

**Audited Financial Statements
With Other Financial Information**

**West Virginia Board of Treasury Investments
Year Ended June 30, 2022**

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West Virginia Board of Treasury Investments
 Financial Statements with Other Financial Information
 For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the combined fiduciary funds of the West Virginia Board of Treasury Investments (BTI), a component unit of the State of West Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the BTI's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the combined fiduciary funds of the BTI, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the BTI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Honorable Members of the
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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BTI's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BTI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the BTI's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BTI's basic financial statements. The Combining and Individual Fund Financial Statements and Schedule of Investments in Securities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the Other Financial Information. The Other Financial Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Financial Information, and we do not express an opinion or any form of assurance thereon.

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 on our consideration of the BTI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BTI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BTI's internal control over financial reporting and compliance.

Maier Duessel

Pittsburgh, Pennsylvania
August 30, 2022

West Virginia Board of Treasury Investments

Management's Discussion and Analysis

June 30, 2022

As management of the West Virginia Board of Treasury Investments (the "BTI"), we offer readers of the financial statements of the BTI this discussion and analysis of the BTI's financial performance for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in this section in conjunction with the BTI's financial statements, including notes to the financial statements, which follow this section.

The BTI serves as an investment vehicle for the operating cash of West Virginia State agencies and authorities, local governments such as cities and counties, and other political subdivisions throughout the State. The various investment pools and individual investment accounts managed by the BTI are collectively known as the Consolidated Fund. The Consolidated Fund's investment pools and accounts contain short-term fixed income instruments that are managed for the sole benefit of the participants.

Financial Highlights

For fiscal year 2022, initial projections for the general revenue budget anticipated that collections would fall short of estimates by approximately \$170 million. This would not turn out to be the case, as revenue collections outpaced projections for much of the fiscal year. By the end of December 2021, revenue collections had outpaced estimates by approximately \$394 million. The bulk of the increase was related to personal income tax, which was ahead of estimates by \$117 million, corporate net income tax, which was up by \$95 million, and severance taxes, which were ahead by \$117 million. By the end of the fiscal year, total revenue collections for the general revenue fund were \$5.9 billion, which exceeded estimates by \$1.3 billion. The major contributors to the excess were consumer sales and use tax (\$182 million), personal net income tax (\$461 million), corporate net income tax (\$206 million) and severance taxes (\$439 million). Overall, revenue collections for fiscal year 2022 were nearly \$1.0 billion higher than revenue collections in fiscal year 2021. BTI management had expected at the end of fiscal year 2021 that a weaker general revenue outlook and the spend down of stimulus funds and bond proceeds would result in a decline in assets under management in fiscal year 2022. At the end of fiscal year 2021, total assets under management were \$8.1 billion. By the end of fiscal year 2022, that level had risen by \$1.1 billion to \$9.2 billion. Stronger than expected revenue collections along with the receipt of the second payment from the federal government under the American Rescue Plan Act of 2021 ("ARPA") were the major reasons for the increase in assets under management. Local government investments also increased during the fiscal year, rising by \$48.4 million. The increases in local government investments were primarily due to increases in investments by boards of education and municipalities, whose investments rose by \$13.9 million and \$19.4 million respectively. Contributions by state agencies were the dominant factor in the increase in investments, with state agency investments increasing by approximately \$1.1 billion year-over-year. By April 2022, total assets under management had already increased by \$428.9 million. The receipt of \$677 million in stimulus funds in May 2022 pushed the year-over-year increase over \$1 billion. Looking towards fiscal year 2023, BTI management expects that assets under management will decline as bond proceeds and stimulus funds are spent down. The Department of Transportation has approximately \$1.4 billion in bond proceeds remaining and had multiple projects funded by these proceeds that were well under way by the end of fiscal year 2022. The state also has approximately \$1.3 billion in ARPA funds invested with the BTI. A portion of this has already been committed to eligible projects, so some part of this balance will be disbursed during fiscal year 2023. General revenue collections are not expected to reach the levels reached

in fiscal year 2022, but it is presently expected that the state will be able to meet revenue projections for fiscal year 2023.

Rates of return, net of advisor fees, for the Consolidated Fund's WV Money Market, WV Government Money Market, and WV Short Term Bond Pools were 0.25%, 0.16%, and -3.39%, respectively, for the fiscal year ended June 30, 2022. The performance of the pools was mostly attributable to the shift from dovishness to hawkishness by the Federal Reserve during the fiscal year. Front end rates, which had been held in check over the first eight months of the fiscal year, rose as a result of the 1.50% in rate hikes implemented by the Fed and the expectations of a more aggressive Fed over the remainder of calendar year 2022. While the two money market pools benefitted from the Fed's actions, the WV Short Term Bond Pool suffered through its worst fiscal year on record as rising yields led to a substantial decline in the fair value of investments.

During the 2021 Regular Session, Senate Bill 297 ("SB 297") was passed by the legislature. Provisions of SB 297 modified certain statutory investment restrictions related to investments by the BTI. The most significant provision removed the requirement that the BTI invest a minimum of 15% of the Consolidated Fund in securities guaranteed as the repayment of interest and principal by the U.S. government. Two other changes allow for longer term pools to invest in commercial paper rates A-2/P-2 and municipal securities rated as low as A/A2. The provisions of SB 297 became effective July 6, 2021. The *Investment Policy Statement* was updated at a special meeting on July 15, 2021 to incorporate the changes in SB 297.

The WV Money Market Pool is structured as a money market fund with the goal of preservation of principal. In July 2021, the provisions of SB 297 were incorporated into the investment guidelines for the pool and included removing the requirement of a minimum fifteen percent invested in U.S. government guaranteed securities and increasing the maximum amount that could be invested in credit related securities. With the removal of the minimum investment in U.S. government guaranteed securities, the benchmark was changed from the blended benchmark of fifteen percent of the iMoneyNet Treasury & Repo Institutional Average plus eighty-five percent of the iMoneyNet First Tier Institutional Average to the iMoneyNet First Tier Retail Average. Returns, net of advisor fees, in the WV Money Market Pool were up year-over-year, rising from 0.14% for fiscal year 2021 to 0.25% for fiscal year 2022. The largest factor in the increased performance was the Fed moving from an accommodative monetary policy to a restrictive policy. At the start of the fiscal year, the pool was managed with a weighted average maturity ("WAM") in the mid 50-day range. As inflation rose and it became apparent that the Fed would move more aggressively to rein in inflation, the managers began bringing down the WAM to the upper teen to lower twenty-day range. Fixed-rate exposure was generally limited to securities maturing in 90 days or less, with longer exposure typically the form of floating rate securities with daily resets. Treasury exposure was cut from over fifteen percent at the end of fiscal year 2021 to less than one percent at the end of fiscal year 2022. Daily and weekly liquidity, which had been around thirty percent and forty percent of the pool, respectively, were lowered throughout the fiscal year to around twenty three percent and thirty four percent of the pool by fiscal year end. Both managers expect that the Fed will continue to hike rates over the first half of fiscal year 2023 and expect to manage the pool with a lower WAM over that time. Once it appears that the Fed is done with hiking rates, the managers expect to begin extending the WAM of the pool.

The WV Government Money Market Pool's objective is to preserve capital and maintain sufficient liquidity to meet the daily disbursement requirements of participants, while earning a return above inflation. In July 2021, the investment guidelines for the pool were changed to remove the minimum fifteen percent investment in U.S. government guaranteed securities. Additionally, the maximum weighted average life ("WAL") of the pool was increased from 90 days to 120 days. Where the WAM is measured based on the average maturity of securities in the portfolio, taking into account issuer call options and security shortening features such as demand features and interest rate resets, the WAL only considers the final stated maturity of investments. The 120-day maximum WAL is only available for money market funds that invest

substantially all of their assets in Treasury and agency securities. Since the pool is no longer required to invest a minimum of fifteen percent in U.S. government guaranteed securities, the benchmark for the pool was changed from a blended benchmark composed of fifteen percent of the iMoneyNet Treasury & Repo Institutional Average plus eighty-five percent of the iMoneyNet Government & Agencies Institutional Average to one hundred percent of the iMoneyNet Government & Agencies Institutional Average. Returns for the WV Government Money Market Pool increased from the previous fiscal year, with the pool return, net of advisor fees, increasing from 0.05% in fiscal year 2021 to 0.16% for fiscal year 2022. The extraordinarily low-rate environment from the end of fiscal year 2021 persisted through the first half of the fiscal year. With agency spreads over Treasuries remaining tight for much of the fiscal year, the pool's manager continued to favor Treasuries over agencies. Taking advantage of the increased WAL of the pool, the manager took selective positions in longer-dated agency floaters to help increase the yield in the pool. As the Fed began raising rates, the manager brought the WAM of the pool down to the upper teens to position the pool to take advantage of expected Fed rate hikes. The supply of agency discount notes also increased over the latter part of the fiscal year resulting in agency spreads rising. This led to the investment manager rotating from Treasuries to agencies over the last few months of the fiscal year. As with the WV Money Market Pool, the investment manager will look to keep the WAM in the upper teens to low twenties until it appears that the Fed is concluding their rate hiking campaign.

The WV Short Term Bond Pool is structured as a mutual fund with the objective of asset growth rather than current income. The benchmark for the WV Short Term Bond Pool is the ICE BofAML 1-3 Year US Corporate & Government Index plus 10 basis points. The investment guidelines for the pool were also changed in July 2021 to incorporate changes from SB 297. The most significant changes were the removal of the minimum fifteen percent investment in U.S. government guaranteed securities, permitting investment in commercial paper rated A-2/P-2 and permitting investment in municipal securities rated as low as A/A2. Investment in A-2/P-2 commercial paper is included in the maximum twenty percent allocation to BBB/Baa rated securities. The fiscal year 2022 net-of-advisor-fee return of -3.39% was 485 basis points lower than fiscal year 2021's return of 1.45%. The pool still beat its benchmark return of -3.52% by 13 basis points. At the end of fiscal year 2021, markets had only priced in one rate hike by the Fed over the course of fiscal year 2022. The Fed, which had been gradually shifting to a more hawkish direction over early fiscal year 2022, rapidly shifted as it appeared that the Fed had a major inflation problem to solve. By the end of the fiscal year, the Fed had hiked rates by 150 basis points, with the market pricing in a further 200 basis points in rate hikes over the fiscal year 2023. This rapid shift in the fed funds rate and expectations took a huge toll on financial markets. Short-term interest rates increased at their fastest pace in history as the two-year Treasury yield moved from 0.25% to 2.95%. With inflation running high, and the Fed signaling that they would remain aggressive in reigning in inflation, markets became more pessimistic about future economic growth. Investment grade issuers were now faced with a double blow from increased borrowing costs and pressures on profit margins resulting from higher inflation. Over the first three quarters of the fiscal year, companies increased debt issuances, looking to get ahead of rising rates. The increase in debt supply and souring outlook led to credit spreads nearly tripling over the fiscal year. The ICE BofA 1-3 Year US Corporate index widened from 38 basis points at the end of fiscal year 2021 to 104 basis points by the end of fiscal year 2022. Spreads on structured credit products also rose during the fiscal year, with markets pricing in a higher level of concern about future delinquencies in underlying asset pools. In response to rapidly changing markets, the pool's manager shortened the duration of the second half of the fiscal year. By moving the pool duration closer to the lower duration bound, the manager was able to blunt some of the effects of rising rates and spreads. The pool's manager expects to maintain the pool duration close to the lower bound, given expectations that the Fed will maintain their aggressive stance to bring down inflation.

Overview of the Financial Statements

This report presents the operating results and financial position of the BTI, which is composed of a proprietary fund and fiduciary fund. The proprietary fund is an internal service fund, or operating fund, used to account for activities that provide investment and administrative services on behalf of the State and

other participants in the Consolidated Fund. The fiduciary fund is used to account for the activities of the Consolidated Fund, which is made up of nine legally separate investment pools and accounts. There are three external investment pools, three special-purpose internal investment pools, and three individual investment accounts, all of which are included in the fiduciary fund. The BTI is the trustee, or fiduciary, for participants in the Consolidated Fund. Financial statements for the proprietary fund and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities.

The Statement of Net Position presents information on the proprietary fund's assets and liabilities, with the difference between the two reported as net position. This statement is categorized into current and non-current assets and liabilities. For purposes of the financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within 12 months of the statement's date.

The Statement of Revenues, Expenses and Changes in Net Position reflects the operating and non-operating revenues and expenses of the proprietary fund for the operating year. Operating revenues primarily consist of investment service fees charged to the Consolidated Fund with significant operating expenses composed of salaries and benefits, investment advisor fees, investment management system expenses, professional service fees, and fiduciary bond fees.

The Statement of Cash Flows reflects the proprietary fund's cash flows from operating activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the year.

The Statement of Fiduciary Net Position presents information on the fiduciary fund's assets and liabilities, with the difference between the two reported as net position held in trust for investment pool participants and individual investment account holders.

The Statement of Changes in Fiduciary Net Position reports the additions and deductions to the fiduciary fund for the year. Additions are composed of investment income, such as interest, dividends, and accretion; investment expenses such as investment advisor fees, custodian bank fees, administrative fees; and purchases of pool units, reinvestments of pool distributions, and contributions to individual investment accounts. Deductions represent distributions to pool participants, redemption of units by pool participants, and withdrawals from individual investment accounts.

The State of West Virginia reports the proprietary fund as an internal service fund in its Comprehensive Annual Financial Report. An internal service fund is used to report any activity that provides goods or services to other funds, departments, or agencies of the State and its component units, or to other governments, on a cost-reimbursement basis. The State reports the portions of the Consolidated Fund pools and accounts held by state agencies and component units as investment holdings of those entities within the appropriate fund reporting categories for those entities. The State reports the portions of the Consolidated Fund held by local governments, municipalities, and other political subdivisions as investment trust funds, a type of fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity, and those resources are not available to support operations of that entity.

Financial Analysis of the Operating Fund

Net position. The following is the condensed Statements of Net Position of the proprietary fund, which represents the assets, liabilities, and net position generated by the operating activities of the BTI, as of June 30, 2022 and 2021 (in thousands).

| | 2022 | 2021 |
|----------------------------------|----------|----------|
| Current assets | \$ 2,390 | \$ 2,371 |
| Noncurrent assets | 6 | 3 |
| Total assets | 2,396 | 2,374 |
| | | |
| Current liabilities | 858 | 777 |
| Total liabilities | 858 | 777 |
| | | |
| Net position: | | |
| Net investment in capital assets | 6 | 3 |
| Unrestricted | 1,532 | 1,594 |
| Total net position | \$ 1,538 | \$ 1,597 |

The net position of the Operating Fund decreased by \$59,000 during fiscal year 2022. The decrease in net position was the result of an increase in current liabilities of \$81,000 which was partially offset by an increase of \$19,000 in current assets. Noncurrent assets increased by \$3,000 during fiscal year 2022.

The majority of the proprietary fund's net position consists of current assets. Current assets are composed of cash and accounts receivable that will be used to pay investment advisor, custodian, and administrative costs. The current asset balance of \$2,390,000 comprises \$1,310,000 in cash and \$1,080,000 in accounts receivable. The cash balance decreased from fiscal year 2021 by \$48,000 while the accounts receivable balance increased by \$67,000 at the end of fiscal year 2022.

The decrease in the cash balance was primarily the result of net operating loss of \$59,000.

The accounts receivable balance of \$1,080,000 represents fees that have been accrued but not withdrawn from the investment pools at June 30, 2022 to pay investment advisor, custodian, and administrative costs. In accordance with *WV State Code §12-6C-19*, the Board may charge fees to the pools for reasonable and necessary expenses incurred for rendering services. The fees charged to the pools are categorized into direct expenses (investment advisor and custodian fees) and indirect expenses (administrative costs). As part of the BTI operations, administrative and custodial fees accrued in the investment pools are periodically transferred from the pools to the BTI's operating fund to pay for all necessary and reasonable expenses. Investment advisor and custodial fees are accrued daily or monthly and transferred to the operating fund to coincide with the receipt of advisor and custodial invoices. The periodic nature of these transfers results in the accounts receivable balance. Accounts receivable increased by \$67,000 over the fiscal year-end 2021 balance. This increase was composed of a decrease in administrative fees receivable of \$69,000, an increase in advisor fees receivable of \$124,000, and an increase in custodian fees receivable of \$12,000. The decrease in administrative fees receivable was the result of a lowering of the administrative fee charged during fiscal year 2022. The fee was decreased from 2 basis points for fiscal year 2021 to 1.25 basis points for fiscal year 2022. The effect of the lower fee rate was partially offset by the higher average net position in pools and accounts subject to fees in the final quarter of fiscal year 2022 as compared to the last quarter of fiscal year 2021. The increase in advisor fees receivable resulted from the higher level of assets under management for the last quarter of fiscal year 2022 as compared to the same period in the prior fiscal year.

With respect to custodian fees receivable, the increase in the receivable was also due to the higher level of assets under custody in the final quarter of the fiscal year.

Capital assets, net of accumulated depreciation, increased by \$3,000 during the year. The increase was due to purchases of \$6,000 of computer equipment, net of annual depreciation of \$3,000. The BTI also retired \$9,000 of fully depreciated assets during fiscal year 2022.

The balance of \$858,000 in current liabilities represents \$787,000 in accounts payable and \$71,000 of reimbursements due to the West Virginia State Treasurer's Office (the "STO") as of June 30, 2022. Current liabilities increased by \$81,000 as compared to the fiscal year-end 2021 balance. The net increase in current liabilities was composed of an increase of \$71,000 in accounts payable and an increase of \$10,000 in reimbursements due to the STO. The majority of the accounts payable balance represents amounts due for services received from the BTI's investment advisors for the quarter ending June 30, 2022, custodian fees for May and June 2022, investment consultant fees for the quarter ending June 30, 2022, and maintenance costs for the investment management system for June 2022. The net increase of \$71,000 in accounts payable was composed of increases in amounts payable to the BTI's investment advisors, decreases in custodian fees payable, and a decrease in other accounts payable. Investment advisor fees payable increased by \$123,000 due to a higher level of assets under management in the WV Money Market Pool during the final quarter of the fiscal year 2022 as compared to the final quarter of fiscal year 2021. Custodian fees payable decreased by \$49,000 year-over-year as the issues at the end of fiscal year 2021 that prevented payment of six months of invoices were resolved in July 2021. At the end of fiscal year 2022, there were only two months of custodian invoices outstanding. Other accounts payable decreased by \$4,000 as invoices normally paid in July were paid in June. The \$71,000 in reimbursements due to the STO was for staffing services provided to the BTI, office space rental and utilities expenses, and the BTI's share of other office expenses paid on the BTI's behalf by the STO. The amount due to the STO was \$10,000 higher than at the end of fiscal year 2021, primarily due to marketing material design services and software license renewals that were paid by the WVSTO in June 2022 and invoiced to the BTI in July 2022.

Net position of the BTI's proprietary fund is composed of net investment in capital assets and unrestricted net position. Capital asset expenditures of \$1,000 or more (\$500 or more for certain computer equipment) are capitalized at cost and reported net of accumulated depreciation. Unrestricted net position represents net position not restricted for use by legal, contractual or enabling legislation constraints.

Changes in net position. The following is the condensed Statements of Revenues, Expenses and Changes in Net Position of the operating fund for the periods ended June 30, 2022 and 2021 (in thousands).

| | 2022 | 2021 |
|-------------------------------------|----------|----------|
| Revenues | | |
| Operating revenues: | | |
| Management services | \$ 1,198 | \$ 1,517 |
| Advisor and custodian services | 2,804 | 2,274 |
| Total revenues | 4,002 | 3,791 |
| Expenses | | |
| Operating expenses: | | |
| General and administrative | 1,253 | 1,215 |
| Advisor and custodian fees | 2,805 | 2,275 |
| Depreciation | 3 | 3 |
| Total expenses | 4,061 | 3,493 |
| Increase (decrease) in net position | (59) | 298 |
| Net position at beginning of year | 1,597 | 1,299 |
| Net position at end of year | \$ 1,538 | \$ 1,597 |

Operating revenues at June 30, 2022 consist of investment advisor, custodian, and management fees billed to the pools by the operating fund to cover the cost of providing investment management services. The fees charged to the pools are categorized into direct or indirect expenses. All direct expenses, investment advisor and custodian fees are charged directly to the pools as they are incurred. All indirect expenses, e.g. insurance, staff costs, and rent, are charged to the pools based upon a fixed basis point fee against the net position of the pool. The fees collected are deposited in a special account in the STO created and designated as the Board of Treasury Investments Fee Fund in accordance with *West Virginia Code §12-6C-19*.

Operating revenues for fiscal year 2022 increased by \$211,000. The increase in revenue consisted of a decrease of \$319,000 in management (administrative) fees charged to the pools, an increase of \$480,000 in advisor fee revenues, and an increase of \$50,000 in custodial fee revenue.

Advisor fees are computed based upon the fair values of the pools. The average fair value of assets under management were approximately \$1.7 billion higher over the course of fiscal year 2022 for the WV Money Pool, resulting in an increase in advisor fees of \$507,000. Advisor fees for the WV Government Money Market Pool decreased year-over-year by \$14,000 as the average fair value of assets under management decreased by approximately \$31.0 million from fiscal year 2021 levels. Advisor fees charged to the WV Short Term Bond Pool also decreased during fiscal year 2022, falling by \$13,000 from fiscal year 2021. Average assets under management for the pool were approximately \$36.1 million lower than fiscal year 2021 levels, resulting in the decrease in the advisor fee year-over-year. Custodian fees increased by a total of \$49,000 as a result of increased assets under management in the WV Money Market Pool and an increase in trading during fiscal year 2022. The increased trading activity during fiscal year 2022 was driven by the increase in assets under management and advisors shortening the weighted average maturity of the WV Money Market and WV Government Money Market Pools in response to the Federal Reserve raising interest rates. Administrative fee revenue decreased by \$319,000 from fiscal year 2021 levels. For fiscal year 2022, the BTI lowered the administrative fee from 2.0 basis points to 1.25 basis. The administrative fee was lowered since management expected that assets under management would remain elevated over fiscal year 2022.

Total operating expenses for the year increased by \$568,000. This includes an increase of \$38,000 in general and administrative expense and an increase in advisor and custodian fees of \$530,000. Depreciation expense did not vary from the prior fiscal year.

