

| WEST VIRGINIA |

BOARD OF TREASURY INVESTMENTS

Board of Treasury Quarterly Meeting Minutes Thursday, August 8, 2024

The quarterly meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 8, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Steve Bohman, Proxy for Committee Chair Riley Moore
Lisa Hopkins, via telephone
Mark Mangano
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith, via telephone

BTI/ STO Staff Present:

Denise Baker
Sarah Canterbury
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Lindsay Marchio
Kara Hughes
Gina Joynes, via telephone
Mindy Parsley
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

David Onyett-Jeffries, Guardian Capital LP

Jeff Kent, Maher Duessel, via telephone
Samantha Strejcek, Maher Duessel, via telephone

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors, via telephone

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 7, 2024 Board Meeting
- IV. Executive Director’s Report
- V. Reports
 - a. Audit Committee
 - i. Report
 - b. Investment Committee
 - i. Report
 - c. Personnel and Governance Committee
 - i. Report
- VI. Election of Officers
- VII. Old Business
- VIII. New Business
- IX. Next Board Meeting - (Tentatively Thursday, October 31, 2024)
- X. Adjourn

MINUTES

I. Call to Order

Steve Bohman, proxy for Riley Moore, Committee Chair, called the meeting to order at 11:47 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken and a quorum declared.

III. Approval of Minutes of the May 7, 2024 Board Meeting - **Tab 1**

Lisa Hopkins moved to approve the May 7, 2024, minutes as printed behind Tab 1 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

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IV. Executive Director's Report – Kara – Tab 2

Kara Hughes summarized the Executive Director's Report, included behind Tab 2 of the Board packet, which included a progress report for the BTI's strategic goals for calendar year 2024, notes from the Crane Money Fund Symposium recently attended by staff, performance of the investment pools and impact of the SEC's money market reform on the BTI.

Kara also stated the BTI was recently notified by Standard & Poor's that they are reaffirming the AAAM rating for the WV Money Market and WV Government Money Market Pools. The rating signifies that the safety of the invested principal is excellent, and there is superior capacity to maintain a stable net asset value at all times. BTI staff were also awarded the GFOA's Annual Comprehensive Financial Report (ACFR) for the June 30, 2023, financial statements.

There is no Board action necessary for this agenda item.

V. Reports

The chair moved to the next order of business regarding Committee Reports.

a. Audit Committee

Lisa Hopkins, Committee Chair, presented the Audit Committee Report. The Audit Committee met on Thursday, August 8, 2024, and heard the following reports:

- 1) Review the June 30, 2024, Operating Report
- 2) Review the Budget to Actual Report for the quarter ended June 30, 2024
- 3) Review and approve the FY 2026 Appropriation Request
- 4) Purchasing Card Activity for the quarter ended June 30, 2024
- 5) Review and approval of the June 30, 2024, Financial Statements and external audit update
- 6) Review the Internal Audit Report and approve the Audit Committee Charter and FY 2025 Audit Plan

The Committee recommends that the Board adopt the following motions:

- 1) Ratify the Purchasing Card Activity for the quarter ended June 30, 2024.
Lisa Hopkins noted that she would abstain from voting on the motion since

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the Purchasing Card Program is administered by the State Auditor's Office. Patrick Smith moved that the Board ratify the Purchasing Card Activity for the quarter ended June 30, 2024. Mark Mangano seconded. Motion carried unanimously.

- 2) Approve the FY 2026 preliminary Appropriation Request and authorize staff to make necessary adjustments to comply with directives from the State Budget Office, allow staff to e-mail the audited June 30, 2024 financial statements to board members and if no issues, authorize approval of the financial statements, approve the Internal Audit Report, Audit Committee Charter and Annual Audit Plan for FY 2025. Lisa Hopkins moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.

b. Investment Committee

Dr. Peter Shirley, proxy for Larry Pack, Committee Chair, presented the Investment Committee Report. The Investment Committee met on Thursday, August 8, 2024, and heard the following reports:

- 1) Loan Pool Report
- 2) Contracts Report
- 3) Review of Procedural Rules for procurements exempt from W.Va. Code §5A-3-1 et seq.
- 4) Annual review and approval of the Investment Policy
- 5) Annual review and approval of Money Market/ Fixed Income funds
- 6) Annual review and approval of the Primary Dealer List
- 7) Report of Sterling Capital Management Performance
- 8) Investment Consultant Report

