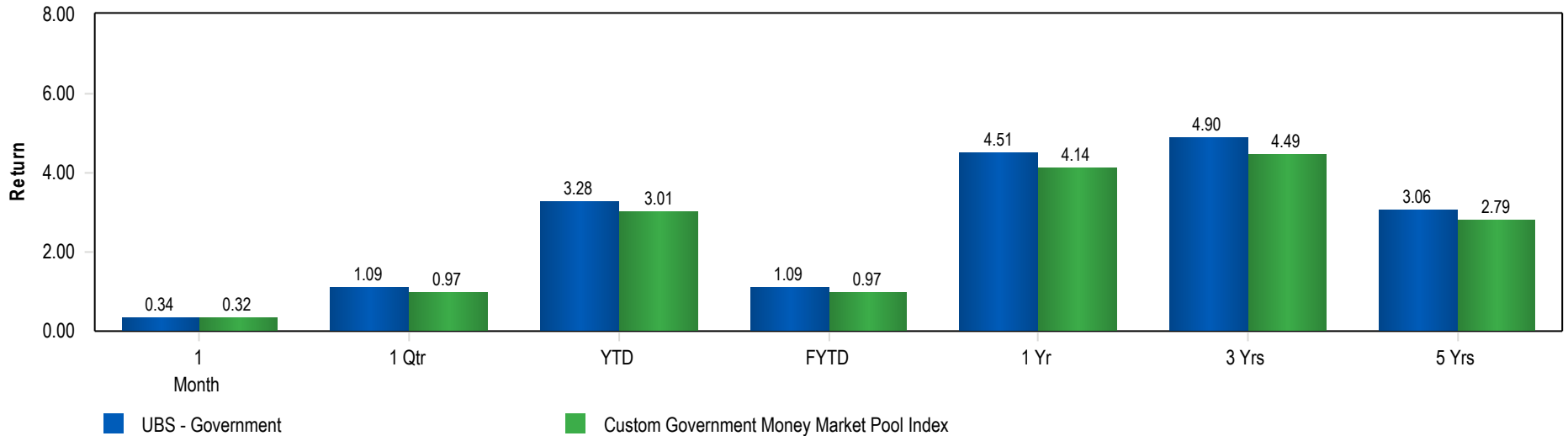


\*Universe AUM: \$6,030 Billion, 695 investments

Gain/Loss

	1 Month	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
<b>UBS - Government</b>							
Beginning Market Value	605,269,921	568,084,752	546,300,036	568,084,752	536,612,436	259,419,248	277,363,942
Net Cash Flows	18,517,313	51,061,493	60,038,991	51,061,493	63,017,976	298,673,377	278,774,630
Income							
Gain/Loss	2,127,201	6,768,190	19,575,408	6,768,190	26,284,023	67,821,810	69,775,863
Ending Market Value	625,914,435	625,914,435	625,914,435	625,914,435	625,914,435	625,914,435	625,914,435

