

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
April 25, 2024

OPERATING REPORT JANUARY 2024

Board of Treasury Investments

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Charleston WV
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www.wvbt.com

Board of Directors

Riley M. Moore,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Patrick M. Smith,
CPA
Appointed by the
Governor

Mark A. Mangano,
Esq. Attorney
Appointed by the
Governor

Executive Staff

Executive
Director

Kara K. Hughes,
CPA, MBA, CFE,
CGIP

Chief Financial
Officer

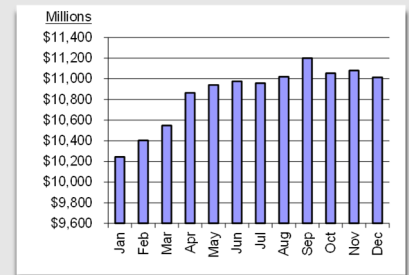
Karl Shanholtzer,
CFA, CPA, CIA

**Total Net Assets Under
Management**

\$11,193,136,000

Last Month
\$11,012,480,000

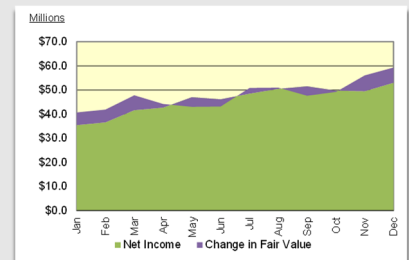
Beginning of Fiscal Year
\$10,975,194,000



**Net Assets for the Past
12 Months**

**Total Net Income & Changes in
Fair Value**

Fiscal Year
\$366,918,000



**Monthly Net Income &
Changes in Fair Value for
the Past 12 Months**

Money Market Pools As of January 31, 2024

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	5.5645%	37 Days	\$10.0 Billion
WV Gov't Money Market	5.3284%	41 Days	\$491.1 Million

* Yields represent the simple money market yield net of fees.

** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

JANUARY 2024

2024 – Stability or Volatility?

Overview:

Following the strong close to the calendar year, market dynamics in January resembled much of what we had seen throughout 2023. U.S. equities outperformed international equities, large cap stocks fared well, while small cap stocks struggled, growth stocks outperformed value stocks, and bond performance was mixed with yields ticking mostly higher.

Equity Markets

December's encouraging broadening of performance for stocks proved short lived, as large caps (+1.7%) materially outperformed mid-caps (-1.4%) and small caps (-3.9%). Once again, the large cap growth segment of the market (+2.5%), was dominated by the performance of the mega-cap growth names (as was highlighted in last month's review) outpacing large cap value stocks (+0.1%). Non-U.S. developed market stocks (+0.6%) managed a positive return, while emerging markets (-4.6%) continued to struggle thanks in large part to China, its largest constituent country.

Fixed Income

U.S. Treasury short term yields remained within the Federal Reserve's benchmark rate range of 5.25% - 5.50%, while intermediate and longer-term bond yields rose during the month. As a result, the core Bloomberg U.S. Aggregate Index returned -0.3% for the month, while longer duration Treasury bonds suffered more, returning -2.2%. Investment grade corporate bonds (-0.2%) and high yield bonds (0.0%) were little changed.

Looking Forward

The Federal Reserve has not increased its benchmark federal funds rate in over six months (since July 2023). Meanwhile, inflation data continues to trend lower, while economic growth and employment readings have generally bested consensus expectations. Amidst this positive backdrop, stocks may continue to fare well, especially if earnings continue to provide support for valuations. Bonds should provide reasonably attractive returns going forward if Fed rate cut expectations are managed and economic conditions do not overheat. 2024 could provide a more stable economic and financial backdrop, but the data dependency we have experienced in recent years, coupled with geopolitical and political backdrops may still result in volatility as the year unfolds.

West Virginia Board of Treasury Investments

Financial Highlights as of January 31, 2024

WV Short Term Bond Pool

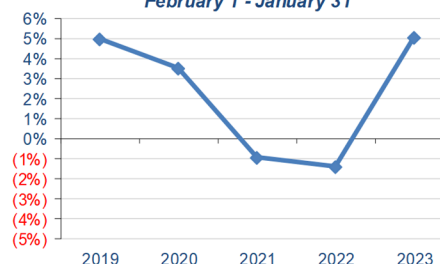
Rates of Return for the Past 12 Months *Net of All Fees*

<u>February 1 - January 31</u>	<u>Return</u>	<u>Net Assets At Jan 31 (In Millions)</u>
2024	5.0%	\$ 675.0
2023	(1.4%)	\$ 700.0
2022	(0.9%)	\$ 811.0
2021	3.5%	\$ 820.7
2020	5.0%	\$ 819.6

Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

WV Short Term Bond Pool Rates of Return

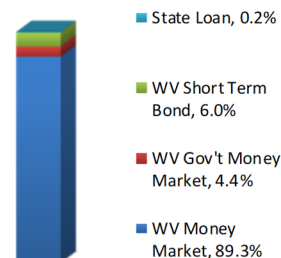
*Past 12 Months
February 1 - January 31*