The Committee recommends that the Board adopt the following motions:

- 1) Approve the current Investment Policy Statement, inclusive of the list of NRSRO's in section IV; sub-section H, the addition of the Shareholder Voting Policy to section IX, the list of authorized investment types in Appendix A, and the individual pool and account investment guidelines in Appendices C-1 and C-7. Dr. Peter Shirley moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.
- 2) Approve investment in the Federated Hermes Government Obligations Fund, Federated Hermes Treasury Obligations Fund, Dreyfus Government Cash Management Fund, and the Invesco Government and Agency Fund. Dr. Peter Shirley moved to adopt the motion. Mark Mangano seconded. Motion carried unanimously.

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- 3) Approve the Authorized Primary Dealer list and the BTI's current investment managers to be authorized brokers for the BTI. Dr. Peter Shirley moved to adopt the motion. Patrick Smith seconded. Motion carried unanimously.

c. Personnel and Governance Committee

Steve Bohman, proxy for Riley Moore, Committee Chair, presented the Personnel & Governance Committee Report. The Personnel and Governance Committee met on Thursday, August 8, 2024. Actions taken were to:

- 1) Approve the Minutes of the May 7, 2024, Personnel and Governance Committee Meeting

Lisa Hopkins moved that the Board approve the Personnel & Governance Committee Report. Mark Mangano seconded. Motion carried unanimously.

VI. Election of Officers – Kara

- Vice Chairman
Mark Mangano moved to nominate Larry Pack as Vice Chairman. Nomination carried unanimously.
- Secretary
Lisa Hopkins moved to nominate Mark Mangano as Secretary. Nomination carried unanimously.

VII. Old Business

There was no old business.

VIII. New Business

There was no new business.


IX. Next Board Meeting - (Tentatively Thursday, October 31, 2024)

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X. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Dr. Peter Shirley seconded. Meeting adjourned at 12:00 p.m.

Approved by:  _____
Steve Bohman, proxy for Committee Chair Riley Moore

Minutes approved: 11/07/2024
(Date)

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Audit Committee Meeting Minutes Thursday, August 8, 2024

The quarterly Audit Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 8, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Lisa Hopkins, Committee Chair, via telephone
Steve Bohman, Proxy for Riley Moore
Mark Mangano
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith, via telephone

BTI/ STO Staff Present:

Denise Baker
Sarah Canterbury
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Lindsay Marchio
Kara Hughes
Gina Joynes, via telephone
Mindy Parsley
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

David Onyett-Jeffries, Guardian Capital LP

Jeff Kent, Maher Duessel, via telephone
Samantha Strejcek, Maher Duessel, via telephone

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors, via telephone

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 7, 2024 Meeting
- IV. Review the June 30, 2024 Operating Report
- V. Review the Budget to Actual Report for the quarter ended June 30, 2024
- VI. Review and approve the FY 2026 Appropriation Request
- VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2024
- VIII. Review and approval of the June 30, 2024 Financial Statements and external audit update
- IX. Review the Internal Audit Report and approve the Audit Committee Charter and FY 2025 Audit Plan
- X. Old Business
- XI. New Business
- XII. Next Board Meeting (Tentatively Thursday, October 31, 2024)
- XIII. Adjourn

MINUTES

- I. Call to Order

Lisa Hopkins, Committee Chair, called the Audit Committee meeting to order at 10:14 a.m.

- II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum was declared.

- III. Approval of Minutes of the May 7, 2024 Meeting – Tab 3

Mark Mangano moved to approve the May 7, 2024, Audit Committee Minutes as printed behind Tab 3 of the Board packet. Dr. Peter Shirley seconded. Motion carried unanimously.

- IV. Review the June 30, 2024 Operating Report – Karl – Tab 4

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Karl Shanholtzer presented the BTI's Operating Report for June 30, 2024, included behind Tab 4 of the Board packet. Total assets under management at quarter end were \$10,866,862,000. Fiscal year-to-date earnings were the best ever on record at \$612,444,000. Karl concluded his review of the June 30, 2024, Operating Report by summarizing the changes by investment pools and accounts.