General and administrative expenses represent costs associated with operating the BTI that are not considered directly applicable to investment management. Salary reimbursements, investment consulting fees charged by Segal Marco and fiduciary bond expenses make up the majority of this expense line item. Salary reimbursements and related expenses increased by \$45,000 from the prior year. This increase was the result of a part-time staff member resigning and being replaced with a full-time staff member. Professional services decreased from fiscal year 2021 levels, falling by \$21,000 year-over-year. The primary components of this decrease were a \$3,000 decrease in expenses for the annual audit, a \$5,000 decrease in consulting fees allocated to the BTI by the STO, a \$7,000 increase in contractual service fees allocated to the BTI by the STO for a marketing material redesign project, and a \$1,000 increase in fees charged by Bloomberg Professional. Other general and administrative expenditures increased by \$12,000 from fiscal year 2021, with the increases occurring primarily in travel expenses and advertising and promotional expenses. With in-person due diligence visits and conference attendance picking up during fiscal year 2022, travel costs increased by \$6,000 and advertising and promotional expenses increased by \$4,000. Remaining expenses, such as general office expenses, rent expenses allocated to the BTI by the STO, training expenses and non-capitalizable computer equipment expenditures increased by a combined \$1,000.

A large portion of the BTI's expenses represent investment advisor fees. The current investment advisors are Federated Hermes, Sterling Capital Management, and UBS Global Asset Management. All investment decisions and trade executions are performed by the investment advisors. The balance of custodian and advisor fee expense is composed of investment advisor fees of \$2,580,000 and custodian fees of \$225,000. Investment advisor fees increased by \$479,000 and custodian fees increased by \$51,000 over fiscal year 2021 levels. Approximately \$507,000 of the net increase in investment advisor fees was the result of an increased level of assets under management in the WV Money Market Pool during fiscal year 2022. The average level for fiscal year 2022 over \$1.7 billion higher than fiscal year 2021 levels. Offsetting this increase was a decrease in advisor fees of \$14,000 for the WV Government Money Market Pool and a decrease in advisor fees of \$14,000 decrease in the WV Short Term Bond Pool. The decrease in the WV Government Money Market Pool was due to a lower average level of assets under management over fiscal year 2022. Average assets under management for fiscal year 2022 were approximately \$31.0 million lower than the previous fiscal year. The decrease in the WV Short Term Bond Pool advisor fee was also related to a decline of average assets under management, which fell approximately \$36.1 million from the prior year. Custodian fees increased by \$51,000 during fiscal year 2022, primarily due to the increased assets under management in the WV Money Market Pool and an increase in trading activity over fiscal year 2022.

Financial Analysis of the Consolidated Fund

Net position. The following is combined, condensed Statements of Fiduciary Net Position of the Consolidated Fund fiduciary funds as of June 30, 2022 and 2021 (in thousands).

| | 2022 | 2021 |
|---|--------------|--------------|
| Assets | | |
| Investments | \$ 9,266,973 | \$ 8,117,289 |
| Receivables | 6,696 | 4,693 |
| Total assets | 9,273,669 | 8,121,982 |
| Liabilities | | |
| Accrued expenses | 1,164 | 1,013 |
| Dividends and purchases payable | 37,810 | 1,385 |
| Total liabilities | 38,974 | 2,398 |
| Net Position | | |
| Held in trust for investment pool participants | 9,037,072 | 7,884,334 |
| Held in trust for individual investment account holders | 197,623 | 235,250 |
| Net position | \$ 9,234,695 | \$ 8,119,584 |

As of June 30, 2022, the Consolidated Fund's assets totaled approximately \$9.2 billion and were composed almost entirely of investments in securities. Net position as of the end of fiscal year 2022 was over \$1.1 billion higher than the fiscal year end 2021 net position. The increase in net position was composed of a net increase of over \$1.1 billion in investments by state agencies and local governments in the investment pools. Subtracting from this increase was a decrease of \$38 million in investments in individual accounts over fiscal year 2022.

As more fully discussed below, the BTI experienced a net increase in invested funds during fiscal year 2022. The overwhelming majority of the increase was in the WV Money Market Pool, which saw an increase of nearly \$1.3 billion in net position. The WV Government Money Market Pool also increased year-over-year, rising by approximately \$9 million from fiscal year-end 2021. Net position of the WV Short Term Bond Pool decreased by \$126 million while the State Loan Pool lost approximately \$8 million in net position. The Municipal Bond Commission Account ("MBC Account") increased by \$10 million as the Municipal Bond Commission made new contributions to the account during the fiscal year. The WV Bank Pool experienced a decline in net position from fiscal year 2021, falling by \$40 million. The School Fund, Reserve Pool and West Virginia Economic Development Authority Account were little changed from the prior fiscal year.

The receivables balance is composed of accrued interest and dividends and receivables for investments sold. Receivables increased by \$2.0 million from the fiscal year-end 2021 balance. As discussed below, interest and dividends receivable across all pool and accounts increased by \$2.0 million as the Fed began an aggressive rate hiking campaign over the second half of fiscal year 2022.

In the WV Money Market Pool, interest and dividends receivable increased by \$3.0 million from fiscal year 2021. The pool's holdings of interest-bearing securities increased from 40% of investments at the end of fiscal year 2021 to just over 47% at the end of fiscal year 2022. Additionally, the Fed began aggressively

raising interest rates to combat inflation, hiking their benchmark rate by 1.50% over the second half of fiscal year 2022. The weighted-average coupon on interest bearing securities increased from 0.09% at the end of fiscal year 2021 to 1.66% at the end of fiscal year 2022. This significant increase in rates and the increase in interest bearing investments were responsible for the year-over-year increase in interest and dividends receivable in the WV Money Market Pool

The interest receivable balance of the WV Government Money Market Pool was little changed from fiscal year 2021. The pool held a higher percentage in interest-bearing securities at the end of fiscal year 2022, increasing its holdings from 31% to 41% of the pool. The average coupon also increased, rising from 0.08% to 1.41%. These changes translated into an increase in interest and dividends receivable of approximately \$40 thousand.

Interest and dividends receivable in the WV Short Term Bond Pool decreased by approximately \$1.0 million from fiscal year-end 2021. The primary reason for the decrease was the lower level of assets under management at fiscal year-end 2022. The weighted-average coupon rate ticked up slightly, rising from 2.02% at the end of fiscal year 2021 to 2.03% at the end of fiscal year 2022. However, over \$90 million of participant withdrawals reduced assets under management, resulting in the decrease in interest and dividends receivable.

Interest and dividends receivable in the Municipal Bond Commission Account decreased year-over-year, falling by approximately \$74 thousand from fiscal year-end 2021 levels. Although the securities held in the account increased by \$10.8 million year-over-year, the State and Local Government Series securities ("SLGS") purchased during the year had an average interest rate of 0.19% versus the average coupon rate of 1.66% of the securities held at the end of fiscal year 2021. The SLGS purchased during the year were purchased at a time when treasury rates were at, or near, their lowest point. The remaining pools and accounts were little changed from the prior fiscal year.

Total liabilities increased by approximately \$36.6 million from June 30, 2021 levels. Total liabilities consist of accrued expenses, representing accrued manager fees, custodian bank fees and administrative fees, and dividends payable to participants in the WV Short Term Bond Pool. The majority of the increase in liabilities was the result of an increase in amounts payable for securities purchased in the WV Money Market and WV Government Money Market Pools. The liability for investments purchased in the WV Money Market Pool increased by \$34.9 million from the end of fiscal year 2021, while the liability for investments purchased increased by \$2.0 million in the WV Government Money Market Pool. There were no unsettled security purchase transactions in any of the pools at fiscal year-end 2022. Dividends payable in the WV Short Term Bond Pool decreased by over \$0.5 million, primarily due to a decrease of \$0.5 million in capital gain distributions year-over-year. Pool net income was slightly higher for June 2022, but not enough to offset the decrease in capital gain distribution. Accrued expenses were up approximately \$0.1 million as compared to the end of fiscal year 2021.

Net position is the excess of total assets over total liabilities. As of June 30, 2021, the Consolidated Fund had total net position of approximately \$9.2 billion. The net position consists of funds held in trust for investment pool participants and individual account holders. Investment pool participants are those participants investing in the WV Money Market, WV Government Money Market, and WV Short Term Bond Pools. Net position for investment pool participants increased approximately 14.6% from the prior year due to increases in investments in the WV Money Market and WV Government Money Market Pools. Investment in the WV Short Term Bond Pool declined from the prior fiscal year. Net position of the individual accounts declined from fiscal year-end 2021, falling by \$37.6 million. The net decrease in net position in individual accounts was composed of decreases in investments in the WV Bank Pool, State Loan Pool and EDA-AW Account. Offsetting these decreases were increases in the Municipal Bond Commission Account and School Fund. Net position of the Reserve Pool did not change significantly during the year.

Net position of the WV Money Market Pool increased by approximately \$1.3 billion from the prior year. The primary source of the increase was an increase of \$1.2 billion in State agency investments. Local government investments also increased year-over-year, rising by \$59 million from fiscal year 2021. State Participation, which represents cash of the General Fund and cash of other state agencies that is not invested for the benefit of a particular agency, also increased year over year, rising by approximately \$1.5 billion. Approximately \$670 million of this increase was related to federal stimulus funds from the American Rescue Plan Act of 2021. The next largest increase in state agency investments was a \$250 million increase in the accounts of the West Virginia Water Development Authority (the "WDA"). During fiscal year 2022, the WDA received a grant for economic development. Offsetting these increases, were decreases in amounts invested related to CARES Act stimulus funds (\$437 million decrease) and decreases in the West Virginia Department of Transportation's (the "DOT") invested Roads to Prosperity bond proceeds (\$337 million decrease). The total balance of other state agency investments increased by over \$300 million in total.

Net position of the WV Government Money Market Pool increased by approximately \$8.7 million from fiscal year end 2021. State agency deposits, which made up just under 95% of the funds invested in the Pool at the end of fiscal year 2022, increased by \$20.3 million over the course of fiscal year. The increase in state agency deposits was composed of a \$22.4 million increase in amounts held in trust by the West Virginia State Treasurer's Office (the "STO"), of which \$22.0 million was for the State Small Business Credit Initiative (the "SSBCI"). The ARP Act re-authorized and expanded the SSBCI program which promotes capital access to small businesses. The West Virginia Division of Environmental Protection (the "DEP") increased their investments in the pool by \$7.4 million. Offsetting these increases was a decrease of \$9.5 million in investments of the Municipal Bond Commission (the "MBC"). Direct local government investments in the Pool are predominately made by county school boards. Over fiscal year 2022, local government investments decreased by \$11.6 million, primarily from a single county school board which drew against invested proceeds from a bond issuance for school construction.

The net position of the WV Short Term Bond Pool decreased by \$126.5 million from fiscal year-end 2021. A majority of the decrease was from withdrawals by participants. Net participant withdrawals of \$100.9 million made up the largest portion of the decrease in net position. The West Virginia Lottery Commission closed their account during the fiscal year, withdrawing \$32.0 million. The DEP had net withdrawals over the course of the fiscal year, withdrawing approximately \$78.0 million. Offsetting these withdrawals, was a new account opened by the West Virginia Municipal Pension Oversight Board (the "MPOB") for \$10.0 million. Other participant activity during the year resulted in net withdrawals of \$1.0 million. The remainder of the decline was attributable to a decline in fair value of investments of \$35.3 million and net investment income of \$9.8 million.

Net position held in trust for individual account holders represent individual state agency accounts with specific investment needs. In accordance with State Code, legal ownership of the securities rests with the BTI, with the BTI establishing the number of units and the unit value for each account. Each agency owns 100% of the units of the investments in their accounts and is responsible for providing the BTI with investment guidelines that are consistent with the legal restrictions applicable to the assets in the account. The BTI manages these accounts in accordance with the accounts' investment guidelines and directions from the account owners. Net position for individual account holders decreased by \$37.6 million from the prior fiscal year.

The MBC account holds investments escrowed to defease certain municipal bond issues. Levels of investment in this account are affected by municipal refinancing/refunding activity levels and the availability of, and yield on, eligible assets. The net position of the MBC Account increased by \$10.7 million during fiscal year 2022. The net increase in the net position was composed of contributions totaling

\$42.4 million plus net income of \$0.5 million, less withdrawals from the account of \$32.2 million during the year.

Investments in the State Loan Pool fell during the fiscal year, decreasing by \$8.3 million. The balance of the Revolving Loan program decreased by \$18.0 million for the year as the WVEDA paid down outstanding loan balances. Loan draws totaling \$3.1 million were made during the year. Offsetting the draws were regular monthly principal payments and extra principal payments totaling \$21.1 million. The balance of the WVEDA Broadband Loan increased by \$9.7 million as the WVEDA drew down funds to cover the current outstanding balance of loans insured under the program. The WVEDA Broadband Loan program is more fully discussed in Note 7 to the financial statements.

The net position of the WV Bank Pool decreased by approximately \$40.0 million during fiscal year 2022. Demand for funds over the first eight months of the fiscal year remained steady, as the BTI placed \$80.1 million of the \$120.0 million offered through the CD auctions. However, after the Fed began hiking rates and the starting rate for the auctions increased, demand fell off and there were no funds placed over the last four months of the fiscal year. Over those four months, \$40.0 million in CD's matured without replacement.

For the remaining accounts, the net position of the School Fund increased by \$0.1 million while the West Virginia Economic Development Authority – American Woodmark (“EDA-AW”) account net position fell over \$0.1 million as a result of a decline in the fair value of the investment in the account. The balance of the Reserve Pool did not change significantly over the fiscal year.

Changes in net position. The following is a combined, condensed Statements of Changes in Fiduciary Net Position of the Consolidated Fund fiduciary funds for the years ended June 30, 2022 and 2021 (in thousands).

| | Year Ended June 30, | |
|---|---------------------|--------------|
| | 2022 | 2021 |
| Additions | | |
| Net investment income | \$ 34,168 | \$ 25,931 |
| Net realized gain (loss) | (595) | 7,087 |
| Net decrease in fair value of investments | (35,431) | (9,965) |
| Unit purchases and contributions | 15,477,105 | 16,634,851 |
| Total additions | 15,475,247 | 16,657,904 |
| Deductions | | |
| Distributions | 31,139 | 29,836 |
| Unit redemptions and withdrawals | 14,328,997 | 14,976,011 |
| Total deductions | 14,360,136 | 15,005,847 |
| Change in net position | 1,115,111 | 1,652,057 |
| Net position at beginning of year | 8,119,584 | 6,467,527 |
| Net position at end of year | \$ 9,234,695 | \$ 8,119,584 |

Fiscal year 2022 net investment income improved from fiscal year 2021, increasing by \$8.2 million year-over-year. The change in net investment income was primarily due to the monetary policy actions of the Fed in response to high levels of inflation. The Fed increased their benchmark rate by 1.50% over the last four months of the year and were signaling that they would continue to hike rates until they judged that inflation was under control. The increase in investments in the WV Money Market Pool also contributed

to the increase in net investment income. Net investment income increased in the WV Money Market and WV Government Money Market Pool, while the remaining pools and accounts experienced decreases or were little changed from the prior year. The WV Money Market Pool's net investment income increased by \$13.3 million, accounting for most of the overall net increase. The WV Government Money Market Pool net investment income was up slightly, increasing by \$0.2 million from fiscal year 2021 levels. Net investment income in the WV Short Term Bond Pool decreased by \$4.6 million from fiscal year 2021. The State Loan Pool's net investment income decreased by \$0.2 million while the MBC Account's net investment income fell by \$0.5 million. Net investment income in the Bank Pool, Reserve Pool, School Fund and EDA-AW Account were little changed from fiscal year 2021.

The Fed's shift from accommodative to restrictive over fiscal year 2022 resulted in significant increases in front end rates. Starting with the tapering of asset purchases in the fall of 2021, the Fed began their tightening campaign. The tapering program was followed by a series of progressively higher rate hikes in starting in March 2022. The Fed hike rates a total of 150 basis points, hiking by 25 basis points in March, 50 basis points in May, and 75 basis points in June. The actions by the Fed were responsible for the increased performance of the two principal stability pools. WV Money Market Pool performance, net of advisor fees, rose by 11 basis points from 0.14% in fiscal year 2021 to 0.25% for fiscal year 2022. In addition to rising rates, an increase of nearly \$1.7 billion in the average net position of the WV Money Market Pool also contributed to the year-over-year increase in net investment income. The combination of these two factors resulted in an increase of \$13.3 million in net investment income from fiscal year 2021.

The WV Government Money Market Pool experienced a similar increase in performance in fiscal year 2022. Performance, net-of-advisor-fees, was up 11 basis points, rising from 0.05% for fiscal year 2021 to .16% for fiscal year 2022. Although the Fed's actions resulted in increased yield levels, yields in the front end of the Treasury bill curve were still muted by the low levels of supply. In July 2021, the investment guidelines for the pool were modified to increase the maximum weighted average life of the pool from 90 days to 120 days. This allowed the pool's manager to selectively add exposure to higher yielding, longer dated agency floaters. The increased yields and investment flexibility helped to increase net investment income by \$0.2 million during fiscal year 2022, despite a \$30.8 million decrease in average net position over the fiscal year.

The WV Short Term Bond Pool experienced its worst fiscal year total return on record. Performance, net of advisor fees, dropped significantly from fiscal year 2021 levels, falling from 1.45% for fiscal year 2021 to -3.39% for fiscal year 2022. Net investment income, which is one component of the total return for the pool, fell by \$4.6 million from fiscal year 2021 levels. The Fed raising rates was beneficial to the pool with respect to net investment income, as the purchase yield on securities rose from an average of 1.36% for fiscal year 2021 to 1.59% for fiscal year 2022. However, the net participant withdrawals of \$100.9 million during fiscal year 2022 had a more significant, negative effect on net investment income. As a result of lower investment levels over the fiscal year, net investment income declined \$4.6 million from fiscal year 2021 levels.

Net investment income in the Loan Pool decreased by \$0.2 million from fiscal year 2021 levels. Interest income in the pool decreased year-over-year by approximately \$0.2 million. The primary driver for the decrease was a decrease in the balance of the Revolving Loan, which fell by \$18.0 million from the end of fiscal year 2021. The rate on the Revolving Loan also fell, resetting from 1.69% for fiscal year 2021 to 1.56% for fiscal year 2022. The balance of the Broadband Loan increased by \$9.7 million but did not contribute significantly to net investment income as the average rate for the year was only 0.11%. The lower overall loan balances and lower rates for the fiscal year were responsible for the \$0.2 million decrease in net investment income. See Note 7 to the audited financial statements for more information on the loan programs of the Loan Pool.

Net investment income for the MBC Account fell by \$0.5 million from fiscal year 2021. The primary cause of the decrease in net investment income was the turnover of the entire portfolio during the year. At the end of fiscal year 2021, the pool held \$28.9 million in SLGS with an average coupon rate of 1.66%. During the fiscal year, these securities matured, and the proceeds were withdrawn. Over the fiscal year, the MBC contributed \$39.7 million which was invested in SLGS with an average coupon rate of 0.19%. The lower coupon rate of investments during the fiscal year was the primary reason net investment income decreased year-over-year.

Net investment income for the remaining accounts was comparable to the prior fiscal year.

For the year, the investment pools had a combined net realized loss of \$0.6 million. The net realized loss for fiscal year 2022 was approximately \$7.7 million lower than fiscal year 2021's net realized gain of \$7.1 million. An overwhelming majority of the net losses were realized in the WV Short Term Bond Pool, which had a net realized loss for fiscal year 2022 of \$0.6 million. The net realized losses were the result of trading activity by the portfolio manager to generate liquidity for participant redemptions and to reposition the pool in response to rising rates. The WV Money Market and WV Government Money Market Pools had minimal net realized gains/losses during fiscal year 2022. The realized gains/losses in these two pools were the result of normal trading activity related to generating liquidity, taking advantage of opportunities, or repositioning the portfolio to stay within policy limits.

The net change in fair value was deeply negative for fiscal year 2022, falling by \$35.4 million for the year versus a decline of \$9.9 million for fiscal year 2021. The WV Short Term Bond Pool accounted for all but a small amount of the decline in fair value, declining a total of \$35.3 million over fiscal year 2022. The rapid changes in expectations about the path of interest rates and a more aggressive Fed over the second half of fiscal year 2022 resulted in significant increases in market yields. Further adding to the pain were rising concerns about the prospect of an aggressive Fed pushing the economy from expansion to recession, resulting in an increase in credit spreads. The rise in yields resulted in one of the worst six month periods in bond market history for most all bond funds outside of the money market space. The EDA-AW Account accounted for the remaining decrease in fair value, as the fair value of its holding fell by \$0.1 million during fiscal year 2022.

Economic Factors

The Consolidated Fund is designed to address the short-term liquidity needs of the participants which focus on safety of principal, maximization of yield, and conformance with state law and other pertinent legal restrictions. The Board recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. However, the Investment Policy of the BTI invests assets in a manner that minimizes risks with the primary objectives of safety and liquidity.

