

West Virginia Board of Treasury Investments

# Monthly Flash Report

Period Ending February 28, 2023

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# Market Environment – February 2023

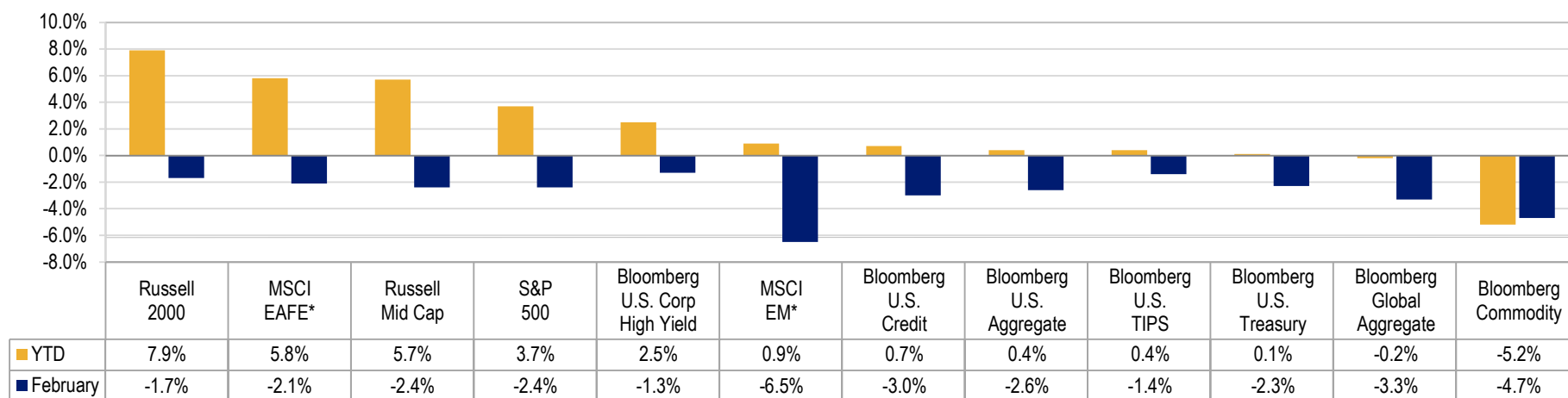
## February Highlights

- U.S. stocks declined in February. All capitalization sizes fell in the month, with large caps losing the most.
- All sectors were lower, with the exception of information technology, which eked out a 0.4% gain. Chip maker Nvidia was up more than 60% in the first two months of 2023 with strong financial results, and Facebook and Instagram-owner Meta rose over 40% during that time. The energy sector (-7.1%) lost the most in the month.
- Non-U.S. developed markets equity also fell. The European Central Bank raised rates again with another hike expected in March. Emerging markets had a steeper February decline with growing US/China tension and US rate hikes leading to a stronger US dollar.
- Treasuries were lower as stronger-than-expected jobs data led investors to predict further rate hikes. Investment grade and high yield credit both fell with this sentiment as well.
- Commodities were lower in the month. Industrial and precious metals were the worst performers in the sector. Energy prices also declined in the month, with natural gas prices falling to record lows with a surplus of that commodity.

## YTD Highlights

- So far in 2023, market performance has been mixed, with inflation and rate hike fears ebbing in January but returning in February. Small caps rose the most in January and were stung the least in February.
- While both non-U.S. developed and emerging market stocks were negative overall in 2022, emerging markets have been hit hardest lately. The continued strength of the US dollar has stung EM countries that have a lot of dollar-denominated debt.
- Fixed income sectors have been up and down so far this year as the interest rate outlook changed with data releases. Treasuries are about flat so far as the Fed hiked in February and more hikes are anticipated. High yield and credit have made small gains but struggled in February.
- 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, but these 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 February 28, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,337,589,275	100.0					
Money Market Pool*	9,369,281,368	90.6	0.363	2.369	2.594	1.042	1.547
<i>Custom Money Market Pool Index**</i>			0.347	1.941	2.044	0.747	1.228
Federated Hermes - Money Market	4,681,535,942	45.3	0.358	2.363	2.585	1.045	1.558
UBS - Money Market	4,687,745,426	45.3	0.368	2.376	2.603	1.038	1.535
Government Money Market Pool	273,848,884	2.6	0.355	2.178	2.343	0.885	1.363
<i>Custom Government Money Market Pool Index***</i>			0.345	1.931	2.052	0.718	1.129
UBS - Government	273,848,884	2.6	0.355	2.178	2.343	0.885	1.363
Short-Term Bond Pool****	694,459,024	6.7	-0.520	0.604	-1.377	0.071	1.684
<i>Short-Term Bond Pool Index*****</i>			-0.695	-0.486	-2.483	-0.647	1.103
Sterling - Short-Term Bond	694,459,024	6.7	-0.520	0.604	-1.377	0.071	

\*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 February 28, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,337,589,275	100.0					
Money Market Pool*	9,369,281,368	90.6	0.361	2.350	2.564	1.012	1.517
<i>Custom Money Market Pool Index**</i>			0.347	1.941	2.044	0.747	1.228
Federated Hermes - Money Market	4,681,535,942	45.3	0.356	2.345	2.558	1.019	1.531
UBS - Money Market	4,687,745,426	45.3	0.366	2.354	2.571	1.006	1.502
Government Money Market Pool	273,848,884	2.6	0.352	2.158	2.313	0.853	1.331
<i>Custom Government Money Market Pool Index***</i>			0.345	1.931	2.052	0.718	1.129
UBS - Government	273,848,884	2.6	0.352	2.158	2.313	0.853	1.331
Short-Term Bond Pool****	694,459,024	6.7	-0.524	0.564	-1.436	0.012	1.621
<i>Short-Term Bond Pool Index*****</i>			-0.695	-0.486	-2.483	-0.647	1.103
Sterling - Short-Term Bond	694,459,024	6.7	-0.524	0.564	-1.436	0.012	

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## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow

1 Month Ending February 28, 2023

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>10,176,724,030</b>	<b>129,733,132</b>	<b>31,132,114</b>	<b>10,337,589,275</b>
Money Market Pool	9,194,403,915	141,150,469	33,726,984	9,369,281,368
Federated Hermes - Money Market	4,594,323,122	70,608,154	16,604,666	4,681,535,942
UBS - Money Market	4,600,080,793	70,542,314	17,122,318	4,687,745,426
Government Money Market Pool - UBS	284,029,580	-11,214,544	1,033,849	273,848,884
Short-Term Bond Pool - Sterling Capital	698,290,535	-202,793	-3,628,719	694,459,024