There was no Board action necessary for this agenda item

V. Review the Budget to Actual Report for the quarter ended June 30, 2024 - Kara - Tab 5

Kara Hughes presented a summary of the Budget to Actual Report for the quarter ended June 30, 2024, included behind Tab 5 of the Board packet. Kara stated the BTI is under budget for the quarter ended June 30, 2024, by \$2,351,355.81 (\$395,844.58 for Administrative expenses (Indirect) and \$1,955,511.23 for Banking Costs (Direct)).

There was no Board action necessary for this agenda item.

VI. Review and approve the FY 2026 Appropriation Request – Karl - Tab 6

Karl Shanholtzer presented the FY 2026 Appropriation Request. As part of the annual budget process, agencies are required to submit their appropriation requests to the State Budget Office. The appropriation request for fiscal year 2026 is required to be submitted to the State Budget Office in early September 2024. For fiscal year 2026, the BTI is requesting the same overall appropriation amount as was approved for fiscal year 2025 (\$7,110,000). The preliminary appropriation request for fiscal year 2026 is based on the fiscal year 2025 expenditure schedule. For fiscal year 2026, staff have reviewed the amounts budgeted for fiscal year 2025 and do not have any recommended adjustments. The preliminary appropriation request may have to be modified before submission based on directives from the State Budget Office.

Karl commented that UBS Global Asset Management changed their name from UBS Global Asset Management Corp. to UBS Global Asset Management LLC. This change in entity requires a new registration with the Purchasing Division and BTI has been unable to pay the advisor fees to UBS Global Asset Management since March 2024. These advisor fee bills total around \$450,000.00 and will be paid in this fiscal year since there is no way to pay when their registration on wvOASIS is not complete. Karl also stated that the BTI is unable to pay bills for BNY Mellon since their registration lapsed as of July 15, 2024. Lisa Hopkins enquired about whether these payment issues were due to a problem with the vendors or with the State Purchasing Division. Karl responded that for UBS the issue is a combination of UBS internal policies and also, in

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part, due to the Purchasing Division's slow response in communications. The issue with BNY Mellon is the result of BNY Mellon not keeping up with their registration with Purchasing Division and billing to the BTI. Karl explained there would be flexibility in the budget to pay these outstanding bills. Karl also stated he recently received the instructions from the State Budget Office, and there are no adjustments to make to the appropriation request.

Mark Mangano moved to recommend the Board approve the FY 2026 preliminary appropriation request and authorize staff to make necessary adjustments to comply with directives from the State Budget Office. Patrick Smith seconded. Motion carried unanimously.

VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2024 – Denise - Tab 7

According to P-card policies and procedures, if a spending unit is a board, a written report of Purchasing Card transactions must be provided to Board members to be approved or ratified at regularly scheduled meetings. Denise Baker provided a summary of the BTI Purchasing Card activity for the quarter ended June 30, 2024. The total amount of P-card transactions for the quarter ended June 30, 2024, was \$4,014.74.

Lisa Hopkins abstained from voting since the Auditor's Office administers the Purchasing Card program. Mark Mangano moved to recommend the Board ratify the Purchasing Card activity for the quarter ended June 30, 2024 (P-Card Rules, Section 2.5.1, *Segregation of Duties*). Patrick Smith seconded. Motion carried unanimously.

VIII. Review and approval of the June 30, 2024 Financial Statements and external audit update – Karl Shanholtzer and Maher Duessel, Jeff Kent - Tab 8

Karl Shanholtzer briefly stated the financial statements were completed last week. Jeff Kent, Partner at Maher Duessel, then presented an overview of the June 30, 2024, financial statements and external audit update. Jeff provided an overview of how the June 30, 2024, audit was performed. The reports that will be issued include the Financial Statements, Communication to Those Charged with Governance, and the Agreed Upon Procedures Report. The Annual Comprehensive Financial Report will be issued at a later date. There were no exceptions of relevance noted on any of the testing completed while performing the external audit.

Mark Mangano moved to recommend the Board allow staff to e-mail the audited June 30, 2024, financial statements to Board members and, if no issues, authorize approval of financial statements. Patrick Smith seconded. Motion carried unanimously.

