



West Virginia Board of Treasury Investments

## Monthly Flash Report

Period Ending May 31, 2022

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# Market Environment – May 2022

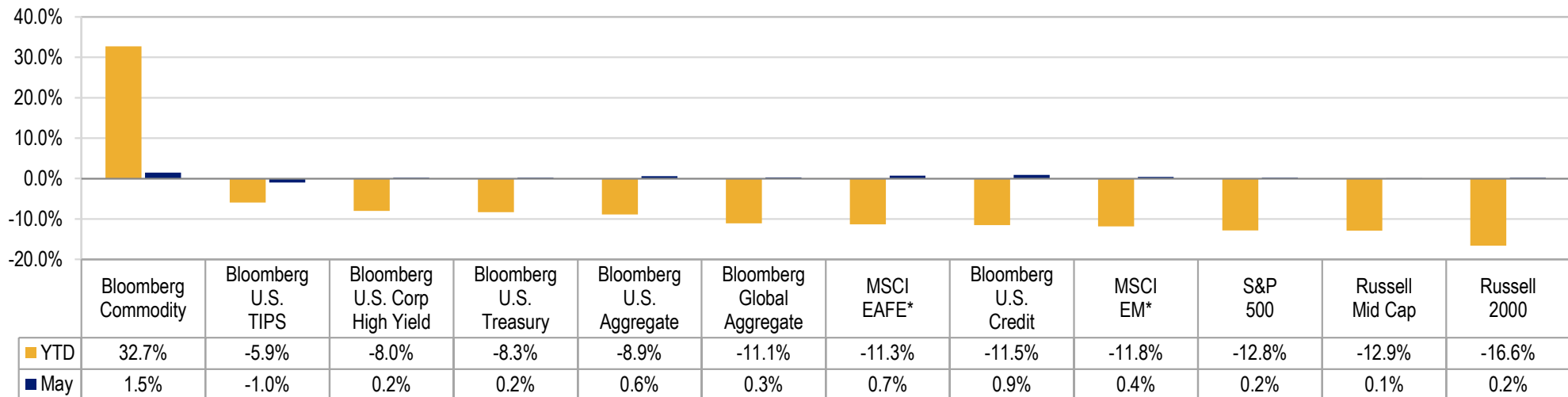
## May Highlights

- ❑ The U.S. economy gained 390,000 jobs in the month, which was better than expected given fears of economic slowdown and persistent inflation. Unemployment remained at 3.6%. Hospitality once again led the job gains, though gains were broad-based across sectors.
- ❑ U.S. stocks inched higher in May, as a late month rebound for stocks helped lift into positive territory for the month. All capitalization sizes were slightly positive in the month. Among sectors, energy (+15.8%) gained most, while real estate (-5%) had the worst month.
- ❑ Developed market stocks rose with energy and financials stocks leading the way. Information technology stocks were the worst performers.
- ❑ Fixed income assets all were slightly positive in the month, except for TIPS, which fell -1% for the month.
- ❑ Commodities outperformed other assets again in May. Energy and food related commodities were higher once again, as supply fears continues to weigh on the markets .

## YTD Highlights

- ❑ The economic effects of the COVID-19 outbreak continues to impact areas like China. The Russia/Ukraine conflict, interest rates and inflation are all taking a toll on global growth prospects.
- ❑ All capitalization sizes of US stocks are negative so far in 2022. Small capitalization has suffered most in 2022 and growth has underperformed value.
- ❑ While both developed and emerging market stocks are negative so far in 2022, country specific performance varies, with commodity related countries faring best..
- ❑ All fixed income sectors are negative year to date, The brightest spot in fixed income on a relative basis is TIPS, which have benefited from support in this inflationary environment (though they are still solidly negative YTD).
- ❑ Commodities continue to be a strong performers with volatility in energy prices and other commodities rising on continued fears of inflation and supply.

## Returns



\*Net dividends reinvested

## West Virginia Board of Treasury Investments

## Comparative Performance - Gross of Fees

As of May 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,046,218,614	100.0					
Money Market Pool*	8,115,001,993	89.7	0.084	0.196	0.205	0.775	1.258
<i>Custom Money Market Pool Index**</i>			0.030	0.051	0.052	0.543	0.980
Federated Hermes - Money Market	4,054,954,796	44.8	0.086	0.203	0.213	0.788	1.275
UBS - Money Market	4,060,047,198	44.9	0.083	0.189	0.199	0.762	1.241
Government Money Market Pool	197,542,690	2.2	0.054	0.117	0.114	0.637	1.079
<i>Custom Government Money Market Pool Index***</i>			0.036	0.062	0.063	0.468	0.850
UBS - Government	197,542,690	2.2	0.054	0.117	0.114	0.637	1.079
Short-Term Bond Pool****	703,921,408	7.8	0.392	-2.698	-2.806	1.297	1.843
<i>Short-Term Bond Pool Index*****</i>			0.562	-2.917	-3.038	0.816	1.286
Sterling - Short-Term Bond	703,921,408	7.8	0.392	-2.698	-2.806	1.297	
Bank Pool	29,752,522	0.3	0.026	0.211	0.228	0.917	1.298
<i>Custom Bank Pool Index**</i>			0.030	0.051	0.052	0.543	0.980
Bank Pool	29,752,522	0.3	0.026	0.211	0.228	0.917	1.298

\*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

## West Virginia Board of Treasury Investments

## Comparative Performance - Net of Fees

As of May 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,046,218,614	100.0					
Money Market Pool*	8,115,001,993	89.7	0.082	0.169	0.176	0.746	1.228
<i>Custom Money Market Pool Index**</i>			0.030	0.051	0.052	0.543	0.980
Federated Hermes - Money Market	4,054,954,796	44.8	0.084	0.179	0.186	0.762	1.248
UBS - Money Market	4,060,047,198	44.9	0.080	0.160	0.167	0.729	1.208
Government Money Market Pool	197,542,690	2.2	0.051	0.089	0.084	0.604	1.047
<i>Custom Government Money Market Pool Index***</i>			0.036	0.062	0.063	0.468	0.850
UBS - Government	197,542,690	2.2	0.051	0.089	0.084	0.604	1.047
Short-Term Bond Pool****	703,921,408	7.8	0.387	-2.749	-2.863	1.239	1.775
<i>Short-Term Bond Pool Index*****</i>			0.562	-2.917	-3.038	0.816	1.286
Sterling - Short-Term Bond	703,921,408	7.8	0.387	-2.749	-2.863	1.239	
Bank Pool	29,752,522	0.3	0.026	0.211	0.228	0.917	1.298
<i>Custom Bank Pool Index**</i>			0.030	0.051	0.052	0.543	0.980
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	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>8,338,667,321</b>	<b>698,135,043</b>	<b>9,416,249</b>	<b>9,046,218,614</b>
Money Market Pool	7,386,099,677	722,376,014	6,526,302	8,115,001,993
Federated Hermes - Money Market	3,690,405,390	361,231,800	3,317,606	4,054,954,796
UBS - Money Market	3,695,694,287	361,144,214	3,208,696	4,060,047,198
Government Money Market Pool - UBS	211,391,891	-13,984,382	135,182	197,542,690
Short-Term Bond Pool - Sterling Capital	701,432,375	-256,589	2,745,622	703,921,408
Bank Pool	39,743,379	-10,000,000	9,143	29,752,522