

West Virginia Board of Treasury Investments

# Monthly Flash Report

Period Ending November 30, 2022

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# Market Environment – November 2022

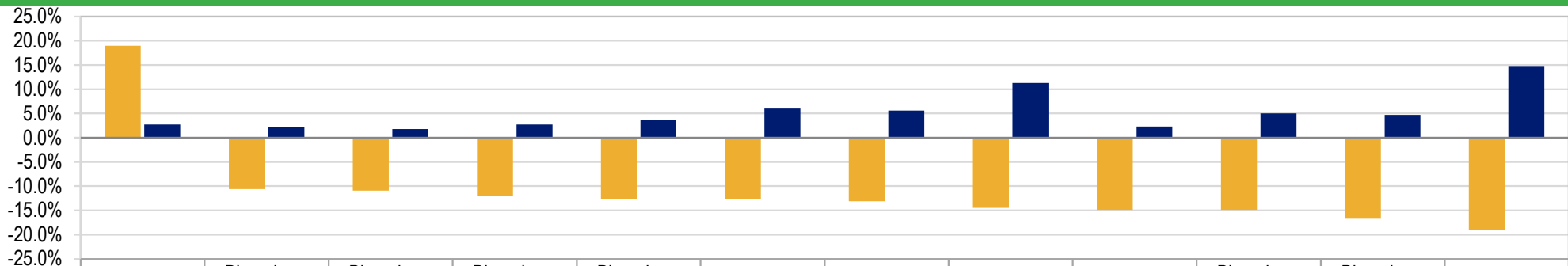
## November Highlights

- The U.S. economy gained 263,000 jobs in November, a robust number that comes even as the Federal Reserve has hiked interest rates several times to combat persistently high inflation. Unemployment held steady at 3.7%. Job gains were led by leisure and hospitality.
- U.S. stocks rose in November. All capitalization sizes gained in the month, with mid caps surging the most. All sectors increased, with the materials sector (+11.8%) making the biggest gain.
- Non-U.S. markets including Developed markets equity returns and emerging markets were even stronger than those in the US buoyed by a weaker US dollar and in emerging markets a rebound in markets in China, on hopes of Covid lockdowns easing.
- Treasuries rose as investors sentiment reflected hopes that inflation may be peaking and that future rate hikes may be slower. Investment grade and high yield credit gained in this more optimistic environment as well.
- Commodities were higher once again with strong performance for industrial and precious metals offsetting weaker energy and agriculture.

## 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 recent rebounds, all capitalization sizes of US stocks are sharply negative year to date. Small capitalization is down the most and growth continues to underperform value. However, the S&P 500 is now up over 8% since June and the EAFE index is up 6%.
- While both non-U.S. developed and emerging market stocks are negative so far in 2022, country specific performance varies, with commodity-driven economies like Brazil and other Latin American countries faring best and Asia, led by China, struggling.
- All fixed income sectors are negative year to date. TIPS, which had benefited on a relative basis from support in this inflationary environment, are also negative YTD despite strong recent performance.
- Despite struggling in the third quarter, commodities have been the strongest performers year to date, with volatility in energy prices and other commodities rising on continued fears of inflation and supply constraints.

## Returns



\*Net dividends reinvested

## West Virginia Board of Treasury Investments

## Comparative Performance - Gross of Fees

As of November 30, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,807,949,994	100.0					
Money Market Pool*	8,867,440,789	90.4	0.342	1.202	1.447	0.817	1.390
<i>Custom Money Market Pool Index**</i>			0.284	0.944	1.049	0.549	1.089
Federated Hermes - Money Market	4,430,522,000	45.2	0.347	1.193	1.439	0.821	1.402
UBS - Money Market	4,436,918,789	45.2	0.336	1.210	1.455	0.812	1.377
Government Money Market Pool	249,486,589	2.5	0.304	1.083	1.251	0.665	1.209
<i>Custom Government Money Market Pool Index***</i>			0.276	0.943	1.066	0.502	0.982
UBS - Government	249,486,589	2.5	0.304	1.083	1.251	0.665	1.209
Short-Term Bond Pool****	691,022,616	7.0	0.781	-0.220	-3.283	0.332	1.529
<i>Short-Term Bond Pool Index*****</i>			0.807	-0.806	-4.106	-0.223	0.981
Sterling - Short-Term Bond	691,022,616	7.0	0.781	-0.220	-3.283	0.332	

\*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 November 30, 2022

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,807,949,994	100.0					
Money Market Pool*	8,867,440,789	90.4	0.339	1.190	1.418	0.787	1.360
<i>Custom Money Market Pool Index**</i>			0.284	0.944	1.049	0.549	1.089
Federated Hermes - Money Market	4,430,522,000	45.2	0.345	1.182	1.413	0.794	1.375
UBS - Money Market	4,436,918,789	45.2	0.334	1.197	1.423	0.780	1.344
Government Money Market Pool	249,486,589	2.5	0.302	1.071	1.221	0.633	1.179
<i>Custom Government Money Market Pool Index***</i>			0.276	0.943	1.066	0.502	0.982
UBS - Government	249,486,589	2.5	0.302	1.071	1.221	0.633	1.179
Short-Term Bond Pool****	691,022,616	7.0	0.776	-0.245	-3.341	0.274	1.464
<i>Short-Term Bond Pool Index*****</i>			0.807	-0.806	-4.106	-0.223	0.981
Sterling - Short-Term Bond	691,022,616	7.0	0.776	-0.245	-3.341	0.274	

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## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow

1 Month Ending November 30, 2022

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>9,797,892,486</b>	<b>-26,256,463</b>	<b>36,313,971</b>	<b>9,807,949,994</b>
Money Market Pool	8,835,771,508	1,452,675	30,216,606	8,867,440,789
Federated Hermes - Money Market	4,414,431,364	759,298	15,331,338	4,430,522,000
UBS - Money Market	4,421,340,144	693,377	14,885,268	4,436,918,789
Government Money Market Pool - UBS	276,319,382	-27,709,137	876,344	249,486,589
Short-Term Bond Pool - Sterling Capital	685,801,595		5,221,020	691,022,616