

December 18, 2024

The Honorable James C. Justice, II
Governor of West Virginia
State Capitol 1900 Kanawha Blvd., East
Charleston, WV 25305

Dear Governor Justice,

In accordance with the requirements of WV State Code 12-1-12d, I respectfully submit the enclosed report on behalf of the West Virginia University Board of Governors. This report provides information about the University's unrestricted investment fund and the operating investments for the period October 1, 2023 – September 30, 2024.

The September 30, 2024, values of the WVU unrestricted investment and operating investment portfolios managed by the WVU Foundation were \$62,342,322 and \$100,450, respectively. The asset allocation ranges for these funds as well as the actual allocations as of September 30, 2024, may be found in the attached report from the WVU Foundation on Page 3 through 5.

The 12-month return for the unrestricted investments can be found on Page 4. The WVU unrestricted portfolio achieved a 12-month return during the investment reporting period of 16.0%. As a point of comparison, during the same period of time the Russell 3000 returned 26.2% and the Bloomberg US Aggregate bond index returned 11.6%. WVU uses a blended benchmark to assess performance of the unrestricted investment portfolio. The benchmark blended rate for the period was 16.2%. This portfolio slightly trailed its blended benchmark for the period and has outperformed the blended benchmark since inception.

As mentioned on Page 3 of the WVU Foundation report, WVU reviews its asset allocation of these portfolios at least annually. Over the past few years, upon recommendation of the WVU Foundation based on WVU's expressed risk tolerance, WVU has modestly revised the asset allocation of the unrestricted investment portfolio to reflect the long-term nature of the assets being managed.

WVU and the WVU Foundation are proud that the unrestricted investment portfolio has performed well in volatile equity and fixed income market conditions. The graph on Page 1 of the WVU Foundation report demonstrates an advance in the S&P 500 this year after advancing the prior year. We continue to view the comparative performance of our portfolio detailed on Page 4 as evidence that this investment program and the prudent investment strategies allowed within the program can generate positive results.

During the 2015 legislative session, the limit on the amount of money that WVU can invest with its Foundation was removed. WVU elected to place its available operating dollars with the WVU Foundation for investment in short term, federally guaranteed investments. WVU made its first investment of such money on August 25, 2015. The returns on these investments as well as additional detail about how the money has been invested between the various investment vehicles can be found on Page 5. Funds are removed from these investments as they are needed to meet the current obligations of the University throughout the year. WVU compares returns on this investment opportunity through the WVU Foundation with returns that can be obtained through the WV Board of Treasury Investments (BTI) Money Market fund. WVU invests monies in whichever fund has the greater return. As of September 30, 2024, WVU had \$131,124,653 invested in the BTI Money Market Fund.

Should you desire additional information regarding WVU's investments managed by the WVU Foundation, please contact me directly at 304-293-4008.

Sincerely,

A handwritten signature in blue ink, reading "David R. Kosslow", with a long horizontal flourish extending to the right.

David R. Kosslow
Associate Vice President for Finance and Treasury

Enclosure

cc: Aaron Allred, Legislative Services
Richard A. Pill, WVU Board of Governors Chair
Kevin Craig, WVU Board of Governors Finance Chair
E. Gordon Gee, President
Paula Congelio, Vice President for Finance and CFO

December 10, 2024

Paula Congelio
Vice President and CFO
West Virginia University
Post Office Box 9000 Suite 1000
Morgantown, WV 26506

Re: Annual Report to West Virginia University
Regarding the Unrestricted Investment Funds and the Operating Investments

The West Virginia University Foundation, Incorporated, in its capacity as Investment Agent, has prepared the enclosed annual report on the Unrestricted Investment Funds (the "Investment Funds") and the WVU Operating Investments (the "Operating Investments") for the 12-month period ending September 30, 2024.

As of July 1, 2019, the Unrestricted Investments Funds pool was combined into the WVU Consolidated Investments Portfolio to obtain investment economies of scale, operational efficiencies and cost savings alongside other investment pools for West Virginia University. Individual pool market values are maintained and tracked within a plan accounting structure. The investment performance results shown herein are calculated at the total portfolio level.

Included herein is a Market Overview and an Investments Review for the 12-month period, detailing the investment assets under management, asset allocation, and annual performance.