Although the public health impact of COVID-19 had diminished, the economic impact of the pandemic and the fiscal and monetary responses to it continued to dominate market movements. Ongoing disruptions to supply chains continued to disrupt the flow of goods in many categories while the massive stimulus programs enacted worldwide threatened to overheat the U.S. economy. As the Federal Reserve began to recognize that inflation was more persistent than initially believed, the Fed quickly moved from an accommodative monetary policy to a restrictive one. The first step in reducing monetary stimulus came in the fall of 2021 when the Fed announced that they would begin the process of tapering asset purchases. The Fed signaled that the time to begin hiking rates was after the Fed had ceased its asset purchase program. As inflation rose, the Fed increased the taper of asset purchases, with asset purchases slated to end by March 2022. Members of the FOMC also increased their projections for rate hikes, with members forecasting at least 3 hikes in calendar year 2022. By March of 2022, the U.S. core consumer price index ("CPI") rose to 6.5%, the highest mark for inflation since the early 1980's. Labor markets were contributing more to

inflation as the unemployment rate continued to decline and employers increasingly described jobs as hard to fill. Russia's invasion of Ukraine in February 2022 added further concerns on the inflation front as oil, natural gas and other commodity prices spiked. In March 2022, the Fed hiked rates 25 basis points and indicated they would do what it took to bring inflation back down to their target. The Fed would go on to hike rates another 125 basis points over their last two meetings of the fiscal year. Yields, which had begun the fiscal year at very low levels, began to rise over the last four months of the fiscal year in response to Fed actions. The short end of the yield curve, which had started the year flat, steepened significantly over the last four months of the fiscal year. At the end of fiscal year 2021, the spread between the 1-month and 1-year Treasury bill was only 2 basis points. By the end of fiscal year 2022, that spread had widened to 152 basis points. Longer-dated Treasury yields were also up substantially by fiscal year, but the long end of the yield curve had flattened out as markets began to price in increased odds that the Fed would not be able to engineer a soft landing for the economy. The curve had also inverted with the yield on the ten-year Treasury falling below the yields on the three-, five- and seven-year Treasuries. Credit spreads were under pressure throughout most of the fiscal year as concerns mounted about future economic growth and issuers rushed to market to lock in low financing rates. The rising rate environment was very beneficial to the WV Money Market and WV Government Money Market Pools as the pool managers shortened pool WAM to take advantage of rising yields. The marked-to-market NAV's of the pools stayed well within guidelines even as rate rose, primarily due to a shortening of the pool WAMs and conservative management by the pool's investment managers. The WV Short Term Bond Pool experienced a difficult year due to the rising rate environment, as the fair value of investments dropped precipitously over the second half of the fiscal year. Coming from a period of very low rates, the pool did not have much of a cushion in investment earnings to soften the blow of declining fair values. For most bond investment funds outside of money market funds, the second half of fiscal year 2022 was one of the worst on record.

During the fiscal year, economic growth was more erratic, with overall growth lower than fiscal year 2021 levels. U.S. economic growth, as measured by Gross Domestic Product ("GDP") appeared to be poised for consecutive negative prints in the final two quarters of the fiscal year. A big contributor to the slowdown was a slowing in the expansion inventories, as businesses that had been previously building inventories to get ahead of supply chain issues and increased consumer demand began pulling back. Over the final quarter of the fiscal year, the pullback in inventory accumulation was estimated to shave up to 2.0% from GDP. Labor markets appeared to be unphased by the contractions in GDP, as employers continued to struggle to fill openings and employees continued to be able to negotiate higher wages. At the end of fiscal year 2021, there was still some debate as to whether inflationary pressures were transient or becoming more persistent. With inflation prints rising higher over the course of fiscal year 2022, the debate was put to rest. Inflation in fiscal year 2022 became broader based, rather than concentrated in items affected by supply chain issues.

General Revenue Fund collections were \$1.3 billion above the official Fiscal Year 2022 estimate and 18 percent above prior year receipts. The record revenue collection was driven by solid economic growth and higher than anticipated inflation. The revenue growth was coupled with a tight labor market and low unemployment. Furthermore, the level of federal aid to state and local governments was larger than anticipated. State records were set for personal income tax, severance tax, and consumer sales tax collections.

West Virginia General Revenue Fund collections totaled nearly \$5.89 billion in fiscal year 2022. For the fiscal year, collections of personal income tax, severance tax and consumer sales tax set records, coming in at \$2.5 billion, \$768.8 million, and \$1.6 billion, respectively. Increases in personal income tax collections were driven by a rebound in employment, which surpassed pre-pandemic levels in March 2022. Unemployment in the state dropped to 3.8% while the labor force participant rate improved by 0.7%. Average wages also increased over fiscal year 2022, rising from the pandemic low of \$24.29 per hour in August 2020 to \$26.50 per hour in June 2022. Severance taxes were boosted both by an increase in production of natural gas and coal and significant increases in their prices over the second half of the fiscal

year. Inflation helped to drive increases in consumer sales tax collections as consumers were subject to increasing prices for goods and services over the fiscal year.

Though General Revenue Fund collections were exceptionally high in fiscal year 2022, this growth is expected to slow during fiscal year 2023. Slowing economic growth in recent months, current geopolitical crises, the ongoing Covid-19 pandemic, high inflation, and changing federal monetary policy will likely result in slower revenue growth during the next fiscal year. On a national basis, the Urban Institute and Brookings Institution's Tax Policy Center recently reported that states' personal income tax revenues are expected to grow by a weak 0.4 percent, corporate income tax collections could decrease by 8.6 percent, and sales tax revenues may increase by only 0.1 percent during fiscal year 2023. With all-time highs in revenue collections among the states, there remain economic uncertainties that could slow the momentum of growth from the previous fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the BTI's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston WV 25304.

West Virginia Board of Treasury Investments
Statement of Net Position
Proprietary Fund

June 30, 2022

(In Thousands)

| | |
|---|------------------------|
| Assets | |
| Current assets: | |
| Cash | \$ 1,310 |
| Receivables | <u>1,080</u> |
| Total current assets | 2,390 |
| Noncurrent assets: | |
| Capital assets, net of accumulated depreciation | <u>6</u> |
| Total assets | <u><u>2,396</u></u> |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | <u>858</u> |
| Total liabilities | <u><u>858</u></u> |
| Net position | |
| Net investment in capital assets | 6 |
| Unrestricted | <u>1,532</u> |
| Total net position | <u><u>\$ 1,538</u></u> |

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund

For the Year Ended June 30, 2022

(In Thousands)

| | |
|-------------------------------------|------------------------|
| Operating revenues | |
| Management services | \$ 1,198 |
| Advisor services | 2,580 |
| Custodian services | <u>224</u> |
| Total operating revenues | 4,002 |
| Operating expenses | |
| Advisor fees | 2,580 |
| Management fees | 738 |
| Trustee Fees | 2 |
| Professional service fees | 256 |
| Fiduciary bond | 20 |
| Custodian fees | 225 |
| General and administrative | 237 |
| Depreciation | <u>3</u> |
| Total operating expenses | <u>4,061</u> |
| Operating loss | <u>(59)</u> |
| Change in net position | (59) |
| Net position at beginning of period | <u>1,597</u> |
| Net position at end of period | <u><u>\$ 1,538</u></u> |

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
Statement of Cash Flows
Proprietary Fund

For the Year Ended June 30, 2022

(In Thousands)

| | |
|--|-----------------|
| Cash flows from operating activities | |
| Cash received for services | \$ 3,935 |
| Payments to vendors | <u>(3,981)</u> |
| Net cash used by operating activities | <u>(46)</u> |
| Cash flows from capital and related financing activities | |
| Purchase of capital equipment | <u>(2)</u> |
| Net cash used for capital and related financing activities | <u>(2)</u> |
| Net decrease in cash | (48) |
| Cash at beginning of period | <u>1,358</u> |
| Cash at end of period | <u>\$ 1,310</u> |
| Reconciliation of operating loss to net cash used in operating activities | |
| Operating loss | \$ (59) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 3 |
| Changes in assets and liabilities: | |
| Receivables | (67) |
| Accounts payable | <u>77</u> |
| Net cash used by operating activities | <u>\$ (46)</u> |

Noncash capital financing activities:

The Proprietary Fund purchased computer equipment during fiscal year 2022 costing \$4. As of June 30, 2022, the vendor has not invoiced the Fund for the amount due.

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
 Combined Statement of Fiduciary Net Position
 Fiduciary Funds
 Consolidated Fund

June 30, 2022

(In Thousands)

| | |
|---|---------------------------|
| Assets | |
| Investments: | |
| At amortized cost | \$8,534,818 |
| At fair value | <u>732,155</u> |
| Total investments | 9,266,973 |
| Receivables: | |
| Accrued interest | 6,483 |
| Dividends | 206 |
| Other | <u>7</u> |
| Total receivables | <u>6,696</u> |
| Total assets | <u>9,273,669</u> |
| Liabilities | |
| Accrued expenses | 1,164 |
| Dividends payable | 873 |
| Investments purchased | <u>36,937</u> |
| Total liabilities | <u>38,974</u> |
| Net Position | |
| Held in trust for investment pool participants | 9,037,072 |
| Held in trust for individual investment account holders | <u>197,623</u> |
| Total net position | <u><u>\$9,234,695</u></u> |

See accompanying notes to financial statements

West Virginia Board of Treasury Investments
 Combined Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Consolidated Fund

For the Year Ended June 30, 2022

(In Thousands)

| | |
|---|--------------|
| Additions | |
| Investment income: | |
| Interest | \$ 27,549 |
| Dividends | 526 |
| Net amortization | 10,096 |
| Total investment income | 38,171 |
| Investment expenses: | |
| Investment advisor fees | 2,581 |
| Custodian bank fees | 223 |
| Administrative fees | 1,199 |
| Total investment expenses | 4,003 |
| Net investment income | 34,168 |
| Net realized loss from investments | (595) |
| Net decrease in fair value of investments | (35,431) |
| Net decrease in net position from operations | (1,858) |
| Participant transaction additions: | |
| Purchase of pool units by participants | 15,388,367 |
| Reinvestment of pool distributions | 34,036 |
| Contributions to individual investment accounts | 54,702 |
| Total participant transaction additions | 15,477,105 |
| Total additions | 15,475,247 |
| Deductions | |
| Distributions to pool participants: | |
| Net investment income | 31,734 |
| Net realized loss from investments | (595) |
| Total distributions to pool participants | 31,139 |
| Participant transaction deductions: | |
| Redemption of pool units by participants | 14,234,345 |
| Withdrawals from individual investment accounts | 94,652 |
| Total participant transaction deductions | 14,328,997 |
| Total deductions | 14,360,136 |
| Change in net position | 1,115,111 |
| Net position at beginning of period | 8,119,584 |
| Net position at end of period | \$ 9,234,695 |

See accompanying notes to financial statements

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West Virginia Board of Treasury Investments

Notes to Financial Statements

June 30, 2022

1. Organization and Operations

The West Virginia Board of Treasury Investments (the “BTI”) is charged with managing the individual investment pools and accounts of the Consolidated Fund under authority of West Virginia State Code Chapter 12, Article 6C, West Virginia Treasury Investments Act. The West Virginia Legislature established the BTI as a public corporation of the State of West Virginia, to make short-term operating funds of the state more accessible to state government and to allow the West Virginia Investment Management Board (the “IMB”), which had managed the Consolidated Fund, to focus on the state’s long-term trust investments. The Consolidated Fund is the statutory title of the fund that collectively refers to the investment pools and accounts that the BTI manages. The BTI operates on a fiscal year that begins July 1 and ends June 30. The BTI is considered a component unit of the State and its financial statements are presented in the State’s comprehensive annual financial report.

The accompanying financial statements include the operations of the BTI as well as investment balances and transactions of the individual investment pools and accounts of the Consolidated Fund under management of the BTI. The BTI provides a business-type activity that charges fees on a cost-reimbursement basis and is shown in the separate proprietary fund financial statements. Investment activities of the Consolidated Fund are shown in the separate fiduciary fund financial statements.

The West Virginia State Treasurer’s Office provides direct administrative and management services to the BTI. The BTI does not directly employ a staff but reimburses the Treasurer’s Office for all personnel expenses of Treasury employees assigned to administer and manage the BTI. The Treasurer’s Office also provides various supplementary administrative services. A five-member Board of Directors governs the BTI. The State Governor, State Treasurer, and State Auditor serve as ex officio members of the Board. The Governor appoints the two remaining members subject to the advice and consent of the State Senate. Of the two members appointed by the Governor, one is required to be a certified public accountant and one is required to be an attorney, with both having experience in finance, investing and management. The State Treasurer is Chairman of the Board.

The Consolidated Fund provides for the investment of moneys not currently needed to fund state governmental operations, as well as providing the opportunity for local governments to participate in large investment pools, and for those funds statutorily required to be invested in the Consolidated Fund. The following investment pools and accounts make up the Consolidated Fund:

WV Money Market Pool – This pool consists of the operating funds of the State, funds held by State agencies, and funds from local governments who desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and to supply the daily cash needs of the State. The pool is co-managed by Federated Hermes and UBS Global Asset Management.

WV Government Money Market Pool – This pool consists of State agency and local government investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, U.S. Government Agency Obligations, or repurchase agreements backed by U.S. Government and Agency Obligations. The pool is managed by UBS Global Asset Management.

WV Short Term Bond Pool – This pool consists of the operating funds of the State that are not needed immediately to fund the State’s liquidity requirements. The pool is managed by Sterling Capital Management.

WV Bank Pool – This account consists of certificates of deposit purchased by the State through the West Virginia CD Program. The program purchases CDs from state banks and depositories to make state investment funds available for consumer and business loans within the state. The State is the sole participant in this account.

Loan Pool – This account is composed of intergovernmental loans made by the Consolidated Fund to other state agencies. There are three loan programs authorized by statute that are accounted for in the Loan Pool: the WVEDA Revolving Loan, the WVEDA Broadband Loan, and the WVDOT Infrastructure Investment Revolving Loan. The State is the sole participant in the account.

Reserve Pool – This account is composed of an interest-bearing depository account with United Bank. The pool was created to provide an added layer of security for the WV Money Market and WV Government Money Market Pools. Other funds are transferred to this pool as management deems necessary. The objective of this account is to provide support for the WV Money Market and WV Government Money Market Pools to ensure their unit net position does not fall below \$0.9985. The State is the sole participant in this account.

Participant Directed Accounts – The BTI also maintains accounts for individual State agencies with specific investment needs. These accounts are collectively referred to as Participant Directed Accounts, and include the following: Municipal Bond Commission (“MBC”), School Fund, and Economic Development Authority – American Woodmark (“EDA – AW”). Each agency is the sole owner of its account and is responsible for providing the BTI with investment guidelines that are consistent with the legal restrictions applicable to the assets in the account. The BTI manages these accounts in accordance with the accounts’ investment guidelines and directions from the account owners.

The BTI is authorized by West Virginia Code Chapter 12, Article 6C, Section 9, to invest in United States government and agency obligations, commercial paper, corporate bonds, repurchase agreements, asset-backed securities, and investments in accordance with the Linked Deposit Program, which is a program using financial institutions in the state to reduce loan costs to small businesses by offsetting interest reductions on the loans with certificates of deposit, loans approved by the Legislature, and any other programs authorized by the Legislature. In addition to the restrictions in investment types, at no time shall more than seventy-five percent of the Consolidated Fund be invested in any bond, note, debenture, commercial paper or other evidence of indebtedness of any private corporation or association and at no time shall more than five percent be invested in securities issued by a single private corporation or association. Further, no less than fifteen percent of the Consolidated Fund shall be invested in any direct obligation of or obligation guaranteed by the United States government. Senate Bill 297, passed during the 2021 Regular Legislative Session, has modified these restrictions, eliminating the seventy-five percent investment restriction and the minimum fifteen percent investment in direct obligations and obligations guaranteed by the United States government. The provisions of Senate Bill 297 became effective on July 8, 2021.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the BTI are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States

of America. Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An internal service fund, which is a type of proprietary fund, is used to account for investment management services provided by the BTI on a cost-reimbursement basis. An investment trust fund, which is a type of fiduciary fund, is used to account for each of the investment pools and accounts of the Consolidated Fund. The Consolidated Fund is composed of three external investment pools (WV Money Market, WV Government Money Market, and WV Short Term Bond) and six individual investment accounts (WV Bank, Loan, Reserve, Municipal Bond Commission, School Fund, and Economic Development Authority – American Woodmark).

Budgetary Information

The Board's annual operating budget is appropriated by the Legislature from fees collected by the BTI.

Cash Equivalents

Cash equivalents are short-term investments with maturities when acquired of 90 days or less.

Capital Assets

Capital asset expenditures of \$1,000 (\$500 in the case of certain computer equipment) or more with a useful life greater than one year are capitalized at cost and reported net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are three years.

Wages, Compensated Absences, Retirement Plan and Other Postemployment Benefits

The BTI has no employees. The State Treasurer's Office provides administrative and management services to the BTI. As a result, the BTI does not accrue for compensated absences and other postemployment benefits or directly contribute to the state retirement plan. Management services provided are recorded as management fees paid to the State Treasurer's Office.

Income Taxes

The BTI is a public corporation organized under laws of the State of West Virginia and, as such, is exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the BTI is not subject to federal or state income taxes.

Revenues and Expenses – Proprietary Fund

Operating revenues of the BTI's proprietary fund are generated from services provided to the investment pools and accounts of the Consolidated Fund. Revenues of the proprietary fund also are derived from vendor fees charged directly to the investment pools and accounts and paid by the proprietary fund, such as investment advisor fees and custodian fees. Operating expenses of the proprietary fund represent payments for services provided under contract, such as investment advisors and consultants, fiduciary bond fees, and custodian fees; general and administrative expenses of the BTI, such as administrative and management services, trustee fees, office equipment, office supplies, and office space; and depreciation of capital assets. Revenues and expenses are recorded when earned and incurred in accordance with the economic resources measurement focus and the accrual basis of accounting.

Net Position – Proprietary Fund

The net position of the BTI's proprietary fund is composed of net investment in capital assets and unrestricted net position, which represent net position not restricted to use by legal, contractual or enabling legislation constraints.

Use of Estimates

Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Actual results could differ significantly from those estimates. The significant estimates and assumptions that affect the reporting of amounts of assets and liabilities at the statement of financial position date and revenues and expenses for the year then ended are those required in the determination of the allowance for loan losses and amortization of investments. Actual results in the near term could differ from the estimates used to prepare these financial statements.

Investment Accounting

Investment Carrying Value The BTI is an investment vehicle of the State, its component units, and local governments, all of which are government entities. The investments of the WV Money Market, WV Government Money Market, WV Bank, Loan, and Reserve pools or accounts are carried at amortized cost, as permissible under Governmental Accounting Standards Board ("GASB") Statement No. 31, as amended by GASB Statement Nos. 72 and 79. The WV Money Market and WV Government Money Market pools measure all investments at amortized cost for financial reporting purposes in accordance with criteria established in GASB Statement No. 79. The criteria specify that the pools must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place any limitations or restrictions on participant withdrawals from the WV Money Market and WV Government Money Market pools, such as redemption notice periods, maximum transaction amounts, nor possess authority to impose liquidity fees or redemption gates.

The specific exceptions to fair value reporting for the other pools and accounts referred to above are defined in professional standards as follows. The WV Bank Pool contains nonnegotiable certificates of deposit, which are nonparticipating interest-earning investment contracts. The Loan Pool contains loans receivable arising from lending activities of economic development authorities. The Reserve Pool contains a bank depository account that has no market.

The investments of the remaining pools and participant accounts are reported at fair value, which is determined by third party pricing services based on asset portfolio pricing models and other sources. The BTI measures fair value at the end of each month. See Note 5 for a discussion and summary of the measurement of fair values. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the BTI are a component of the security price quoted by the seller and are included in the investment cost.

Repurchase Agreements The BTI uses only tri-party repurchase agreements. Under the terms of a tri-party repurchase agreement, the seller transfers collateral securities to an account of the BTI's manager/agent at the seller's custodian bank. This arrangement perfects the BTI's lien on the collateral and effectively protects the BTI from a default by the seller. The BTI requires sellers in repurchase transactions to pledge collateral of at least 102% of the cash borrowed from the BTI. If the seller defaults and the fair value of the collateral declines, realization of the collateral by the BTI may be delayed or limited.

Asset-Backed Securities Certain pools invest in various asset-backed securities and structured corporate debt. The pools invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and fair value of the underlying assets.

Investment Transactions Investment transactions are accounted for on a trade date basis.

Investment Gains and Losses Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Interest Income Interest income is recognized as earned on the accrual method.

Dividend Income Dividend income is recognized on the ex-dividend date.

Amortization Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. The effect of changing prepayment assumptions is reported in the Combined Statement of Changes in Fiduciary Net Position in the year of the change.

Allowance for Loan Losses The allowance for loan losses is available to absorb future loan losses. The allowance is increased by provisions charged against operations and reduced by charge-offs (losses), net of recoveries. The provision is based on several factors including: analytical reviews of loan loss experience in relationship to outstanding loans; a continuing review of problem loans and overall portfolio quality, including analysis of the quality of the underlying collateral; and management's judgment on the impact of current and expected economic conditions on the portfolio. At June 30, 2022, the Loan Pool had no allowance for uncollectible loans.

Distributions to Participants The net income of the WV Money Market and WV Government Money Market Pools are declared as dividends and distributed daily to the participants based upon their pro rata participation in the pools. The distributions of net investment income are credited to the participants' accounts in the form of dividend reinvestments in the pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Position.

The monthly net income of the WV Short Term Bond Pool is declared as a dividend on the last day of the month and distributed to the participants in the pool on the first day of the following month. Distributions are paid in the form of reinvestments in the pools and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Fiduciary Net Position.

Expenses Each pool is charged for its direct investment-related cost and for its allocated share of other expenses. The other expenses are allocated to the pools based on asset size. Certain pools are not charged expenses or are charged a reduced expense. The BTI proprietary fund pays all expenses on behalf of the pools and is subsequently reimbursed by the pools.

3. Cash and Cash Equivalents

The proprietary fund's cash on deposit with the State Treasurer's Office was approximately \$1,310,000 at June 30, 2022. The cash is pooled with other deposits from the State's agencies, departments, boards and commissions and is subject to coverage by the Federal Deposit Insurance Corporation ("FDIC") or collateralized by securities held by the State or its agents in the State's name. Cash equivalents are short-term, highly liquid investments having original maturities of 90 days or less. The proprietary fund did not hold any cash equivalents at June 30, 2022.

Custodial credit risk of cash deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The BTI does not have a deposit policy for custodial credit risk. BTI management does not believe any of its proprietary fund's deposits are exposed to custodial credit risk.

4. Investments and Deposits

The BTI has adopted an investment policy in accordance with the "Uniform Prudent Investor Act." The "prudent investor rule" guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The BTI's investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of the Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the Consolidated Fund.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Two of the BTI's pools, the WV Money Market and WV Government Money Market Pools, have been rated AAAM by Standard & Poor's. A fund rated AAAM has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAM is the highest principal stability fund rating assigned by Standard & Poor's. Neither the BTI itself nor any of the other Consolidated Fund pools or accounts has been rated for credit risk by any organization. Of the Consolidated Fund pools and accounts, seven are subject to credit risk: WV Money Market Pool, WV Government Money Market Pool, WV Short Term Bond Pool, WV Bank Pool, Loan Pool, Reserve Pool, and School Fund Account.