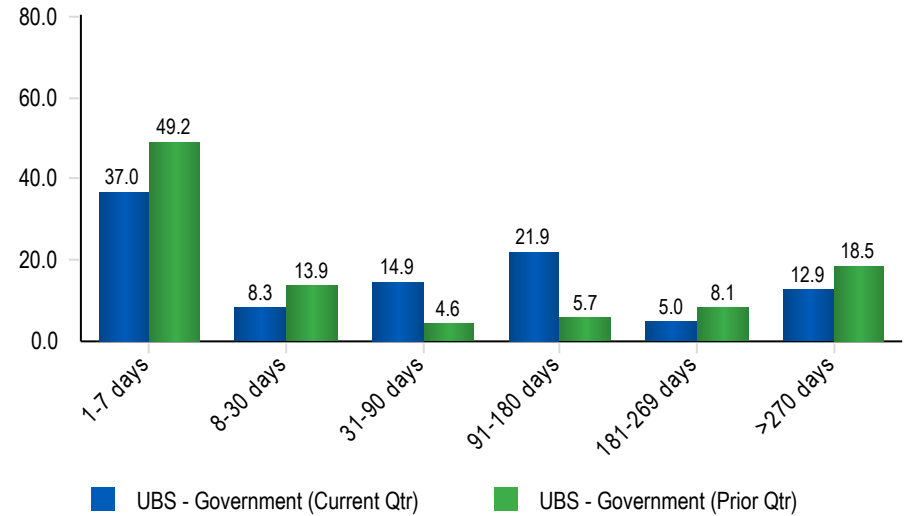
Return Summary



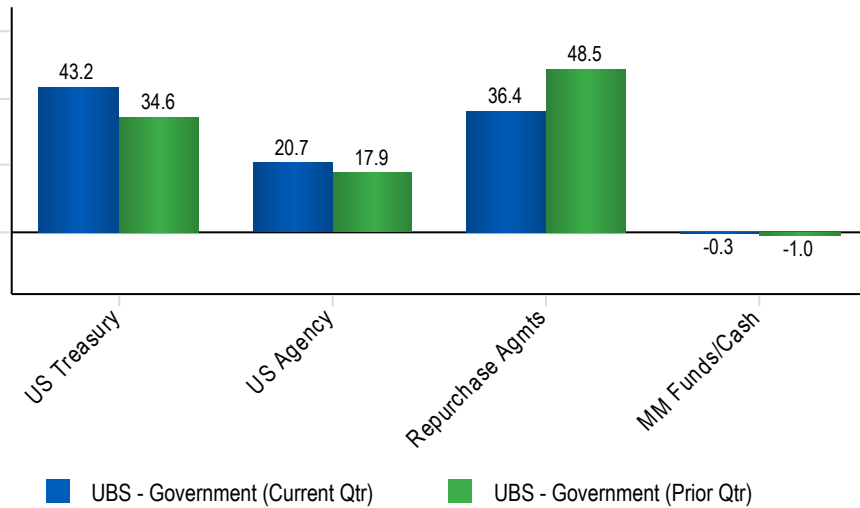
Portfolio Characteristics

	Portfolio	Potfolio (6/30/25)
Avg. Quality	AAA	AAA
Avg. Coupon	2.52	3.32
Weighted Average Maturity (Days)	37.85	25.93
Weighted Average Life (Days)	102.74	111.95
Yield To Maturity (%)	4.11	4.36
Number of Issuers	88	61

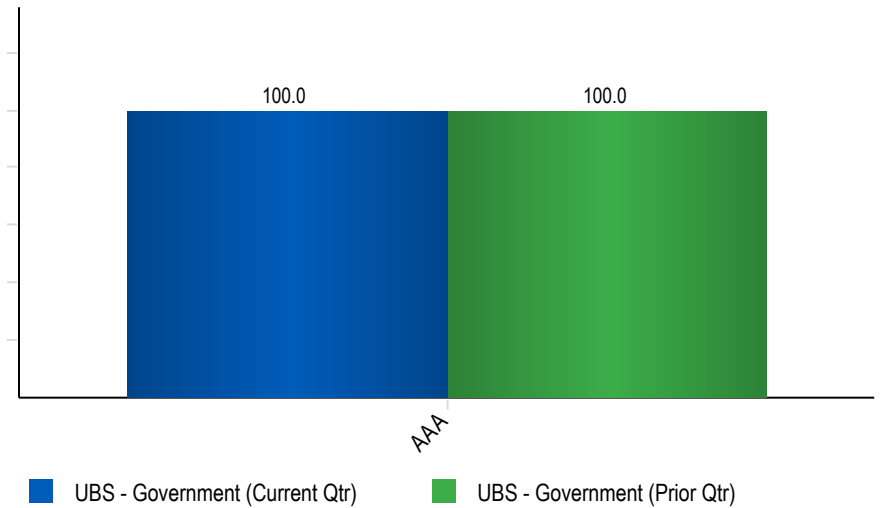
Maturity Distribution (%)



Sector Distribution (%)



