

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
January 30, 2025

OPERATING REPORT

OCTOBER 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

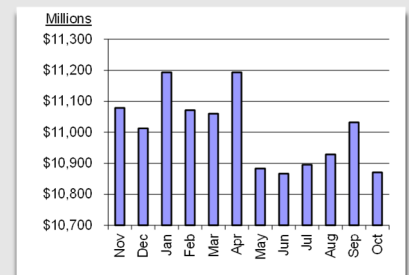
Chief Financial
Officer
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$10,870,891,000

Last Month
\$11,032,283,000

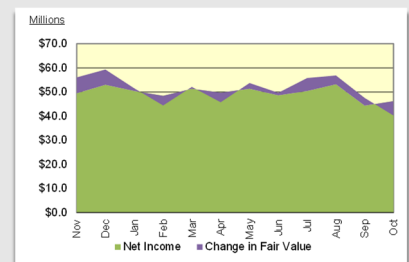
Beginning of Fiscal Year
\$10,866,862,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$200,356,000



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

Money Market Pools

As of October 31, 2024

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	5.0506%	39 Days	\$9.5 Billion
WV Gov't Money Market	4.9196%	35 Days	\$563.7 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

OCTOBER 2024

Election, Policy Outcomes & Geopolitical Backdrop

Halloween treats were abundant in October, with positive economic data from spending to inflation to GDP growth. The first cut estimate of GDP data for the third quarter was a strong 4.7% (2.8% real), and positive revisions to earlier quarters added to the strength of the numbers, including disposable income upward revisions. Labor data was a little cooler in September but was negatively influenced by Hurricane Milton and the Boeing strike. Adjusting for those events, the labor backdrop remains constructive, albeit slower.

Equity Markets

October is often a bewitching month for a lot of reasons, but with regard to the markets has a spooky history of producing big declines, including some of the worst one day declines (think Black Monday October 1987, or October 1929). We were close to escaping that fate, until the last day of the month, when the S&P declined 1.9% and pulled the index into the red for the month. The market declined with the backdrop of third quarter earnings season providing positive results (with about 70% of companies having reported through October 31). According to Factset, earnings were up over 8% year over year with Health Care and Communications sectors providing the highest positive changes so far and the energy sector posting negative results.

Non-U.S. returns were also negative with the EAFE down -5.4% and the Emerging Markets Index down -4.4%. But, both market indices are still positive year to date, (6.8%, 11.7%)

Fixed Income

Interest rates rose during the month, in response to strong economic data and the assumption that the Federal Reserve could limit the amount of future rate cuts. No part of the bond market was spared, with negative returns in short duration, (one-to-three-year bonds (-0.6%), the Aggregate Index (-2.5%) and long duration bonds down the most. The Long Treasury Bond Index and Long Government Credit Long Indices were down -5.2% and -4.7% respectively, reversing the strong returns in the month of September.

Looking Ahead

We ended the third quarter with the S&P 500 up 22.1%, and the bond market up 4.5%. One month later, the S&P is up 21% and the bond market just 1.9%. With the yield on the 10-year Treasury bond of 4.28%, and AA Corporate bonds about 4.8%, bonds do remain attractive despite the recent volatility. Equity and bond market volatility in the month was to be expected given the uncertainties related to the election, the policy outcomes, and the geopolitical backdrop. However, volatility may not just be reminiscent of Halloween ghouls and ghosts.

West Virginia Board of Treasury Investments Financial Highlights as of October 31, 2024

WV Short Term Bond Pool

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

<u>November 1 - October 31</u>	<u>Return</u>	<u>Net Assets At Oct 31 (In Millions)</u>
2024	7.2%	\$ 699.1
2023	4.1%	\$ 674.0
2022	(4.2%)	\$ 685.2
2021	0.5%	\$ 829.1
2020	3.9%	\$ 815.3

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

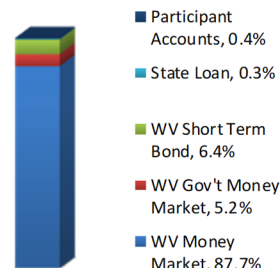
WV Short Term Bond Pool Rates of Return



Summary of Value and Earnings *(In Thousands)*

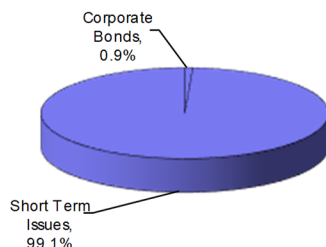
<u>Pool</u>	<u>Net Asset Value</u>	<u>Oct Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 9,526,175	\$ 40,791	\$ 172,607
WV Gov't Money Market	563,651	2,300	9,150
WV Short Term Bond	699,083	(3,132)	17,535
Loans	39,842	110	414
Participant Accounts	42,140	151	650
	<u>\$ 10,870,891</u>	<u>\$ 40,220</u>	<u>\$ 200,356</u>

