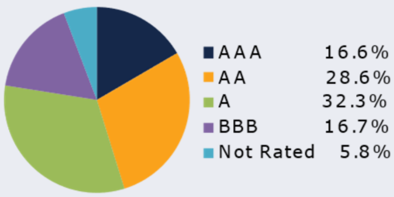
West Virginia Short Term Bond Pool

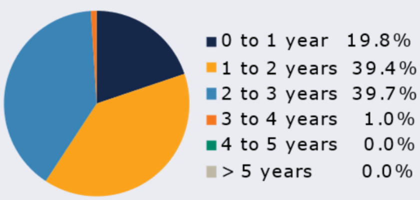
Portfolio Overview as of 10/31/2023

Pool Assets
$674 million

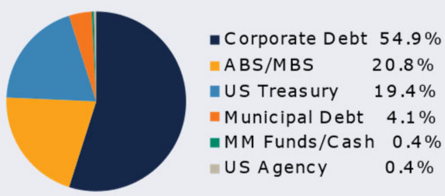
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
609 Days

Top Holdings (%)

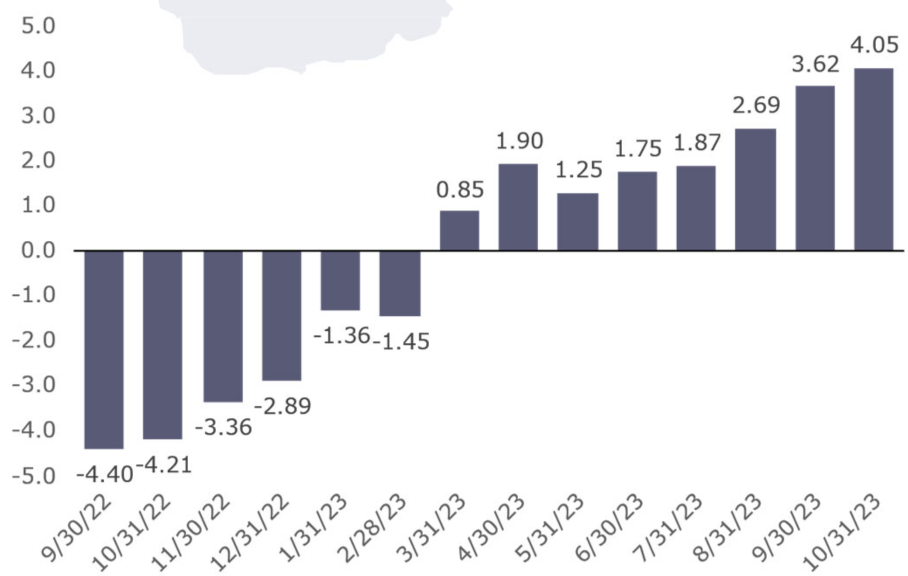
United States Treasury	19.4%
OneMain Direct Auto Receivable	2.2%
Toyota Auto Loan	1.9%
JP Morgan Chase & Co	1.6%
Discover Card Master Trust	1.4%
Hertz Vehicle Financing LLC	1.4%
Charles Schwab Corp	1.3%
Enterprise Fleet Financing	1.3%
Well Fargo Commercial Mortgage	1.2%
Bank of America Corp	1.1%
Total % of Portfolio	**32.8%**

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

Strong U.S. economic data and rising concerns about the deterioration of the U.S. fiscal picture kept longer term interest rates rising in October, even as investors speculated about the end of the Fed's rate hike cycle. The advanced report on U.S. Gross Domestic Product showed that the economy grew at a remarkable 4.9% on an annualized basis during the third quarter, while U.S. employers added another 336,000 jobs in September, surpassing economists' estimates. Meanwhile, the $2T U.S. government budget deficit, at $500B more than expectations for the past fiscal year, continued to drive up Treasury supply, pushing long-term Treasury yields higher again. Core consumer prices showed continued moderation but remained well above the Fed's 2% target, rising 3.7% year-over-year. However, the outbreak of war in the Middle East following the October 7 Hamas attacks on Israel heightened near-term risks of an economic shock and reduced the odds of a rate hike at the Fed's October 31-November 1 meeting, keeping front-end yields somewhat anchored. For the month, 2-year Treasury yields moved 0.04% higher while 10-year yields moved 0.36% higher and 30-year yields moved 0.39% higher.

The move higher in interest rates and interest rate volatility, coupled with higher geopolitical risk, weighed on most major asset classes in October. The S&P 500® Index fell 2.2% and spreads on corporate bonds widened. The ICE BofA 1-3Y U.S. Corporate Index underperformed duration-matched Treasuries by 0.09% as the option-adjusted spread on the index widened nine basis points for the month. Investment-grade corporate issuance came in at a fairly benign $80B for the month but was heavily concentrated in shorter maturities as issuers looked to avoid locking in higher coupons for the long term, putting more pressure on the front end of the curve. Financials underperformed as investors worried about the impact of higher long-term rates on bank balance sheets, while the energy sector outperformed on higher oil prices and an impending end to the United Auto Workers' strike provided a boost to the auto sector.

Structured products also underperformed Treasuries for the month, following the pattern seen across other asset classes. Agency mortgage-backed securities (MBS), highly sensitive to interest rate volatility, suffered the worst, trailing duration-matched Treasuries by 0.64% for the month. Asset classes with greater correlation to the economic outlook, including asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS), fared better than MBS but still saw spreads widen in sympathy with the broader risk-off move. The option-adjusted spread on the ICE BofA 0-3Y AAA U.S. Fixed-Rate ABS Index widened by ten basis points in October for an excess return of -0.09%, while the equivalent CMBS index widened by 22 basis points for an excess return of -0.10%.

A continued lack of issuance and the less cyclical nature of short duration taxable municipals provided a boost, but the sector still underperformed Treasuries by 0.07% for the month.

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 10.31.2023 unless otherwise stated. Source: Bloomberg L.P.