We are honored to serve as Investment Agent on behalf of West Virginia University and look forward to serving your needs as they relate to the Investment and Operating Funds. If you have any questions or would like any additional information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads "Richard S. Kraich". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard S. Kraich, CFA
Vice President & Chief Investment Officer

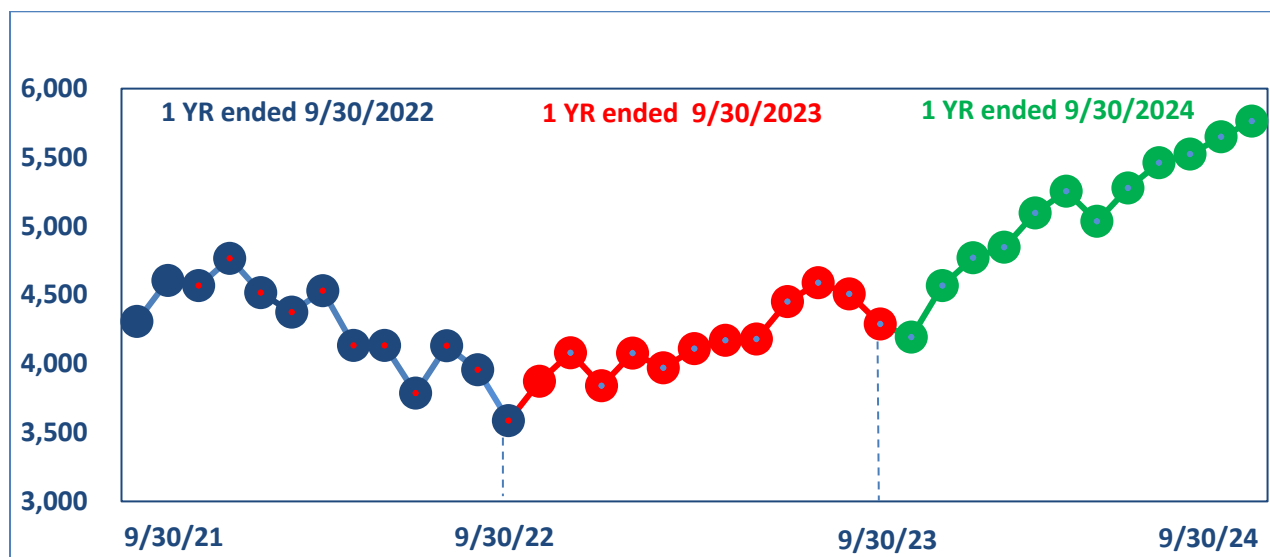
Market Overview

Global equity markets were strong in the 12-month period ended September 30, 2024, supported by robust corporate profits, a resilient labor market and stronger than expected economic data. The S&P 500 concluded the 12-month period with a return of 36.4%. The developed international equities benchmark underperformed the U.S., but still reported a very strong year, with the Morgan Stanley Capital International (MSCI) EAFE Index returning 24.8%. Emerging markets equities outperformed developed international markets with the MSCI Emerging Markets Index returning 26.1% for the 12-month period, with strong performance out of China after the announcement of a robust stimulus package.

The shift in the Federal Reserve's monetary policy toward a more dovish stance in December 2023 drove a strong bond market rally during the first quarter of the 12-month period ending September 30, 2024. However, renewed concerns over U.S. inflation in the subsequent two quarters led to a shift in sentiment, prompting investors to reassess the timing of interest rate cuts. In the final quarter of the period, the Fed lowered rates by 50 basis points, while investment-grade corporate bond spreads tightened, contributing to a solid bond market performance. The Bloomberg U.S. Aggregate Bond Index returned 11.6% for the one-year period.

The following charts display (i) the change in value of the S&P 500 over the most recent 3-year period, and (ii) the performance of key market indices for the 1-, 2-, and 3-year periods.