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IX. Review the Internal Audit Report and approve the Audit Committee Charter and FY 2025 Audit Plan – Jamie Chambers - Tab 9

Jamie Chambers presented the Internal Audit Report included behind Tab 9 of the Board packet. Jamie updated the BTI on the significant internal audit activities completed during the fourth quarter of fiscal year 2024. Internal Audit completed the following testing: Testing of Portfolio Compliance, S&P Surveillance Reports, Income Distribution Testing, Review of Month-End Trial Balance, Transaction Testing, Daily Cash Management Testing, and Daily Rates and Balances Testing. Internal Audit also conducted a review of the Audit Committee Charter, reviewed and completed the Risk Assessment for FY 2025, and prepared the Audit Plan for FY 2025. There were no significant exceptions noted with any of the completed testing for the fourth quarter, and no changes were necessary for the FY 2025 Audit Committee Charter.

Patrick Smith moved to recommend the Board approve the Internal Audit Report, Audit Committee Charter, and Annual Audit Plan for FY 2025. Mark Mangano seconded. Motion carried unanimously.

X. Old Business

There was no old business.

XI. New Business


There was no new business.

XII. Next Board Meeting (Tentatively Thursday, October 31, 2024)

XIII. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Patrick Smith seconded. The meeting adjourned at 10:49 a.m.

Approved by: _____


Lisa Hopkins, Committee Chair, Proxy for Auditor John McCuskey

Minutes approved: _____ 11/21/2024 _____
(Date)

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**BOARD OF TREASURY
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**Investment Committee Meeting Minutes
Thursday, August 8, 2024**

The quarterly Investment Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 8, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Dr. Peter Shirley, Proxy for Committee Chair Larry Pack
Steve Bohman, Proxy for Riley Moore
Lisa Hopkins, via telephone
Mark Mangano
Patrick Smith, via telephone

BTI/ STO Staff Present:

Denise Baker
Sarah Canterbury
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Lindsay Marchio
Kara Hughes
Gina Joynes, via telephone
Mindy Parsley
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

David Onyett-Jeffries, Guardian Capital LP

Jeff Kent, Maher Duessel, via telephone
Samantha Strejcek, Maher Duessel, via telephone

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors, via telephone

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 7, 2024 Board Meeting
- IV. Review the Loan Pool Report
- V. Review the Contracts report and take action if necessary
- VI. Review of Procedural Rules for procurements exempt from W.Va. Code §5A-3-1 et seq.
- VII. Annual review and approval of the Investment Policy
- VIII. Annual review and approval of Money Market/Fixed Income funds
- IX. Annual review and approval of Primary Dealer List
- X. Report on Sterling Capital Management Performance and take corrective action if necessary
- XI. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2024
- XII. Old Business
- XIII. New Business
- XIV. Next Board Meeting (Tentatively Thursday, October 31, 2024)
- XV. Adjourn

MINUTES

- I. Call to Order

Dr. Peter Shirley, proxy for Committee Chair Larry Pack, called the Investment Committee meeting to order at 10:49 a.m.

- II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

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III. Approval of Minutes of the May 7, 2024 Board Meeting – Tab 10

Mark Mangano moved to approve the May 7, 2024, Investment Committee minutes as printed behind Tab 10 of the Board packet. Patrick Smith seconded. Motion carried unanimously.

IV. Review the Loan Pool Report – Kara – Tab 11

Kara Hughes provided an overview of the Loan Pool Report as of June 30, 2024, as included behind Tab 11 of the Board packet. Kara reported a total of \$35.5 million in the State Loan Pool. The pool is broken down into the revolving broadband loan program and a small portion in an Invesco fund. The rate on the Invesco fund is 5.2%. The rate on the broadband loan is 2.28%. The rate is based on the twelve-month average of the WV Money Market Pool. There is a cap on the rate of 1% so it cannot increase more than 1% per year.

Funds that are wired to the EDA are invested back in the WV Money Market Pool by the EDA. The WV Money Market Pool is earning 5.7% so the EDA is making more in interest than they are paying. In the quarterly report issued by EDA to the Joint Committee on Finance, Governor's Office and the BTI, as of June 30, 2024, the EDA had earned \$2.33 million in interest and paid the BTI \$674 thousand in interest.

