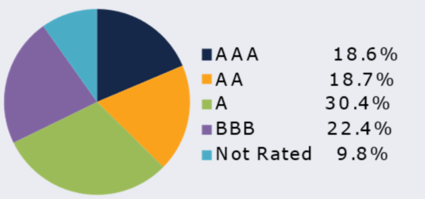
West Virginia
Short Term Bond Pool

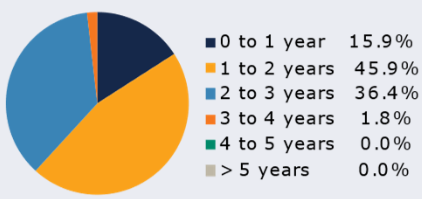
Portfolio Overview as of 5/31/2024

Pool Assets
$680 million

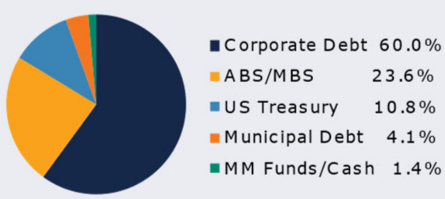
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
636 Days

Top Holdings (%)

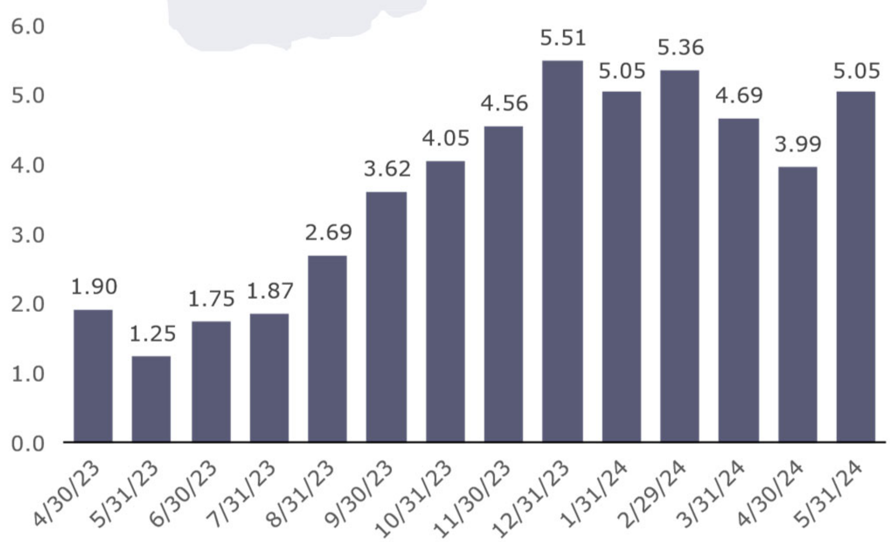
United States Treasury	10.8%
Toyota Auto Loan Extended	1.9%
OneMain Direct Auto Receivable	1.7%
American Express	1.5%
Blackstone Private Credit Fund	1.4%
Invesco Government & Agency	1.4%
Hertz Vehicle Financing LLC	1.4%
Discover Card Master Trust	1.4%
Great American Leasing	1.3%
Wheels Fleet Lease Funding	1.3%
Total % of Portfolio	**24.1%**

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

The surprisingly sharp downturn in economic data that began in April continued into May, sending interest rates lower. Following a strong U.S. payroll report the previous month, the April report released on May 3 showed a slowing in hiring and an increase in the U.S. unemployment rate to 3.9%. Several other key releases including the Institute for Supply Management's Services Index, the University of Michigan Consumer Sentiment report, and the advance retail sales report also surprised to the downside, perhaps indicating a long-awaited slowdown in growth had begun. The Bloomberg Economic Surprise Index hit its lowest mark since 2019, indicating that economic analysts overestimated the current trend in the business cycle by a rather significant margin. Inflation data received during May also surprised to the downside, albeit slightly. The core U.S. consumer price index (core CPI) advanced 0.3% month-over-month and 3.6% year-over-year – still well above the Fed's 2% target, but a slight improvement from the recent trend. Despite the deteriorating growth figures and minor improvement in the inflation picture, most Fed speakers sounded a note of caution this month, including Dallas Fed President Lorie Logan, who said "It also may be that policy is just not as restrictive as we think it might have been relative to the level of interest rates before the pandemic," indicating that the Fed may need to leave rates higher for longer or even consider additional rate hikes. Despite the deterioration in the growth picture and minor improvement on the inflation front, investor bets on potential rate cuts from the Fed for 2024 increased very modestly, with slightly more than one cut priced by December according to the fed funds futures market. For the month, short-term Treasury yields moved lower, with the two-year yield dropping 0.16% from 5.04% to 4.88%.

Corporate bonds and other higher-risk assets continued to shrug off concerns about growth or inflation as demand for yield remained robust. The option-adjusted spread on the Bloomberg U.S. Corporate 1-3Y index continued to grind tighter, falling to 0.51%, its lowest level since February 2022. After slowing in April as yields spiked, inflows to retail mutual funds and ETFs rebounded in May, acting as a tailwind for corporate bonds, asset-backed securities and agency mortgage-backed securities. While corporate issuance increased from $100B in April to $135B in May, orderbooks remained robust and most new deals priced with minimal discounts to existing bonds. Investors continued to reach for yield as the lowest rated and highest yielding asset classes, industries and individual names outperformed. For the month, short-duration corporate bonds generated 0.13% of excess return over duration-matched Treasuries while asset-backed securities performed similarly. Agency mortgage-backed securities, buoyed by lower rates and lower interest rate volatility, were the best-performing asset class across the investment-grade universe, outperforming Treasuries by 0.49% 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 05.31.2024 unless otherwise stated. Source: Bloomberg L.P. Fed = Federal Reserve.