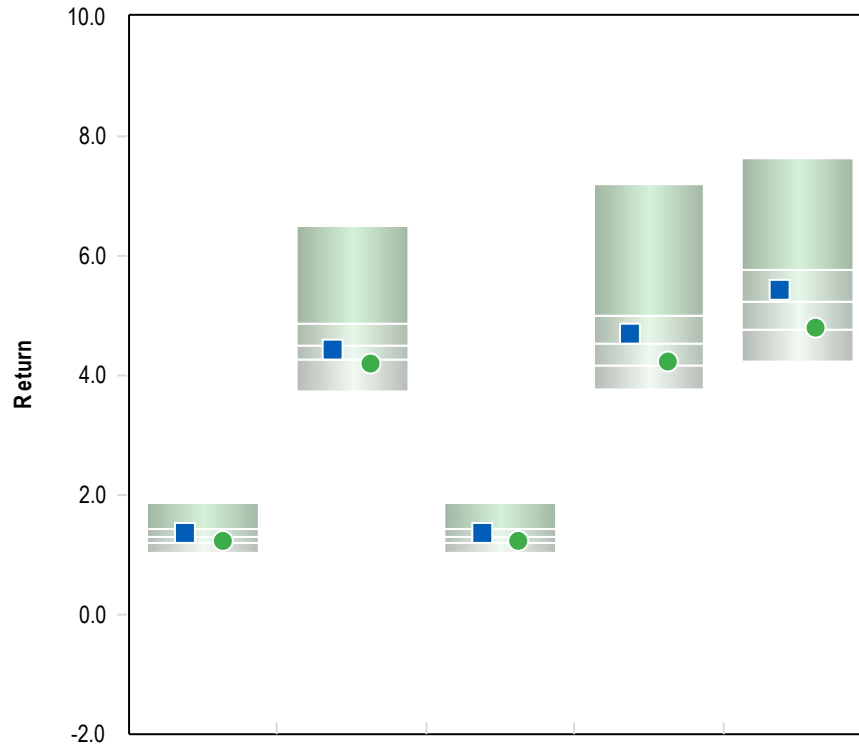
Credit Quality Distribution (%)



## Short-Term Bond Pool

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IM U.S. Short Duration Fixed Income (SA+CF)



	1 Qtr	YTD	FYTD	1 Yr	3 Yrs
■ Sterling - Short-Term Bond	1.4 (37)	4.4 (62)	1.4 (37)	4.7 (38)	5.4 (44)
● Short-Term Bond Pool Index	1.2 (71)	4.2 (82)	1.2 (71)	4.2 (72)	4.8 (74)
5th Percentile	1.9	6.5	1.9	7.2	7.6
1st Quartile	1.4	4.9	1.4	5.0	5.8
Median	1.3	4.5	1.3	4.5	5.2
3rd Quartile	1.2	4.3	1.2	4.2	4.8
95th Percentile	1.0	3.7	1.0	3.8	4.2
Population	78	78	78	78	77

Risk Return Statistics - 1 Year

Return Summary Statistics

	Portfolio	Benchmark
Maximum Return	0.9	0.9
Minimum Return	-0.4	-0.5
Return	4.7	4.2
Cumulative Return	4.7	4.2
Active Return	0.4	0.0

Sterling - Short-Term Bond Information

	Total Fund (\$)
Sterling - Short-Term Bond	736,245,616

IM U.S. Short Duration Fixed Income (SA + CF) consists of products where the portfolio weighted average duration is greater than or equal to 1 year and less than 2.5 years. The average maturity is between 1 and 3 years.

