

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending February 28, 2022

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Market Environment – February 2022

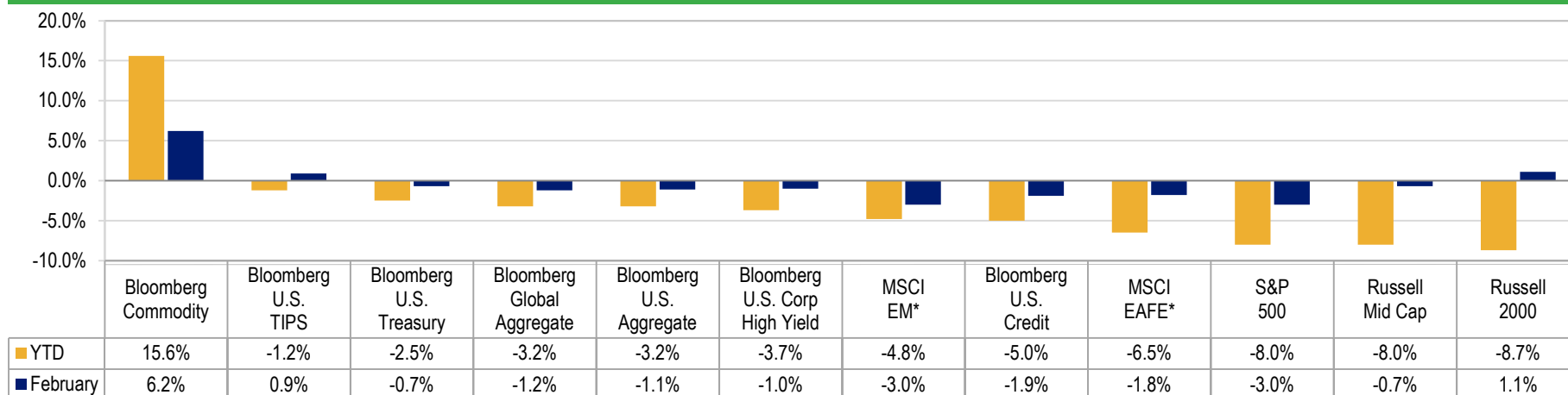
February Highlights

- The U.S. economy gained 678,000 jobs in the month. The hospitality sector gained the most jobs, but job increases were seen across most sectors. Labor force participation edged up to 62.3%, the highest level since the onset of the pandemic.
- U.S. stocks fell in February. The shock of Russia's invasion of Ukraine caused uncertainty among investors. Small caps were positive, but large and mid caps declined in the month. Most sectors were negative as well, though energy (+7.1%) was the exception. Oil and gas prices rose sharply.
- Developed market stocks were also lower. Consumer discretionary and financial stocks were hit hardest as investors anticipated an economic slowdown in the Eurozone with the effects of the Russia/Ukraine situation.
- Treasury returns declined with investors still anticipating rate hikes in 2022. Corporate and high yield bonds were also lower.
- Commodities were the major bright spot in February. An increase in oil and natural gas prices helped lead commodities higher.

YTD Highlights

- The economic effects of the COVID-19 outbreak continue to take a significant toll on the global economy. While hopes for a global recovery remain strong, the rise of both the Delta and Omicron variants of the coronavirus has tempered some near-term expectations.
- All capitalization sizes of US stocks are sharply negative so far in 2022. U.S. GDP growth is still solid and business reopenings continue. However, inflation potential rate hikes, and the Russia/Ukraine conflict all have led to more volatility in 2022.
- Both developed and emerging market stocks are negative so far in 2022 with growing inflation worries, more pandemic fallout and uncertainty surrounding Russia/Ukraine.
- Treasuries are lower with investor fears of rate increases.
- Commodities continues to be a strong-performing sector amid hopes for greater global demand and with geopolitical issues leading to supply constraints. Likely volatility in energy prices and other areas of commodities may mean that performance swings are the norm here.

