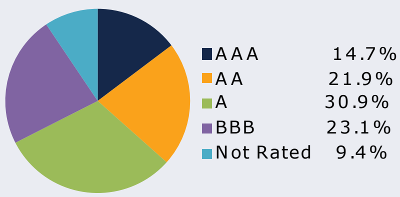
West Virginia
Short Term Bond Pool

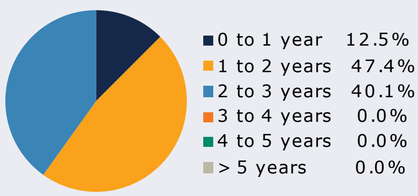
Portfolio Overview as of 9/30/2024

Pool Assets
$702 million

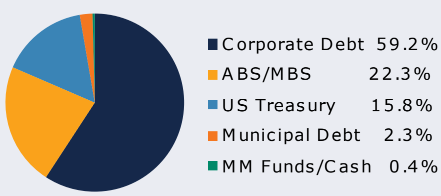
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
655 Days

Top Holdings (%)

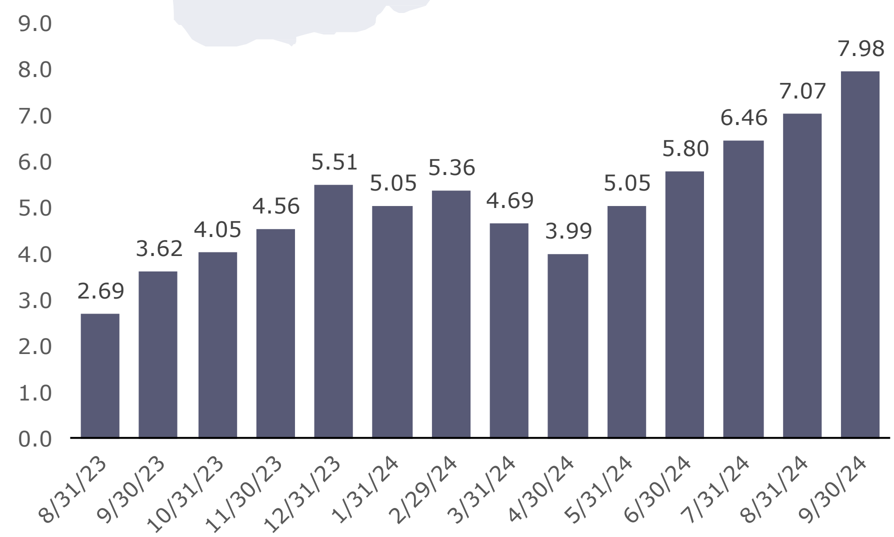
United States Treasury	15.8%
Toyota Auto Loan Extended	1.9%
American Express	1.5%
OneMain Direct Auto Receivable	1.5%
Blackstone Private Credit Fund	1.4%
Discover Card Master Trust	1.4%
Wheels Fleet Lease Funding	1.3%
Schwab Charles Corp	1.3%
Hertz Vehicle Financing LLC	1.2%
Great American Leasing	1.2%
Total % of Portfolio	**28.5%**

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

All eyes and ears appeared focused on the Fed's mid-September meeting following Fed Chair Jerome Powell's declaration that the "time has come for [monetary] policy to adjust" during his Jackson Hole speech in late August. While market participants were unanimous in predicting a cut in the fed funds rate this month, the size of the move was hotly debated in the runup to the decision. Investors looking for a 25bps cut pointed to continued strong GDP growth, expected to be in the 3% area for the third quarter, and inflation readings that showed progress but few definitive signs that pricing pressures were gone for good. Those expecting a larger cut pointed to a weakening employment picture and a Fed that perhaps regretted not cutting rates in July. In the end, the FOMC chose the more dovish path and lowered their target for the fed funds rate by 0.50% from 5.25-5.50% to 4.75-5.00%, citing the softer labor market and their confidence that inflation was "moving sustainably toward two percent." However, while the Fed's move did lean dovish, Powell's press conference and the committee's Summary of Economic Projections (SEP), commonly known as the "dot plot", indicated that a series of smaller 25bps cuts at subsequent meetings was more likely than additional larger ones. As always, Powell reiterated the FOMC's data dependence and willingness to increase or slow the pace of policy easing based on developments in the labor market and on the inflation front. Short-term interest rates moved lower in the days leading up to the September 17-18 meeting. The front end of the yield curve rallied even further in the immediate aftermath but yields beyond one year remained more rangebound, steepening the curve. For the month, one-year Treasury yields moved 0.40% lower while three-year yields fell 0.23%.

Risk premia across non-government asset classes responded positively to the Fed's rate cut as well. Despite a record amount of new issuance for the month of September ($186B), demand for corporate bonds continued to outweigh supply. While option-adjusted spreads (OAS) on the ICE BofA 1-3Y U.S. Corporate Index widened modestly early in the month, the jumbo rate cut supercharged demand for risk and spreads rallied into month end to finish 2bps tighter for a monthly excess return of 0.07%. Securitized assets benefitted from the move lower in interest rates as well. Short-duration agency mortgage-backed securities (agency MBS) saw spreads move 3bps tighter for an excess return of 0.03% while asset-backed securities (ABS) turned in a similar performance. Investors in the commercial mortgage-backed securities (CMBS) market, where lower rates have the potential to have the biggest impact on fundamentals, appeared to be in an ebullient mood this month, bidding up bonds enough to generate 46bps of tightening in the ICE BofA 0-3Y U.S. Fixed Rate CMBS Index, good for an excess return of 0.22%.

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 09.30.2024 unless otherwise stated. Source: Bloomberg L.P. Fed = Federal Reserve. BPS = basis points. GDP = gross domestic product. FOMC = Federal Open Market Committee.