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all long-term corporate debt be rated A+ or higher by Standard & Poor's (or its equivalent) and short-term corporate debt be rated at A-1 or higher by Standard & Poor's (or its equivalent). The following table provides information on the credit ratings of the WV Money Market Pool's investments (in thousands):

| Security Type | Rating | Carrying Value (in Thousands) | Percent of Pool Assets |
|--|--------|----------------------------------|---------------------------|
| U.S. Treasury notes * | AA+ | \$ 37,503 | 0.47% |
| Commercial Paper | A-1+ | 1,956,052 | 24.01 |
| | A-1 | 3,849,657 | 47.27 |
| Negotiable certificates of deposit | A-1+ | 208,000 | 2.55 |
| | A-1 | 1,141,000 | 14.01 |
| | A+ | 117,500 | 1.44 |
| Money market funds | AAAm | 217,659 | 2.67 |
| Cash | A-1+ | 824 | 0.01 |
| Repurchase agreements (underlying securities): | | | |
| U.S. Treasury bonds and notes* | AA+ | 117,400 | 1.44 |
| U.S. Agency bonds and notes | AA+ | 500,000 | 6.14 |
| | | <u>\$ 8,145,595</u> | <u>100.00%</u> |

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The following table provides information on the credit ratings of the WV Government Money Market Pool's investments (in thousands):

| Security Type | Rating | Carrying Value (in Thousands) | Percent of Pool Assets |
|--|--------|----------------------------------|---------------------------|
| U.S. Treasury notes * | AA+ | \$ 1,000 | 0.43% |
| U.S. Treasury bills * | A-1+ | 28,974 | 12.39 |
| U.S. agency bonds and notes | AA+ | 39,124 | 16.70 |
| U.S. agency discount notes | A-1+ | 109,899 | 46.95 |
| Money market funds | AAAm | 198 | 0.08 |
| Repurchase agreements (underlying securities): | | | |
| U.S. Treasury bonds and notes* | AA+ | 54,900 | 23.45 |
| | | <u>\$ 234,095</u> | <u>100.00%</u> |

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all long-term corporate debt be rated BBB- or higher by Standard & Poor's (or its equivalent) and all short-term corporate debt be rated A-1 or higher by Standard & Poor's (or its equivalent). Mortgage-backed and asset-backed securities must be rated AAA by Standard & Poor's (or its equivalent). The following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

West Virginia Board of Treasury Investments
Notes to Financial Statements (Continued)

| Security Type | Rating | Carrying Value (in Thousands) | Percent of Pool Assets |
|--|--------|----------------------------------|---------------------------|
| U.S. Treasury notes * | AA+ | \$ 89,910 | 13.03% |
| U.S. government agency bonds | AA+ | 2,403 | 0.34 |
| U.S. agency collateralized mortgage obligations | | | |
| U.S. government guaranteed* | AA+ | 10,577 | 1.53 |
| Non-U.S. government guaranteed | AA+ | 2,732 | 0.40 |
| Corporate fixed- and floating-rate bonds and notes | AAA | 3,421 | 0.50 |
| | AA+ | 1,983 | 0.29 |
| | AA | 3,077 | 0.45 |
| | AA- | 22,231 | 3.22 |
| | A+ | 57,764 | 8.37 |
| | A | 58,155 | 8.43 |
| | A- | 90,582 | 13.13 |
| | BBB+ | 61,433 | 8.90 |
| | BBB | 35,313 | 5.12 |
| | BBB- | 44,896 | 6.51 |
| | NR | 24,283 | 3.52 |
| Collateralized mortgage obligations | AAA | 3,126 | 0.45 |
| | NR | 15,296 | 2.22 |
| Municipal Securities | AAA | 7,713 | 1.12 |
| | AA+ | 12,362 | 1.79 |
| | AA | 7,262 | 1.05 |
| | AA- | 2,179 | 0.32 |
| | A | 2,469 | 0.36 |
| | NR | 4,279 | 0.62 |
| Asset-backed securities | AAA | 94,217 | 13.66 |
| | NR | 26,361 | 3.82 |
| Money market funds | AAAm | 5,856 | 0.85 |
| | | <u>\$ 689,880</u> | <u>100.00%</u> |

NR = Not Rated

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

The WV Bank Pool holds an interest in a money market mutual fund valued at approximately \$78,000. The mutual fund is rated AAAM by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the WV Bank Pool.

The Loan Pool is composed of loans made by the State. The pool holds intergovernmental loans and an investment in a money market mutual fund of approximately \$42,000. The mutual fund is rated AAAM by Standard & Poor's. The loans are not rated; however, because there is the potential for defaults on the loans, the pool is subject to credit risk related to the loans. The BTI addresses this credit risk by establishing and regularly evaluating a reserve for uncollectible loans.

The Reserve Pool holds an interest in a money market mutual fund valued at approximately \$2,000. The mutual fund is rated AAAM by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the Reserve Pool.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately \$1,101,000. The mutual fund is rated AAAM by Standard & Poor's. The BTI does not have a policy specifically addressing credit risk in the School Fund Account.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

| Security Type | Carrying Value (In Thousands) | WAM (Days) |
|------------------------------------|----------------------------------|---------------|
| U.S. Treasury notes | \$ 37,503 | 1 |
| Commercial paper | 5,805,709 | 23 |
| Negotiable certificates of deposit | 1,466,500 | 25 |
| Repurchase agreements | 617,400 | 1 |
| Money market funds | 217,659 | 1 |
| Cash | 824 | 1 |
| | \$ 8,145,595 | 21 |

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

| Security Type | Carrying Value (In Thousands) | WAM (Days) |
|-----------------------------|----------------------------------|---------------|
| U.S. Treasury notes | \$ 1,000 | 62 |
| U.S. Treasury bills | 28,974 | 34 |
| U.S. agency bonds and notes | 39,124 | 9 |
| U.S. agency discount notes | 109,899 | 28 |
| Repurchase agreements | 54,900 | 1 |
| Money market funds | 198 | 1 |
| | \$ 234,095 | 19 |

The overall effective duration of the investments of the WV Short Term Bond Pool is limited to a +/- 30 percent band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate & Government Index). As of June 30, 2022, the effective duration of the benchmark was 686 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase. The following table provides information on the effective duration for the various asset types in the WV Short Term Bond Pool:

| Security Type | Carrying Value (In Thousands) | Effective Duration (Days) |
|---|----------------------------------|---------------------------------|
| U.S. Treasury notes | \$ 89,910 | 816 |
| U.S. government agency bonds | 2,403 | 815 |
| U.S. agency collateralized mortgage obligations | 13,309 | 75 |
| Corporate fixed-rate bonds and notes | 369,328 | 657 |
| Corporate floating-rate bonds and notes | 33,810 | (19) |
| Commercial mortgage-backed securities | 18,422 | 585 |
| Municipal Securities | 36,264 | 433 |
| Asset-backed securities | 120,578 | 474 |
| Money market funds | 5,856 | - |
| | \$ 689,880 | 584 |

The WV Bank Pool holds nonnegotiable certificates of deposit totaling \$20,100,000 with maturity dates ranging from July 2022 through August 2022, and an interest in a money market mutual fund valued at approximately \$78,000. The money market mutual fund has a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to losses in this pool arising from increasing interest rates.

The Loan Pool holds an interest in a money market mutual fund in the amount of approximately \$42,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to losses in this pool arising from increasing interest rates.

The Reserve Pool maintains funds totaling approximately \$19,986,000 in a bank depository account and an interest in a money market mutual fund valued at approximately \$2,000. The money market mutual fund has a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to losses in this pool arising from increasing interest rates.

The Municipal Bond Commission Account holds three State and Local Government Series securities valued at \$39,674,000 with a weighted average maturity of 333 days. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in the Municipal Bond Commission Account arising from increasing interest rates.

The School Fund Account holds only an interest in a money market mutual fund valued at approximately \$1,101,000 with a weighted average maturity of one day. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

The EDA-AW Account holds only a U.S. Treasury bond valued at approximately \$1,499,000 that matures August 15, 2023. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this pool arising from increasing interest rates.

Other Risks of Investing

Other risks of investing can include concentration of credit risk, custodial credit risk, and foreign currency risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Deposits

Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. The WV Money Market Pool contains funds totaling approximately \$824,000 in its' custody account related to a trade failure. The WV Bank Pool contains nonnegotiable certificates of deposit valued at \$20,100,000. The Reserve Pool contains funds totaling approximately \$19,986,000 in a bank depository account. The BTI does not have a deposit policy for custodial credit risk.

5. Investments Measured at Fair Value

The BTI measures the WV Short Term Bond Pool, the Municipal Bond Commission Account, the School Fund Account and the EDA-AW Account at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. The BTI categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following table summarizes the recurring fair value measurements of the investment securities in the WV Short Term Bond Pool in accordance with the fair value hierarchy levels as of June 30, 2021 (in thousands):

| Investment Type | Level 1 | Level 2 | Level 3 | Total |
|---|-----------|------------|---------|------------|
| U.S. Treasury notes | \$ 89,910 | \$ - | \$ - | \$ 89,910 |
| U.S. Government agency bonds | - | 2,403 | - | 2,403 |
| U.S. agency collateralized mortgage obligations | - | 13,309 | - | 13,309 |
| Corporate fixed-rate bonds and notes | - | 369,328 | - | 369,328 |
| Corporate floating-rate bonds and notes | - | 33,810 | - | 33,810 |
| Commercial mortgage-backed securities | - | 18,422 | - | 18,422 |
| Municipal Securities | - | 36,264 | - | 36,264 |
| Asset-backed securities | - | 120,578 | - | 120,578 |
| Money market funds | 5,856 | - | - | 5,856 |
| | \$ 95,766 | \$ 594,114 | \$ - | \$ 689,880 |

The valuation methodologies and inputs presented below are used in the fair value measurements for investments in securities in the WV Short Term Bond Pool classified as Level 2 in the preceding table.

U.S. Government Agency Bonds

Level 2 U.S. government agency bonds and notes are priced using spread, yield and price-based evaluations. For spread- and yield-based evaluations, a bullet (non-call) spread scale is created for relevant maturities for each issuer. The spreads are based on the new issue market, secondary trading and dealer quotes. For price-based evaluations, evaluators use recently executed transactions of similar securities and dealer quotes to arrive at appropriate pricing.

U.S. Agency Collateralized Mortgage Obligations

Level 2 U.S. agency collateralized mortgage obligations are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, and prevailing market conditions.

Corporate Fixed-Rate Bonds and Notes

Level 2 corporate fixed-rate bonds and notes are priced using spread, yield and price-based evaluations. For spread- and yield-based evaluations, a bullet (non-call) spread scale is created for relevant maturities for each issuer. The spreads are based on the new issue market, secondary trading and dealer quotes. For price-based evaluations, evaluators use recently executed transactions of similar securities and dealer quotes to arrive at appropriate pricing.

Corporate Floating-Rate Bonds and Notes

Level 2 corporate floating-rate bonds are evaluated by calculating current and future coupons, then discounting each cash flow by an appropriate discount margin. A basic yield scale covering a range of quality ratings and maturities is established for the corresponding indices. The yield scale consists of discount margins obtained from primary and secondary dealers in the new issue market. Final yields are

calculated by adding the appropriate discount margin to each forward rate plus special adjustments to capture issue-specific characteristics, as applicable. The resulting yields are then used to discount each expected cash flow.

Commercial Mortgage-Backed Securities

Level 2 commercial mortgage-backed securities are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, third-party real estate analysis, and prevailing market conditions.

Municipal Securities

Level 2 municipal securities are evaluated based on factors such as trading activity reported through the Municipal Securities Rulemaking Board’s Real-time Transaction Reporting System, levels on bellwether issues, established trading spreads between similar issuers or credits, historical trading spreads over widely accepted market benchmarks, new issue scales and other relevant market data.

Asset-Backed Securities

Level 2 asset-backed securities are evaluated using predicted cash flows, adjusted by an applicable spread/yield/price adjustment incorporating benchmark yields, collateral performance, and prevailing market conditions.

The School Fund Account holds a money market fund reported at a fair value of \$1,101,000 using Level 1 inputs.

The Municipal Bond Commission Account holds Treasury Securities – State and Local Government Series (“SLGS”) issues that are reported at historical cost (face value) of \$39,674,000. SLGS are special purpose securities the U.S. Department of the Treasury issues to state and local government entities, upon request by those entities, to assist them in complying with federal tax laws and Internal Revenue Service arbitrage regulations when they have cash proceeds to invest from their issuance of tax-exempt bonds. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

The EDA-AW Account holds a U.S. Treasury bond reported at a fair value of \$1,499,000 using Level 1 inputs.

6. Capital Assets

Capital asset activity in the proprietary fund was as follows (in thousands):

| | June 30, 2021 | Increases | Decreases | June 30, 2022 |
|--|---------------|-------------|-------------|---------------|
| Equipment, at cost | \$ 23 | \$ 6 | \$ 9 | \$ 20 |
| Accumulated depreciation | (20) | (3) | (9) | (14) |
| Equipment, net of accumulated depreciation | <u>\$ 3</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 6</u> |

7. Related Party Transactions

Intergovernmental Investments

The BTI is required by law to enter into certain investment transactions with other state entities. At June 30, 2022, the BTI's intergovernmental investments, which are assets of the Loan Pool, included the following:

- a. The "WVEDA Revolving Loan" is an obligation of the West Virginia Economic Development Authority (the "WVEDA"). The BTI, subject to a liquidity determination, is required to make a revolving loan available to the WVEDA for the purposes of making loans for business and industrial development. Senate Bill 534, which was passed by the Legislature during the 2021 Regular Session, increased the loan program from \$175,000,000 to \$200,000,000 effective July 8, 2021. In addition to increasing the loan amount, the provisions of Senate Bill 534 modified the annual interest rate paid by the WVEDA from the twelve-month return of the WV Money Market Pool to fifty percent of the loan rate received by the WVEDA for loans made under the program. The rate is limited to a 1% annual adjustment cap. The rate in effect for the period of July 1, 2021 to July 7, 2021 was 0.69%. After the provisions of Senate Bill 534 became effective, the rate was reset to 1.56% on July 8, 2021. The WVEDA makes monthly principal and interest payments calculated on a 120-month amortization of the outstanding balance. At June 30, 2022, the outstanding balance was \$105,234,000.

During the 2022 2nd Special Session, the Legislature passed Senate Bill 2001. Senate Bill 2001, which became effective April 26, 2022, created the Economic Development Project Fund within the WVEDA. Provisions of Senate Bill 2001 require the WVEDA to repay the outstanding balance of the WVEDA Revolving Loan within 30 days of the deposit of sufficient funds into the Economic Development Project Fund. Upon repayment of the outstanding balance, the WVEDA Revolving Loan will be terminated, and no more loans may be made under the loan program. It is expected that the Economic Development Project Fund will receive a sufficient appropriation to trigger the repayment provision during a special session to be convened in July or August of 2022.

- b. The "WVEDA Broadband Loan" represents an obligation of the WVEDA. Under the statutory provisions governing the loan program, the BTI is required to make available to the WVEDA, from the Consolidated Fund, up to \$80 million to insure the payment or repayment of any debt entered into by an entity for purposes of expanding broadband services to unserved and underserved areas of the state. The loan is structured as a non-recourse, revolving loan that is payable by the WVEDA solely from moneys received in respect to the insured debt instruments. The WVEDA may not insure more than \$20 million per entity in one calendar year. The loan has a variable rate equal to the 12-month average yield on the WV Money Market Pool. The rate resets quarterly and the maximum annual adjustment may not exceed 1.00%. For the quarter ending June 30, 2022, the annualized rate is 0.10%. The WVEDA is required to make quarterly payments to pay all accrued interest on the loan for the prior quarter. On a quarterly basis, the WVEDA determines the outstanding balance of the insured debt covered by the loan and adjusts the outstanding balance of the loan to equal the outstanding balance of the insured debt. At May 31, 2022, the outstanding balance was \$9,686,000.

As of June 30, 2022, the WVEDA has provided the BTI with Notices of Intent to Request Advance (the "Notices") indicating that the WVEDA has committed to provide insurance for broadband expansion related debt instruments totaling \$44,047,000. The loan insurance commitments cover seven broadband expansion related debt instruments for five separate broadband service providers. The WVBTI has transferred \$9,686,000 to the WVEDA for outstanding balances on insured debt

instruments. The remaining \$34,361,000 committed for loan insurance is held by the West Virginia State Treasurer's Office in an account in the West Virginia Money Market Pool. As of June 30, 2022, the insured debt instruments are in good standing and the likelihood of a default appears remote.

- c. The "WVDOT Infrastructure Investment Revolving Loan" represents an obligation of the West Virginia Department of Transportation (the "WVDOT"). During the 2022 2nd Special Session, the Legislature passed Senate Bill 2001. Under the provisions of Senate Bill 2001, the BTI is required to make available to the WVDOT, from the Consolidated Fund, up to \$200 million for deposit in the Infrastructure Investment Reimbursement Fund (the "Reimbursement Fund"). The WVDOT may make payment of expenses from the Reimbursement Fund that are eligible for cost reimbursement according to an agreement with the federal government pursuant to the Infrastructure Investment and Jobs Act. Reimbursements received by the WVDOT from the federal government are required to be deposited in the Fund. Any balance remaining in the Fund at the end of the fiscal year is required to be transferred back to the Consolidated Fund. Loans made to the WVDOT under this loan program will bear no interest. The loan program will terminate on June 30, 2027. By this date, 100 percent of any expenditures made from the Fund must be repaid. As of June 30, 2022, there is no outstanding balance in this loan program.

Transactions with State Treasurer's Office

The State Treasurer's Office provides various services to the BTI, some of which are reimbursed by the BTI, and others of which the Treasurer provides at no cost to the BTI. During the year ended June 30, 2022, the BTI reimbursed the Treasurer's Office \$793,000 for services, which includes \$736,000 for management services provided by Treasurer's Office employees. As of June 30, 2022, the BTI had an amount payable to the Treasurer's Office totaling \$71,000, of which \$56,000 was for management services provided by Treasurer's Office employees. Also during the year, the Treasurer's Office provided services valued at approximately \$20,000 at no cost to the BTI.

8. Risk Management

The BTI is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Board members are covered by a \$5 million blanket bond and general liability and property coverage of \$1 million per occurrence through the West Virginia State Board of Risk and Insurance Management ("BRIM"). The BTI has obtained additional coverage of \$5 million faithful performance bond through an outside underwriter. There have been no claims since the inception of the BTI.

9. Effect of New Accounting Pronouncements

The GASB has issued a statement relating to financial accounting and reporting for leases: Statement No. 87, *Leases*. The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and reporting for leases by governments. The provisions of this statement are effective for reporting periods beginning after June 15, 2021. Because the BTI does not typically lease assets and has no plans to lease any assets in the near future, it is not currently affected by this statement.

The GASB has issued a statement related to accounting and financial reporting for interest cost incurred in construction: Statement No. 89, *Interest Cost Incurred before the End of a Construction Period*. The objective of Statement No. 89 is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this statement are effective for reporting periods

beginning after December 15, 2020. Because the BTI does not engage in borrowing or construction activity, it is not affected by this statement.

The GASB has issued a statement related to accounting and financial reporting for conduit debt obligations: Statement No. 91, *Conduit Debt Obligations*. The objective of Statement No. 91 is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The provisions of this statement are effective for reporting periods beginning after December 15, 2021. Because the BTI does not engage in debt issuance or transactions that would be considered conduit debt obligations, it is not affected by this statement.

The GASB has issued a statement related to accounting and financial reporting related to the replacement of interbank offered rates (“IBORs”) in hedging derivative instruments and leases: Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of Statement No. 93 is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The provisions of this statement are effective for reporting periods beginning after June 15, 2021. Because the BTI does not engage in hedging derivative transactions or leases, it is not affected by this statement.

The GASB has issued a statement related to financial reporting for public-private and public-public partnership arrangements: Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. The objective of Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (“PPPs”). As used in Statement 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a non-financial asset, such as infrastructure, or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. Because the BTI does not engage in PPP arrangements, it is not affected by this statement.

The GASB has issued a statement related to accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users: Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of Statement 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. Because the BTI does not engage in SBITAs that would be subject to this statement, it is not affected by this statement.

