

West Virginia Board of Treasury Investments

# Analysis of Investment Performance

Period Ending June 30, 2024

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

# Market Environment – June 2024

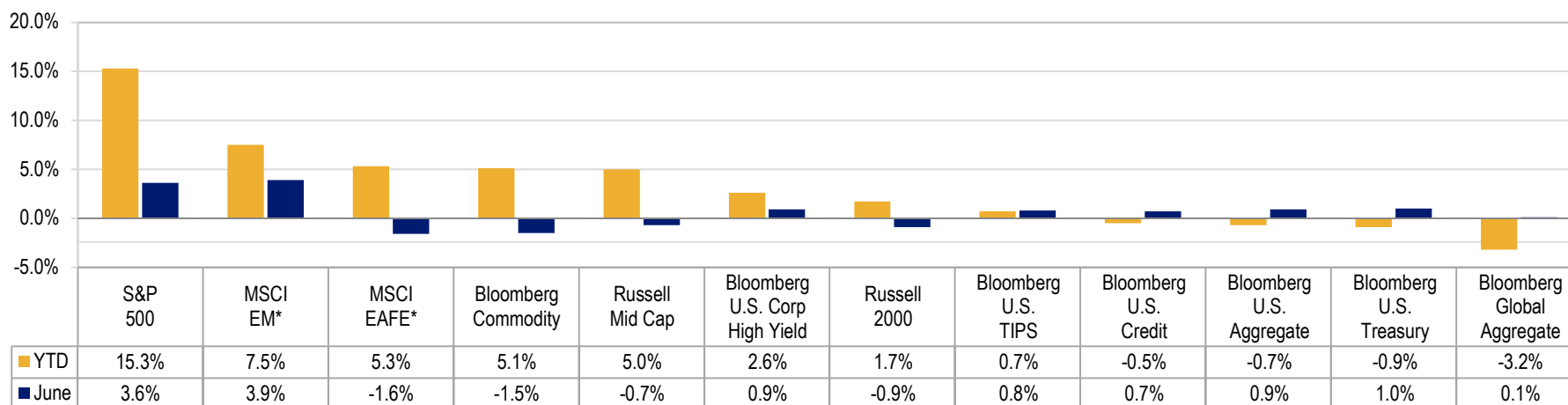
## June Highlights

- ❑ The June private sector jobs report from ADP indicated U.S. companies added 150,000 jobs, which was below previous monthly revisions upward. The consumer price index (CPI) increased again by 0.3% month-on-month in May with annual inflation at 3.3%.
- ❑ U.S. large cap stocks were positive, while small cap stocks were negative. Growth outperformed value in all size segments. Information technology (+9.3%) led all S&P 500 sectors for the month, while utilities (-0.4%) posted the lowest sector return.
- ❑ Developed global stocks were mostly negative with Europe (-2.2%) trailing the Pacific (-0.4%) region. Emerging market stocks were mostly positive with EMEA (+3.8%) ahead of Asia (+5.0%), while Latin America (-6.1%) lagged.
- ❑ Bond prices rebounded as yields in the medium- to long-term portion of the curve decreased. The 10-year Treasury yield drifted around to reach 4.4% at month-end. All U.S. bond sectors were positive with Municipal Bonds (+1.5%) performing the best.
- ❑ Commodities were negative, led downwards by agriculture (-5.9%) & industrial metals (-5.3%). Energy (+4.1%) was the lone positive major subsector.

## 2024 Highlights

- ❑ Global equity markets performance remains positive based on resilient economic data and diverging central bank interest rate movement expectations. The Fed continued to hold rates steady at a targeted range of 5.25%-5.5% with recent comments suggesting fewer interest rate cuts later in the year. US GDP growth was lower than expected at 1.6% in Q1. US mega cap stocks remain in the lead driven by information technology (+28.2%) & communication services (+26.7%).
- ❑ Non-U.S. developed market stocks remain positive led by a handful of mega cap stocks. Japan's Nikkei index finally set a new high at a level last reached in 1989. Emerging markets remain constrained by China's continued economic weakness.
- ❑ Most fixed income sector returns fell as bond yields increased to inversely impact bond prices. Anticipated interest rate cuts have been reduced as economic conditions remain strong & inflation elevated. Short-term T-Bills (+2.6%) & high yield (+2.6%) are some of the few positive sectors this year.
- ❑ Commodities continued to rebound this year with gains in precious metals (+15.0%), industrial metals (+9.0%) & energy (+8.0%).

