WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

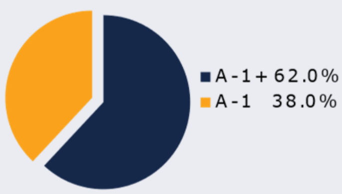
West Virginia Money Market Pool

Portfolio Overview as of 02/28/2025

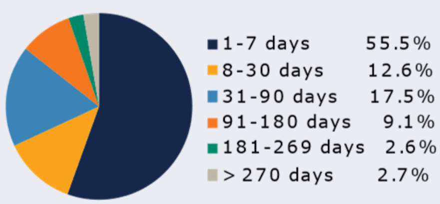
Pool Assets

$9.3 billion

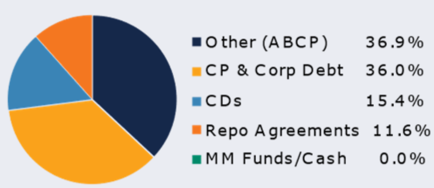
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Weighted Average Maturity

41 Days

Top Holdings (%)

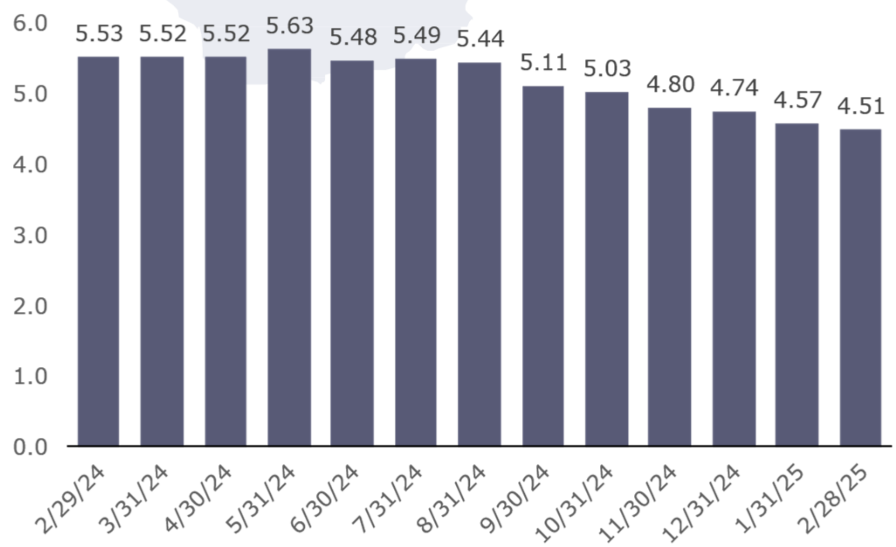
Citigroup Global Markets	5.2%
Bank of America	5.1%
Barton Capital Corp	3.4%
Natixis Financial	3.2%
National Bank of Canada	2.9%
Canadian Imperial Bank	2.8%
LMA Americas LLC	2.6%
Sumitomo Mit/Singapore	2.6%
Toronto Dominion Bank	2.5%
Sheffield Receivables	2.5%
Total % of Portfolio	**32.8%**

The West Virginia Money Market Pool is a money market portfolio created to invest the majority of the state and local government operating funds. The objective of the portfolio is to maintain sufficient liquidity to meet the needs of the participants while striving to earn a return above inflation. The risk factor is low and 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 advisors (Federated Hermes and UBS Global Asset Management).
- Rated AAAm by Standard & Poor's.
- Seeks to maintain a net asset value (NAV) of $1 per share.
- Investment yields are competitive with other money market accounts.
- 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 daily.
- Income is distributed on a daily basis.

7-Day Simple Money Market Yield (%)



To learn how to make the West Virginia Money Market 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. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.
A AAAm rating by Standard & Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price exposure and management. Ratings are subject to change and do not remove market risk.

Commentary

“We SECond this change”

Market intervention should subside under the new SEC leadership.

Perhaps because the SEC appears to impact the public less than other US agencies, its cost-cutting efforts mandated by the Trump administration have largely been overshadowed. But the Commission is in the midst of a sea change beyond the trimming of staff, and we welcome it. Recall its mission is, “to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation.” Going after Ponzi schemes, scammers and fraudsters is critical, as is maintaining a level playing field. At their best, regulations safeguard the financial system from the repercussions of intentional or unintentional activity. But under Chair Gary Gensler, the SEC exceeded its mission. Instead of using wrenches to fine tune the machine, his staff often tossed them into its gears. Particularly frustrating was that they frequently limited time for public feedback, even for controversial proposals.

We are biased, of course, but among the most detrimental interventions have been the bevy of anti-money market “reforms.” The new rules implemented in 2024 again targeted prime institutional money market funds, popular investment options seeking higher yields than typically found in other liquidity vehicles, let alone FDIC-insured deposit products. The Investment Company Institute (ICI) reports that since the implementation of the mandatory liquidity fee for prime institutional money funds, industry assets have decreased by more than half. That’s a shame. Institutions serve real people, and many now miss out on returns. The good news is that, industry-wide, these funds are collectively seeing inflows this year.

That brings us to today. Acting SEC Chair Mark Uyeda has announced several high-profile changes, such as the creation of a crypto task force and the layoff of regional office directors. But on a fundamental level, he and Trump’s nominee for chair, Paul Atkins, are no fan of regulations. Expect fewer new rules and for some to be delayed in implementation. Others, such as the climate disclosure rule, are likely to be rolled back. We obviously would like the SEC to revisit the recent money fund amendments, but there seems to be little industry appetite for that at present. That won’t stop us from making the case. Furthermore, our belief in the utility of prime means we will continue to develop alternative venues for investors of all types to have access to all its attractive features.

Speaking of appeal, it seems yields of most liquidity products will stay around present levels as the Federal Reserve likely won’t cut rates this month. The January PCE report showed modest annualized improvement, but the monthly readings of headline and core growth were essentially unchanged. This likely means inflation remains too hot for the Fed, though we do anticipate two quarter-point cuts this year. The updated Summary of Economic Projections released at the FOMC meeting on March 19 should make that clearer. But we are just as interested in what it might reveal about the terminal rate. Once thought to be around 3%, we now think it could end up near 4% as the Fed may want to extend restrictive monetary policy to keep the lid on inflation. That would be great news for cash managers and investors.

It is possible that the FOMC will pause the ongoing reduction of its balance sheet known as quantitative tightening. Not because policymakers are concerned about the level of bank reserves or liquidity in the Treasury market, but because the US Treasury Department has reached its debt limit. According to the minutes of the FOMC's January meeting, policymakers discussed this at length, which often is a hint to the markets. Once the nonsense of the debt-ceiling situation is resolved, the Fed may continue to taper, but probably not for much longer. Chair Jerome Powell and company aren’t attempting to empty the shelves, but rather right-size its holdings in relation to the markets. We think that number will still be enormous, probably around $6 trillion. But with the uncertainty in fiscal policy, trade and geopolitics, the Fed is surely not interested in pushing its luck by excessively decreasing its holdings.