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West Virginia Board of Treasury Investments
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Consolidated Fund

June 30, 2022

(In Thousands)

| | <u>WV Money Market Pool</u> | <u>WV Government Money Market Pool</u> | <u>WV Short Term Bond Pool</u> | <u>WV Bank Pool</u> | <u>Loan Pool</u> |
|---|---------------------------------|--|--|-------------------------|-------------------|
| Assets | | | | | |
| Investments: | | | | | |
| At amortized cost | \$ 8,145,595 | \$ 234,095 | \$ - | \$ 20,178 | \$ 114,962 |
| At fair value | - | - | 689,880 | - | - |
| Receivables: | | | | | |
| Accrued interest | 3,194 | 47 | 3,015 | 30 | 138 |
| Dividends | 202 | - | 3 | - | - |
| Other | 7 | - | - | - | - |
| Total receivables | <u>3,403</u> | <u>47</u> | <u>3,018</u> | <u>30</u> | <u>138</u> |
| Total assets | <u>8,148,998</u> | <u>234,142</u> | <u>692,898</u> | <u>20,208</u> | <u>115,100</u> |
| Liabilities | | | | | |
| Accrued expenses | 897 | 39 | 220 | 2 | 5 |
| Dividends payable | - | - | 873 | - | - |
| Investments purchased | 34,947 | 1,990 | - | - | - |
| Total liabilities | <u>35,844</u> | <u>2,029</u> | <u>1,093</u> | <u>2</u> | <u>5</u> |
| Net Position | | | | | |
| Held in trust for investment pool participants | 8,113,154 | 232,113 | 691,805 | - | - |
| Held in trust for individual investment account holders | - | - | - | 20,206 | 115,095 |
| Total net position | <u>\$ 8,113,154</u> | <u>\$ 232,113</u> | <u>\$ 691,805</u> | <u>\$ 20,206</u> | <u>\$ 115,095</u> |

(Continued)

| <u>Reserve Pool</u> | <u>Municipal Bond Commission Account</u> | <u>School Fund Account</u> | <u>Economic Development Authority - American Woodmark Account</u> | <u>Total</u> |
|---------------------|--|----------------------------|---|--------------------|
| \$ 19,988 | \$ - | \$ - | \$ - | \$8,534,818 |
| - | 39,674 | 1,101 | 1,500 | 732,155 |
| 19 | 6 | - | 34 | 6,483 |
| - | - | 1 | - | 206 |
| - | - | - | - | 7 |
| <u>19</u> | <u>6</u> | <u>1</u> | <u>34</u> | <u>6,696</u> |
| 20,007 | 39,680 | 1,102 | 1,534 | 9,273,669 |
| - | - | - | 1 | 1,164 |
| - | - | - | - | 873 |
| - | - | - | - | 36,937 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>38,974</u> |
| - | - | - | - | 9,037,072 |
| 20,007 | 39,680 | 1,102 | 1,533 | 197,623 |
| <u>\$ 20,007</u> | <u>\$ 39,680</u> | <u>\$ 1,102</u> | <u>\$ 1,533</u> | <u>\$9,234,695</u> |

West Virginia Board of Treasury Investments
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Consolidated Fund

For the Year Ended June 30, 2022

(In Thousands)

| | WV Money Market Pool | WV Government Money Market Pool | WV Short Term Bond Pool | WV Bank Pool | Loan Pool |
|---|-------------------------------------|--|--|-------------------------|-------------------|
| Additions | | | | | |
| Investment income: | | | | | |
| Interest | \$ 10,369 | \$ 233 | \$ 14,470 | \$ 120 | \$ 1,731 |
| Dividends | 512 | - | 9 | 2 | 1 |
| Net (amortization) accretion | 13,928 | 282 | (4,096) | - | - |
| Total investment income | <u>24,809</u> | <u>515</u> | <u>10,383</u> | <u>122</u> | <u>1,732</u> |
| Investment expenses: | | | | | |
| Investment advisor fees | 2,055 | 73 | 453 | - | - |
| Custodian bank fees | 189 | 13 | 21 | - | - |
| Administrative fees | 1,036 | 10 | 123 | 9 | 19 |
| Total investment expenses | <u>3,280</u> | <u>96</u> | <u>597</u> | <u>9</u> | <u>19</u> |
| Net investment income | 21,529 | 419 | 9,786 | 113 | 1,713 |
| Net realized gain (loss) from investments | 6 | - | (601) | - | - |
| Net decrease in fair value of investments | - | - | (35,320) | - | - |
| Net increase (decrease) in net position from operations | 21,535 | 419 | (26,135) | 113 | 1,713 |
| Participant transaction additions: | | | | | |
| Purchase of pool units by participants | 15,050,339 | 326,074 | 11,954 | - | - |
| Reinvestment of pool distributions | 21,533 | 419 | 12,084 | - | - |
| Contributions to individual investment accounts | - | - | - | 116 | 12,031 |
| Total participant transaction additions | <u>15,071,872</u> | <u>326,493</u> | <u>24,038</u> | <u>116</u> | <u>12,031</u> |
| Total additions | 15,093,407 | 326,912 | (2,097) | 229 | 13,744 |
| Deductions | | | | | |
| Distributions to pool participants: | | | | | |
| Net investment income | 21,529 | 419 | 9,786 | - | - |
| Net realized gain (loss) from investments | 6 | - | (601) | - | - |
| Total distributions to pool participants | <u>21,535</u> | <u>419</u> | <u>9,185</u> | <u>-</u> | <u>-</u> |
| Participant transaction deductions: | | | | | |
| Redemption of pool units by participants | 13,801,338 | 317,812 | 115,195 | - | - |
| Withdrawals from individual investment accounts | - | - | - | 40,266 | 22,056 |
| Total participant transaction deductions | <u>13,801,338</u> | <u>317,812</u> | <u>115,195</u> | <u>40,266</u> | <u>22,056</u> |
| Total deductions | <u>13,822,873</u> | <u>318,231</u> | <u>124,380</u> | <u>40,266</u> | <u>22,056</u> |
| Change in net position | 1,270,534 | 8,681 | (126,477) | (40,037) | (8,312) |
| Net position at beginning of period | 6,842,620 | 223,432 | 818,282 | 60,243 | 123,407 |
| Net position at end of period | <u>\$ 8,113,154</u> | <u>\$ 232,113</u> | <u>\$ 691,805</u> | <u>\$ 20,206</u> | <u>\$ 115,095</u> |

(Continued)

| Reserve Pool | Municipal Bond Commission Account | School Fund Account | Economic Development Authority - American Woodmark Account | Total |
|---------------------|--|----------------------------|---|--------------------|
| \$ 65 | \$ 471 | \$ - | \$ 90 | \$ 27,549 |
| - | - | 2 | - | 526 |
| - | - | - | (18) | 10,096 |
| <u>65</u> | <u>471</u> | <u>2</u> | <u>72</u> | <u>38,171</u> |
| - | - | - | - | 2,581 |
| - | - | - | - | 223 |
| - | 1 | - | 1 | 1,199 |
| - | <u>1</u> | - | <u>1</u> | <u>4,003</u> |
| 65 | 470 | 2 | 71 | 34,168 |
| - | - | - | - | (595) |
| - | - | - | (111) | (35,431) |
| <u>65</u> | <u>470</u> | <u>2</u> | <u>(40)</u> | <u>(1,858)</u> |
| - | - | - | - | 15,388,367 |
| - | - | - | - | 34,036 |
| 48 | 42,407 | 100 | - | 54,702 |
| <u>48</u> | <u>42,407</u> | <u>100</u> | <u>-</u> | <u>15,477,105</u> |
| 113 | 42,877 | 102 | (40) | 15,475,247 |
| - | - | - | - | 31,734 |
| - | - | - | - | (595) |
| - | - | - | - | 31,139 |
| - | - | - | - | 14,234,345 |
| 48 | 32,193 | - | 89 | 94,652 |
| <u>48</u> | <u>32,193</u> | <u>-</u> | <u>89</u> | <u>14,328,997</u> |
| 48 | 32,193 | - | 89 | 14,360,136 |
| 65 | 10,684 | 102 | (129) | 1,115,111 |
| 19,942 | 28,996 | 1,000 | 1,662 | 8,119,584 |
| <u>\$ 20,007</u> | <u>\$ 39,680</u> | <u>\$ 1,102</u> | <u>\$ 1,533</u> | <u>\$9,234,695</u> |

West Virginia Board of Treasury Investments
Schedule of Investments in Securities
June 30, 2022
(In thousands)

WEST VIRGINIA MONEY MARKET POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|---------------------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>U.S. Treasury Notes</i> | | | | | | | |
| United States Treasury | | 1.792 % F | 1.788 % | 04/30/2023 | 37,500 | \$ 37,503 | \$ 37,575 |
| Total U. S. Treasury Notes | 0.5% | | | | | 37,503 | 37,575 |
| <i>Commercial Paper</i> | | | | | | | |
| Lloyds Bank PLC | 0.000 | | 1.354 | 07/01/2022 | 40,000 | 40,000 | 39,998 |
| Antalis SA | 0.000 | | 1.623 | 07/01/2022 | 40,000 | 40,000 | 39,998 |
| Atlantic Asset Securities Corporation | 0.000 | | 1.582 | 07/01/2022 | 100,000 | 100,000 | 99,996 |
| Barton Capital Corporation | 0.000 | | 1.592 | 07/01/2022 | 123,000 | 123,000 | 122,994 |
| Chesham Fin LTD | 0.000 | | 1.592 | 07/01/2022 | 50,000 | 50,000 | 49,998 |
| DZ Bank | 0.000 | | 1.572 | 07/01/2022 | 375,000 | 375,000 | 374,984 |
| KFW Bank | 0.000 | | 1.420 | 07/01/2022 | 100,000 | 100,000 | 99,997 |
| Nordea Bank | 0.000 | | 1.025 | 07/01/2022 | 30,000 | 30,000 | 29,999 |
| Societe Generale | 0.000 | | 1.490 | 07/01/2022 | 100,000 | 100,000 | 99,996 |
| Starbird Funding Corporation | 0.000 | | 1.582 | 07/01/2022 | 25,000 | 25,000 | 24,999 |
| Anglesea Funding | 0.000 | | 1.113 | 07/05/2022 | 120,000 | 119,985 | 119,974 |
| Atlantic Asset Securities Corporation | 0.000 | | 1.582 | 07/05/2022 | 25,000 | 24,996 | 24,995 |
| Bennington Stark Capital Company | 0.000 | | 1.623 | 07/05/2022 | 35,000 | 34,994 | 34,992 |
| Federation Des Caisses | 0.000 | | 1.582 | 07/05/2022 | 40,000 | 39,993 | 39,991 |
| Jupiter Securitization Company LLC | 0.000 | | 1.218 | 07/05/2022 | 50,000 | 49,993 | 49,988 |
| Svenska Handelsbanken AB | 0.000 | | 0.335 | 07/05/2022 | 16,000 | 15,999 | 15,996 |
| Lloyds Bank PLC | 0.000 | | 1.329 | 07/06/2022 | 25,000 | 24,995 | 24,993 |
| MUFG Bank Ltd | 0.000 | | 1.531 | 07/06/2022 | 50,000 | 49,990 | 49,987 |
| Bank of Nova Scotia | 0.000 | | 0.203 | 07/06/2022 | 19,500 | 19,499 | 19,495 |
| Barclays Capital Corporation | 0.000 | | 1.037 | 07/06/2022 | 35,000 | 34,995 | 34,991 |
| Barton Capital Corporation | 0.000 | | 1.088 | 07/06/2022 | 17,000 | 16,997 | 16,996 |
| NRW Bank | 0.000 | | 1.536 | 07/06/2022 | 25,000 | 24,995 | 24,993 |
| Collateralized Flex Company | 0.000 | | 0.366 | 07/07/2022 | 20,000 | 19,999 | 19,994 |
| BNG Bank NV | 0.000 | | 1.592 | 07/07/2022 | 50,000 | 49,987 | 49,985 |
| DBS Bank LTD | 0.000 | | 1.117 | 07/07/2022 | 35,000 | 34,994 | 34,989 |
| LMA Americas LLC | 0.000 | | 1.219 | 07/07/2022 | 15,000 | 14,997 | 14,995 |
| NRW Bank | 0.000 | | 1.521 | 07/07/2022 | 125,000 | 124,969 | 124,964 |
| Sheffield Receivables | 0.000 | | 1.017 | 07/07/2022 | 50,000 | 49,992 | 49,985 |
| Toronto Dominion Bank | 0.000 | | 1.592 | 07/07/2022 | 100,000 | 99,974 | 99,970 |
| Collateralized Flex Company | 0.000 | | 0.366 | 07/08/2022 | 5,000 | 5,000 | 4,998 |
| Nieuw Amrsterdam Receivables | 0.000 | | 1.127 | 07/08/2022 | 70,000 | 69,985 | 69,975 |
| Nordea Bank | 0.000 | | 0.335 | 07/08/2022 | 16,000 | 15,999 | 15,994 |
| Barton Capital Corporation | 0.000 | | 1.340 | 07/11/2022 | 50,000 | 49,982 | 49,976 |
| Federation Des Caisses | 0.000 | | 1.274 | 07/11/2022 | 40,000 | 39,986 | 39,981 |
| Matchpoint Finance PLC | 0.000 | | 1.219 | 07/11/2022 | 20,000 | 19,993 | 19,990 |
| Svenska Handelsbanken AB | 0.000 | | 0.355 | 07/11/2022 | 17,000 | 16,998 | 16,992 |
| Victory Receivables Corporation | 0.000 | | 1.047 | 07/11/2022 | 27,000 | 26,992 | 26,987 |
| Westpac Securities | 0.000 | | 0.406 | 07/11/2022 | 14,000 | 13,998 | 13,993 |
| Royal Bank of Canada | 0.000 | | 0.213 | 07/12/2022 | 30,000 | 29,998 | 29,984 |
| DBS Bank LTD | 0.000 | | 0.986 | 07/12/2022 | 26,000 | 25,992 | 25,986 |
| NRW Bank | 0.000 | | 1.557 | 07/12/2022 | 25,000 | 24,988 | 24,987 |
| Antalis SA | 0.000 | | 1.169 | 07/13/2022 | 23,000 | 22,991 | 22,987 |
| Gotham Funding Corporation | 0.000 | | 1.057 | 07/13/2022 | 27,000 | 26,991 | 26,984 |
| Toyota Finance Australia | 0.000 | | 1.169 | 07/13/2022 | 50,000 | 49,981 | 49,971 |
| Nieuw Amrsterdam Receivables | 0.000 | | 1.229 | 07/15/2022 | 17,000 | 16,992 | 16,988 |
| Bank of Nova Scotia | 0.000 | | 0.203 | 07/20/2022 | 5,000 | 4,999 | 4,995 |
| Cancara Asset Sec LLC | 0.000 | | 1.118 | 07/20/2022 | 35,000 | 34,980 | 34,968 |
| Mitsubishi UFJ Trust & Banking | 0.000 | | 1.180 | 07/20/2022 | 20,000 | 19,988 | 19,981 |

(Continued on Next Page)

F – Floating rate note security.

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** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|----------------------------------|----------------------|---------------|--------------|-----------------|--------------|---------------------------|------------------------|
| Mizuho Bank Ltd | | 0.000 | 1.113 | 07/20/2022 | 30,000 | 29,983 | 29,973 |
| Antalis SA | | 0.000 | 1.220 | 07/21/2022 | 40,240 | 40,213 | 40,201 |
| Bedford Row Funding Corporation | | 0.000 | 1.665 | 07/21/2022 | 40,000 | 39,964 | 39,962 |
| Nationwide Building Society | | 0.000 | 1.665 | 07/21/2022 | 45,000 | 44,959 | 44,956 |
| Nordea Bank | | 0.000 | 1.048 | 07/21/2022 | 22,000 | 21,987 | 21,980 |
| Toronto Dominion Bank | | 0.000 | 1.614 | 07/21/2022 | 75,000 | 74,934 | 74,929 |
| Gotham Funding Corporation | | 0.000 | 1.220 | 07/22/2022 | 30,000 | 29,979 | 29,970 |
| LMA Americas LLC | | 0.000 | 1.222 | 07/22/2022 | 17,000 | 16,988 | 16,983 |
| Mizuho Bank Ltd | | 0.000 | 1.711 | 07/22/2022 | 45,000 | 44,956 | 44,954 |
| United Overseas Bank | | 0.000 | 1.665 | 07/22/2022 | 35,000 | 34,967 | 34,965 |
| Cancara Asset Sec LLC | | 0.000 | 1.200 | 07/25/2022 | 30,000 | 29,976 | 29,965 |
| Federation Des Caisses | | 0.000 | 1.129 | 07/25/2022 | 35,000 | 34,974 | 34,959 |
| Victory Receivables Corporation | | 0.000 | 1.270 | 07/25/2022 | 30,000 | 29,975 | 29,965 |
| Collateralized Flex Company | | 0.000 | 1.696 | 07/26/2022 | 41,000 | 40,952 | 40,950 |
| United Overseas Bank | | 0.000 | 1.220 | 07/26/2022 | 25,000 | 24,979 | 24,970 |
| DBS Bank LTD | | 0.000 | 1.241 | 07/27/2022 | 28,000 | 27,975 | 27,964 |
| Gotham Funding Corporation | | 0.000 | 1.373 | 07/28/2022 | 12,000 | 11,988 | 11,984 |
| Nieuw Anrsterdam Receivables | | 0.000 | 1.696 | 07/28/2022 | 31,000 | 30,961 | 30,958 |
| National Bank of Canada | 1.690 | F | 1.670 | 07/28/2022 | 15,000 | 15,000 | 15,000 |
| Bedford Row Funding Corporation | 1.700 | F | 1.700 | 07/28/2022 | 15,000 | 15,000 | 15,000 |
| Lloyds Bank PLC | 0.000 | | 1.666 | 07/29/2022 | 50,000 | 49,936 | 49,932 |
| Victory Receivables Corporation | 0.000 | | 1.373 | 07/29/2022 | 36,000 | 35,962 | 35,949 |
| Thunder Bay Funding LLC | 1.710 | F | 1.690 | 07/29/2022 | 10,000 | 10,000 | 10,000 |
| Anglesea Funding | 0.000 | | 1.757 | 08/01/2022 | 85,000 | 84,873 | 84,869 |
| Bennington Stark Capital Company | 0.000 | | 1.777 | 08/01/2022 | 50,000 | 49,925 | 49,922 |
| Chesham Fin LTD | 0.000 | | 1.777 | 08/01/2022 | 35,000 | 34,947 | 34,947 |
| Gotham Funding Corporation | 0.000 | | 1.424 | 08/01/2022 | 30,000 | 29,964 | 29,954 |
| Antalis SA | 0.000 | | 1.455 | 08/02/2022 | 18,000 | 17,977 | 17,971 |
| Old Line Funding LLC | 1.710 | F | 1.690 | 08/02/2022 | 7,500 | 7,500 | 7,500 |
| Skandinav Enskilda Bank | 1.680 | F | 1.660 | 08/02/2022 | 15,000 | 15,000 | 15,000 |
| Federation Des Caisses | 0.000 | | 1.414 | 08/04/2022 | 28,000 | 27,963 | 27,952 |
| Gotham Funding Corporation | 0.000 | | 1.476 | 08/04/2022 | 49,300 | 49,232 | 49,215 |
| Lloyds Bank PLC | 0.000 | | 1.433 | 08/05/2022 | 50,000 | 49,931 | 49,912 |
| Versailles | 1.690 | F | 1.670 | 08/05/2022 | 20,000 | 20,000 | 20,000 |
| Barclays Bank | 1.730 | F | 1.726 | 08/05/2022 | 15,000 | 15,000 | 15,000 |
| Antalis SA | 0.000 | | 1.445 | 08/08/2022 | 20,000 | 19,970 | 19,961 |
| Skandinav Enskilda Bank | 1.690 | F | 1.670 | 08/08/2022 | 15,000 | 15,000 | 15,000 |
| Mizuho Bank Ltd | 0.000 | | 1.424 | 08/09/2022 | 35,000 | 34,947 | 34,929 |
| Antalis SA | 0.000 | | 1.496 | 08/11/2022 | 15,000 | 14,975 | 14,968 |
| LMA Americas LLC | 0.000 | | 1.468 | 08/12/2022 | 79,250 | 79,116 | 79,076 |
| Albion Capital Corporation | 0.000 | | 1.578 | 08/15/2022 | 12,553 | 12,529 | 12,523 |
| ANZ National LTD | 0.000 | | 0.345 | 08/15/2022 | 16,000 | 15,993 | 15,963 |
| LMA Americas LLC | 0.000 | | 1.424 | 08/15/2022 | 50,000 | 49,912 | 49,881 |
| Matchpoint Finance PLC | 0.000 | | 1.486 | 08/15/2022 | 100,000 | 99,817 | 99,762 |
| Australia & NZ Banking Group | 0.000 | | 1.434 | 08/16/2022 | 55,250 | 55,150 | 55,119 |
| Sheffield Receivables | 0.000 | | 2.004 | 08/16/2022 | 50,000 | 49,874 | 49,878 |
| Collateralized Flex Company | 1.710 | F | 1.690 | 08/16/2022 | 20,000 | 20,000 | 19,998 |
| United Overseas Bank | 1.629 | F | 1.680 | 08/18/2022 | 18,000 | 18,000 | 18,000 |
| ASB Bank LTD | 2.120 | F | 2.100 | 08/22/2022 | 15,000 | 15,000 | 15,000 |
| Regatta Funding Company | 2.100 | | 2.100 | 08/23/2022 | 50,000 | 50,000 | 50,000 |
| Sheffield Receivables | 0.000 | | 1.455 | 08/23/2022 | 40,000 | 39,916 | 39,884 |
| Fairway Finance Corporation | 1.700 | F | 1.680 | 08/23/2022 | 15,000 | 15,000 | 15,000 |
| National Bank of Canada | 1.700 | F | 1.680 | 08/30/2022 | 15,000 | 15,000 | 14,996 |
| Bank of Nova Scotia | 0.000 | | 0.203 | 09/01/2022 | 10,000 | 9,997 | 9,966 |
| Bank of America | 0.000 | | 1.070 | 09/02/2022 | 25,000 | 24,954 | 24,908 |
| Australia & New Zealand Bank | 1.680 | F | 1.664 | 09/06/2022 | 15,000 | 15,000 | 14,997 |
| Westpac Banking Corporation | 0.000 | | 0.193 | 09/08/2022 | 15,000 | 14,995 | 14,942 |

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F – Floating rate note security.