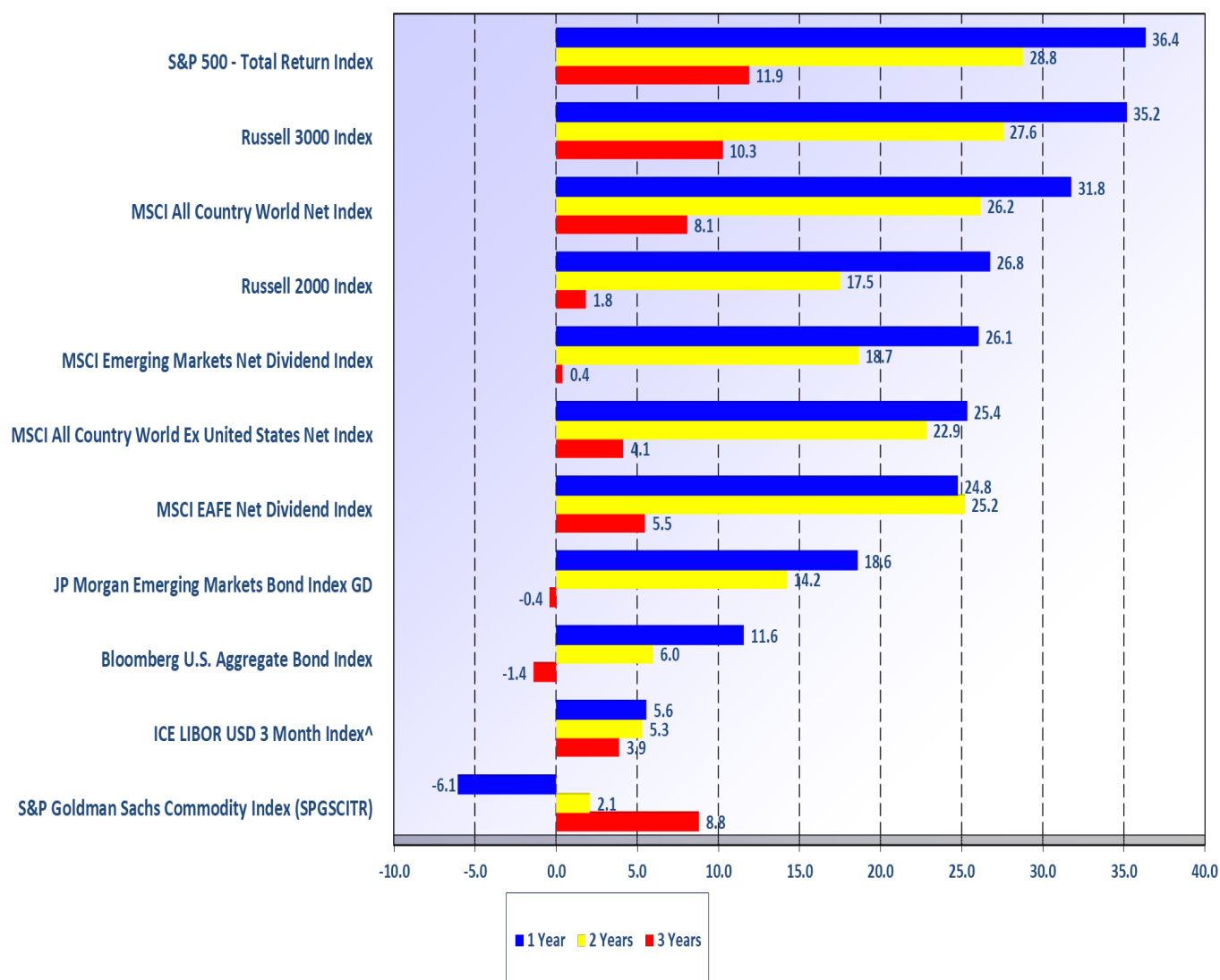
S&P 500 Values



*S&P 500 values shown do not include dividends.

