



West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending July 31, 2022

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Market Environment – July 2022

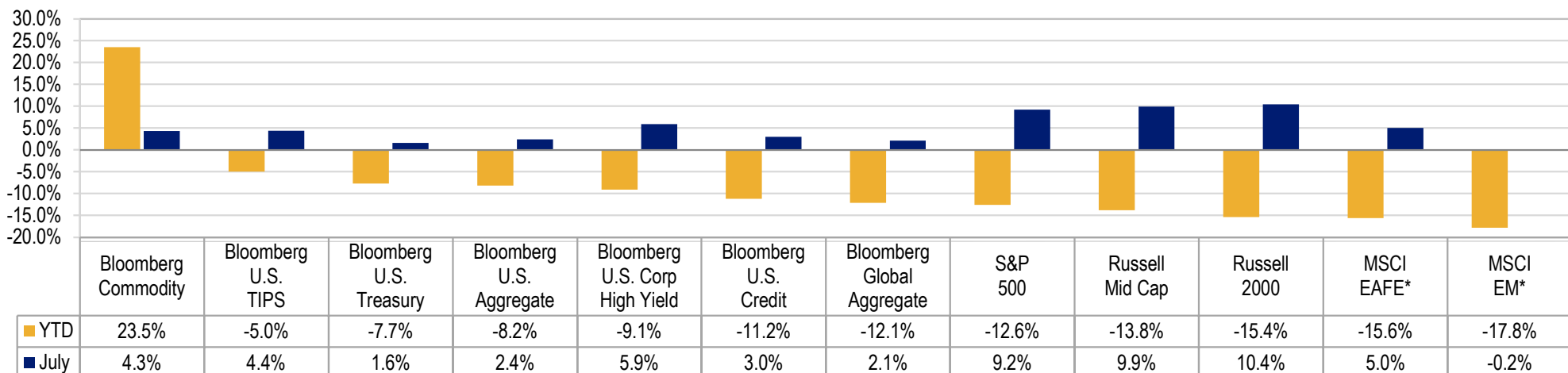
July Highlights

- ❑ The U.S. economy gained 528,000 jobs in July, finally recouping the total number of jobs lost since the beginning of the pandemic. This strong number again complicates the Federal Reserve's position as it considers whether and how much to raise rates to fight inflation. Unemployment ticked down to 3.5%. Job gains were broad-based across sectors.
- ❑ U.S. stocks rose in July recording their best month since 2020. All capitalization sizes were solidly higher in the month, with small caps making the biggest gains. All sectors rose, with the consumer discretionary sector (+18.9%) up the most.
- ❑ Non-U.S. developed markets equity returns were also positive even as high inflation persisted and the European Central Bank made the first 50 bps interest rate hike.
- ❑ Treasuries were higher as softer economic data in the U.S. continued to roll in. After the losses of June, both corporate and high yield bonds rallied in the month.
- ❑ The month was characterized a strong rebound in risk assets, off the lows seen in June, included commodities.

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 the strong July rebound, all capitalization sizes of US stocks are sharply negative year to date. Small capitalization is down the most and although growth rebounded in the month, the growth style continues to underperform value.
- ❑ 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 in June, commodities have been the strongest performers for the year to date, with volatility in energy prices and other commodities rising on continued fears of inflation and supply shocks.

Returns



*Net dividends reinvested

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Comparative Performance - Gross of Fees

As of July 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	8,993,215,005	100.0					
Money Market Pool*	8,048,887,212	89.5	0.145	0.145	0.417	0.709	1.265
<i>Custom Money Market Pool Index**</i>			0.101	0.101	0.209	0.471	0.984
Federated Hermes - Money Market	4,021,577,830	44.7	0.146	0.146	0.416	0.715	1.280
UBS - Money Market	4,027,309,382	44.8	0.144	0.144	0.417	0.702	1.251
Government Money Market Pool	238,587,523	2.7	0.126	0.126	0.307	0.571	1.087
<i>Custom Government Money Market Pool Index***</i>			0.106	0.106	0.234	0.410	0.864
UBS - Government	238,587,523	2.7	0.126	0.126	0.307	0.571	1.087
Short-Term Bond Pool****	696,023,879	7.7	0.463	0.463	-3.056	1.006	1.736
<i>Short-Term Bond Pool Index*****</i>			0.439	0.439	-3.269	0.572	1.205
Sterling - Short-Term Bond	696,023,879	7.7	0.463	0.463	-3.056	1.006	
Bank Pool	9,716,391	0.1	0.043	0.043	0.264	0.796	1.276
<i>Custom Bank Pool Index**</i>			0.101	0.101	0.209	0.471	0.984
Bank Pool	9,716,391	0.1	0.043	0.043	0.264	0.796	1.276

*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

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Comparative Performance - Net of Fees

As of July 31, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	8,993,215,005	100.0					
Money Market Pool*	8,048,887,212	89.5	0.143	0.143	0.387	0.679	1.235
<i>Custom Money Market Pool Index**</i>			0.101	0.101	0.209	0.471	0.984
Federated Hermes - Money Market	4,021,577,830	44.7	0.144	0.144	0.389	0.689	1.253
UBS - Money Market	4,027,309,382	44.8	0.142	0.142	0.385	0.670	1.218
Government Money Market Pool	238,587,523	2.7	0.123	0.123	0.277	0.538	1.055
<i>Custom Government Money Market Pool Index***</i>			0.106	0.106	0.234	0.410	0.864
UBS - Government	238,587,523	2.7	0.123	0.123	0.277	0.538	1.055
Short-Term Bond Pool****	696,023,879	7.7	0.458	0.458	-3.112	0.948	1.669
<i>Short-Term Bond Pool Index*****</i>			0.439	0.439	-3.269	0.572	1.205
Sterling - Short-Term Bond	696,023,879	7.7	0.458	0.458	-3.112	0.948	
Bank Pool	9,716,391	0.1	0.043	0.043	0.264	0.796	1.276
<i>Custom Bank Pool Index**</i>			0.101	0.101	0.209	0.471	0.984
Bank Pool	9,716,391	0.1	0.043	0.043	0.264	0.796	1.276

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Investment Managers Cash Flow

1 Month Ending July 31, 2022

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	9,055,641,223	-77,778,569	15,352,351	8,993,215,005
Money Market Pool	8,110,972,961	-73,921,667	11,835,918	8,048,887,212
Federated Hermes - Money Market	4,052,605,548	-36,960,834	5,933,115	4,021,577,830
UBS - Money Market	4,058,367,414	-36,960,834	5,902,802	4,027,309,382
Government Money Market Pool - UBS	232,094,051	6,193,098	300,374	238,587,523
Short-Term Bond Pool - Sterling Capital	692,815,154		3,208,725	696,023,879
Bank Pool	19,759,056	-10,050,000	7,335	9,716,391