



West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending August 31, 2022

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

Market Environment – August 2022

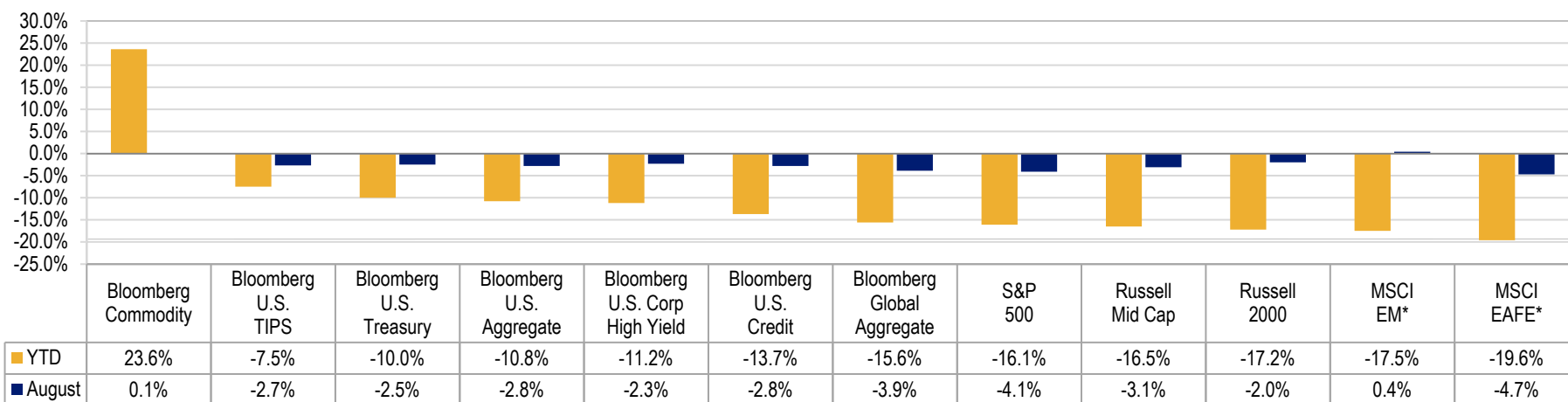
August Highlights

- ❑ The U.S. economy gained 315,000 jobs in August. While still a solid gain, this was the lowest monthly increase since April 2021. Unemployment moved up to 3.7% and labor force participation rose in the month. Professional/business services and health care led the gains.
- ❑ U.S. stocks fell in August after Fed chair Jerome Powell said that monetary policy would remain tight for the foreseeable future. All capitalization sizes were negative in the month, with large caps making the biggest losses. All sectors fell except energy (+2.8%) and utilities (+0.5%).
- ❑ Non-U.S. developed markets equity returns were also negative with continuing worries over inflation and high energy prices. By contrast, emerging markets eked out a small gain. China stocks were slightly positive despite recent lackluster economic data.
- ❑ Treasury yields rose sharply as the Fed said it would keep rates higher in the near term. Corporate and high yield sectors were also negative as worries about global recession persisted.
- ❑ Commodities were just positive in August, with gas and industrial metals negative and agricultural commodities positive.

YTD Highlights

- ❑ The economic effects of the COVID-19 outbreak continues to impact areas like China. The Russia/Ukraine conflict, higher interest rates and high inflation have all taken a toll on global growth sentiment.
- ❑ Despite a brief rebound in July and early August, all capitalization sizes of US stocks are still negative year to date. Small capitalization stocks led the rebound in the summer and now are just slightly lower than large cap stocks.
- ❑ While both developed and emerging market stocks are negative so far in 2022, country specific performance varies, with commodity-driven economies 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).
- ❑ Despite struggling over the summer, commodities have been the strongest performers year to date, with volatility in energy prices and other commodities rising on continued fears of inflation and supply shortages.

Returns



*Net dividends reinvested

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Comparative Performance - Gross of Fees

As of August 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,295,074,851	100.0					
Money Market Pool*	8,360,467,916	89.9	0.231	0.376	0.639	0.716	1.290
<i>Custom Money Market Pool Index**</i>			0.156	0.256	0.364	0.466	1.000
Federated Hermes - Money Market	4,177,114,185	44.9	0.224	0.370	0.632	0.720	1.302
UBS - Money Market	4,183,353,731	45.0	0.238	0.382	0.647	0.712	1.277
Government Money Market Pool	241,540,912	2.6	0.192	0.318	0.495	0.569	1.107
<i>Custom Government Money Market Pool Index***</i>			0.155	0.261	0.388	0.409	0.883
UBS - Government	241,540,912	2.6	0.192	0.318	0.495	0.569	1.107
Short-Term Bond Pool****	693,000,712	7.5	-0.415	0.047	-3.496	0.579	1.609
<i>Short-Term Bond Pool Index*****</i>			-0.685	-0.249	-3.944	0.075	1.025
Sterling - Short-Term Bond	693,000,712	7.5	-0.415	0.047	-3.496	0.579	
Bank Pool	65,310	0.0	0.114	0.157	0.362	0.759	1.279
<i>Custom Bank Pool Index**</i>			0.156	0.256	0.364	0.466	1.000
Bank Pool	65,310	0.0	0.114	0.157	0.362	0.759	1.279

*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

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Comparative Performance - Net of Fees

As of August 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,295,074,851	100.0					
Money Market Pool*	8,360,467,916	89.9	0.229	0.371	0.610	0.686	1.260
<i>Custom Money Market Pool Index**</i>			0.156	0.256	0.364	0.466	1.000
Federated Hermes - Money Market	4,177,114,185	44.9	0.222	0.366	0.606	0.694	1.275
UBS - Money Market	4,183,353,731	45.0	0.235	0.377	0.615	0.680	1.244
Government Money Market Pool	241,540,912	2.6	0.190	0.313	0.465	0.537	1.075
<i>Custom Government Money Market Pool Index***</i>			0.155	0.261	0.388	0.409	0.883
UBS - Government	241,540,912	2.6	0.190	0.313	0.465	0.537	1.075
Short-Term Bond Pool****	693,000,712	7.5	-0.420	0.036	-3.553	0.521	1.543
<i>Short-Term Bond Pool Index*****</i>			-0.685	-0.249	-3.944	0.075	1.025
Sterling - Short-Term Bond	693,000,712	7.5	-0.420	0.036	-3.553	0.521	
Bank Pool	65,310	0.0	0.114	0.157	0.362	0.759	1.279
<i>Custom Bank Pool Index**</i>			0.156	0.256	0.364	0.466	1.000
Bank Pool	65,310	0.0	0.114	0.157	0.362	0.759	1.279

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Investment Managers Cash Flow

1 Month Ending August 31, 2022

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	8,993,215,005	285,312,868	16,546,978	9,295,074,851
Money Market Pool	8,048,887,212	292,502,146	19,078,558	8,360,467,916
Federated Hermes - Money Market	4,021,577,830	146,280,278	9,256,077	4,177,114,185
UBS - Money Market	4,027,309,382	146,221,868	9,822,481	4,183,353,731
Government Money Market Pool - UBS	238,587,523	2,463,587	489,803	241,540,912
Short-Term Bond Pool - Sterling Capital	696,023,879		-3,023,167	693,000,712
Bank Pool	9,716,391	-9,652,866	1,785	65,310