## Returns



\*Net dividends reinvested

## West Virginia Board of Treasury Investments

## Total Fund Allocation and Performance - Net of Fees

As of June 30, 2024

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,791,238,212	100.0							
Money Market Pool*	9,634,466,262	89.3	0.435	1.381	2.747	5.688	5.688	3.317	2.354
<i>Custom Money Market Pool Index**</i>			0.406	1.222	2.466	5.005	5.005	2.841	1.976
Federated Hermes - Money Market	4,815,600,048	44.6	0.440	1.381	2.745	5.730	5.730	3.327	2.366
UBS - Money Market	4,818,866,214	44.7	0.431	1.382	2.749	5.646	5.646	3.307	2.342
Government Money Market Pool	472,127,425	4.4	0.425	1.342	2.672	5.472	5.472	3.139	2.182
<i>Custom Government Money Market Pool Index***</i>			0.411	1.237	2.493	5.041	5.041	2.862	1.944
UBS - Government	472,127,425	4.4	0.425	1.342	2.672	5.472	5.472	3.139	2.182
Short-Term Bond Pool****	684,644,525	6.3	0.555	1.117	1.923	5.823	5.823	1.330	1.985
<i>Short-Term Bond Pool Index*****</i>			0.568	1.016	1.501	5.047	5.047	0.653	1.364
Sterling - Short-Term Bond	684,644,525	6.3	0.555	1.117	1.923	5.823	5.823	1.330	1.985

\*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

## Total Fund Allocation and Performance - Gross of Fees

As of June 30, 2024

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,791,238,212	100.0							
Money Market Pool*	9,634,466,262	89.3	0.438	1.389	2.762	5.719	5.719	3.347	2.384
<i>Custom Money Market Pool Index**</i>			0.406	1.222	2.466	5.005	5.005	2.841	1.976
Federated Hermes - Money Market	4,815,600,048	44.6	0.442	1.388	2.759	5.759	5.759	3.354	2.393
UBS - Money Market	4,818,866,214	44.7	0.433	1.389	2.765	5.679	5.679	3.339	2.375
Government Money Market Pool	472,127,425	4.4	0.427	1.350	2.687	5.503	5.503	3.170	2.214
<i>Custom Government Money Market Pool Index***</i>			0.411	1.237	2.493	5.041	5.041	2.862	1.944
UBS - Government	472,127,425	4.4	0.427	1.350	2.687	5.503	5.503	3.170	2.214
Short-Term Bond Pool****	684,644,525	6.3	0.560	1.132	1.954	5.887	5.887	1.391	2.044
<i>Short-Term Bond Pool Index*****</i>			0.568	1.016	1.501	5.047	5.047	0.653	1.364
Sterling - Short-Term Bond	684,644,525	6.3	0.560	1.132	1.954	5.887	5.887	1.391	2.044

\*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

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>10,989,424,985</b>	<b>-348,342,140</b>	<b>150,155,367</b>	<b>10,791,238,212</b>
Money Market Pool	9,811,767,838	-313,117,766	135,816,191	9,634,466,262
Federated Hermes - Money Market	4,904,259,157	-156,527,775	67,868,665	4,815,600,048
UBS - Money Market	4,907,508,680	-156,589,992	67,947,525	4,818,866,214
Government Money Market Pool - UBS	499,058,342	-33,592,777	6,661,860	472,127,425
Short-Term Bond Pool - Sterling Capital	678,598,806	-1,631,597	7,677,316	684,644,525

## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow - Net of Fees

Fiscal Year To Date Ending June 30, 2024

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>10,955,479,500</b>	<b>-780,885,676</b>	<b>616,644,388</b>	<b>10,791,238,212</b>
Money Market Pool	9,877,209,353	-795,668,977	552,925,886	9,634,466,262
Federated Hermes - Money Market	4,935,060,073	-397,707,737	278,247,713	4,815,600,048
UBS - Money Market	4,942,149,280	-397,961,240	274,678,174	4,818,866,214
Government Money Market Pool - UBS	375,533,959	72,046,128	24,547,337	472,127,425
Short-Term Bond Pool - Sterling Capital	702,736,188	-57,262,827	39,171,165	684,644,525