

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
October 31, 2024

OPERATING REPORT

AUGUST 2024

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
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

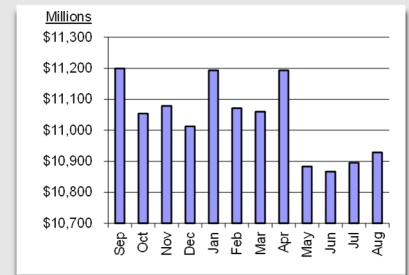
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$10,928,779,000

Last Month
\$10,895,176,000

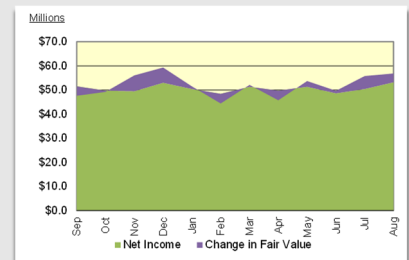
Beginning of Fiscal Year
\$10,866,862,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$112,604,000



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

Money Market Pools

As of August 31, 2024

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	5.4058%	38 Days	\$9.6 Billion
WV Gov't Money Market	5.2508%	39 Days	\$506.4 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

JULY 2024

“May you live in interesting times”

Rotate: “To cause to turn or move”

It looks like we might finally see a turn in many aspects of the markets and economy.

The rotation in economic data during the month continued to underscore a slowing economy, albeit within an overall sanguine backdrop. CPI inflation slowed again to 3.0% in June (year-over-year) from 3.3% in May. Manufacturing data also slowed and the labor market, while choppy, is slowly weakening from a very strong starting position. The second quarter GDP print of 2.8% surprised to the upside, but with a slowing consumer indicated by retail sales figures and increasing debt levels and delinquencies, the consensus outlook is for a downshifting economy.

The month of July also marked the beginnings of a rotation for stocks and bonds. Small capitalization stocks (+10.2%) dominated the large cap growth names (-1.7%) that have led the market year-to-date.

Last but certainly not least in terms of importance, the month saw a big change in the U.S. election backdrop.

Equity Markets

As was highlighted, the move to small capitalization stocks was strong and they led the way in July, bringing the year-to-date return to a positive 12.1%. In yet another stark reversal, value stocks also performed well in July with the Russell 1000 Value index returning 5.1% versus -1.7% for the Russell 1000 Growth index. The strong relative performance for value stocks narrowed the huge outperformance of the large growth companies year-to-date to 18.6% for Russell 1000 Growth index vs 12.1% for the Russell 1000 Value index. For reference, through the end of June, the Russell 1000 Growth index had returned 20.7% year-to-date vs 6.6% for the Russell 1000 Value index. In a measure of a broader participation of stocks in the month, the S&P 500 equal weighted index return was 4.5% versus the standard S&P 500 market cap weighted return of 1.2%.

Non-US markets also had a positive month with the EAFE up 2.9%, outperforming the S&P 500, Emerging Markets were up just 0.3% as both China and Taiwan were negative. Taiwan, in particular, suffered the same technology related sell off as in the U.S.

Fixed Income

There was a shift of sentiment towards a first rate cut on the horizon following the Federal Reserve’s most recent meeting. The Bloomberg Aggregate index returned 2.3% for the month and bonds moved into solidly positive territory year-to-date with a return of 1.6%.

Issuance in both high yield and investment grade credit related bond markets continued to exceed expectations, with year-to-date issuance of high yield bonds of \$176 billion running at nearly double the pace of 2023. High yield bonds returned 1.9% and outperformed the S&P 500 during the month.

Looking Forward

Markets will continue to focus on the economic backdrop to support the rate cut scenario now priced in. The performance of the US economy has led the world year-to-date, and the performance of the stock market has similarly outperformed. We will enter the final innings of the election cycle in the fall and with-it the likely uncertainty as to the outcome and the commensurate impacts on the economy. The adage “may you live in interesting times” certainly comes to mind as we look out over the balance of 2024.

West Virginia Board of Treasury Investments

Financial Highlights as of August 31, 2024

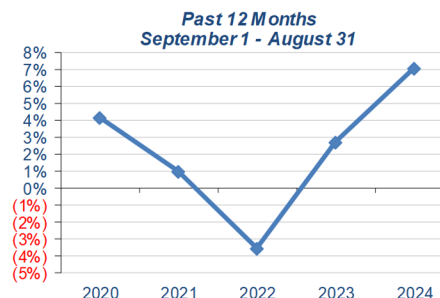
WV Short Term Bond Pool

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

September 1 - August 31	Return	Net Assets At Aug 31 (In Millions)
2024	7.1%	\$ 696.1
2023	2.7%	\$ 709.0
2022	(3.6%)	\$ 693.0
2021	1.0%	\$ 820.1
2020	4.2%	\$ 814.7