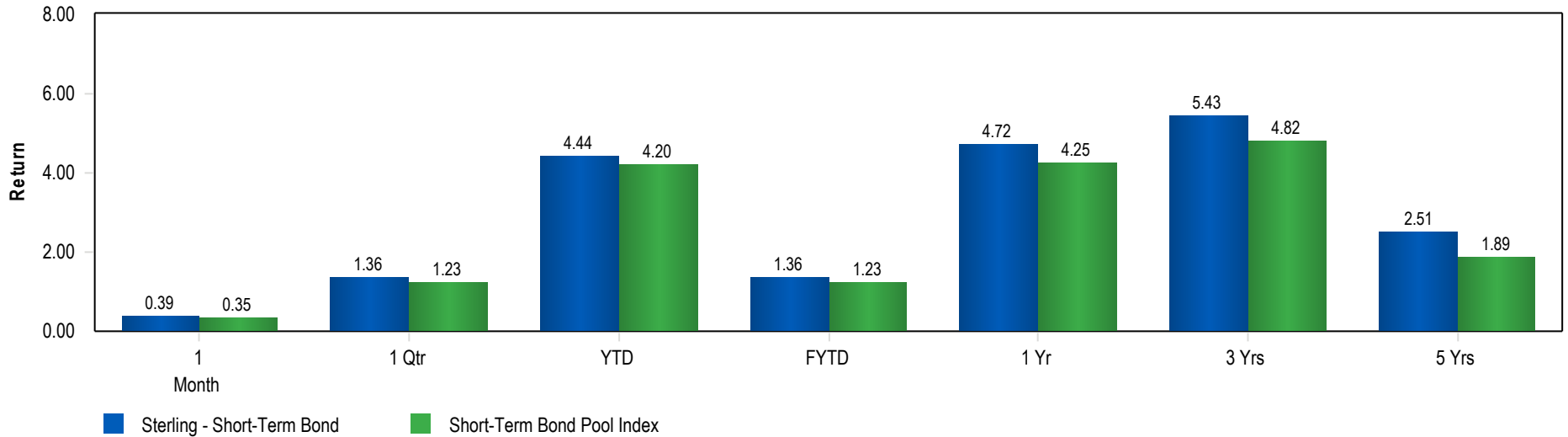
Percentile rank is a standardized way of ranking funds within a peer group. The observation with the largest numerical value is ranked one; the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that lower percentile ranks are generally more favorable for returns (high returns), while higher percentile ranks are generally more favorable for risk measures (low risk).

Peer rankings show how the fund performed relative to other funds in the peer universe. The lower the rank, the better the fund is performing relative to this group. Generally, lower rankings are driven by both asset allocation decisions and manager selection.

Gain/Loss

	1 Month	1 Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
<b>Sterling - Short-Term Bond</b>							
Beginning Market Value	733,373,200	725,455,081	707,101,969	725,455,081	705,308,590	686,725,548	816,141,773
Net Cash Flows	1,000	769,025	-2,541,868	769,025	-2,688,920	-62,651,159	-167,821,475
Income							
Gain/Loss	2,871,416	10,021,510	31,685,514	10,021,510	33,625,946	112,171,227	87,925,317
Ending Market Value	736,245,616	736,245,616	736,245,616	736,245,616	736,245,616	736,245,616	736,245,616