Returns



*Net dividends reinvested

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Comparative Performance - Gross of Fees

As of February 28, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	8,049,362,313	100.0					
Money Market Pool*	6,949,493,892	86.3	0.003	0.061	0.105	0.951	1.284
<i>Custom Money Market Pool Index**</i>			0.001	0.009	0.014	0.718	1.008
Federated Hermes - Money Market	3,471,946,266	43.1	0.004	0.062	0.106	0.964	1.301
UBS - Money Market	3,477,547,626	43.2	0.003	0.060	0.103	0.938	1.267
Government Money Market Pool	235,292,950	2.9	0.009	0.025	0.033	0.814	1.092
<i>Custom Government Money Market Pool Index***</i>			0.001	0.011	0.017	0.629	0.861
UBS - Government	235,292,950	2.9	0.009	0.025	0.033	0.814	1.092
Short-Term Bond Pool****	804,704,903	10.0	-0.422	-1.391	-1.196	2.335	2.237
<i>Short-Term Bond Pool Index*****</i>			-0.492	-1.547	-1.457	1.826	1.647
Sterling - Short-Term Bond	804,704,903	10.0	-0.422	-1.391	-1.196	2.335	
Bank Pool	59,870,568	0.7	0.019	0.139	0.214	1.114	1.328
<i>Custom Bank Pool Index**</i>			0.001	0.009	0.014	0.718	1.008
Bank Pool	59,870,568	0.7	0.019	0.139	0.214	1.114	1.328

*The West Virginia Money Market Pool is a multi manager investment pool, which is managed by Federated Hermes and UBS Global Asset Management.

** Benchmark is iMoney Fund Report First Tier Institutional (Net Simple Annualized Yield) as of 8/1/2021.

*** Benchmark is iMoney Fund Report Government Agency Institutional (Net Simple Annualized Yield) as of 8/1/2021.

**** The West Virginia Short Term Bond Pool is managed by Sterling Capital Advisors. Prior to November 1, 2018, the Pool was managed by Federated Hermes.

***** Benchmark is BofA Merrill Lynch 1-3 Year Government/Credit Index + 10 bps; prior to November 1, 2018 BofA Merrill Lynch 1-3 Year Government/Credit Index A or Better + 10bps

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Comparative Performance - Net of Fees

As of February 28, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	8,049,362,313	100.0					
Money Market Pool*	6,949,493,892	86.3	0.001	0.041	0.075	0.921	1.254
<i>Custom Money Market Pool Index**</i>			0.001	0.009	0.014	0.718	1.008
Federated Hermes - Money Market	3,471,946,266	43.1	0.002	0.044	0.080	0.937	1.274
UBS - Money Market	3,477,547,626	43.2	0.000	0.038	0.071	0.906	1.234
Government Money Market Pool	235,292,950	2.9	0.007	0.005	0.003	0.781	1.058
<i>Custom Government Money Market Pool Index***</i>			0.001	0.011	0.017	0.629	0.861
UBS - Government	235,292,950	2.9	0.007	0.005	0.003	0.781	1.058
Short-Term Bond Pool****	804,704,903	10.0	-0.426	-1.428	-1.252	2.276	2.168
<i>Short-Term Bond Pool Index*****</i>			-0.492	-1.547	-1.457	1.826	1.647
Sterling - Short-Term Bond	804,704,903	10.0	-0.426	-1.428	-1.252	2.276	
Bank Pool	59,870,568	0.7	0.019	0.139	0.214	1.114	1.328
<i>Custom Bank Pool Index**</i>			0.001	0.009	0.014	0.718	1.008
Bank Pool	59,870,568	0.7	0.019	0.139	0.214	1.114	1.328

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Investment Managers Cash Flow

1 Month Ending February 28, 2022

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	7,992,582,861	59,927,602	-3,148,150	8,049,362,313
Money Market Pool	6,876,475,543	72,788,157	230,192	6,949,493,892
Federated Hermes - Money Market	3,435,388,195	36,419,983	138,089	3,471,946,266
UBS - Money Market	3,441,087,348	36,368,174	92,103	3,477,547,626
Government Money Market Pool - UBS	244,090,563	-8,819,774	22,161	235,292,950
Short-Term Bond Pool - Sterling Capital	812,157,379	-4,040,781	-3,411,696	804,704,903
Bank Pool	59,859,375		11,193	59,870,568