



West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending January 31, 2022

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Market Environment – January 2022

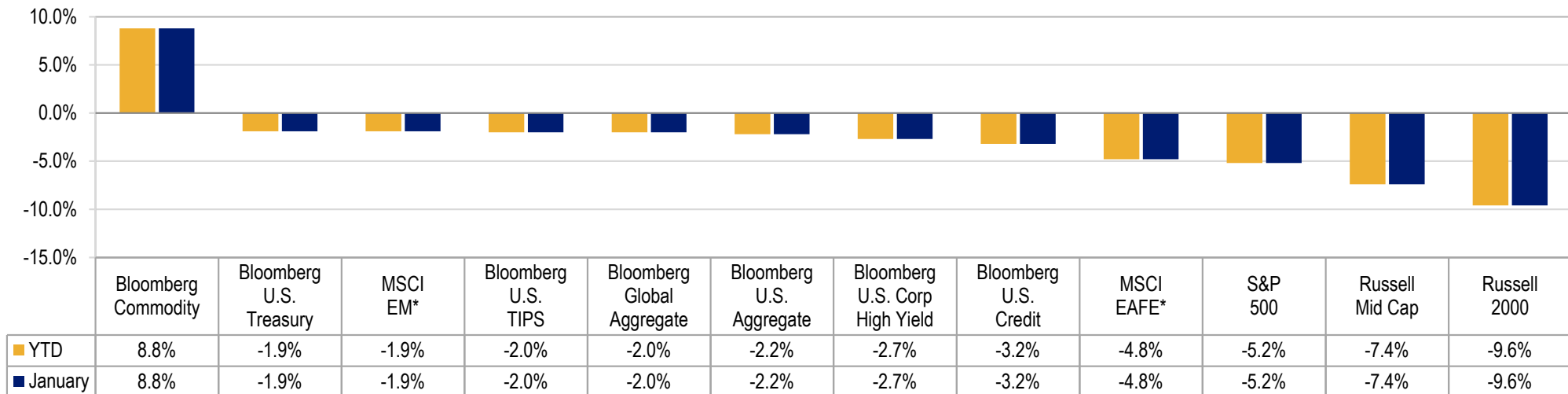
January Highlights

- ❑ The U.S. economy gained 467,000 jobs in the month. Several sectors saw acceleration in hiring, including leisure and hospitality, retail, transportation, and warehousing. Labor force participation rose to 62.2%, the highest level since the onset of the pandemic.
- ❑ U.S. stocks fell in January. Investors anticipated interest rate hikes from the Federal Reserve with rising inflation and a relatively strong job market. Small caps lost the most, though every capitalization size fell in the month. Most sectors were negative as well, though energy (+19.3%) was the exception. Oil prices rose with supply shortages and tensions in Eastern Europe.
- ❑ Developed market stocks were also lower, with uncertainty surrounding the US interest rate outlook and geopolitical tensions with Russia and Ukraine.
- ❑ Treasury returns were lower with investors anticipating rate hikes in 2022. Corporate and high yield bonds also declined in the month.
- ❑ Commodities were a lone bright spot in January. Oil prices gained with supply shortages and geopolitical tension between Russia and Ukraine. Natural gas was also 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 ended 2021 positive with still-solid GDP growth and business reopenings continuing. However, uncertainty surrounding inflation and rate hikes could lead to more volatility in 2022.
- ❑ Developed market stocks were positive in 2021, as expectations for global growth have risen. However, both developed and emerging market stocks are negative so far in 2022 with growing inflation worries, more pandemic fallout and geopolitical tensions.
- ❑ Treasuries ended 2021 lower and were negative again in January with investor fears of rate increases.
- ❑ Commodities continues to be a strong-performing sector amid hopes for greater global demand. Likely volatility in energy prices and other areas of commodities may mean that performance swings are the norm here.

Returns



*Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of January 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	7,992,582,861	100.0					
Money Market Pool*	6,876,475,543	86.0	0.009	0.058	0.115	1.020	1.300
<i>Custom Money Market Pool Index**</i>			0.000	0.000	0.035	0.791	1.021
Federated Hermes - Money Market	3,435,388,195	43.0	0.011	0.058	0.115	1.033	1.318
UBS - Money Market	3,441,087,348	43.1	0.008	0.057	0.115	1.006	1.282
Government Money Market Pool	244,090,563	3.1	-0.006	0.016	0.031	0.873	1.099
<i>Custom Government Money Market Pool Index***</i>			0.000	0.000	0.007	0.685	0.864
UBS - Government	244,090,563	3.1	-0.006	0.016	0.031	0.873	1.099
Short-Term Bond Pool****	812,157,379	10.2	-0.590	-0.973	-0.823	2.585	2.376
<i>Short-Term Bond Pool Index*****</i>			-0.667	-1.061	-1.014	2.055	1.778
Sterling - Short-Term Bond	812,157,379	10.2	-0.590	-0.973	-0.823	2.585	
Bank Pool	59,859,375	0.7	0.018	0.121	0.214	1.173	1.337
<i>Custom Bank Pool Index**</i>			0.000	0.000	0.035	0.791	1.022
Bank Pool	59,859,375	0.7	0.018	0.121	0.214	1.173	1.337

*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 January 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	7,992,582,861	100.0					
Money Market Pool*	6,876,475,543	86.0	0.007	0.040	0.086	0.990	1.270
<i>Custom Money Market Pool Index**</i>			0.000	0.000	0.035	0.791	1.021
Federated Hermes - Money Market	3,435,388,195	43.0	0.008	0.042	0.089	1.006	1.291
UBS - Money Market	3,441,087,348	43.1	0.005	0.038	0.083	0.974	1.249
Government Money Market Pool	244,090,563	3.1	-0.009	-0.001	0.001	0.840	1.065
<i>Custom Government Money Market Pool Index***</i>			0.000	0.000	0.007	0.685	0.864
UBS - Government	244,090,563	3.1	-0.009	-0.001	0.001	0.840	1.065
Short-Term Bond Pool****	812,157,379	10.2	-0.594	-1.006	-0.880	2.526	2.305
<i>Short-Term Bond Pool Index*****</i>			-0.667	-1.061	-1.014	2.055	1.778
Sterling - Short-Term Bond	812,157,379	10.2	-0.594	-1.006	-0.880	2.526	
Bank Pool	59,859,375	0.7	0.018	0.121	0.214	1.173	1.337
<i>Custom Bank Pool Index**</i>			0.000	0.000	0.035	0.791	1.022
Bank Pool	59,859,375	0.7	0.018	0.121	0.214	1.173	1.337

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Investment Managers Cash Flow

1 Month Ending January 31, 2022

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	7,677,398,441	319,384,888	-4,200,468	7,992,582,861
Money Market Pool	6,564,409,048	311,444,166	622,329	6,876,475,543
Federated Hermes - Money Market	3,279,301,613	155,722,083	364,499	3,435,388,195
UBS - Money Market	3,285,107,435	155,722,083	257,830	3,441,087,348
Government Money Market Pool - UBS	233,665,318	10,440,722	-15,477	244,090,563
Short-Term Bond Pool - Sterling Capital	819,475,588	-2,500,000	-4,818,209	812,157,379
Bank Pool	59,848,486		10,889	59,859,375