Key points with the loan program is that it is non-recourse and revolving. Any losses incurred will flow to the general revenue fund. Since it is revolving, as principal payments are made, the funds can be loaned back out under the program. The program is capped at \$80 million. As of June 30, 2024, per BTI records, \$79.9 million has been committed for broadband loans. Remaining funds available are approximately \$74 thousand available for loan insurance. Amounts that are reported on notices of intent from EDA are segregated into a broadband loan account and any interest earnings accrue to the general revenue fund. When drawdowns are made and funds transferred to the EDA, they are responsible for paying interest to the BTI.

BTI management met with Jamie Chambers in May to discuss broadband loan procedures. BTI management is drafting revisions to the procedures. There are two points of emphasis for the EDA in the revisions. First, when EDA presents a Notice of Intent to their board, they need to notify the BTI ten days prior since the BTI has to do a liquidity check to ensure funds are available. The next point is they need to notify us when there is a reduction in loan balances so the funds can be returned to the BTI to earn interest for the general revenue fund.

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There was no Board action necessary for this agenda item.

V. Review the Contracts report and take action if necessary – Kara – Tab 12

Kara Hughes presented the Contracts report, as included behind Tab 12 of the Board packet. There were two contracts up for renewal: (1) Sterling Capital Management, LLC, and (2) Cerifi Checkpoint Learning.

Kara also provided an update on the two contracts being renegotiated, BNY Mellon and Standard and Poor's. The current fee schedule for BNY Mellon is expiring September 30, 2024. The BTI anticipates they will be able to negotiate a no fee increase or possibly even a small reduction in the fee schedule for BNY Mellon and lock in the fee schedule for five years. The BTI is also renegotiating the Standard & Poor's contract with only a slight fee increase expected and locking in the fee schedule for three years.

There was no Board action necessary for this agenda item.

VI. Review of Procedural Rules for procurements exempt from W.Va. Code §5A-3-1 et seq. – Kara – Tab 13

Kara Hughes provided a review of Procedural Rules for procurements exempt from W.Va. Code §5A-3-1 et seq. Per W.Va. Code §12-6C-7(h). The BTI is exempt from the purchasing requirements of the Purchasing Division but is required to follow the purchasing policies of the West Virginia State Treasurer's Office ("STO"). The STO has created a procedural rule covering exempt purchasing activities of the STO. Procedural Rule, Title 112, Series 17 incorporates certain provisions related to BTI specific purchasing activities for exempt purchases. The STO rules have specific rules for exempt purchases related to contracts for investment managers, investment management services and ratings. These provisions apply to our investment managers, custodian and credit rating entities.

These new provisions allow the BTI to extend contracts from year to year indefinitely, after expiration of the initial term of the contract, if extension is determined to be the action most consistent with the Board's fiduciary duties. Jeff Boucek, representative with Segal Marco Advisors, provided his comments supporting the flexibility this procedural rule provides the BTI.

There was no Board action necessary for this agenda item.

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VII. Annual review and approval of the Investment Policy – Karl - Tab 14

Karl Shanholtzer presented the annual review of the Investment Policy. West Virginia State Code §12-6C-9 requires the Board, at each annual meeting, adopt, review, modify, or cancel the investment policy of each fund or pool created. The code also requires the Board review the list of authorized investment types at the annual meeting. The BTI maintains the required investment policies for the pools and accounts in Appendix C of the *Investment Policy Statement* and the list of authorized investment types in Appendix A of the *Investment Policy Statement*.

In addition to the investment guidelines and authorized investment types, the BTI also maintains a list of the nationally recognized statistical rating organizations (NRSRO's) that the BTI deems suitable to rely upon for credit ratings. This list is contained in section IV; sub-section H, of the *Investment Policy Statement*. The Board reviews this list annually to determine whether the NRSRO's continue to be suitable to rely upon for credit ratings. The proposed list of NRSRO's for the *Investment Policy Statement* are:

- 1) Moody's Investor Services
- 2) Standard & Poor's
- 3) Fitch Ratings

Dominion Bond Rating Services, Ltd., was removed from the list since the BTI does not have access to these ratings and the BTI's investment managers do not use these ratings for the BTI's pools.

