

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending July 31, 2023

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Market Environment – July 2023

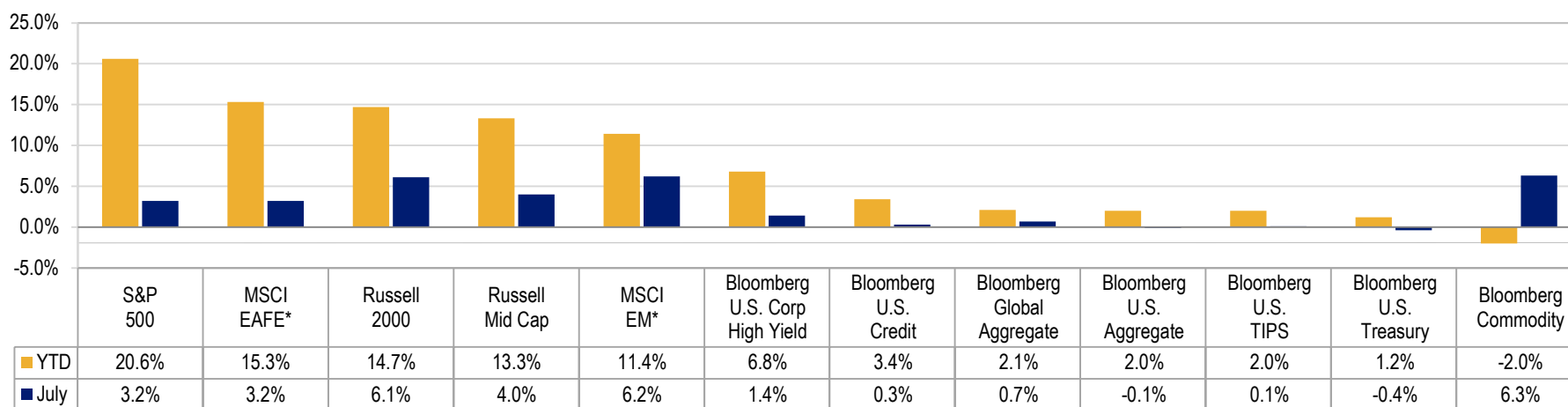
July Highlights

- The US added 187,000 jobs in July the second straight month of job gains below 200,000. The unemployment rate dropped back to a record low 3.5%. While the job market seems to be cooling somewhat, it remains in relatively strong. The Fed hiked interest rates again in July but falling inflation and a slightly less robust job market will come into play in future rate hike decisions.
- U.S. stocks made solid gains in July. Small caps were the leaders in the month—though each capitalization size rose. Energy stocks gained most (+7.4%), though each S&P 500 sector was positive.
- Emerging markets rose aided by news that China would provide support to the real estate sector. Non-U.S. developed markets equity also gained, with data showing declining inflation and GDP growth modestly higher.
- Treasuries declined in July. The Federal Reserve raised interest rates in July even as data showed inflation to be easing somewhat. Investment grade and high yield credit were positive in the month.
- Commodities rose. Energy made a solid gain as prices for heating oil and gasoline were higher.

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. Mega caps stocks are leading for the year despite recent mid and small cap outperformance.
- Non-U.S. developed market stocks have performed well so far this year, as Europe has avoided the economic woes predicted earlier. By contrast, emerging markets are still positive but have lagged developed market stocks as US/China tensions and growth fears weighed on the markets.
- Fixed income sectors are largely positive as the interest rate outlook became more moderate after March's banking crisis. While the Fed paused in June, it hiked again in July. 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 so far in 2023. Energy prices were strong much of last year due in part to anticipated 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. While energy surged in June and July, it still is sharply negative YTD.

Returns



*Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of July 31, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,938,554,131	100.0					
Money Market Pool*	9,847,242,129	90.0	0.467	0.467	4.452	1.657	1.809
<i>Custom Money Market Pool Index**</i>			0.395	0.395	3.774	1.319	1.467
Federated Hermes - Money Market	4,920,957,623	45.0	0.485	0.485	4.455	1.658	1.821
UBS - Money Market	4,926,284,505	45.0	0.449	0.449	4.449	1.657	1.797
Government Money Market Pool	384,484,615	3.5	0.423	0.423	4.200	1.512	1.636
<i>Custom Government Money Market Pool Index***</i>			0.396	0.396	3.776	1.329	1.393
UBS - Government	384,484,615	3.5	0.423	0.423	4.200	1.512	1.636
Short-Term Bond Pool****	706,827,387	6.5	0.582	0.582	1.949	0.030	1.889
<i>Short-Term Bond Pool Index*****</i>			0.442	0.442	0.619	-0.701	1.309
Sterling - Short-Term Bond	706,827,387	6.5	0.582	0.582	1.949	0.030	

*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 July 31, 2023

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,938,554,131	100.0					
Money Market Pool*	9,847,242,129	90.0	0.465	0.465	4.422	1.628	1.779
<i>Custom Money Market Pool Index**</i>			0.395	0.395	3.774	1.319	1.467
Federated Hermes - Money Market	4,920,957,623	45.0	0.483	0.483	4.428	1.631	1.794
UBS - Money Market	4,926,284,505	45.0	0.447	0.447	4.416	1.625	1.764
Government Money Market Pool	384,484,615	3.5	0.420	0.420	4.169	1.481	1.605
<i>Custom Government Money Market Pool Index***</i>			0.396	0.396	3.776	1.329	1.393
UBS - Government	384,484,615	3.5	0.420	0.420	4.169	1.481	1.605
Short-Term Bond Pool****	706,827,387	6.5	0.577	0.577	1.888	-0.029	1.828
<i>Short-Term Bond Pool Index*****</i>			0.442	0.442	0.619	-0.701	1.309
Sterling - Short-Term Bond	706,827,387	6.5	0.577	0.577	1.888	-0.029	

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	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,955,479,500	-69,102,987	52,177,618	10,938,554,131
Money Market Pool	9,877,209,353	-76,434,102	46,466,878	9,847,242,129
Federated Hermes - Money Market	4,935,060,073	-38,217,051	24,114,601	4,920,957,623
UBS - Money Market	4,942,149,280	-38,217,051	22,352,276	4,926,284,505
Government Money Market Pool - UBS	375,533,959	7,331,115	1,619,541	384,484,615
Short-Term Bond Pool - Sterling Capital	702,736,188		4,091,199	706,827,387