WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

West Virginia Short Term Bond Pool

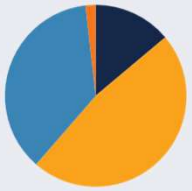
Portfolio Overview as of 10/31/2025

Pool Assets
$734 million

Credit Quality Composition (%)

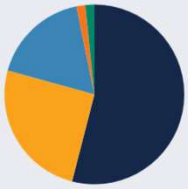
AAA	17.9%
AA	22.5%
A	26.7%
BBB	21.9%
Not Rated	11.2%

Maturity Schedule (%)



0 to 1 year	13.9%
1 to 2 years	47.5%
2 to 3 years	36.8%
3 to 4 years	1.8%
4 to 5 years	0.0%
> 5 years	0.0%

Portfolio Composition (%)



Corporate Debt	54.0%
ABS/MBS	25.3%
US Treasury	17.5%
Municipal Debt	1.6%
MM Funds/Cash	1.6%

Effective Duration
640 Days

Top Holdings (%)

United States Treasury	17.5%
Benchmark Mortgage Trust	2.3%
Invesco Government & Agency	1.6%
Toyota Auto Loan Extended	1.4%
Blackstone Private Credit Fund	1.4%
World Omni Auto Rec	1.2%
Ares Strategic Income FU	1.1%
Sprint	1.1%
T-Mobile US Trust	1.1%
RGA Global Funding	1.0%
Total % of Portfolio	**29.7%**

The West Virginia Short Term Bond Pool was created to invest restricted moneys of participants which have a longer-term investment horizon. The objective of the portfolio is to earn an incremental return over the WV Money Market Pool with an objective of asset growth rather than current income. The risk factor is higher than the WV Money Market Pool and is managed through numerous maturity restrictions, diversification, guidelines, and credit limits.

Pool Features and Benefits:

» Professional management is provided by the West Virginia Board of Treasury investments' staff and professional investment advisor (Sterling Capital Management).

» Floating net asset value (NAV).

» Investment yields are competitive with other short duration fixed income pools.

» Easy access is provided through the State Treasurer's Office online system.

» Account can be opened for as little as $100 with no limit on the number of transactions.

» Contributions and withdrawals are allowed monthly.

» Income is distributed on a monthly basis.

Return Summary

To learn how to make the West Virginia Short Term Bond Pool work for your cash investing needs call: 304-340-1564 or visit: wvbti.org

Portfolio holdings and composition are shown as of the date indicated. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

An investment in the Pool is not insured or guaranteed by any government or government agency and it is possible to lose money by depositing money in the Pool.

Commentary

Congress' failure to pass the requisite funding measures led the U.S. government to shut down on October 1 and with it the publication of key U.S. economic data along with other key government services. In the absence of timely data, the economic impact of the shutdown was difficult to measure, but as the month dragged on and the situation persisted, markets remained relatively sanguine. The Federal Open Market Committee (FOMC) met on October 28-29 and decided to cut the fed funds rate by 0.25% to 3.75-4.00%, citing moderate growth and downside risks to employment while acknowledging still-elevated inflation. The FOMC also announced the end of their quantitative tightening program, effective December 1. However, in his post-meeting press conference, Fed Chair Powell pushed back against future rate cuts by stating that a cut at the next FOMC meeting in December was "far from a foregone conclusion." Short term interest rates moved lower early in the month as investors expected the shutdown to weigh on growth, but Powell's comments jolted markets that had fully priced in another rate cut in December and yields moved back closer to where they began October. For the month, the yield on the two-year Treasury note moved 0.03% lower to 3.57%.

The advent of Q3 earnings season brought good news to the corporate bond market as larger companies reported very strong results. With 37% of the investment grade universe reporting thus far, earnings grew at 3.4% year-over-year, surpassing expectations by an average 6.9%. However, idiosyncratic issues in the private credit markets, including the bankruptcy of auto parts supplier First Brands, sparked worries about potential further problems among small to mid-sized borrowers. Powell's press conference hawkishness also weakened sentiment marginally before a sharp increase in issuance – mostly related to AI spending – put risk premia under more pressure. However, overall demand for corporate bonds remained strong thanks to continued retail inflows and light positioning, limiting the sector's underperformance. The option-adjusted spread of the ICE BofA 1-3 Year U.S. Corporate Index widened just one basis point for the month and essentially broke even with Treasuries on an excess return basis.

The credit worries that weighed on the performance of corporate bonds made a bigger impact in the asset-backed securities (ABS) market, particularly after the bankruptcy of subprime lender Tricolor Holdings. Although Tricolor appeared to be a somewhat unique situation – the company is accused of fraud and largely lent to underserved communities in the Southwest particularly affected by rising immigration crackdowns – investors demanded additional compensation for nearly all ABS sub-sectors and the option-adjusted spread on the ICE BofA 0-3 Year AAA U.S. Fixed Rate ABS Index widened seven basis points, underperforming Treasuries by 0.04%. Commercial mortgage-backed securities (CMBS) saw relatively calm markets and performed in line with corporate bonds while agency mortgage-backed securities (MBS) benefitted from stability in interest rates and good demand from institutional investors and outperformed other securitized assets.

The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Data is as of 10.31.2025 unless otherwise stated. Sources: Bloomberg L.P. AI = artificial intelligence; Fed = Federal Reserve; bps = basis points. Yields are subject to market conditions and are therefore expected to fluctuate. Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information. The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index. The **ICE BofA 1-3Y U.S. Corporate Index** tracks the performance of publicly-issued, USD-denominated, investment-grade rated corporate debt. Each security must have a fixed coupon schedule, a minimum amount outstanding of $250MM, and one to three years remaining till final maturity. The **ICE BofA 0-3Y AAA U.S. Fixed Rate ABS Index** tracks the performance of fixed rate USD-denominated asset-backed securities with a credit rating of AAA.