



West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending April 30, 2023

Jeffrey C. Boucek, CFA, Senior Vice President
J. Keith Reynolds, Vice President
Alan Peak, Associate Consultant

Market Environment – April 2023

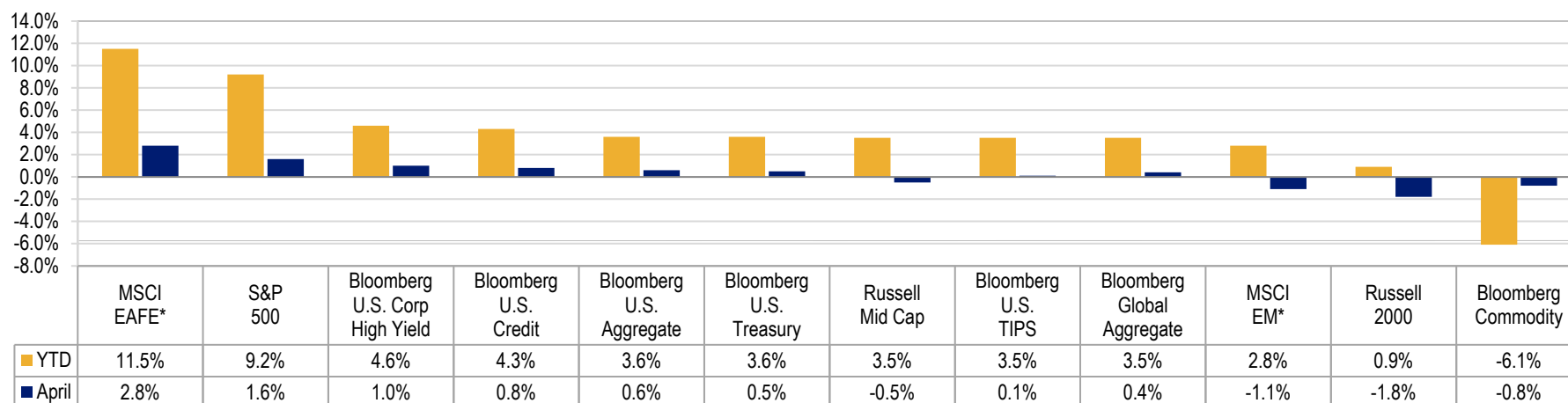
April Highlights

- The US added 253,000 jobs in April, and the unemployment rate fell to 3.4%. The ongoing strength of the job market continues to be a challenge for the Federal Reserve in its decision over when to finally pause interest rate hikes. Professional/business services and health care made significant job gains.
- U.S. stocks rose in April. However, once again, large caps were the only category to make gains in the month—mid and small caps both declined. Communication services gained most (+3.8%), while industrials (-1.2%) and consumer discretionary (-0.9%) fell.
- Non-U.S. developed markets equity performed well once again in April, with the Eurozone economy growing again in the quarter ended March 31. Energy and real estate rose in the month. Emerging markets fell as worries about US/China tensions rose.
- Treasuries up slightly in the month with continued expectations of at least one more Fed rate hike. Investment grade and high yield credit recovered a bit after March's banking crisis related sell-off and gained in April.
- Commodities slipped once again. Agriculture was the worst-performing subsector with losses for wheat and corn.

YTD Highlights

- So far in 2023, market performance has been positive, though with ups and downs related to inflation, rate hike fears and events such as the banking crisis. Large caps surged ahead in March and now are well ahead of mid and small caps so far in 2023.
- Non-U.S. developed market stocks have outperformed other categories so far this year, as Europe has avoided the economic woes predicted earlier with the Russia/Ukraine conflict. By contrast, emerging markets are still positive but have lagged developed market stocks as US/China tensions rise again.
- Fixed income sectors are largely positive as the interest rate outlook became more moderate after March's banking crisis. The Fed still hiked again in early May and signaled a pause in rates may be appropriate. High yield and credit recovered after the banking stresses and are performing well so far this year.
- Commodities were one of the lone bright spots of 2022 but are lagging significantly so far in 2023. Energy prices were strong much of last year due in part to anticipation energy shortages in Europe, which did not come to pass. Instead, so far this year a natural gas surplus has led gas and energy prices lower.

Returns



*Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of April 30, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,796,707,939	100.0					
Money Market Pool*	9,812,835,681	90.9	0.406	3.186	3.360	1.235	1.644
<i>Custom Money Market Pool Index**</i>			0.367	2.676	2.767	0.944	1.322
Federated Hermes - Money Market	4,903,339,301	45.4	0.413	3.181	3.348	1.240	1.656
UBS - Money Market	4,909,496,380	45.5	0.400	3.192	3.373	1.231	1.632
Government Money Market Pool	278,042,900	2.6	0.394	3.000	3.128	1.091	1.471
<i>Custom Government Money Market Pool Index***</i>			0.371	2.673	2.779	0.938	1.232
UBS - Government	278,042,900	2.6	0.394	3.000	3.128	1.091	1.471
Short-Term Bond Pool****	705,829,358	6.5	0.477	2.251	1.982	0.657	1.976
<i>Short-Term Bond Pool Index*****</i>			0.356	1.294	1.223	-0.357	1.447
Sterling - Short-Term Bond	705,829,358	6.5	0.477	2.251	1.982	0.657	

*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 iMoneyNet First Tier Retail Average as of 8/1/2021.

*** Benchmark is iMoneyNet Government & Agency Institutional Average 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 April 30, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,796,707,939	100.0					
Money Market Pool*	9,812,835,681	90.9	0.404	3.162	3.331	1.206	1.614
<i>Custom Money Market Pool Index**</i>			0.367	2.676	2.767	0.944	1.322
Federated Hermes - Money Market	4,903,339,301	45.4	0.411	3.159	3.321	1.214	1.629
UBS - Money Market	4,909,496,380	45.5	0.397	3.165	3.340	1.198	1.599
Government Money Market Pool	278,042,900	2.6	0.392	2.975	3.097	1.059	1.440
<i>Custom Government Money Market Pool Index***</i>			0.371	2.673	2.779	0.938	1.232
UBS - Government	278,042,900	2.6	0.392	2.975	3.097	1.059	1.440
Short-Term Bond Pool****	705,829,358	6.5	0.472	2.200	1.921	0.599	1.913
<i>Short-Term Bond Pool Index*****</i>			0.356	1.294	1.223	-0.357	1.447
Sterling - Short-Term Bond	705,829,358	6.5	0.472	2.200	1.921	0.599	

*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 iMoneyNet First Tier Retail Average as of 8/1/2021.

*** Benchmark is iMoneyNet Government & Agency Institutional Average 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

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,480,761,059	272,334,603	43,612,277	10,796,707,939
Money Market Pool	9,496,536,097	277,197,512	39,102,072	9,812,835,681
Federated Hermes - Money Market	4,744,885,987	138,598,756	19,854,558	4,903,339,301
UBS - Money Market	4,751,650,111	138,598,756	19,247,514	4,909,496,380
Government Money Market Pool - UBS	281,748,366	-4,862,909	1,157,443	278,042,900
Short-Term Bond Pool - Sterling Capital	702,476,596		3,352,762	705,829,358