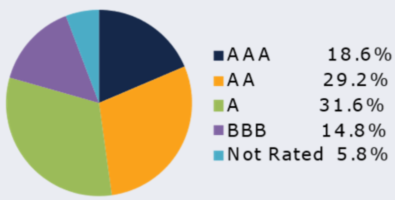
WEST VIRGINIA
BOARD OF TREASURY INVESTMENTS

West Virginia Short Term Bond Pool

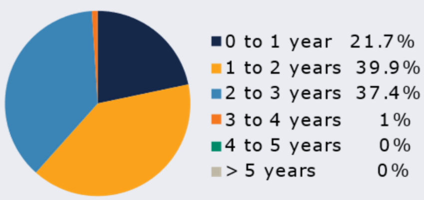
Portfolio Overview as of 09/30/2023

Pool Assets
$683 million

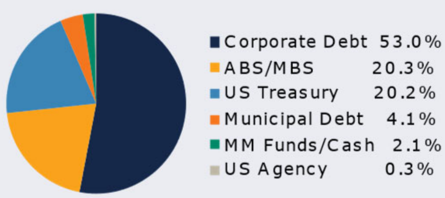
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
615 Days

Top Holdings (%)

United States Treasury	20.2%
OneMain Direct Auto Receivable	2.2%
Invesco Government & Agency	2.1%
Toyota Auto Loan	1.9%
JP Morgan Chase & Co	1.5%
Discover Card Master Trust	1.4%
Hertz Vehicle Financing LLC	1.3%
Charles Schwab Corp	1.3%
Enterprise Fleet Financing	1.3%
Well Fargo Commercial Mortgage	1.2%
Total % of Portfolio	**34.4%**

The West Virginia Short Term Bond Pool was created to invest restricted moneys of participants which have a longer-term investment horizon. The objective of the portfolio is to earn an incremental return over the WV Money Market Pool with an objective of asset growth rather than current income. The risk factor is higher than the WV Money Market Pool and is managed through numerous maturity restrictions, diversification, guidelines, and credit limits.

Pool Features and Benefits:

» Professional management is provided by the West Virginia Board of Treasury investments' staff and professional investment advisor (Sterling Capital Management).

» Floating net asset value (NAV).

» Investment yields are competitive with other short duration fixed income pools.

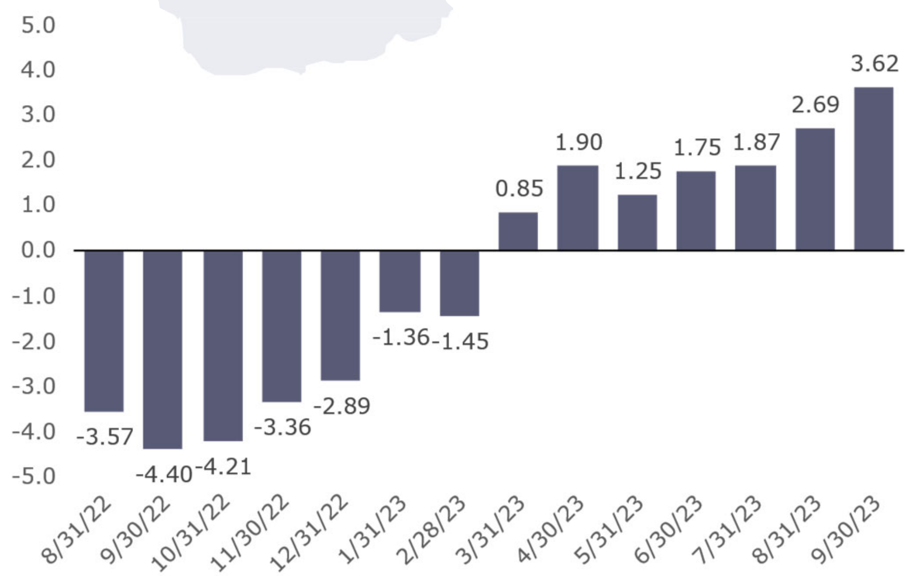
» Easy access is provided through the State Treasurer's Office online system.

» Account can be opened for as little as $100 with no limit on the number of transactions.

» Contributions and withdrawals are allowed monthly.

» Income is distributed on a monthly basis.

Return Summary



To learn how to make the West Virginia Short Term Bond Pool work for your cash investing needs call: 304-340-1564 or visit: wvbti.org

Portfolio holdings and composition are shown as of the date indicated. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

An investment in the Pool is not insured or guaranteed by any government or government agency and it is possible to lose money by depositing money in the Pool.

Commentary

U.S. interest rates continued to rise in September as the economy maintained its strong momentum and the Federal Reserve (Fed) promised to remain vigilant in its fight to rein in inflation. Labor market conditions showed few signs of cooling, with U.S. employers adding another 187,000 jobs in August and the unemployment rate still below 4%. Job openings and jobless claims were little changed. Meanwhile, retail sales numbers exceeded expectations and the core consumer price index (core CPI) rose 0.3% month-over-month and 4.3% year-over-year, down significantly from earlier this year but still well above the Fed's 2% target rate for inflation. The United Auto Workers' strike and a potential government shutdown did little to slow the resilient economy narrative. The Fed chose to not to raise the fed funds rate at their September meeting in line with market expectations, but Chair Jerome Powell reiterated the committee's data-dependent stance and indicated that they could raise rates further before leaving them in restrictive territory for an extended period to bring inflation down to the Fed's target. While short-term interest rates rose modestly with the two-year Treasury yield 18 basis points (bps) higher for the month, the yield curve steepened substantially as long-end Treasuries underperformed, likely due to higher global term premia.

September is traditionally a heavy month for corporate supply as issuers largely avoid the less-liquid conditions of August while getting ahead of Q3 earnings, which kick off in mid-October. This September was no different, with $130 billion in investment-grade bonds issued. While the issuance total was largely in line with expectations, issuers are loathe to lock in higher coupons for longer-concentrated maturities inside of 15 years. This put modest pressure on spreads in the front end of the curve and, when combined with the overall rise in volatility at month end, caused investment-grade corporates to underperform Treasuries. For the month, the option-adjusted spread on the ICE BofA 1-3Y U.S. Corporate Index widened 8bps for an excess return of -0.06%.

Taxable municipals provided modest positive excess returns during the month of September, as spreads tightened 3bps at the index level. Technicals continue to drive this segment of the market, as sharply lower supply year-to-date continues to drive valuations tighter amid a dearth of bonds.

Agency mortgage-backed securities (agency MBS) struggled through a very difficult month as buyers went on strike amidst rising interest volatility, underperforming duration-matched Treasuries by 0.74%. However, non-agency securitized products managed to avoid the turmoil in the agency MBS market to post positive excess returns. Asset-backed issuance jumped to $30.3 billion for the month but saw very strong demand to keep valuations stable. Non-agency commercial-mortgage-backed securities (CMBS) saw similar performance and turned in positive excess returns of 0.04% for the month.

The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Data is as of 09.30.2023 unless otherwise stated. Source: Bloomberg L.P.