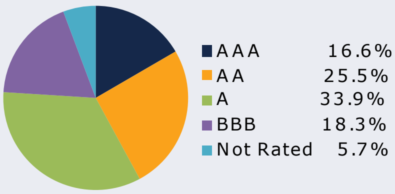
WEST VIRGINIA
BOARD OF TREASURY INVESTMENTS

West Virginia Short Term Bond Pool

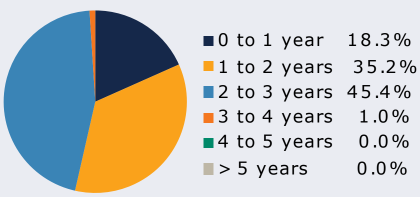
Portfolio Overview as of 12/31/2023

Pool Assets
$691 million

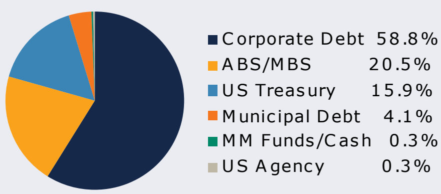
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Effective Duration
640 Days

Top Holdings (%)

United States Treasury	15.9%
OneMain Direct Auto Receivable	2.0%
Toyota Auto Loan	1.9%
JP Morgan Chase & Co	1.6%
Discover Card Master Trust	1.4%
Hertz Vehicle Financing LLC	1.4%
Schwab Charles Corp	1.3%
Enterprise Fleet Financing	1.3%
Macquarie Bank LTD	1.2%
Well Fargo Commercial Mortgage	1.2%
Total % of Portfolio	**29.2%**

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.

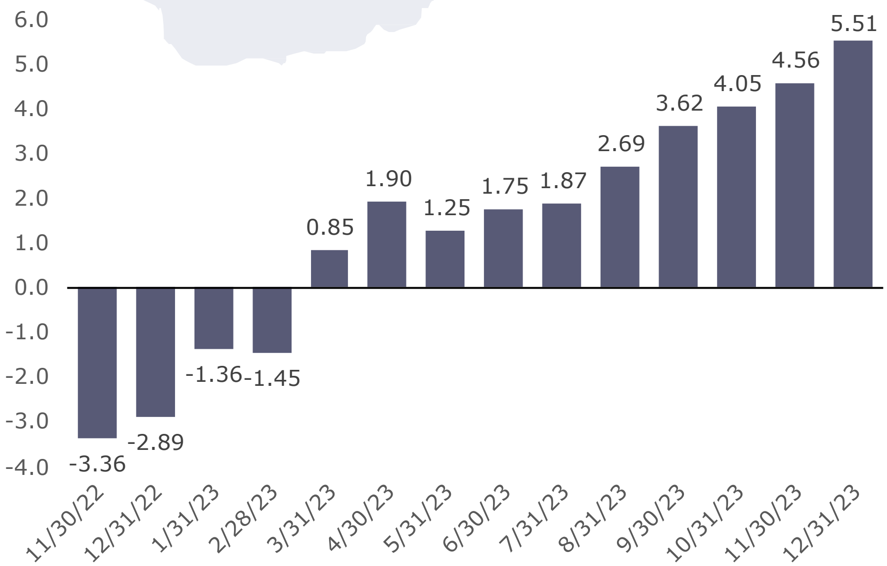
» Easy access is provided through the State Treasurer's Office online system.

» 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

Fixed income markets continued their positive momentum in December as inflation pressures receded further despite a still-strong economy, allowing the Federal Reserve (Fed) to seemingly close the door on further rate hikes. The U.S. economy added another 199,000 jobs in November while the unemployment rate fell 0.2% to 3.7% and the labor force participation rate ticked up to 62.8%. Retail sales increased well above economists' estimates and consumer and small business sentiment surprised to the upside. Despite the positive economic data, inflation continued to show signs of moderation, as the core personal consumption expenditures index (core PCE), the Fed's preferred inflation gauge, fell to just 0.1% month-over-month, the second straight 0.1% monthly increase, bringing the year-over-year core PCE figure to 3.2%, down from 5.0% a year ago. Annualizing the last six months of data showed that core PCE increased at a rate of just 1.9% since June, essentially matching the Fed's 2.0% target.

While economists debated the viability of such "immaculate disinflation", market participants moved ahead in pricing a series of cuts to the fed funds rate in 2024 based on expectations for further progress and the Fed's own words. While reiterating the Fed's data dependency as always, in his press conference following the December FOMC meeting, Chair Jerome Powell seemed to indicate that the bar for further rate hikes was quite high and that the Fed had begun discussing when it would be appropriate to cut rates. This perceived dovishness sparked an aggressive rally in interest rates, with the two-year Treasury yield falling roughly 0.30% following the meeting. For the month, two-year yields fell 0.43% to 4.25%, their lowest level since May.

The bullish sentiment across markets benefitted corporate bonds, securitized assets and taxable municipals in December as the prospect of an economy strong enough to support fundamentals along with easier monetary policy spurred risk taking across asset classes. For corporate bonds, a seasonal drop in supply boosted performance as well, with just $26 billion in investment-grade bonds issued for the month. The option-adjusted spread on the ICE BofA 1-3Y U.S. Corporate Index fell seven basis points for a monthly excess return of 0.22%, with lower-quality bonds outperforming markedly. 0-3Y AAA-rated asset-backed securities (ABS) and 0-3Y commercial-mortgage-backed securities (CMBS) saw a similarly strong performance, beating duration-matched Treasuries by 0.14% and 0.33%, respectively. Agency mortgage-backed securities (agency MBS) were perhaps the biggest beneficiary of the rally as spreads there tightened 16 basis points. Short duration taxable municipals also finished the year strong, tightening seven basis points for an 0.15% excess return.

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 12.31.2023 unless otherwise stated. Source: Bloomberg L.P.