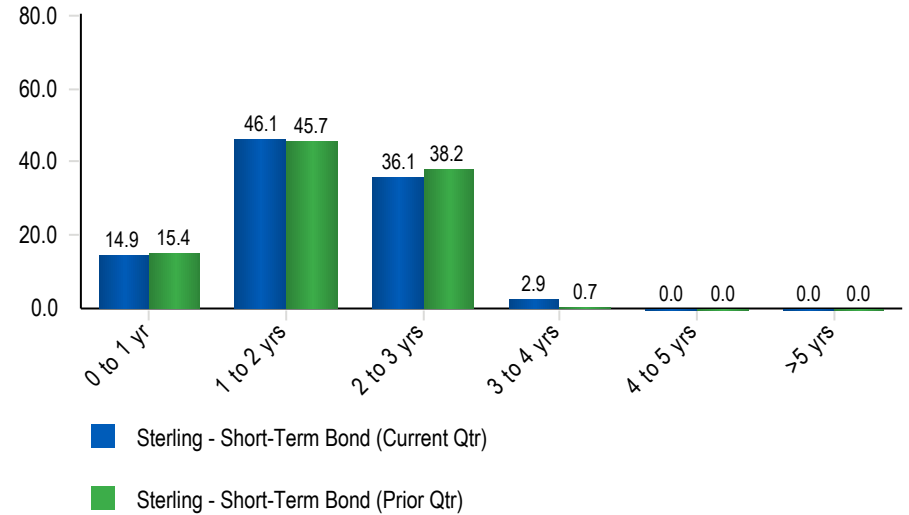
Return Summary



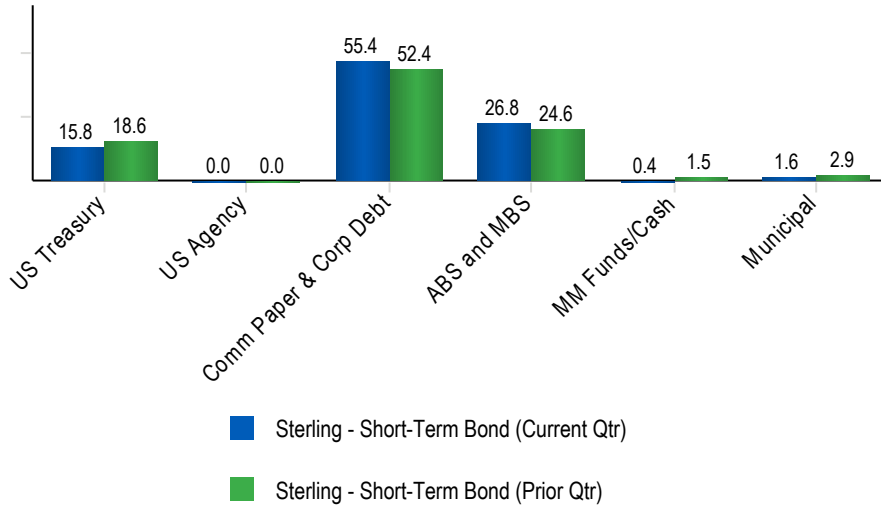
Portfolio Characteristics

	Portfolio	Portfolio (6/30/25)
Avg. Quality	A1	Aa3
Avg. Coupon	4.37	4.44
Effective Duration	1.81	1.74
Weighted Average Life (Days)	704.45	675.25
Yield To Maturity (%)	4.15	4.33
Number of Issuers	162	153

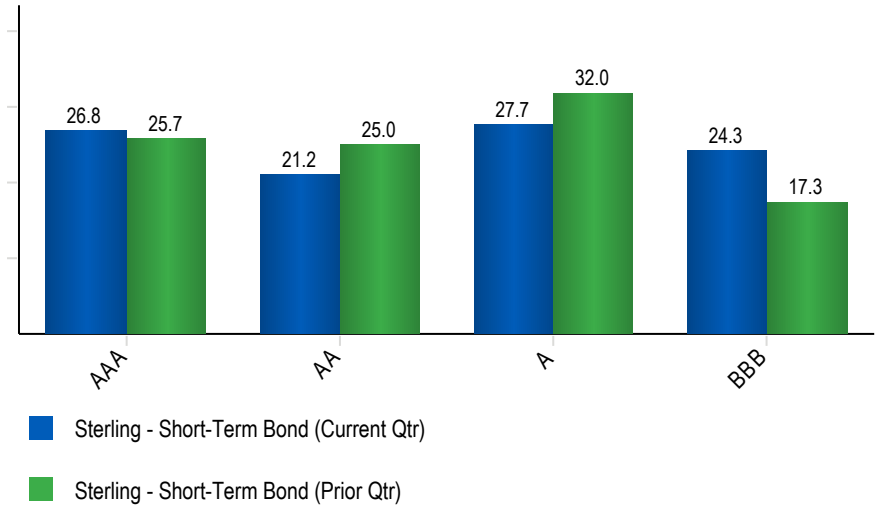
Maturity Distribution (%)



Sector Distribution (%)



Credit Quality Distribution (%)



## Watch List & Below Minimum Credit Quality Securities

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# Watch List

## **Watch List Criteria:**

Events causing an investment manager to be placed on the Watch list include:

1. A manager performs below their benchmark over a 3- and/or 5-year cumulative period.
2. There is a change in the professionals managing the portfolio.
3. There is a change in the organizational structure of the firm.
4. There is a significant decrease in the product's assets.
5. There is an indication that the manager is deviating from their stated style and/or strategy.
6. There is an increase in the product's fees and/or expenses.
7. Any event occurs that may interfere with the manager's ability to fulfill their role in the future.

## **Time Period on Watch:**

A recommendation for Watch list Status shall designate a period of time to assess the performance-related issues or organizational issues present. The investment manager shall remain on the Watch list until all of the outstanding issues are resolved.

## **Managers Currently on Watch:**

There are currently no managers or accounts on the Watch list.

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# Below Minimum Credit Quality Securities

**As of September 30, 2025, there are no securities in the portfolios that do not meet the minimum credit quality restrictions contained in the Investment Policy Statement.**

## Statistics Definition

Statistics	Definition
Return	- Compounded rate of return for the period.
Standard Deviation	- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Tracking Error	- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Active Return	- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Up Market Capture	- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.

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