

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
October 31, 2024

OPERATING REPORT JULY 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

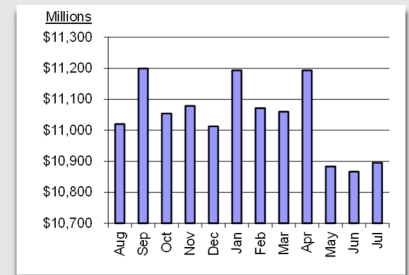
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

**Total Net Assets Under
Management**

\$10,895,176,000

Last Month
\$10,866,862,000

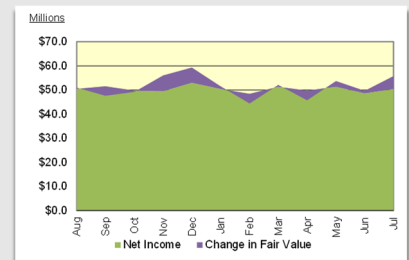
Beginning of Fiscal Year
\$10,866,862,000



**Net Assets for the Past
12 Months**

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

Fiscal Year
\$55,785,000



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

Money Market Pools As of July 31, 2024

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	5.4812%	36 Days	\$9.6 Billion
WV Gov't Money Market	5.3242%	41 Days	\$523.8 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 July 31, 2024

WV Short Term Bond Pool

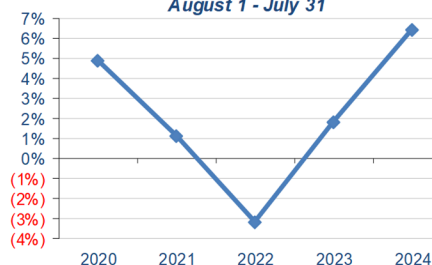
Rates of Return for the Past 12 Months *Net of All Fees*

<u>Aug 1 - July 31</u>	<u>Return</u>	<u>Net Assets At Jul 31 (In Millions)</u>
2024	6.5%	\$ 689.9
2023	1.9%	\$ 705.1
2022	(3.1%)	\$ 695.6
2021	1.2%	\$ 819.7
2020	4.9%	\$ 815.2

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

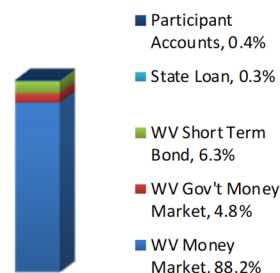
*Past 12 Months
August 1 - July 31*



Summary of Value and Earnings *(In Thousands)*

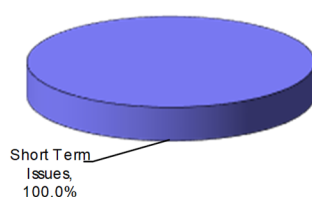
<u>Pool</u>	<u>Net Asset Value</u>	<u>Jul Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 9,603,940	\$ 45,075	\$ 45,075
WV Gov't Money Market	523,795	2,243	2,243
WV Short Term Bond	689,920	8,196	8,196
Loans	35,835	106	106
Participant Accounts	41,686	165	165
	<u>\$ 10,895,176</u>	<u>\$ 55,785</u>	<u>\$ 55,785</u>

Percent of Total Net Asset Value

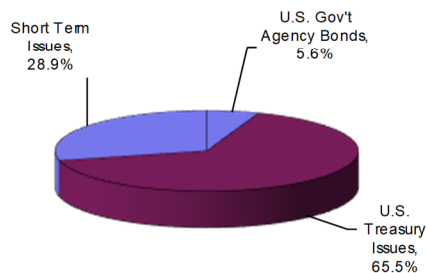


Securities by Type for Operating Pools *(Percentage of Asset Value)*

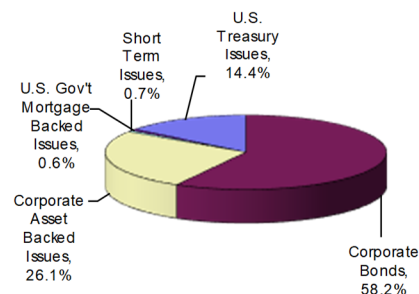
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
JULY 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	\$ 9,577,355	\$ 538,314	\$ -	\$ 35,737	\$ 40,502	\$ 10,191,908
At fair value	-	-	688,940	-	1,018	689,958
Other assets	28,122	297	24,522	100	168	53,209
Total assets	9,605,477	538,611	713,462	35,837	41,688	10,935,075
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,537	14,816	23,542	2	2	39,899
Total liabilities	1,537	14,816	23,542	2	2	39,899
Net Position						
Held in trust for investment pool participants	9,603,940	523,795	689,920	-	-	10,817,655
Held in trust for individual investment account holders	-	-	-	35,835	41,686	77,521
Total net position	\$ 9,603,940	\$ 523,795	\$ 689,920	\$ 35,835	\$ 41,686	\$ 10,895,176
Additions						
Investment income:						
Interest and dividends	\$ 19,476	\$ 1,051	\$ 2,705	\$ 106	\$ 165	\$ 23,503
Net (amortization) accretion	25,971	1,213	146	-	-	27,330
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	45,447	2,264	2,851	106	165	50,833
Investment expenses:						
Investment advisor, custodian bank & administrative fees	372	21	44	-	-	437
Total investment expenses	372	21	44	-	-	437
Net investment income	45,075	2,243	2,807	106	165	50,396
Net realized gain (loss) from investments	-	-	(19)	-	-	(19)
Net increase (decrease) in fair value of investments	-	-	5,408	-	-	5,408
Net increase (decrease) in net position from operations	45,075	2,243	8,196	106	165	55,785
Participant transaction additions:						
Purchase of pool units by participants	1,125,865	60,684	-	-	-	1,186,549
Reinvestment of pool distributions	45,075	2,243	2,398	-	-	49,716
Contributions to individual investment accounts	-	-	-	56	-	56
Total participant transaction additions	1,170,940	62,927	2,398	56	-	1,236,321
Total additions	1,216,015	65,170	10,594	162	165	1,292,106
Deductions						
Distributions to pool participants:						
Net investment income	45,075	2,243	2,807	-	-	50,125
Net realized gain (loss) from investments	-	-	(19)	-	-	(19)
Total distributions to pool participants	45,075	2,243	2,788	-	-	50,106
Participant transaction deductions:						
Redemption of pool units by participants	1,202,478	11,139	-	-	-	1,213,617
Withdrawals from individual investment accounts	-	-	-	69	-	69
Total participant transaction deductions	1,202,478	11,139	-	69	-	1,213,686
Total deductions	1,247,553	13,382	2,788	69	-	1,263,792
Net increase (decrease) in net position from operations	(31,538)	51,788	7,806	93	165	28,314
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	(31,538)	51,788	7,806	93	165	28,314
Net position at beginning of period	9,635,478	472,007	682,114	35,742	41,521	10,866,862
Net position at end of period	\$ 9,603,940	\$ 523,795	\$ 689,920	\$ 35,835	\$ 41,686	\$ 10,895,176