Percent of Total Net Asset Value

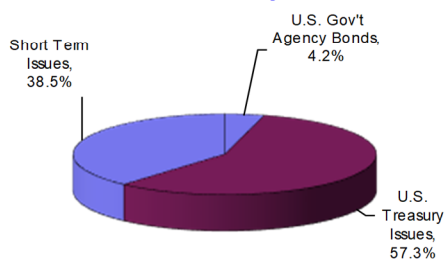


Securities by Type for Operating Pools *(Percentage of Asset Value)*

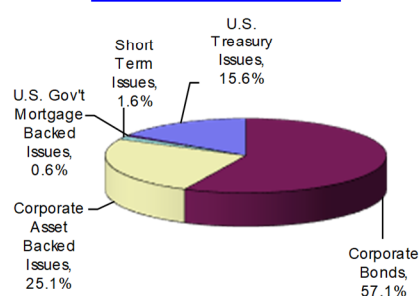
WV Money Market



WV Gov't Money Market



WV Short Term Bond



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED
OCTOBER 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	\$ 9,529,886	\$ 569,391	\$ -	\$ 39,733	\$ 40,990	\$ 10,180,000
At fair value	-	-	702,923	-	1,000	703,923
Other assets	16,329	266	6,397	110	152	23,254
Total assets	9,546,215	569,657	709,320	39,843	42,142	10,907,177
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	20,040	6,006	10,237	1	2	36,286
Total liabilities	20,040	6,006	10,237	1	2	36,286
Net Position						
Held in trust for investment pool participants	9,526,175	563,651	699,083	-	-	10,788,909
Held in trust for individual investment account holders	-	-	-	39,842	42,140	81,982
Total net position	\$ 9,526,175	\$ 563,651	\$ 699,083	\$ 39,842	\$ 42,140	\$ 10,870,891
Additions						
Investment income:						
Interest and dividends	\$ 18,213	\$ 1,220	\$ 2,597	\$ 110	\$ 152	\$ 22,292
Net (amortization) accretion	22,944	1,103	268	-	-	24,315
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	41,157	2,323	2,865	110	152	46,607
Investment expenses:						
Investment advisor, custodian bank & administrative fees	366	23	44	-	1	434
Total investment expenses	366	23	44	-	1	434
Net investment income	40,791	2,300	2,821	110	151	46,173
Net realized gain (loss) from investments	-	-	143	-	-	143
Net increase (decrease) in fair value of investments	-	-	(6,096)	-	-	(6,096)
Net increase (decrease) in net position from operations	40,791	2,300	(3,132)	110	151	40,220
Participant transaction additions:						
Purchase of pool units by participants	1,285,066	37,177	-	-	-	1,322,243
Reinvestment of pool distributions	40,791	2,300	2,878	-	-	45,969
Contributions to individual investment accounts	-	-	-	-	148	148
Total participant transaction additions	1,325,857	39,477	2,878	-	148	1,368,360
Total additions	1,366,648	41,777	(254)	110	299	1,408,580
Deductions						
Distributions to pool participants:						
Net investment income	40,791	2,300	2,821	-	-	45,912
Net realized gain (loss) from investments	-	-	143	-	-	143
Total distributions to pool participants	40,791	2,300	2,964	-	-	46,055
Participant transaction deductions:						
Redemption of pool units by participants	1,511,447	12,192	-	-	-	1,523,639
Withdrawals from individual investment accounts	-	-	-	99	179	278
Total participant transaction deductions	1,511,447	12,192	-	99	179	1,523,917
Total deductions	1,552,238	14,492	2,964	99	179	1,569,972
Net increase (decrease) in net position from operations	(185,590)	27,285	(3,218)	11	120	(161,392)
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	(185,590)	27,285	(3,218)	11	120	(161,392)
Net position at beginning of period	9,711,765	536,366	702,301	39,831	42,020	11,032,283
Net position at end of period	\$ 9,526,175	\$ 563,651	\$ 699,083	\$ 39,842	\$ 42,140	\$ 10,870,891