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

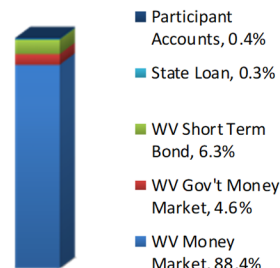
WV Short Term Bond Pool Rates of Return



Summary of Value and Earnings (In Thousands)

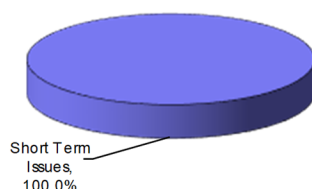
Pool	Net Asset Value	Aug Net Income (Loss)	Fiscal YTD Net Income (Loss)
WV Money Market	\$ 9,648,586	\$ 47,404	\$ 92,480
WV Gov't Money Market	506,414	2,513	4,756
WV Short Term Bond	696,083	6,620	14,817
Loans	35,829	100	205
Participant Accounts	41,867	181	346
	<u>\$ 10,928,779</u>	<u>\$ 56,818</u>	<u>\$ 112,604</u>

Percent of Total Net Asset Value

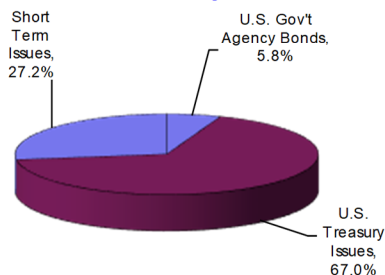


Securities by Type for Operating Pools (Percentage of Asset Value)

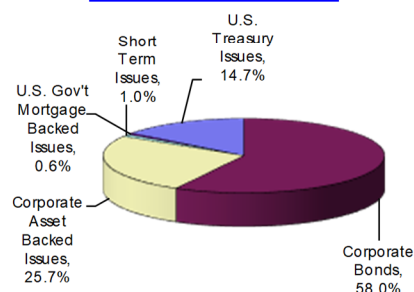
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
AUGUST 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	\$ 9,626,909	\$ 510,794	\$ -	\$ 35,631	\$ 40,667	\$ 10,214,001
At fair value	-	-	692,207	-	1,022	693,229
Other assets	22,453	592	7,209	199	179	30,632
Total assets	9,649,362	511,386	699,416	35,830	41,868	10,937,862
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	776	4,972	3,333	1	1	9,083
Total liabilities	776	4,972	3,333	1	1	9,083
Net Position						
Held in trust for investment pool participants	9,648,586	506,414	696,083	-	-	10,851,083
Held in trust for individual investment account holders	-	-	-	35,829	41,867	77,696
Total net position	\$ 9,648,586	\$ 506,414	\$ 696,083	\$ 35,829	\$ 41,867	\$ 10,928,779
Additions						
Investment income:						
Interest and dividends	\$ 22,209	\$ 1,192	\$ 2,767	\$ 100	\$ 181	\$ 26,449
Net (amortization) accretion	25,591	1,343	252	-	-	27,186
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	47,800	2,535	3,019	100	181	53,635
Investment expenses:						
Investment advisor, custodian bank & administrative fees	396	22	43	-	-	461
Total investment expenses	396	22	43	-	-	461
Net investment income	47,404	2,513	2,976	100	181	53,174
Net realized gain (loss) from investments	-	-	269	-	-	269
Net increase (decrease) in fair value of investments	-	-	3,375	-	-	3,375
Net increase (decrease) in net position from operations	47,404	2,513	6,620	100	181	56,818
Participant transaction additions:						
Purchase of pool units by participants	1,269,040	22,030	-	-	-	1,291,070
Reinvestment of pool distributions	47,404	2,513	2,789	-	-	52,706
Contributions to individual investment accounts	-	-	-	-	160	160
Total participant transaction additions	1,316,444	24,543	2,789	-	160	1,343,936
Total additions	1,363,848	27,056	9,409	100	341	1,400,754
Deductions						
Distributions to pool participants:						
Net investment income	47,404	2,513	2,977	-	-	52,894
Net realized gain (loss) from investments	-	-	269	-	-	269
Total distributions to pool participants	47,404	2,513	3,246	-	-	53,163
Participant transaction deductions:						
Redemption of pool units by participants	1,271,798	41,924	-	-	-	1,313,722
Withdrawals from individual investment accounts	-	-	-	106	160	266
Total participant transaction deductions	1,271,798	41,924	-	106	160	1,313,988
Total deductions	1,319,202	44,437	3,246	106	160	1,367,151
Net increase (decrease) in net position from operations	44,646	(17,381)	6,163	(6)	181	33,603
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	44,646	(17,381)	6,163	(6)	181	33,603
Net position at beginning of period	9,603,940	523,795	689,920	35,835	41,686	10,895,176
Net position at end of period	\$ 9,648,586	\$ 506,414	\$ 696,083	\$ 35,829	\$ 41,867	\$ 10,928,779