Market Performance

Periods Ended September 30, 2024



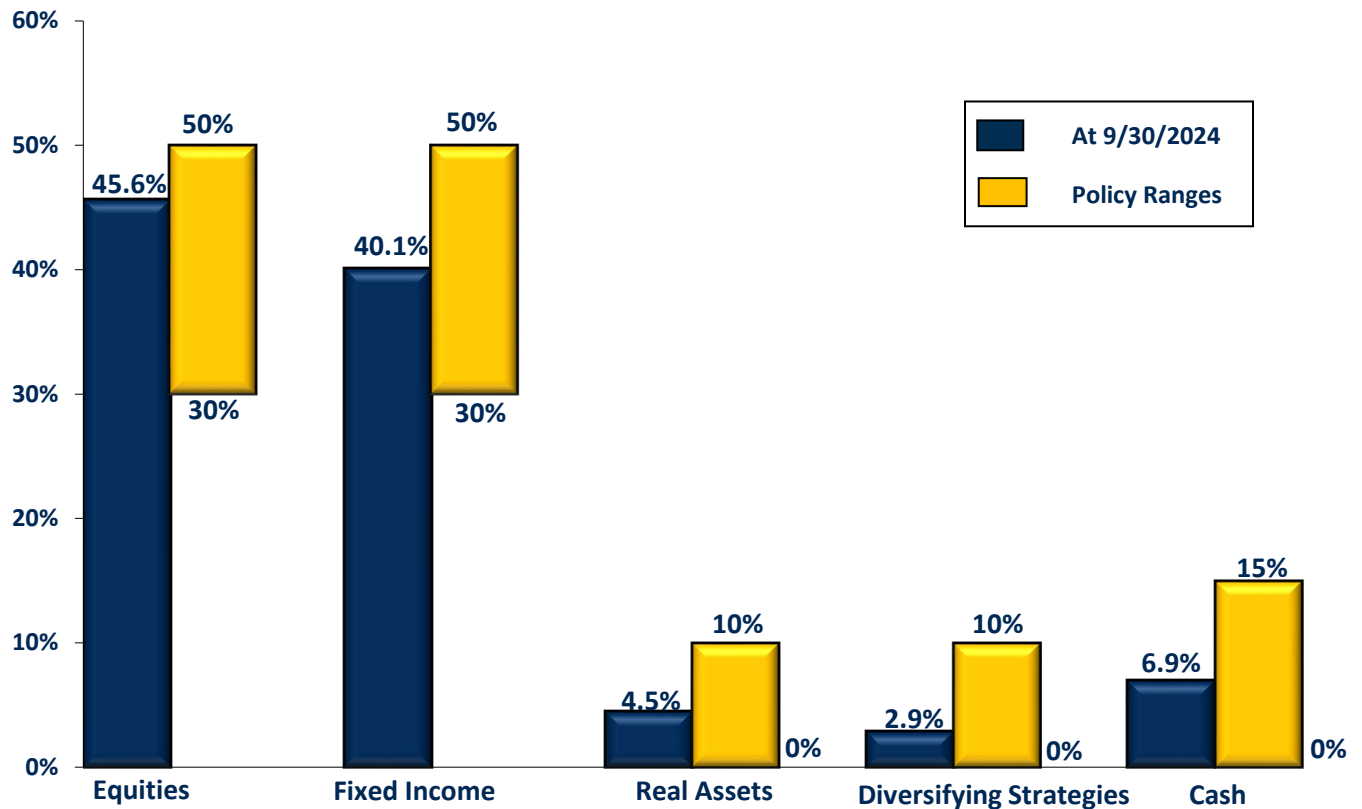
WVU Investment Funds Review

Investment Assets under Management: At September 30, 2024 the value of the Investment Funds' portfolio was \$62.3 million. Transfers out of the pool during the 12-month period totaled \$300 thousand. The portfolio had a gain of \$8.6 million during the 1-year period and a gain of \$2.2 million in earnings for the 3-year period ending September 30, 2024.

Asset Allocation: The Investment Funds' asset allocation policy is reviewed annually with the WVU Investment Committee.

At September 30, 2024, all asset classes were in line with their policy ranges. This portfolio is rebalanced quarterly to policy ranges subject to Committee review and approval. The Investment Policy allows for flexibility to maintain allocations outside the recommended range at the Committee's discretion.

Asset Allocation as of September 30, 2024



Performance Summary as of September 30, 2024

For the 12 months ended September 30, 2024, the Investment Funds returned 16.0%, resulting in a gain of \$8.6 million. The domestic public equity funds returned 34.1% for the year, while the international public equity funds returned 26.2%. A number of international public equity funds outperformed their benchmarks for the one year period, including CC+L Q, our new emerging markets public equity manager. Private equity investments returned -2.0% for the year. The fixed income portion of the portfolio returned 8.3% for the twelve month period. This year, our shorter duration fixed income portfolio underperformed the Barclays Aggregate. Real Assets returned 28.4%. Since the inception of the Investment Funds' program in November 2006, the program has generated an annualized return of 5.8% versus the custom benchmark return of 5.6%.

Performance Returns as of September 30, 2024

	%	1 YR	3 YR	ITD
WVU Unrestricted Investment Funds	100.0	16.0	2.3	5.8
<i>Custom Benchmark**</i>		16.2	2.8	5.6
<i>Russell 3000</i>		26.2	1.0	10.2
<i>MSCI EAFE</i>		24.8	5.5	4.0
<i>Bloomberg US Aggregate Bond Index</i>		11.6	-1.4	3.2

**The inception date of the portfolio for performance tracking purposes is 12/1/2006.*

WVU Operating Investments Portfolio Review

The objective of managing the WVU Operating Investments is to generate interest with very limited, if any, risk to capital using short duration investment strategies. For the 12-month period ending September 30, 2024, an ICS savings account through United Bank was utilized. This program was initiated after receiving the State Treasurer's Office approval on August 25, 2015.

Activity as of September 30, 2024

	9/30/23 Balance	Deposits	Interest	Transfers	Withdrawals	9/30/24 Balance
ICS Savings	95,138		5,312	-		100,450
4 Week CDARS	-	-	-	-	-	-
13 Week CDARS	-	-	-	-	-	-
Total	95,138	-	5,312	-	-	100,450

Interest Rate Range 10/1/23 - 9/30/24
ICS Savings: 4.93% - 5.43%
4 Week CDARS: 5.21% - 5.63%
13 Week CDARS: 5.21% - 5.63%