Section IX of the *Investment Policy Statement* incorporates other policies that govern day-to-day practices of the BTI. This section was updated to include the BTI's Shareholder Voting Policy which was implemented during fiscal year 2024.

Staff have reviewed the current *Investment Policy Statement* and appendices and have the following recommended changes:

- 1) Strike Appendix C-7: *Investment Guidelines – Economic Development Authority – American Woodmark Account* – This account was closed in September 2023 and will not be re-opened. The investment guidelines are no longer necessary.
- 2) Renumber Appendix C-8 to C-7 to reflect the removal of Appendix C-7.

Lisa Hopkins recommended the Board approve the current *Investment Policy Statement*, inclusive of the list of NRSRO's in section IV; sub-section H, the addition of the Shareholder Voting Policy to section IX, the list of authorized investment types in Appendix A, and the individual pool and account investment guidelines in Appendices C-1 and C-7. Patrick Smith seconded. Motion carried unanimously.

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VIII. Annual review and approval of Money Market/Fixed Income funds – Karl - Tab 15

Karl provided the annual review of the Money Market/Fixed Income funds. The BTI's Investment Policy Statement requires that Money Market Funds and Fixed Income Funds utilized by investment managers be approved in advance by the Board. The following is a list of money market and fixed income funds that staff are recommending be authorized for use by the BTI and its investment managers.

1) UBS

UBS has not requested authorization to use any of the UBS funds for the WV Money Market or WV Government Money Market Pools. UBS will continue to use a board authorized BNY Mellon fund as a sweep vehicle for these accounts.

2) Federated Hermes

Federated will no longer use their institutional prime money market funds as an investment option in the WV Money Market Pool. Federated did request re-authorization for the following government money market and treasury funds:

- a) Federated Hermes Government Obligations Fund (GOIXX)
- b) Federated Hermes Treasury Obligations Fund (TOIXX)

3) Sterling Capital Management

Sterling has not requested authorization to use any additional money market or fixed income funds for the WV Short Term Bond Pool. Sterling will continue to use the authorized BNY Mellon fund as a sweep vehicle for this account.

4) BNY Mellon Sweep Funds

BTI staff have evaluated the government agency sweep accounts offered by BNY Mellon and are recommending the Dreyfus Government Cash Management Institutional Fund (DGCXX) and the Invesco Government and Agency Portfolio – Institutional (AGPXX). The Dreyfus fund will be used for the WV Money Market and WV Money Market Pools. The returns on the Dreyfus fund are median or just below the funds offered for sweep, but operationally are a better fit for these pools due to the amount of funds traded daily. The Invesco fund is at the top of performance, ranked 1st over the one-year time period, fourth over the three-year time period and second over the five-year time period. This is a better fit for the Short Term Bond

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Pool and the School Fund where the sweep account makes up a larger portion of participant returns.

Mark Mangano recommended the Board approve investment in the Federated Hermes Government Obligations Fund, Federated Hermes Treasury Obligations Fund, Dreyfus Government Cash Management Institutional Fund, and the Invesco Government and Agency Fund – Institutional. Lisa Hopkins seconded. Motion carried unanimously.

IX. Annual review and approval of Primary Dealer List – Denise – Tab 16

Denise Baker provided the annual review of the Primary Dealer List. BTI policy requires that the Board approve the Authorized Primary Dealer List annually. The approval of the Authorized Primary Dealer List operates as a formality in case the BTI were ever directed to execute a trade on an agency's behalf.

The list includes primary dealers from the Federal Reserve and also includes the BTI's investment managers.

Mark Mangano asked how entities make and stay on the Authorized Primary Dealer List. Denise responded that these entities are pulled directly from the Federal Reserve List which is then modified to remove certain restricted financial institutions from the list. Before any action would be taken there would be a consultation with the investment managers. Most likely the BTI would use its investment managers since it may take time to get a trading relationship setup with the other members on the list. If a state agency requests the BTI to purchase a security on their behalf it is almost always for treasuries and agencies. The primary dealers are major players in the treasury and agency market and this list gives the BTI flexibility to use one of the primary dealers if necessary.