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** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|-------------------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| Bank of Nova Scotia | | 1.700 | F | 1.680 | 09/09/2022 | 17,000 | 16,995 |
| Skandinav Enskilda Bank | | 1.710 | F | 1.690 | 09/09/2022 | 15,000 | 14,996 |
| Skandinav Enskilda Bank | | 1.710 | F | 1.690 | 09/13/2022 | 19,000 | 18,994 |
| LMA Americas LLC | | 0.000 | | 2.243 | 09/21/2022 | 11,000 | 10,940 |
| Nordea Bank | | 2.070 | F | 2.060 | 09/21/2022 | 15,000 | 15,009 |
| DBS Bank LTD | | 0.000 | | 2.233 | 09/22/2022 | 31,000 | 30,836 |
| Gotham Funding Corporation | | 0.000 | | 2.294 | 09/22/2022 | 40,000 | 39,784 |
| Collateralized Flex Company | | 2.030 | F | 2.010 | 09/22/2022 | 15,000 | 15,006 |
| Gotham Funding Corporation | | 0.000 | | 2.346 | 09/23/2022 | 25,000 | 24,863 |
| Mitsubishi UFJ Trust & Banking | | 0.000 | | 2.387 | 09/23/2022 | 20,000 | 19,894 |
| Thunder Bay Funding LLC | | 2.090 | F | 2.070 | 09/26/2022 | 25,000 | 25,007 |
| United Overseas Bank | | 1.692 | F | 1.690 | 09/26/2022 | 15,000 | 15,000 |
| Barclays Bank PLC | | 0.000 | | 2.295 | 09/27/2022 | 31,000 | 30,812 |
| Matchpoint Finance PLC | | 0.000 | | 2.397 | 09/27/2022 | 50,000 | 49,717 |
| LMA Americas LLC | | 0.000 | | 2.397 | 09/28/2022 | 20,000 | 19,884 |
| Collateralized Flex Company | | 1.920 | F | 1.900 | 10/03/2022 | 20,000 | 20,002 |
| National Australia Bank | | 1.860 | F | 1.840 | 10/07/2022 | 15,000 | 15,001 |
| Royal Bank of Canada | | 1.680 | F | 1.650 | 10/11/2022 | 40,000 | 39,976 |
| Westpac Banking Corporation | | 0.000 | | 0.274 | 10/12/2022 | 17,000 | 16,889 |
| Royal Bank of Canada | | 0.000 | | 0.254 | 10/14/2022 | 20,000 | 19,853 |
| Commonwealth Bank of Australia | | 0.000 | | 0.269 | 10/14/2022 | 12,000 | 11,919 |
| Oversea Chinese Banking Corporation | | 1.710 | F | 1.684 | 10/14/2022 | 16,000 | 16,000 |
| Thunder Bay Funding LLC | | 1.920 | F | 1.900 | 10/17/2022 | 15,000 | 15,000 |
| Swedbank AB | | 1.880 | F | 1.860 | 10/20/2022 | 20,000 | 19,999 |
| Commonwealth Bank of Australia | | 0.000 | | 0.305 | 10/21/2022 | 16,000 | 15,985 |
| Old Line Funding LLC | | 1.920 | F | 1.900 | 10/24/2022 | 15,000 | 15,001 |
| BNZ International Funding | | 2.082 | F | 2.070 | 10/25/2022 | 15,000 | 15,000 |
| Collateralized Flex Company | | 2.030 | F | 2.010 | 10/25/2022 | 35,000 | 35,008 |
| Swedbank AB | | 1.900 | F | 1.880 | 10/25/2022 | 20,000 | 20,000 |
| Thunder Bay Funding LLC | | 1.920 | F | 1.900 | 10/27/2022 | 20,000 | 20,000 |
| Australia & New Zealand Bank | | 1.900 | F | 1.900 | 10/28/2022 | 19,000 | 18,999 |
| Old Line Funding LLC | | 1.920 | F | 1.900 | 10/31/2022 | 15,000 | 15,000 |
| Chariot Funding LLC | | 1.940 | F | 1.920 | 11/01/2022 | 40,000 | 40,002 |
| Canadian Imperial Holdings | | 0.000 | | 0.356 | 11/03/2022 | 5,000 | 4,959 |
| Swedbank AB | | 1.920 | F | 1.900 | 11/03/2022 | 20,000 | 20,001 |
| Collateralized Flex Company | | 1.770 | F | 1.750 | 11/04/2022 | 15,000 | 14,988 |
| National Australia Bank | | 1.910 | F | 1.890 | 11/04/2022 | 15,000 | 15,000 |
| Canadian Imperial Holdings | | 0.000 | | 0.356 | 11/08/2022 | 10,000 | 9,987 |
| National Bank of Canada | | 1.730 | F | 1.710 | 11/08/2022 | 15,000 | 15,000 |
| Collateralized Flex Company | | 1.780 | F | 1.767 | 11/09/2022 | 15,000 | 15,000 |
| United Overseas Bank | | 1.921 | F | 1.910 | 11/10/2022 | 18,000 | 18,000 |
| Toyota Credit | | 1.990 | F | 1.970 | 11/14/2022 | 50,000 | 50,000 |
| Royal Bank of Canada | | 0.000 | | 0.407 | 11/15/2022 | 5,000 | 4,947 |
| Toronto Dominion Bank | | 1.920 | F | 1.885 | 11/21/2022 | 20,000 | 19,996 |
| Old Line Funding LLC | | 1.960 | F | 1.940 | 11/21/2022 | 15,000 | 15,000 |
| Old Line Funding LLC | | 1.970 | F | 1.950 | 11/21/2022 | 30,000 | 30,000 |
| Thunder Bay Funding LLC | | 1.960 | F | 1.940 | 11/21/2022 | 15,000 | 15,000 |
| United Overseas Bank | | 1.721 | F | 1.720 | 11/28/2022 | 15,000 | 14,985 |
| Bank of Montreal | | 1.780 | F | 1.760 | 11/30/2022 | 25,000 | 24,979 |
| Canadian Imperial Bank | | 0.000 | | 0.509 | 12/01/2022 | 10,000 | 9,888 |
| Collateralized Flex Company | | 1.980 | F | 1.960 | 12/06/2022 | 20,000 | 20,000 |
| Swedbank AB | | 2.030 | F | 2.010 | 12/15/2022 | 20,000 | 20,000 |
| Australia & New Zealand Bank | | 1.960 | F | 1.940 | 12/20/2022 | 21,000 | 21,008 |
| Westpac Banking Corporation | | 1.960 | F | 1.940 | 01/05/2023 | 21,000 | 21,000 |
| National Bank of Canada | | 1.930 | F | 1.910 | 01/06/2023 | 20,000 | 20,000 |
| Skandinav Enskilda Bank | | 1.920 | F | 1.900 | 01/06/2023 | 15,000 | 14,993 |
| Old Line Funding LLC | | 1.970 | F | 1.950 | 01/19/2023 | 40,000 | 40,000 |

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F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA MONEY MARKET POOL (Continued)

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> | |
|---|----------------------|---------------|--------------|-----------------|--------------|---------------------------|------------------------|---------|
| Svenska Handelsbanken AB | | 1.940 | F | 1.920 | 01/20/2023 | 20,000 | 20,000 | 20,000 |
| Commonwealth Bank of Australia | | 1.950 | F | 1.920 | 01/23/2023 | 20,000 | 20,000 | 19,994 |
| Oversea Chinese Banking Corporation | | 1.770 | F | 1.740 | 02/09/2023 | 15,000 | 15,000 | 14,974 |
| Bank of Montreal | | 1.790 | F | 1.770 | 02/10/2023 | 17,000 | 17,000 | 16,971 |
| Toronto Dominion Bank | | 1.790 | F | 0.913 | 02/13/2023 | 10,000 | 10,000 | 9,982 |
| Commonwealth Bank of Australia | | 2.030 | F | 2.000 | 02/27/2023 | 25,000 | 25,000 | 25,004 |
| Toronto Dominion Bank | | 0.000 | | 2.069 | 03/17/2023 | 10,000 | 9,855 | 9,753 |
| Canadian Imperial Bank | | 0.000 | | 2.088 | 03/20/2023 | 10,000 | 9,852 | 9,753 |
| Westpac Banking Corporation | | 2.030 | F | 2.010 | 03/20/2023 | 25,000 | 25,000 | 25,002 |
| Bank of Montreal | | 2.230 | F | 2.210 | 03/22/2023 | 45,000 | 45,000 | 45,075 |
| Bank of Nova Scotia | | 2.030 | F | 2.010 | 03/24/2023 | 15,000 | 15,000 | 14,989 |
| National Australia Bank | | 2.030 | F | 2.010 | 03/29/2023 | 18,000 | 18,000 | 18,003 |
| Royal Bank of Canada | | 1.990 | F | 1.970 | 04/21/2023 | 20,000 | 20,000 | 20,000 |
| Royal Bank of Canada | | 2.010 | F | 1.990 | 05/08/2023 | 34,000 | 34,000 | 34,000 |
| Bank of Montreal | | 2.800 | | 2.800 | 05/09/2023 | 20,000 | 20,000 | 19,883 |
| Canadian Imperial Holdings | | 2.050 | F | 2.030 | 05/18/2023 | 30,000 | 30,000 | 30,000 |
| Toronto Dominion Bank | | 2.820 | | 2.922 | 05/31/2023 | 25,000 | 24,345 | 24,155 |
| Royal Bank of Canada | | 0.000 | | 2.922 | 05/31/2023 | 20,000 | 19,476 | 19,430 |
| National Australia Funding | | 0.000 | | 3.882 | 06/15/2023 | 20,000 | 19,278 | 19,311 |
| Thunder Bay Funding LLC | | 1.970 | F | 1.950 | 06/23/2023 | 35,000 | 35,000 | 34,990 |
| Royal Bank of Canada | | 2.190 | F | 2.170 | 06/29/2023 | 25,000 | 25,000 | 25,000 |
| Total Commercial Paper | 71.2% | | | | | 5,805,709 | 5,803,599 | |
| <i>Negotiable Certificates of Deposit</i> | | | | | | | | |
| KBC Bank | | 1.560 | | 1.560 | 07/07/2022 | 46,000 | 46,000 | 46,000 |
| Mizuho Bank Ltd | | 1.700 | F | 1.680 | 07/25/2022 | 15,000 | 15,000 | 15,000 |
| MUFG Bank Ltd | | 1.650 | | 1.650 | 07/25/2022 | 50,000 | 50,000 | 49,999 |
| Mitsubishi UFJ Trust & Banking | | 1.730 | F | 1.700 | 07/26/2022 | 20,000 | 20,000 | 20,000 |
| Bank of Montreal | | 0.210 | | 0.210 | 07/26/2022 | 15,000 | 15,000 | 14,985 |
| Sumitomo Mitsui Bank NY | | 1.870 | F | 1.840 | 08/01/2022 | 20,000 | 20,000 | 20,003 |
| Credit Agricole | | 1.380 | | 1.380 | 08/01/2022 | 30,000 | 30,000 | 29,993 |
| Sumitomo Mitsui Trust NY | | 1.860 | F | 1.830 | 08/02/2022 | 18,000 | 18,000 | 18,002 |
| Canadian Imperial Bank | | 1.700 | F | 1.670 | 08/03/2022 | 20,000 | 20,000 | 19,999 |
| Sumitomo Mitsui Trust NY | | 1.750 | | 1.750 | 08/04/2022 | 35,000 | 35,000 | 35,002 |
| Sumitomo Mitsui Bank NY | | 1.450 | | 1.450 | 08/04/2022 | 50,000 | 50,000 | 49,988 |
| Mizuho Bank Ltd | | 1.830 | | 1.830 | 08/08/2022 | 100,000 | 100,000 | 100,006 |
| Cooperative Rabobank | | 1.690 | F | 1.660 | 08/09/2022 | 15,000 | 15,000 | 14,999 |
| Credit Agricole | | 1.500 | | 1.500 | 08/15/2022 | 40,000 | 40,000 | 39,985 |
| Sumitomo Mitsui Trust NY | | 1.570 | | 1.570 | 08/16/2022 | 20,000 | 20,000 | 19,993 |
| Sumitomo Mitsui Trust NY | | 1.450 | | 1.450 | 08/17/2022 | 75,000 | 75,000 | 74,958 |
| Sumitomo Mitsui Trust NY | | 1.730 | F | 1.700 | 08/18/2022 | 17,000 | 17,000 | 16,998 |
| MUFG Bank Ltd | | 1.450 | | 1.450 | 08/19/2022 | 50,000 | 50,000 | 49,973 |
| Sumitomo Mitsui Trust NY | | 1.450 | | 1.450 | 08/22/2022 | 50,000 | 50,000 | 49,965 |
| Sumitomo Mitsui Trust NY | | 1.720 | F | 1.690 | 08/24/2022 | 10,000 | 10,000 | 9,998 |
| Sumitomo Mitsui Trust NY | | 1.540 | | 1.540 | 08/31/2022 | 25,000 | 25,000 | 24,979 |
| Canadian Imperial Bank | | 0.210 | | 0.210 | 09/06/2022 | 15,000 | 15,000 | 14,954 |
| Sumitomo Mitsui Bank NY | | 2.040 | F | 2.010 | 09/23/2022 | 15,000 | 15,000 | 15,006 |
| Bank of Montreal | | 1.690 | F | 1.660 | 10/06/2022 | 29,000 | 29,000 | 28,984 |
| Barclays Bank | | 1.990 | F | 1.970 | 10/07/2022 | 15,000 | 15,000 | 15,003 |
| Oversea-Chinese Bank Company | | 1.890 | F | 1.860 | 10/11/2022 | 15,000 | 15,000 | 14,994 |
| Nordea Bank | | 1.890 | F | 1.870 | 10/12/2022 | 15,000 | 15,000 | 15,001 |
| MUFG Bank Ltd | | 1.920 | F | 1.890 | 10/12/2022 | 15,000 | 15,000 | 15,000 |
| Bank of Nova Scotia | | 1.690 | F | 1.660 | 10/13/2022 | 40,000 | 40,000 | 39,974 |
| Toronto Dominion Bank | | 0.220 | | 0.220 | 10/14/2022 | 15,000 | 15,000 | 14,910 |
| Bank of Nova Scotia | | 1.690 | F | 1.660 | 10/20/2022 | 20,000 | 20,000 | 19,985 |

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

| WEST VIRGINIA MONEY MARKET POOL (Continued) | | | | | | | | |
|--|------------------|---------------|--------------|-----------------|--------------|-----------------------|---------------------|---------------------|
| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> | |
| Svenska Handelsbanken AB | | 1.890 | F | 1.870 | 10/20/2022 | 20,000 | 20,000 | 19,995 |
| Bank of Nova Scotia | | 2.110 | F | 2.080 | 10/21/2022 | 15,000 | 15,000 | 15,008 |
| Nordea Bank | | 2.020 | F | 2.000 | 10/24/2022 | 22,000 | 22,000 | 22,009 |
| Sumitomo Mitsui Bank NY | | 1.940 | F | 1.910 | 10/26/2022 | 20,000 | 20,000 | 20,000 |
| Bank of Montreal | | 0.340 | | 0.340 | 11/02/2022 | 20,000 | 20,000 | 19,852 |
| Bank of Montreal | | 1.740 | F | 1.710 | 11/03/2022 | 15,000 | 15,000 | 14,987 |
| MUFG Bank Ltd | | 1.960 | F | 1.940 | 11/09/2022 | 18,000 | 18,000 | 17,999 |
| Cooperative Rabobank | | 1.890 | F | 1.860 | 11/22/2022 | 20,000 | 20,000 | 19,997 |
| Mitsubishi UFJ Trust & Banking | | 2.000 | F | 1.980 | 12/08/2022 | 20,000 | 20,000 | 20,000 |
| Cooperative Rabobank | | 1.930 | F | 1.900 | 12/09/2022 | 15,000 | 15,000 | 14,997 |
| Sumitomo Mitsui Bank NY | | 2.050 | F | 2.020 | 12/15/2022 | 20,000 | 20,000 | 19,997 |
| Westpac Banking Corporation | | 2.010 | F | 1.980 | 12/27/2022 | 15,000 | 15,000 | 15,004 |
| Svenska Handelsbanken AB | | 1.970 | F | 1.950 | 12/29/2022 | 18,000 | 18,000 | 17,989 |
| Oversea-Chinese Bank Company | | 2.010 | F | 1.990 | 01/24/2023 | 15,000 | 15,000 | 14,997 |
| Royal Bank of Canada | | 1.760 | F | 1.730 | 01/27/2023 | 15,000 | 15,000 | 14,974 |
| Toronto Dominion Bank | | 1.750 | F | 1.750 | 02/09/2023 | 17,000 | 17,000 | 16,970 |
| Bank of Nova Scotia | | 1.790 | F | 1.760 | 02/17/2023 | 17,000 | 17,000 | 16,969 |
| Bank of Nova Scotia | | 1.790 | F | 1.760 | 02/21/2023 | 25,000 | 25,000 | 24,953 |
| Canadian Imperial Bank | | 1.790 | F | 1.760 | 02/21/2023 | 40,000 | 40,000 | 39,928 |
| Bank of Montreal | | 1.790 | F | 1.760 | 03/01/2023 | 25,000 | 25,000 | 24,950 |
| Oversea-Chinese Bank Company | | 2.070 | F | 2.050 | 03/22/2023 | 21,000 | 21,000 | 20,986 |
| Cooperative Rabobank | | 2.040 | F | 2.010 | 03/22/2023 | 21,000 | 21,000 | 20,999 |
| Canadian Imperial Bank | | 2.020 | F | 1.990 | 05/05/2023 | 15,000 | 15,000 | 14,985 |
| Bank of Montreal | | 2.020 | F | 1.990 | 05/08/2023 | 15,000 | 15,000 | 14,985 |
| Canadian Imperial Bank | | 2.040 | F | 2.010 | 05/08/2023 | 35,000 | 35,000 | 34,969 |
| Bank of Nova Scotia | | 2.040 | F | 2.010 | 05/08/2023 | 12,500 | 12,500 | 12,488 |
| Toronto Dominion Bank | | 3.750 | | 3.750 | 06/15/2023 | 20,000 | 20,000 | 20,012 |
| Bank of Montreal | | 2.100 | F | 2.070 | 06/16/2023 | 25,000 | 20,000 | 19,985 |
| Total Negotiable Certificates of Deposit | 17.9% | | | | | | 1,466,500 | 1,465,620 |
| Repurchase Agreements | | | | | | | | |
| Natixis Finacial | | 1.440 | | 1.440 | 07/01/2022 | 64,000 | 64,000 | 64,000 |
| Bank of America Securities | | 1.450 | | 1.450 | 07/01/2022 | 53,400 | 53,400 | 53,400 |
| Bank of America Securities | | 1.550 | | 1.550 | 07/01/2022 | 300,000 | 300,000 | 300,000 |
| Natixis Finacial | | 1.550 | | 1.550 | 07/01/2022 | 200,000 | 200,000 | 200,000 |
| Total Repurchase Agreements | 7.6% | | | | | | 617,400 | 617,400 |
| Money Market Funds | | | | | | | | |
| Federated | | 1.463 | ** | | | 216,993 | 217,022 | 216,862 |
| Cash | | | | | | 824 | 824 | 824 |
| Dreyfus Liquidity | | 1.337 | ** | | | 637 | 637 | 637 |
| Total Money Market Funds | 2.7% | | | | | | 218,483 | 218,323 |
| Total Money Market Pool | 100.0% | | | | | | \$ 8,145,595 | \$ 8,142,517 |

(Continued on Next Page)

F – Floating rate note security.

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** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA GOVERNMENT MONEY MARKET POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|--|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>U.S. Treasury Notes</i> | | | | | | | |
| United States Treasury | | 0.125 % | 0.081 % | 08/31/2022 | 1,000 | \$ 1,000 | \$ 998 |
| Total U. S. Treasury Notes | 0.4% | | | | | 1,000 | 998 |
| <i>U.S. Treasury Bills</i> | | | | | | | |
| United States Treasury | | 0.000 | 0.223 | 07/07/2022 | 2,000 | 2,000 | 2,000 |
| United States Treasury | | 0.000 | 0.279 | 07/14/2022 | 2,000 | 2,000 | 1,999 |
| United States Treasury | | 0.000 | 0.676 | 07/19/2022 | 2,000 | 1,999 | 1,999 |
| United States Treasury | | 0.000 | 0.748 | 07/21/2022 | 4,000 | 3,998 | 3,998 |
| United States Treasury | | 0.000 | 1.031 | 08/02/2022 | 10,000 | 9,991 | 9,990 |
| United States Treasury | | 0.000 | 0.080 | 08/11/2022 | 1,000 | 1,000 | 998 |
| United States Treasury | | 0.000 | 0.982 | 08/16/2022 | 3,000 | 2,996 | 2,995 |
| United States Treasury | | 0.000 | 1.086 | 08/23/2022 | 2,000 | 1,997 | 1,996 |
| United States Treasury | | 0.000 | 1.249 | 09/06/2022 | 3,000 | 2,993 | 2,991 |
| Total U. S. Treasury Bills | 12.4% | | | | | 28,974 | 28,966 |
| <i>U. S. Government Agency Bonds and Notes</i> | | | | | | | |
| Federal Farm Credit Bank | | 1.580 | F | 1.560 | 05/09/2024 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.585 | F | 1.565 | 03/01/2024 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.610 | F | 1.580 | 12/14/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.600 | F | 1.570 | 12/13/2023 | 500 | 500 |
| Federal Farm Credit Bank | | 1.565 | F | 1.564 | 11/30/2023 | 1,500 | 1,500 |
| Federal Farm Credit Bank | | 1.580 | F | 1.550 | 11/02/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.565 | F | 1.535 | 10/27/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.570 | F | 1.540 | 10/27/2023 | 1,500 | 1,500 |
| Federal Farm Credit Bank | | 1.570 | F | 1.540 | 10/20/2023 | 500 | 500 |
| Federal Farm Credit Bank | | 1.570 | F | 1.540 | 10/13/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.565 | F | 1.525 | 09/27/2023 | 500 | 500 |
| Federal Farm Credit Bank | | 1.565 | F | 1.535 | 08/28/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.590 | F | 1.560 | 08/22/2023 | 500 | 500 |
| Federal Farm Credit Bank | | 1.565 | F | 1.535 | 08/10/2023 | 500 | 500 |
| Federal Farm Credit Bank | | 1.565 | F | 1.535 | 08/04/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.558 | F | 1.560 | 07/13/2023 | 1,500 | 1,499 |
| Federal Farm Credit Bank | | 1.575 | F | 1.545 | 06/16/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.575 | F | 1.545 | 05/12/2023 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 1.553 | F | 1.522 | 01/30/2023 | 2,000 | 2,000 |
| Federal Farm Credit Bank | | 1.565 | F | 1.536 | 12/16/2022 | 2,500 | 2,500 |
| Federal Home Loan Bank | | 1.600 | F | 1.570 | 12/15/2022 | 1,000 | 1,000 |
| Federal Home Loan Bank | | 0.210 | | 0.210 | 12/12/2022 | 1,000 | 991 |
| Federal Farm Credit Bank | | 1.590 | F | 1.560 | 11/21/2022 | 625 | 625 |
| Federal Home Loan Bank | | 1.550 | F | 1.510 | 09/06/2022 | 3,000 | 3,000 |
| Federal Farm Credit Bank | | 0.070 | | 0.079 | 08/19/2022 | 1,500 | 1,497 |
| Federal Home Loan Bank | | 1.550 | F | 1.513 | 08/19/2022 | 3,000 | 3,000 |
| Federal Home Loan Mortgage Corporation | | 1.635 | F | 1.605 | 08/19/2022 | 1,000 | 1,000 |
| Federal Farm Credit Bank | | 0.070 | | 0.071 | 08/10/2022 | 1,500 | 1,500 |
| Federal Home Loan Mortgage Corporation | | 1.640 | F | 1.610 | 07/29/2022 | 3,000 | 3,000 |
| Federal Home Loan Bank | | 1.550 | F | 1.520 | 07/25/2022 | 2,000 | 2,000 |
| Total U. S. Government Agency Bonds and Notes | 16.7% | | | | | 39,124 | 39,110 |
| <i>U.S. Agency Discount Notes</i> | | | | | | | |
| Federal Home Loan Bank | | 0.000 | | 1.370 | 07/06/2022 | 8,500 | 8,498 |
| Federal Home Loan Bank | | 0.000 | | 0.859 | 07/08/2022 | 8,000 | 7,999 |

(Continued on Next Page)

F – Floating rate note security.