Summary of Value and Earnings *(In Thousands)*

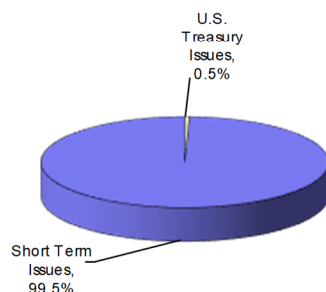
<u>Pool</u>	<u>Net Asset Value</u>	<u>Jan Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 9,999,508	\$ 45,819	\$ 323,948
WV Gov't Money Market	491,129	2,140	13,348
WV Short Term Bond	674,969	3,490	29,280
WV Bank	0	0	1
Loans	26,474	51	298
Participant Accounts	1,056	5	43
	<u>\$ 11,193,136</u>	<u>\$ 51,505</u>	<u>\$ 366,918</u>

Percent of Total Net Asset Value

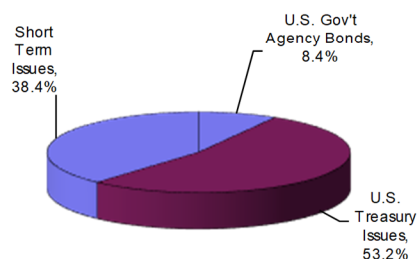


Securities by Type for Operating Pools *(Percentage of Asset Value)*

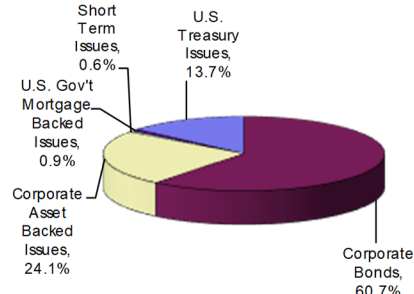
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
JANUARY 31, 2024
(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 9,972,338	\$ 505,573	\$ -	\$ 26,424	\$ -	\$ 10,504,335
At fair value	-	-	671,268	-	1,051	672,319
Other assets	28,711	358	5,716	51	5	34,841
Total assets	10,001,049	505,931	676,984	26,475	1,056	11,211,495
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,541	14,802	2,015	1	-	18,359
Total liabilities	1,541	14,802	2,015	1	-	18,359
Net Position						
Held in trust for investment pool participants	9,999,508	491,129	674,969	-	-	11,165,606
Held in trust for individual investment account holders	-	-	-	26,474	1,056	27,530
Total net position	\$ 9,999,508	\$ 491,129	\$ 674,969	\$ 26,474	\$ 1,056	\$ 11,193,136
Additions						
Investment income:						
Interest and dividends	\$ 18,919	\$ 1,129	\$ 2,334	\$ 51	\$ 5	\$ 22,438
Net (amortization) accretion	27,278	1,031	105	-	-	28,414
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	46,197	2,160	2,439	51	5	50,852
Investment expenses:						
Investment advisor, custodian bank & administrative fees	378	20	45	-	-	443
Total investment expenses	378	20	45	-	-	443
Net investment income	45,819	2,140	2,394	51	5	50,409
Net realized gain (loss) from investments	-	-	(557)	-	-	(557)
Net increase (decrease) in fair value of investments	-	-	1,653	-	-	1,653
Net increase (decrease) in net position from operations	45,819	2,140	3,490	51	5	51,505
Participant transaction additions:						
Purchase of pool units by participants	1,187,437	25,651	-	-	-	1,213,088
Reinvestment of pool distributions	45,819	2,140	1,952	-	-	49,911
Contributions to individual investment accounts	-	-	-	-	-	-
Total participant transaction additions	1,233,256	27,791	1,952	-	-	1,262,999
Total additions	1,279,075	29,931	5,442	51	5	1,314,504
Deductions						
Distributions to pool participants:						
Net investment income	45,819	2,140	2,394	-	-	50,353
Net realized gain (loss) from investments	-	-	(558)	-	-	(558)
Total distributions to pool participants	45,819	2,140	1,836	-	-	49,795
Participant transaction deductions:						
Redemption of pool units by participants	1,052,479	11,665	19,858	-	-	1,084,002
Withdrawals from individual investment accounts	-	-	-	51	-	51
Total participant transaction deductions	1,052,479	11,665	19,858	51	-	1,084,053
Total deductions	1,098,298	13,805	21,694	51	-	1,133,848
Net increase (decrease) in net position from operations	180,777	16,126	(16,252)	-	5	180,656
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	180,777	16,126	(16,252)	-	5	180,656
Net position at beginning of period	9,818,731	475,003	691,221	26,474	1,051	11,012,480
Net position at end of period	\$ 9,999,508	\$ 491,129	\$ 674,969	\$ 26,474	\$ 1,056	\$ 11,193,136