

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending January 31, 2024

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Market Environment – January 2024

January Highlights

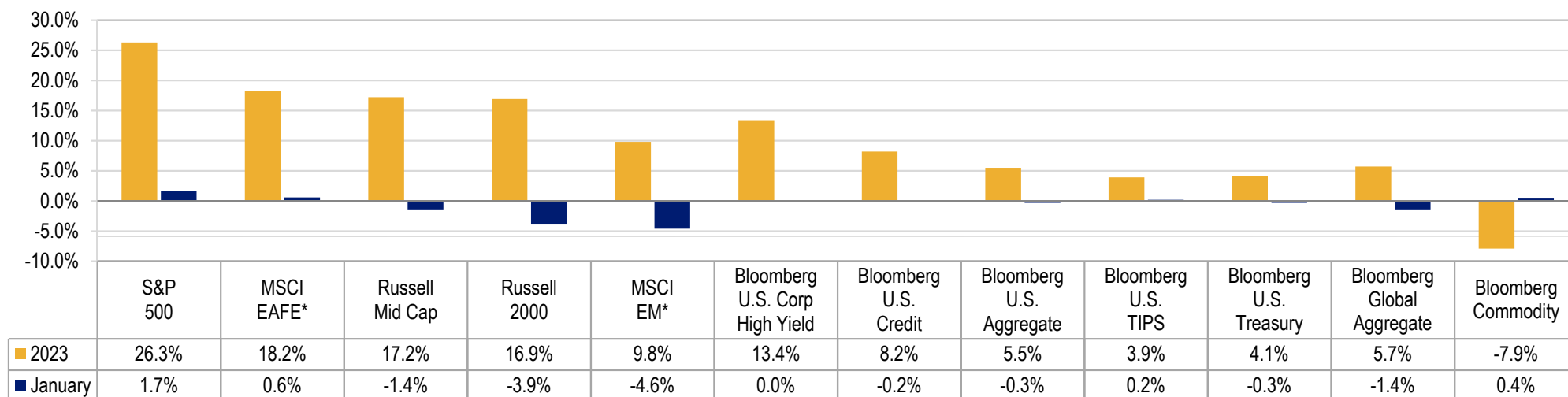
- Unemployment remains near a historic low at 3.7%. Another robust monthly jobs report in January added 353,000 jobs to the US economy. The Fed continued to hold rates steady at a targeted range of 5.25%-5.5% with recent comments suggesting interest rate cuts later in the year.
- U.S. large cap stocks advanced again, while smaller cap stocks declined. Communication Services (+5.0%) led all S&P 500 sectors for the month given strong 4Q earnings, while real estate (-4.7%) posted the lowest sector return.
- Global stocks were mixed with divergent returns across countries in Europe and the Pacific regions. China (-10.6%) continued to hold back emerging market returns with most regions posting negative returns.
- Bond prices fell as yields in the medium- to long-term curve increased. Bond sectors were mixed with CMBS index leading the way (+0.8%), while long duration 30-year Treasuries (-2.7%) posted the lowest return.
- Commodities were positive driven by increases in energy (+2.8%) and livestock (+8.8%). Detractors included agriculture (-1.0%), precious metals (-1.3%) & industrial metals (-1.9%)

2023 Highlights

- Global equity market performance rebounded strongly to close the year on hopes of eventual interest rate cuts as inflation moderated. US mega caps stocks led for the year driven by a handful of growth-oriented technology (+57.8%) & communication services (+55.8%) companies. US gross domestic product (GDP) grew by 3.1% with annual inflation (CPI) up 3.4%.
- Non-U.S. developed market stocks also surged, despite Europe facing negative growth and slightly elevated inflation in Japan. Emerging markets rebounded modestly despite China's continued economic weakness and renewed conflict in the Middle East that risks spreading wider in the region.
- Fixed income sectors returned to positive territory due to renewed hope for interest rate cuts in 2024 as inflation cools. The Fed paused its rate hikes in the second half of the year and remains focused on underlying economic data to determine if any further action is required. High yield (+13.4%) and credit (+8.2%) surged despite the banking stresses earlier in the year.
- Commodities struggled for much of the year due to a multitude of factors. Most sectors were down, led by energy (-21.6%), agriculture (-4.4%) & industrial metals (-9.2%). Precious metals (+9.6%) were the lone positive contributor.

*Net dividends reinvested

Returns



West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of January 31, 2024

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	11,171,061,648	100.0					
Money Market Pool*	10,002,800,637	89.5	0.478	3.369	5.515	2.595	2.145
<i>Custom Money Market Pool Index**</i>			0.410	2.898	4.803	2.151	1.758
Federated Hermes - Money Market	4,999,707,862	44.8	0.474	3.408	5.541	2.602	2.158
UBS - Money Market	5,003,092,776	44.8	0.481	3.330	5.490	2.588	2.133
Government Money Market Pool	491,277,401	4.4	0.440	3.195	5.297	2.417	1.967
<i>Custom Government Money Market Pool Index***</i>			0.412	2.909	4.829	2.163	1.706
UBS - Government	491,277,401	4.4	0.440	3.195	5.297	2.417	1.967
Short-Term Bond Pool****	676,983,610	6.1	0.530	4.409	5.130	0.968	2.300
<i>Short-Term Bond Pool Index*****</i>			0.429	3.937	4.358	0.313	1.625
Sterling - Short-Term Bond	676,983,610	6.1	0.530	4.409	5.130	0.968	2.300

*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 January 31, 2024

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	11,171,061,648	100.0					
Money Market Pool*	10,002,800,637	89.5	0.475	3.351	5.485	2.565	2.116
<i>Custom Money Market Pool Index**</i>			0.410	2.898	4.803	2.151	1.758
Federated Hermes - Money Market	4,999,707,862	44.8	0.472	3.391	5.513	2.575	2.131
UBS - Money Market	5,003,092,776	44.8	0.479	3.312	5.457	2.555	2.101
Government Money Market Pool	491,277,401	4.4	0.438	3.177	5.266	2.386	1.935
<i>Custom Government Money Market Pool Index***</i>			0.412	2.909	4.829	2.163	1.706
UBS - Government	491,277,401	4.4	0.438	3.177	5.266	2.386	1.935
Short-Term Bond Pool****	676,983,610	6.1	0.525	4.371	5.067	0.908	2.241
<i>Short-Term Bond Pool Index*****</i>			0.429	3.937	4.358	0.313	1.625
Sterling - Short-Term Bond	676,983,610	6.1	0.525	4.371	5.067	0.908	2.241

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West Virginia Board of Treasury Investments

Investment Managers Cash Flow

1 Month Ending January 31, 2024

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,989,368,808	128,221,584	53,471,257	11,171,061,648
Money Market Pool	9,820,783,774	134,228,440	47,788,424	10,002,800,637
Federated Hermes - Money Market	4,908,847,576	67,143,038	23,717,247	4,999,707,862
UBS - Money Market	4,911,936,198	67,085,402	24,071,177	5,003,092,776
Government Money Market Pool - UBS	475,172,285	13,956,222	2,148,893	491,277,401
Short-Term Bond Pool - Sterling Capital	693,412,748	-19,963,078	3,533,940	676,983,610