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** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

| WEST VIRGINIA GOVERNMENT MONEY MARKET POOL (Continued) | | | | | | | |
|---|----------------------|---------------|--------------|-----------------|--------------|---------------------------|------------------------|
| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
| Federal Home Loan Bank | | 0.000 | 0.827 | 07/11/2022 | 5,000 | 4,999 | 4,998 |
| Federal Home Loan Bank | | 0.000 | 0.782 | 07/13/2022 | 3,000 | 2,999 | 2,999 |
| Federal Home Loan Bank | | 0.000 | 0.561 | 07/15/2022 | 6,000 | 5,999 | 5,997 |
| Federal Home Loan Bank | | 0.000 | 1.284 | 07/20/2022 | 16,500 | 16,489 | 16,488 |
| Federal Home Loan Bank | | 0.000 | 0.866 | 07/22/2022 | 6,000 | 5,997 | 5,995 |
| Federal Home Loan Bank | | 0.000 | 1.030 | 07/27/2022 | 8,000 | 7,994 | 7,992 |
| Federal Home Loan Bank | | 0.000 | 0.884 | 07/28/2022 | 3,000 | 2,998 | 2,997 |
| Federal Home Loan Bank | | 0.000 | 1.256 | 08/03/2022 | 8,000 | 7,991 | 7,988 |
| Federal Home Loan Bank | | 0.000 | 0.996 | 08/05/2022 | 3,000 | 2,997 | 2,995 |
| Federal Home Loan Bank | | 0.000 | 1.523 | 08/09/2022 | 7,000 | 6,989 | 6,987 |
| Federal Home Loan Bank | | 0.000 | 1.016 | 08/10/2022 | 5,000 | 4,995 | 4,991 |
| Federal Home Loan Bank | | 0.000 | 1.037 | 08/16/2022 | 7,000 | 6,991 | 6,985 |
| Federal Home Loan Bank | | 0.000 | 1.103 | 08/17/2022 | 3,000 | 2,996 | 2,993 |
| Federal Home Loan Bank | | 0.000 | 1.605 | 08/18/2022 | 8,000 | 7,983 | 7,983 |
| Federal Home Loan Bank | | 0.000 | 1.156 | 08/19/2022 | 3,000 | 2,995 | 2,993 |
| Federal Home Loan Bank | | 0.000 | 1.956 | 09/30/2022 | 2,000 | 1,990 | 1,990 |
| Total U.S. Agency Discount Notes | 46.9% | | | | | 109,899 | 109,867 |
| Repurchase Agreements | | | | | | | |
| Bank of America Securities | | 1.450 | 1.450 | 07/01/2022 | 54,900 | 54,900 | 54,900 |
| Total Repurchase Agreements | 23.5% | | | | | 54,900 | 54,900 |
| Money Market Funds | | | | | | | |
| Dreyfus Liquidity | | 1.337 | ** | | 198 | 198 | 198 |
| Total Money Market Funds | 0.1% | | | | | 198 | 198 |
| Total Government Money Market Pool | 100.0% | | | | | \$ 234,095 | \$ 234,039 |

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|--|----------------------|---------------|--------------|-----------------|--------------|---------------------------|------------------------|
| <i>U. S. Treasury Notes and Bonds</i> | | | | | | | |
| United States Treasury | | 0.875 % | 1.880 % | 01/31/2024 | 30,500 | \$ 30,024 | \$ 29,534 |
| United States Treasury | | 1.125 | 2.031 | 01/15/2025 | 39,500 | 38,617 | 37,704 |
| United States Treasury | | 2.750 | 2.758 | 05/15/2025 | 22,825 | 22,820 | 22,672 |
| Total U. S. Treasury Notes and Bonds | 13.0% | | | | | 91,461 | 89,910 |
| <i>U. S. Government Agency Bonds</i> | | | | | | | |
| Federal Home Loan Bank | | 1.200 | 1.200 | 12/30/2024 | 2,500 | 2,500 | 2,403 |
| Total U. S. Government Agency Bonds | 0.3% | | | | | 2,500 | 2,403 |
| <i>U.S. Agency Collateralized Mortgage Obligations</i> | | | | | | | |
| Federal Home Loan Mortgage Corporation | | 2.838 | 1.679 | 09/25/2022 | 377 | 377 | 377 |
| Government National Mortgage Association | | 4.000 | 2.366 | 09/16/2026 | 906 | 935 | 914 |
| Federal Home Loan Mortgage Corporation | | 1.924 | F 1.917 | 08/15/2030 | 39 | 39 | 39 |
| Federal Home Loan Mortgage Corporation | | 1.375 | F 1.883 | 09/15/2030 | 24 | 24 | 24 |
| Federal Home Loan Mortgage Corporation | | 1.724 | F 1.730 | 07/15/2031 | 21 | 21 | 21 |
| Federal Home Loan Mortgage Corporation | | 1.774 | F 1.777 | 12/15/2031 | 51 | 51 | 51 |
| Federal Home Loan Mortgage Corporation | | 1.724 | F 1.727 | 01/15/2033 | 77 | 77 | 77 |
| Federal National Mortgage Association | | 1.874 | F 2.205 | 03/25/2036 | 506 | 506 | 507 |
| Federal National Mortgage Association | | 1.750 | 1.835 | 05/25/2040 | 121 | 120 | 121 |
| Federal National Mortgage Association | | 1.750 | 1.777 | 08/25/2042 | 615 | 613 | 603 |
| Government National Mortgage Association | | 1.203 | F 1.073 | 12/20/2060 | 1,143 | 1,134 | 1,132 |
| Government National Mortgage Association | | 1.303 | F 1.120 | 12/20/2060 | 1,329 | 1,331 | 1,318 |
| Government National Mortgage Association | | 1.403 | F 1.198 | 02/20/2061 | 1,175 | 1,181 | 1,168 |
| Government National Mortgage Association | | 1.303 | F 1.120 | 06/20/2062 | 1,155 | 1,156 | 1,148 |
| Government National Mortgage Association | | 1.323 | F 1.135 | 08/20/2062 | 550 | 551 | 547 |
| Government National Mortgage Association | | 1.143 | F 0.992 | 12/20/2062 | 707 | 704 | 700 |
| Government National Mortgage Association | | 1.203 | F 1.038 | 03/20/2063 | 1,091 | 1,089 | 1,081 |
| Government National Mortgage Association | | 1.253 | F 1.078 | 04/20/2063 | 843 | 843 | 836 |
| Government National Mortgage Association | | 1.503 | F 1.287 | 08/20/2063 | 1,209 | 1,218 | 1,204 |
| Government National Mortgage Association | | 1.203 | F 1.044 | 04/20/2065 | 1,454 | 1,450 | 1,441 |
| Total U.S. Agency Collateralized Mortgage Obligations | 1.9% | | | | | 13,420 | 13,309 |
| <i>Corporate Fixed-Rate Bonds and Notes</i> | | | | | | | |
| Toyota Motor Credit Corporation | | 2.900 | 2.894 | 03/30/2023 | 3,515 | 3,515 | 3,516 |
| Amazon.com Inc | | 0.250 | 0.257 | 05/12/2023 | 1,625 | 1,625 | 1,591 |
| Bright HSE Global Fund | | 0.600 | 0.608 | 06/28/2023 | 2,375 | 2,375 | 2,300 |
| Caterpillar Financial Services | | 0.650 | 0.669 | 07/07/2023 | 3,200 | 3,199 | 3,121 |
| Crown Castle International | | 3.150 | 0.903 | 07/15/2023 | 783 | 801 | 775 |
| Georgia Pacific LLC | | 3.734 | 1.099 | 07/15/2023 | 5,782 | 5,939 | 5,770 |
| Cargill Inc | | 1.375 | 1.229 | 07/23/2023 | 5,425 | 5,433 | 5,319 |
| Skandinaviska Enskilda | | 0.550 | 0.558 | 09/01/2023 | 4,400 | 4,400 | 4,253 |
| Entergy Louisiana LLC | | 4.050 | 3.165 | 09/01/2023 | 2,550 | 2,576 | 2,563 |
| Caterpillar Financial Services | | 0.450 | 0.473 | 09/14/2023 | 1,515 | 1,515 | 1,470 |
| Pacific Life GF II | | 0.500 | 0.542 | 09/23/2023 | 2,750 | 2,749 | 2,657 |
| HF Sinclair Corporation | | 2.625 | 2.043 | 10/01/2023 | 5,842 | 5,883 | 5,676 |
| John Deere Capital Corporation | | 0.400 | 0.439 | 10/10/2023 | 6,000 | 5,997 | 5,812 |
| Protective Life Global | | 0.631 | 0.631 | 10/13/2023 | 2,100 | 2,100 | 2,028 |
| American Electric Power Company Inc | | 0.750 | 0.779 | 11/01/2023 | 2,200 | 2,199 | 2,117 |
| Entergy Louisiana LLC | | 0.620 | 0.626 | 11/17/2023 | 1,363 | 1,363 | 1,314 |

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA SHORT TERM BOND POOL (Continued)

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|-------------------------------------|----------------------|---------------|--------------|-----------------|--------------|---------------------------|------------------------|
| MetLife Global Funding | | 0.400 | 0.412 | 01/07/2024 | 6,125 | 6,124 | 5,837 |
| Hyundai Capital America | | 0.800 | 0.843 | 01/08/2024 | 4,000 | 3,997 | 3,801 |
| Cooperative Rabobank | | 0.375 | 0.398 | 01/12/2024 | 6,125 | 6,123 | 5,829 |
| Broadcom Corporation | | 3.625 | 2.185 | 01/15/2024 | 3,750 | 3,831 | 3,749 |
| New York Life Global FDG | | 2.900 | 1.252 | 01/17/2024 | 2,000 | 2,050 | 1,983 |
| US Bancorp | | 3.375 | 0.577 | 02/05/2024 | 5,600 | 5,849 | 5,591 |
| Microsoft Corporation | | 2.875 | 0.627 | 02/06/2024 | 3,430 | 3,553 | 3,421 |
| Air Lease Corporation | | 0.700 | 0.917 | 02/15/2024 | 4,365 | 4,350 | 4,101 |
| Microchip Technology Inc | | 0.972 | 0.972 | 02/15/2024 | 3,700 | 3,700 | 3,515 |
| AerCap Ireland Capital | | 3.150 | 3.362 | 02/15/2024 | 3,400 | 3,389 | 3,293 |
| John Hancock Life Insurance | | 7.375 | 0.862 | 02/15/2024 | 4,850 | 5,358 | 5,119 |
| Goldman Sachs Group Inc | | 3.625 | 0.895 | 02/20/2024 | 11,000 | 11,487 | 10,972 |
| American Express | | 3.400 | 1.007 | 02/22/2024 | 5,200 | 5,402 | 5,187 |
| Daimler Finance NA | | 0.750 | 0.811 | 03/01/2024 | 3,275 | 3,272 | 3,113 |
| American Electric Power Company Inc | | 2.031 | 1.614 | 03/15/2024 | 1,135 | 1,143 | 1,099 |
| Ryder System Inc | | 3.650 | 0.796 | 03/18/2024 | 3,750 | 3,932 | 3,720 |
| AT&T Inc | | 0.900 | 0.932 | 03/25/2024 | 3,500 | 3,498 | 3,340 |
| Element Fleet Management | | 1.600 | 1.637 | 04/06/2024 | 3,520 | 3,517 | 3,355 |
| Energy Transfer Operating | | 4.500 | 2.107 | 04/15/2024 | 2,250 | 2,344 | 2,253 |
| BPCE SA | | 4.000 | 1.031 | 04/15/2024 | 4,600 | 4,842 | 4,595 |
| Owl Rock Capital Corporation | | 5.250 | 2.309 | 04/15/2024 | 5,600 | 5,887 | 5,583 |
| Philip Morris International Inc | | 2.875 | 0.705 | 05/01/2024 | 5,500 | 5,717 | 5,440 |
| Security Benefit Global Fund | | 1.250 | 1.218 | 05/17/2024 | 5,925 | 5,929 | 5,624 |
| Nordea Bank ABP | | 0.625 | 0.618 | 05/24/2024 | 3,800 | 3,801 | 3,579 |
| Citigroup Inc | | 4.044 | 1.595 | 06/01/2024 | 6,000 | 6,276 | 5,983 |
| Wells Fargo & Company | | 1.654 | 1.629 | 06/02/2024 | 7,200 | 7,203 | 7,032 |
| Hormel Foods Corporation | | 0.650 | 0.592 | 06/03/2024 | 6,000 | 6,007 | 5,730 |
| NRG Energy Inc | | 3.750 | 1.248 | 06/15/2024 | 3,100 | 3,249 | 3,044 |
| Jackson National Life Global | | 2.650 | 0.961 | 06/21/2024 | 6,500 | 6,714 | 6,335 |
| Athene Global Funding | | 2.750 | 1.448 | 06/25/2024 | 6,000 | 6,152 | 5,800 |
| Cheniere Corporation | | 7.000 | 1.963 | 06/30/2024 | 3,350 | 3,679 | 3,473 |
| Metro Atlanta Rapid Transit | | 0.630 | 0.630 | 07/01/2024 | 1,355 | 1,355 | 1,278 |
| Sumitomo Mitsui Financial | | 2.696 | 0.940 | 07/16/2024 | 6,000 | 6,213 | 5,840 |
| Bristol-Myers Squibb Company | | 2.900 | 1.184 | 07/26/2024 | 5,000 | 5,175 | 4,957 |
| BMW US Capital LLC | | 0.750 | 0.753 | 08/12/2024 | 2,100 | 2,100 | 1,977 |
| Bat Capital Corporation | | 3.222 | 1.226 | 08/15/2024 | 5,325 | 5,547 | 5,181 |
| GA Global Funding Trust | | 0.800 | 0.868 | 09/13/2024 | 5,490 | 5,482 | 5,034 |
| Mitsubishi UFJ Financial Group | | 0.848 | 0.848 | 09/15/2024 | 4,255 | 4,255 | 4,098 |
| Blackstone Private Credit Fund | | 1.750 | 1.826 | 09/15/2024 | 4,275 | 4,268 | 3,953 |
| F&G Global Funding | | 0.900 | 0.907 | 09/20/2024 | 4,500 | 4,499 | 4,177 |
| FS KKR Capital Corporation | | 1.650 | 1.700 | 10/12/2024 | 5,800 | 5,793 | 5,165 |
| Penske Truck Leasing | | 2.700 | 1.012 | 11/01/2024 | 5,000 | 5,194 | 4,804 |
| Plains All American Pipeline | | 3.600 | 1.409 | 11/01/2024 | 5,550 | 5,828 | 5,434 |
| ERAC USA Finance LLC | | 3.850 | 0.984 | 11/15/2024 | 5,000 | 5,335 | 4,937 |
| DBS Group Holdings LTD | | 1.169 | 1.169 | 11/22/2024 | 6,250 | 6,250 | 5,921 |
| Retail Opportunity Inc | | 4.000 | 1.730 | 12/15/2024 | 5,717 | 6,028 | 5,563 |
| CNO Global Funding | | 1.650 | 1.672 | 01/06/2025 | 2,850 | 2,848 | 2,690 |
| Bank of Nova Scotia | | 1.450 | 1.473 | 01/10/2025 | 6,500 | 6,496 | 6,156 |
| Standard Chartered PLC | | 0.991 | 0.944 | 01/12/2025 | 5,650 | 5,657 | 5,334 |
| National Australia Bank | | 1.388 | 1.388 | 01/12/2025 | 6,000 | 6,000 | 5,670 |
| Aker BP ASA | | 3.000 | 3.857 | 01/15/2025 | 5,500 | 5,387 | 5,316 |
| Magallanes Inc | | 3.638 | 3.638 | 03/15/2025 | 6,100 | 6,100 | 5,913 |
| Sprint Spectrum | | 4.738 | 3.028 | 03/20/2025 | 2,726 | 2,848 | 2,728 |
| Sempra Energy | | 3.300 | 3.362 | 04/01/2025 | 4,650 | 4,642 | 4,547 |
| Swedbank AB | | 3.356 | 3.356 | 04/04/2025 | 5,550 | 5,550 | 5,453 |
| Daimler Trucks Finan NA | | 3.500 | 3.539 | 04/07/2025 | 5,000 | 4,995 | 4,902 |
| Citigroup Inc | | 3.352 | 1.548 | 04/24/2025 | 4,000 | 4,198 | 3,924 |

(Continued on Next Page)

F – Floating rate note security.

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** Rate represents last business day of the month.

West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

| WEST VIRGINIA SHORT TERM BOND POOL (Continued) | | | | | | | |
|---|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
| Korea East-West Power Company | | 3.600 | 3.752 | 05/06/2025 | 1,500 | 1,494 | 1,486 |
| Vistra Operations Co LLC | | 5.125 | 5.195 | 05/13/2025 | 5,200 | 5,190 | 5,158 |
| Huntington National Bank | | 4.008 | 4.008 | 05/16/2025 | 5,300 | 5,300 | 5,298 |
| Nucor Corporation | | 3.950 | 3.973 | 05/23/2025 | 4,875 | 4,872 | 4,852 |
| JP Morgan Chase & Company | | 0.969 | 0.909 | 06/23/2025 | 11,000 | 11,019 | 10,286 |
| Mitsubishi UFJ Financial Group | | 0.953 | 0.953 | 07/19/2025 | 3,000 | 3,000 | 2,802 |
| Duke Energy Progress LLC | | 3.250 | 2.263 | 08/15/2025 | 3,200 | 3,295 | 3,178 |
| Danske Bank A/S | | 0.976 | 0.976 | 09/10/2025 | 4,200 | 4,200 | 3,871 |
| Bank of America Corporation | | 0.981 | 0.969 | 09/25/2025 | 7,500 | 7,503 | 6,946 |
| Morgan Stanley | | 1.164 | 1.164 | 10/21/2025 | 6,780 | 6,780 | 6,287 |
| Capital One Financial Corporation | | 2.636 | 2.636 | 03/03/2026 | 3,000 | 3,000 | 2,838 |
| HSBC Holdings PLC | | 2.999 | 2.999 | 03/10/2026 | 3,775 | 3,775 | 3,596 |
| Total Corporate Fixed-Rate Bonds and Notes | 53.6% | | | | | 387,515 | 369,328 |
| <i>Corporate Floating-Rate Bonds and Notes</i> | | | | | | | |
| Siemens Financier | | 1.891 | F 1.950 | 03/11/2024 | 2,025 | 2,025 | 2,007 |
| BMW US Capital LLC | | 1.211 | F 2.030 | 04/01/2024 | 2,700 | 2,700 | 2,677 |
| Bright HSE Global Fund | | 2.293 | F 2.174 | 04/12/2024 | 3,000 | 3,006 | 2,980 |
| Principal Life Global Fund | | 1.983 | F 1.960 | 04/12/2024 | 5,500 | 5,500 | 5,437 |
| Key Bank NA | | 1.860 | F 1.830 | 06/14/2024 | 5,550 | 5,550 | 5,465 |
| Pacific Life GF II | | 1.435 | F 1.900 | 01/27/2025 | 2,500 | 2,500 | 2,459 |
| Macquarie Group LTD | | 1.566 | F 2.210 | 10/14/2025 | 3,000 | 3,000 | 2,951 |
| Verizon Communications | | 2.312 | F 2.300 | 03/20/2026 | 3,000 | 3,000 | 2,950 |
| Schwab Charles Corporation | | 1.745 | F 2.020 | 05/13/2026 | 3,600 | 3,600 | 3,505 |
| NatWest Markets PLC | | 2.292 | F 2.270 | 09/29/2026 | 3,500 | 3,500 | 3,379 |
| Total Corporate Floating-Rate Bonds and Notes | 4.9% | | | | | 34,381 | 33,810 |
| <i>Commercial Mortgage-Backed Securities</i> | | | | | | | |
| COMM Mortgage Trust | | 4.210 | 3.657 | 08/10/2046 | 4,486 | 4,754 | 4,481 |
| COMM Mortgage Trust | | 4.236 | 3.471 | 02/10/2047 | 2,685 | 2,882 | 2,682 |
| COMM Mortgage Trust | | 3.828 | 3.164 | 07/15/2047 | 3,147 | 3,382 | 3,125 |
| Well Fargo Commercial Mortgage | | 3.405 | 2.688 | 12/15/2047 | 8,321 | 8,935 | 8,134 |
| Total Commercial Mortgage-Backed Securities | 2.7% | | | | | 19,953 | 18,422 |
| <i>Municipals</i> | | | | | | | |
| County of Allegheny PA | | 0.573 | 0.573 | 11/01/2022 | 1,020 | 1,020 | 1,015 |
| Houston TX Utility System | | 1.716 | 1.716 | 11/15/2022 | 2,000 | 2,000 | 1,995 |
| Long Island Power Authority | | 0.359 | 0.359 | 03/01/2023 | 2,515 | 2,515 | 2,469 |
| State of New York | | 1.910 | 1.910 | 03/15/2023 | 2,860 | 2,860 | 2,842 |
| State Of Wisconsin | | 1.749 | 1.749 | 05/01/2023 | 1,450 | 1,450 | 1,437 |
| Virginia Public School Authority | | 0.550 | 0.550 | 08/01/2023 | 7,655 | 7,655 | 7,453 |
| Massachusetts Water Resources | | 1.772 | 1.772 | 08/01/2023 | 3,445 | 3,445 | 3,400 |
| Penn State University | | 1.353 | 1.353 | 09/01/2023 | 2,740 | 2,740 | 2,691 |
| City of Dallas TX Waterworks | | 2.068 | 0.494 | 10/01/2023 | 2,775 | 2,829 | 2,742 |
| County of Allegheny PA | | 0.694 | 0.694 | 11/01/2023 | 1,200 | 1,200 | 1,164 |
| State of Oregon DOH | | 0.414 | 0.414 | 11/15/2023 | 1,235 | 1,235 | 1,190 |
| Houston TX Utility System | | 1.746 | 1.746 | 11/15/2023 | 2,635 | 2,635 | 2,576 |
| State of Hawaii | | 0.802 | 0.802 | 10/01/2024 | 1,595 | 1,595 | 1,508 |
| State of Oregon DOH | | 0.566 | 0.566 | 11/15/2024 | 1,250 | 1,250 | 1,169 |
| Forsyth County School District | | 1.212 | 1.212 | 02/01/2025 | 2,635 | 2,755 | 2,613 |
| Total Municipal Securities | 5.3% | | | | | 37,184 | 36,264 |

(Continued on Next Page)

F – Floating rate note security.