Mark Mangano moved to recommend the Board approve the Authorized Primary Dealer List and the BTI's current investment managers be authorized brokers for the BTI. Steve Bohman seconded. Motion carried unanimously.

X. Report on Sterling Capital Management Performance and take corrective action if necessary – Sterling Capital Management – Tab 17

Sterling Capital representatives, Max Anthony, Pete Brown, and Austin Dunlap provided an organizational overview of Sterling Capital, a portfolio review, and a market outlook, as included behind Tab 17 of the Board packet.

There was no Board action necessary for this agenda item.

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XI. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2024 – Jeff Boucek – Segal Marco Advisors - Tab 18

Jeff Boucek and Keith Reynolds, representatives for Segal Marco Advisors, provided an analysis of investment performance. A copy of the Investment Consultant report was provided behind Tab 18 of the Board packet. As of June 30, 2024, there were no managers or accounts on the Watch list, and there were no securities in the portfolios that did not meet the minimum credit quality restrictions contained in the Investment Policy Statement.

There was no Board action necessary for this agenda item.

XII. Old Business

There was no old business.

XIII. New Business

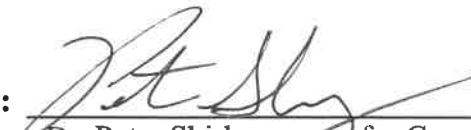
There was no new business.

XIV. Next Board Meeting (Tentatively Thursday, October 31, 2024)

XV. Adjourn

There being no further business to bring before the Committee, Mark Mangano moved to adjourn. Steve Bohman seconded. The meeting adjourned at 11:45 a.m.

Approved by: _____


Dr. Peter Shirley, proxy for Committee Chair Larry Pack

Minutes approved: _____

11-7-2024
(Date)

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BOARD OF TREASURY INVESTMENTS

Personnel & Governance Committee Meeting Minutes Thursday, August 8, 2024

The quarterly Personnel & Governance Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 8, 2024, in the Treasurer's Conference Room, 315 70th Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

ATTENDEES

Board Members Present:

Steve Bohman, Proxy for Committee Chair Riley Moore
Lisa Hopkins, via telephone
Mark Mangano
Dr. Peter Shirley, Proxy for Larry Pack
Patrick Smith, via telephone

BTI/ STO Staff Present:

Denise Baker
Sarah Canterbury
Jamie Chambers
Shana Clay, via telephone
Diane Holcomb, via telephone
Lindsay Marchio
Kara Hughes
Gina Joynes, via telephone
Mindy Parsley
Keith Peck
Karl Shanholtzer

Others Present:

Anoop Bhasin, Department of Revenue

David Onyett-Jeffries, Guardian Capital LP

Jeff Kent, Maher Duessel, via telephone
Samantha Strojcek, Maher Duessel, via telephone

Jeff Boucek, Segal Marco Advisors
Keith Reynolds, Segal Marco Advisors, via telephone

Maxwell Anthony, Sterling Capital Management
Peter Brown, Sterling Capital Management
Austin Dunlap, Sterling Capital Management

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BOARD OF TREASURY INVESTMENTS

AGENDA

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the May 7, 2024 Board Meeting
- IV. Old Business
- V. New Business
- VI. Next Board Meeting – (Tentatively Thursday, October 31, 2024)
- VII. Adjourn

MINUTES

I. Call to Order

Steve Bohman, proxy for Riley Moore, Committee Chair, called the meeting to order at 11:46 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

III. Approval of Minutes of the May 7, 2024 Board Meeting – **Tab 19**

Lisa Hopkins moved to approve the May 7, 2024, Personnel and Governance Committee Minutes as printed behind Tab 19 of the Board packet. Mark Mangano seconded. Motion carried unanimously.

IV. Old Business

There was no old business.

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BOARD OF TREASURY INVESTMENTS


V. New Business

There was no new business.

VI. Next Board Meeting – (Tentatively Thursday, October 31, 2024)

VII. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Mark Mangano seconded. The meeting adjourned at 11:47 a.m.

Approved by: 
Steve Bohman, proxy for Riley Moore, Committee Chair

Minutes approved: 11/07/2024
(Date)