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

| WEST VIRGINIA SHORT TERM BOND POOL (Continued) | | | | | | | |
|---|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
| <i>Asset-Backed Securities</i> | | | | | | | |
| Great American Leasing Receivables | | 1.760 | 1.778 | 08/15/2023 | 1,073 | 1,073 | 1,069 |
| AESOP | | 3.070 | 2.387 | 09/20/2023 | 2,468 | 2,478 | 2,469 |
| AESOP | | 2.970 | 2.271 | 03/20/2024 | 3,000 | 3,019 | 2,990 |
| Enterprise Fleet Financing | | 3.550 | 2.211 | 05/20/2024 | 2,022 | 2,048 | 2,022 |
| CarMax Auto Owner Trust | | 2.770 | 0.507 | 12/16/2024 | 1,220 | 1,255 | 1,216 |
| Capital One Prime Auto Receivables | | 1.960 | 1.978 | 02/18/2025 | 5,150 | 5,149 | 5,099 |
| Toyota Auto Receivables | | 1.990 | 0.288 | 02/18/2025 | 9,305 | 9,523 | 9,188 |
| Great American Leasing Receivables | | 0.670 | 0.677 | 07/15/2025 | 3,650 | 3,650 | 3,474 |
| Santander Drive Auto Receivables | | 0.510 | 0.515 | 08/15/2025 | 5,150 | 5,150 | 5,064 |
| Santander Consumer Auto Receivables | | 0.330 | 0.335 | 10/15/2025 | 3,809 | 3,808 | 3,740 |
| GM Financial Securitized | | 0.350 | 0.357 | 10/16/2025 | 4,815 | 4,814 | 4,696 |
| Enterprise Fleet Financing | | 1.780 | 1.791 | 12/22/2025 | 659 | 659 | 654 |
| Hertz Vehicle Financing LLC | | 1.210 | 1.130 | 12/26/2025 | 8,695 | 8,708 | 8,139 |
| GM Financial Securitized | | 0.500 | 0.510 | 02/17/2026 | 3,000 | 2,999 | 2,837 |
| Carvana Auto Receivables Trust | | 0.490 | 0.493 | 03/10/2026 | 3,250 | 3,250 | 3,132 |
| CarMax Auto Owner Trust | | 0.630 | 0.631 | 06/15/2026 | 2,350 | 2,350 | 2,213 |
| Hertz Vehicle Financing LLC | | 1.990 | 2.005 | 06/25/2026 | 1,000 | 1,000 | 937 |
| Enterprise Fleet Financing | | 0.650 | 0.661 | 07/20/2026 | 9,350 | 9,348 | 8,795 |
| Carvana Auto Receivables Trust | | 0.700 | 0.710 | 11/10/2026 | 5,170 | 5,169 | 4,903 |
| Great American Leasing Receivables | | 0.550 | 0.554 | 12/15/2026 | 2,890 | 2,890 | 2,691 |
| AmeriCredit Automobile Receivables | | 0.340 | 0.346 | 12/18/2026 | 3,285 | 3,285 | 3,186 |
| Verizon Master Trust | | 1.040 | 1.043 | 01/20/2027 | 4,375 | 4,375 | 4,264 |
| World OMNI Select Auto Trust | | 0.530 | 0.533 | 03/15/2027 | 5,150 | 5,150 | 4,972 |
| Carvana Auto Receivables Trust | | 4.130 | 4.171 | 04/12/2027 | 6,800 | 6,799 | 6,729 |
| ARI Fleet Lease Trust | | 2.530 | 2.508 | 11/15/2027 | 8,350 | 8,358 | 8,271 |
| OneMain Direct Auto Receivables | | 0.870 | 0.875 | 07/14/2028 | 8,250 | 8,249 | 7,689 |
| Wheels SPV LLC | | 0.620 | 0.616 | 08/20/2029 | 2,200 | 2,200 | 2,101 |
| Chesapeake Funding II LLC | | 1.950 | 1.939 | 09/15/2031 | 736 | 736 | 735 |
| OneMain Financial Issuance | | 3.840 | 3.212 | 05/14/2032 | 5,031 | 5,176 | 5,016 |
| Chesapeake Funding II LLC | | 0.470 | F 0.472 | 04/15/2033 | 2,339 | 2,339 | 2,287 |
| Total Asset Backed Securities | 17.5% | | | | | 125,007 | 120,578 |
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 | ** | | 5,856 | 5,856 | 5,856 |
| Total Money Market Funds | 0.8% | | | | | 5,856 | 5,856 |
| Total Short Term Bond Pool | 100.0% | | | | | \$ 717,277 | \$ 689,880 |

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

WEST VIRGINIA BANK POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|--------------------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>Certificates of Deposit</i> | | | | | | | |
| WesBanco Bank | | 0.300 % | 0.300 % | 07/14/2022 | 10,000 | \$ 10,000 | \$ 10,000 |
| Bank of Romney | | 0.400 | 0.400 | 08/11/2022 | 100 | 100 | 100 |
| WesBanco Bank | | 0.400 | 0.400 | 08/11/2022 | 10,000 | 10,000 | 10,000 |
| Total Certificates of Deposit | 99.6% | | | | | 20,100 | 20,100 |
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 ** | | | 78 | 78 | 78 |
| Total Money Market Funds | 0.4% | | | | | 78 | 78 |
| Total West Virginia Bank Pool | 100.0% | | | | | \$ 20,178 | \$ 20,178 |

STATE LOAN POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|-------------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>Loans and Mortgages</i> | | | | | | | |
| Intergovernmental Loans | | | | | | | |
| WVEDA Revolving Loan | | 1.560 % | | | 105,234 | \$ 105,234 | \$ 105,234 |
| WVEDA Broadband Loan | | 0.100 | | | 9,686 | 9,686 | 9,686 |
| Total Intergovernmental Loans | 100.0% | | | | | 114,920 | 114,920 |
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 ** | | | 42 | 42 | 42 |
| Total Money Market Funds | 0.0% | | | | | 42 | 42 |
| Total State Loan Pool | 100.0% | | | | | \$ 114,962 | \$ 114,962 |

RESERVE POOL

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|----------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>Depository Accounts</i> | | | | | | | |
| United National Bank | | 1.17% ** F | 1.173% | 08/31/2022 | 19,986 | \$ 19,986 | \$ 19,986 |
| Total Depository Accounts | 100.0% | | | | | 19,986 | 19,986 |
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 ** | | | 2 | 2 | 2 |
| Total Money Market Funds | 0.0% | | | | | 2 | 2 |
| Total Reserve Pool | 100.0% | | | | | \$ 19,988 | \$ 19,988 |

(Continued on Next Page)

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West Virginia Board of Treasury Investments
Schedule of Investments in Securities (Continued)
June 30, 2022
(In thousands)

MUNICIPAL BOND COMMISSION

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|---|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>State and Local Government Series Securities</i> | | | | | | | |
| State & Local Government | | 0.100 % | 0.100 % | 12/01/2022 | 717 | \$ 717 | \$ 717 |
| State & Local Government | | 0.190 | 0.190 | 06/01/2023 | 38,957 | 38,957 | 38,957 |
| Total State and Local Government Series Securities | <u>100.0%</u> | | | | | <u>39,674</u> | <u>39,674</u> |
| Total Municipal Bond Commission Pool | <u>100.0%</u> | | | | | <u>\$ 39,674</u> | <u>\$ 39,674</u> |

SCHOOL FUND

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|---------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 ** | | | 1,101 | \$ 1,101 | \$ 1,101 |
| Total Money Market Funds | <u>100.0%</u> | | | | | <u>1,101</u> | <u>1,101</u> |
| Total School Fund | <u>100.0%</u> | | | | | <u>\$ 1,101</u> | <u>\$ 1,101</u> |

EDA - AW

| <u>SECURITY NAME</u> | <u>% of POOL</u> | <u>COUPON</u> | <u>YIELD</u> | <u>MATURITY</u> | <u>UNITS</u> | <u>AMORTIZED COST</u> | <u>FAIR VALUE*</u> |
|------------------------------|------------------|---------------|--------------|-----------------|--------------|-----------------------|--------------------|
| <i>U. S. Treasury Issues</i> | | | | | | | |
| United States Treasury Bond | | 6.250 % | 4.929 % | 08/15/2023 | 1,445 | \$ 1,466 | \$ 1,499 |
| Total U. S. Treasury Issues | <u>99.9%</u> | | | | | <u>1,466</u> | <u>1,499</u> |
| <i>Money Market Funds</i> | | | | | | | |
| Dreyfus Liquidity | | 1.337 ** | | | 1 | 1 | 1 |
| Total Money Market Funds | <u>0.1%</u> | | | | | <u>1</u> | <u>1</u> |
| Total EDA-AW | <u>100.0%</u> | | | | | <u>\$ 1,467</u> | <u>\$ 1,500</u> |

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Other Financial Information

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSET VALUES (UNAUDITED)

JUNE 30, 2022

(IN THOUSANDS EXCEPT FOR INVESTMENT UNIT DATA)

| | WV Money Market Pool | WV Government Money Market Pool | WV Short Term Bond Pool |
|---|-------------------------|--|-------------------------------|
| Paid-in capital | \$ 8,113,154 | \$ 232,113 | \$ 719,207 |
| Accumulated undistributed net investment income (loss) | - | - | - |
| Accumulated undistributed net realized gain (loss) | - | - | - |
| Unrealized net appreciation (depreciation) of investments | - | - | (27,402) |
| Net position at value | <u>\$ 8,113,154</u> | <u>\$ 232,113</u> | <u>\$ 691,805</u> |
| Investment unit data: | | | |
| Units outstanding | 8,113,154,096 | 232,112,984 | 7,048,500 |
| Net position, unit price | \$ 1.00 | \$ 1.00 | \$ 98.15 |

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PORTFOLIO STATISTICS (UNAUDITED)

JUNE 30, 2022

| | <u>West Virginia Money Market</u> | <u>West Virginia Government Money Market</u> | <u>West Virginia Short Term Bond Pool</u> |
|---|---------------------------------------|--|---|
| Weighted Average Days to Maturity | 21 days | 19 days | N/A |
| Maximum Weighted Average Investment Maturity Term Per Board Guidelines | 60 days | 60 days | N/A |
| Effective Duration | N/A | N/A | 584 days |
| Effective Duration Permissible Range Per Board Guidelines | N/A | N/A | 408 to 892 day range |
| Money Market Yield - Monthly | 1.21% | 0.91% | N/A |

The money market yield represents the rate of income, net of expenses, earned over the past month and is not intended to indicate future performance. The return is annualized over a 365-day year, assuming no reinvestment of earnings.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

PARTICIPANT NET ASSET VALUES (UNAUDITED)

JUNE 30, 2022

(IN THOUSANDS)

| WV Money Market Pool | | | |
|--|------------------|--|---------------------|
| State Agencies: | | Local Governments: | |
| WV State Treasurer's Office: | | Cabell County Board of Education | 86,229 |
| State Participation | \$ 3,032,077 | Jefferson Conty Board of Education | 38,624 |
| Banking Services | 400,399 | Mercer County Board of Education | 30,422 |
| Broadband Loan Guarantee | 34,306 | Putnam County Board of Education | 35,109 |
| Unclaimed Prop Fund Invest | 50,019 | Hampshire County Board of Education | 27,993 |
| Safekeeping | 34,807 | City of Charleston | 38,453 |
| Roads to Prosperity | 47 | Marshall County Board of Education | 35,118 |
| Prepaid Tuition Trust | 1,004 | Fayette County Board of Education | 12,809 |
| Safe Road Bonds | 13 | Taylor County Board of Education | 12,832 |
| Veterans Lottery | 4,961 | Wood Co Board of Education | 8,284 |
| Savings & Investment Programs | 1,312 | Tyler Co Board of Education | 18,478 |
| Total WV State Treasurer's Office | <u>3,558,945</u> | Berkeley County Board of Education | 15,376 |
| Department of Transportation | 1,582,797 | Roane County Board of Education | 4,320 |
| Governor's Office | 692,011 | Kanawha Emergency Operations Center | 8,193 |
| Higher Education Policy Commission | 262,531 | Taylor County Commission General Fund | 7,020 |
| WV Housing Development Fund | 147,952 | Lincoln County Board of Education | 3,638 |
| Department of Commerce | 137,788 | Braxton County Board of Education | 5,779 |
| Department of Environmental Protection | 199,829 | Berkeley County PSD | 6,008 |
| Public Employees Insurance Agency | 126,502 | Kanawha County Emergency Ambulance Authority | 5,270 |
| WV Lottery Commission | 250,643 | City of Weirton | 4,393 |
| Water Development Authority | 327,565 | Boone County Commission | 3,715 |
| Division of Natural Resources | 83,495 | Clarksburg Water Board | 6,167 |
| WV Economic Development Authority | 65,449 | Berkeley County PSSD | 2,869 |
| WV Municipal Pension Oversight Board | 20,898 | Whitehall PSD | 2,034 |
| Regional Jail Authority | 35,829 | City of Dunbar | 2,171 |
| West Virginia University | 53,043 | Greenbrier County Board of Education | 2,883 |
| Board of Risk and Insurance Management | 25,124 | Fayette County Commission | 2,147 |
| Department of Health and Human Resources | 22,597 | Lewis County Board of Education | 1,836 |
| Insurance Commission | 11,815 | Ritchie County Board of Education | 1,429 |
| WV State Auditor's Office | 7,939 | Wyoming County Board of Education | 1,106 |
| Department of Administration | 7,265 | Pleasants County Commission | 1,049 |
| Performance and wage bond accounts | 25,414 | North Beckley PSD | 1,441 |
| Other | 13,543 | Upshur Board of Education | 2,004 |
| Total State Agencies | <u>7,658,974</u> | Mason County Commission | 2,638 |
| | | Other | <u>16,343</u> |
| | | Total Local Governments | 454,180 |
| | | Total net asset value | <u>\$ 8,113,154</u> |

| WV Government Money Market Pool | |
|---|-------------------|
| State Agencies: | |
| Municipal Bond Commission | \$ 180,763 |
| WV State Treasurer's Office - SSBCI | 21,989 |
| Department of Environmental Protection | 8,835 |
| WV Housing Development Fund | 3,197 |
| Other | 5,226 |
| Total State Agencies | <u>220,010</u> |
| Local Governments: | |
| Ohio County Board of Education | 4,258 |
| Randolph Co Bd of Ed Investment Account | 3,791 |
| Upshur Co Bd of Ed Investment Account | 2,005 |
| Hancock County Commission | 1,162 |
| Other | 887 |
| Total Local Governments | <u>12,103</u> |
| Total net asset value | <u>\$ 232,113</u> |

| WV Short Term Bond Pool | |
|--|-------------------|
| State Agencies: | |
| WV State Treasurer's Office: | |
| State Participation | \$ 309,371 |
| Banking Services | 181,290 |
| Total WV State Treasurer's Office | <u>490,661</u> |
| Department of Environmental Protection | 124,106 |
| WV Economic Development Authority | 18,775 |
| WV Municipal Pension Oversight Board | 9,633 |
| Higher Education Policy Commission | 6,232 |
| WV Court of Claims | 6,117 |
| DHHR - Children's Health Insurance | 3,655 |
| WV Parkways Authority | 3,514 |
| Department of Transportation | 2,304 |
| Other | 1,514 |
| Total State Agencies | <u>666,511</u> |
| Local Governments: | |
| City of Charleston Pension Reserves | 24,031 |
| Other | 1,263 |
| Total Local Governments | <u>25,294</u> |
| Total net asset value | <u>\$ 691,805</u> |

Glossary of Financial and Investment Terms

Agency Security - A security issued by a U.S. Government agency, such as the Federal Home Loan Bank. These securities have high credit ratings but are typically not backed by the full faith and credit of the U.S. Government.

Asset-Backed Commercial Paper (ABCP) - A form of commercial paper that is collateralized by other financial assets such as trade receivables, auto loans and credit cards. Similar to commercial paper, maturities range from one to 270 days.

Asset-Backed Security (ABS) - A financial security that is collateralized by a pool of assets such as loans, leases, credit card debt, royalties or receivables.

Banker's Acceptance - A high quality, short-term negotiable discount note drawn on and accepted by banks that are obligated to pay the face amount at maturity.

Basis Point - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield. One hundred basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% increased by 75 basis points.

Benchmark - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

Capital Gain (Loss) - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.

Certificate of Deposit (CD) - A debt instrument issued by banks, usually paying interest, with maturities ranging from seven days to several years.

Commercial Paper (CP) - Short-term obligations with maturities ranging from one to 270 days. They are issued by banks, corporations, and other borrowers to investors with temporarily idle cash.

Compounded Annual Total Return - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return smooths fluctuations in long-term investment returns to derive an implied year-to-year annual return.

Consumer Price Index (CPI) - A measure of change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, electricity, etc.

Cumulative Rate of Return - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a \$100 investment grew to \$120 in a two-year period, the cumulative rate of return would be 20%.

Derivative - Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

Discount Rate - The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

Expense Ratio - The amount, expressed as a percentage of total investment, that shareholders pay for mutual fund operating expenses and management fees.

Federal Funds Rate - The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The federal funds rate is one of the most sensitive indicators of the direction of interest rates because it is set daily by the market.

Federal Open Market Committee (FOMC) - A committee within the Federal Reserve System that is responsible by law for overseeing the nation's open market operations (the Fed's buying and selling of securities in the market). The FOMC makes key decisions about interest rates and the growth of the United States money supply.

Federal Reserve Board - The governing body of the Federal Reserve System (twelve regional Federal banks monitoring the commercial and savings banks in their regions). The board establishes Federal Reserve System policies on such key matters as reserve requirements and other regulations, sets the discount rate, and tightens or loosens the availability of credit in the economy.

Floating Rate Note - Securities with a variable coupon rate that is adjusted at set intervals, such as daily, weekly, or monthly. The coupon rate is based on a benchmark interest rate, such as LIBOR, Fed Funds, and Treasury Bills plus or minus a spread.

Gross Domestic Product (GDP) - Total final value of goods and services produced in the United States over a particular period of time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

Index - A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. An index implicitly assumes cost-free transactions; some assume reinvestment of income. Examples: S&P Index, Lehman Brothers Aggregate Index, Russell 2000 Index.

Inflation - A measure of the rise in price of goods and services, as happens when spending increases relative to the supply of goods on the market, i.e. too much money chasing too few goods.

Investment Income - The equity dividends, bond interest, and/or cash interest paid on an investment.

London Interbank Offered Rate (LIBOR) - A benchmark interest rate that is calculated daily from estimates submitted by a panel of leading banks in London. Each bank estimates what interest rate it would be charged if it were to borrow from other banks. LIBOR rates are calculated in five currencies and for seven borrowing periods ranging from overnight to

one year. Most LIBOR settings will stop being issued at the end of 2021, with certain U.S. dollar settings continuing to be provided until the end of June 2023.

Maturity Date - The date on which the principal amount of a bond or other debt instrument becomes payable or due.

Money Market Fund (MMF) - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. MMF's are managed to maintain a net asset value of \$1 per share.

Mortgage-Backed Security (MBS) - A mortgage-backed security is a type of ABS that is secured by a mortgage or collection of mortgages. There are multiple sub-types of MBS, such as pass-through securities, collateralized mortgage obligations, and commercial mortgage-backed securities. MBS are classified as agency, or government, MBS and non-agency, or private label, MBS. Agency MBS are issued by government sponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae. Certain agency MBS are fully guaranteed as to repayment of principal and interest by the U.S. government. Non-agency MBS are issued by non-governmental issuers such as trusts and other special purpose entities.

Net Asset Value (NAV) - The total assets minus total liabilities, including any valuation gains or losses on investments or currencies, and any accrued income or expense.

Par Value - The stated or face value of a stock or bond. It has little significance for common stocks; however, for bonds it specifies the payment amount at maturity.

Principal - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.

Realized Gain (Loss) - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.

Repurchase Agreements (Repos) - An agreement to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. Repos are widely used as a money market instrument.

Reverse Repurchase Agreements (Reverse Repos) - An agreement to sell securities to an entity for a specified amount of cash and to repurchase the securities from the entity at an agreed upon price and time.

Secured Overnight Financing Rate (SOFR) - SOFR is a benchmark interest rate for dollar-denominated derivatives, loans and securities that is replacing LIBOR. SOFR is based on transactions in the Treasury repurchase market and is seen as preferable to LIBOR since it is based on data from observable transactions rather than on estimated borrowing rates.

Treasury Bill (T-Bill) - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

Treasury Bond or Note - Debt obligations of the Federal government that make semi-annual coupon payments and are sold at or near par value in denominations of \$1,000 or more.

Turnover - The minimum of security purchases or sales divided by the fiscal year's beginning and ending fair value for a given portfolio.

Unrealized Gain (Loss) - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

Volatility - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

Yield - The return on an investor's capital investment.

Yield Curve - A graphical representation of the interest rates on debt for a range of maturities. The shape of the yield curve refers to the relative difference, or spread, between longer-term and shorter-term interest rates. Yield curves are used to assess the expected future state of the economy and play a crucial role in credit modeling, including bond valuation and risk and rating assessment.

Yield to Maturity - The total return anticipated on a bond if it is held until maturity. Yield to maturity is expressed as an annual rate.

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the combined fiduciary funds of the West Virginia Board of Treasury Investments (BTI), a component unit of the State of West Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the BTI’s basic financial statements, and have issued our report thereon dated August 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the BTI’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BTI’s internal control. Accordingly, we do not express an opinion on the effectiveness of the BTI’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Honorable Members of the
West Virginia Board of Treasury Investments
Charleston, West Virginia
Independent Auditor's Report

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BTI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mahe Duessel

Pittsburgh, Pennsylvania
August 30, 2022