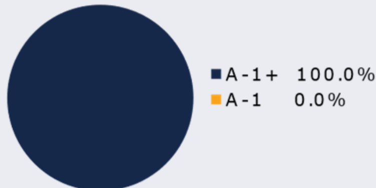
WEST VIRGINIA
BOARD OF TREASURY
INVESTMENTS

West Virginia Government Money Market Pool

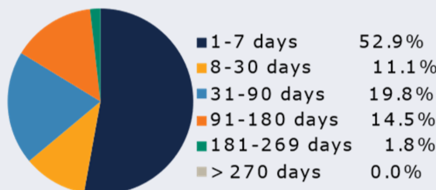
Portfolio Overview as of 4/30/2024

Pool Assets
$486 Million

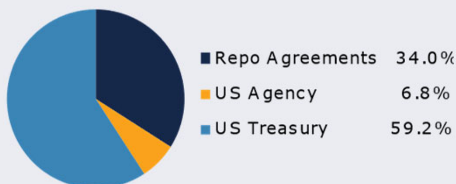
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Weighted Average Maturity
37 Days

Top Holdings (%)

United States Treasury	59.2%
Goldman, Sachs & Co	21.2%
Bank of America Securities	12.9%
Federal Farm Credit Bank	4.6%
Federal Home Loan Bank	2.1%
Total % of Portfolio	**100.0%**

The West Virginia Government Money Market Pool is a money market portfolio created to invest restricted moneys of participants in US Treasury and US Government Obligations. The objective of the portfolio is to preserve capital and to maintain sufficient liquidity to meet daily disbursements, while earning a return above inflation. The risk factor is low and managed through numerous maturity restrictions, diversification, guidelines, and credit limits.

Pool Features and Benefits:

» Professional management is provided by the West Virginia Board of Treasury investments' staff and professional investment advisors (UBS Global Asset Management).

» Rated AAAm by Standard & Poor's.

» Seeks to maintain a net asset value (NAV) of $1 per share.

» Investment yields are competitive with other government money market accounts.

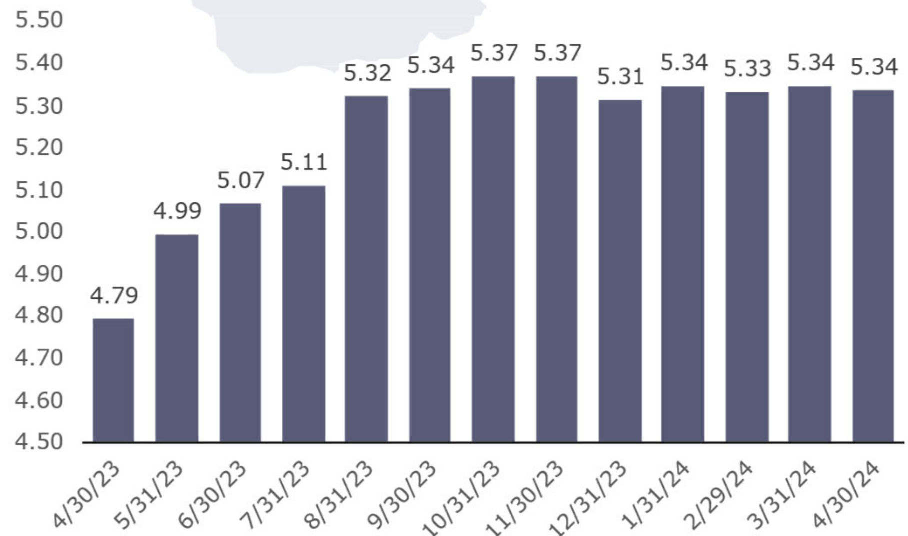
» Easy access is provided through the State Treasurer's Office online system.

» Account can be opened for as little as $100 with no limit on the number of transactions.

» Contributions and withdrawals are allowed daily.

» Income is distributed on a daily basis.

7-Day Simple Money Market Yield (%)



To learn how to make the West Virginia Government Money Market Pool work for your cash investing needs call: 304-340-1564 or visit: wvbti.org

Portfolio holdings and composition are shown as of the date indicated. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.
An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.
An AAAm rating by Standard & Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price exposure and management. Ratings are subject to change and do not remove market risk.

Commentary

Extra Innings

The Federal Reserve has had the markets running on a treadmill for several months. The despairing tone of the statement from yesterday's FOMC meeting indicates we won't step off anytime soon: "In recent months, there has been a lack of further progress toward the Committee's 2% inflation objective." Ouch. Goes almost without saying that the target fed funds range remained at 5.25-5.5%.

But a better analogy is that we have entered extra innings in the game against inflation. It just won't give up. But despite the recent disappointing CPI and PCE readings, Chair Jerome Powell said yesterday he still expects price pressures to decline this year and that the Fed will cut rates eventually. (He seems plenty confident in that despite constantly saying he lacks confidence). In our view, the U.S. economy isn't moving backward or running in place, but simply in overtime in a game in which cash remains king. Two cuts are likely the most we will get this year.

This makes investing tricky. Moving out of liquidity vehicles too soon might mean losing out on yield if the contest stretches on; but waiting to extend the duration of a portfolio until the first cut can lead to the same. We are sticking to our game plan of keeping our weighted average maturities long as we seek higher-yielding securities and paper further out the yield curve. This is no time to let up.

A game within the policy game has been the Fed 's steady reduction of its balance sheet, which grew from huge to colossal during the pandemic. Since June of 2022, it has allowed $60 billion of Treasuries and $35 billion of mortgage-backed securities (MBS) to mature without replacing them. Yesterday, the FOMC announced it would taper this amount starting in June by lowering the monthly cap on Treasuries from $60 billion to $25 billion, while keeping the MBS cap at $35 billion. The Fed is keen to get out of the mortgage sector, so the status quo there was expected. It was good to hear Powell actually say the Fed is tapering gradually to minimize the chance the money markets experience stress. We are all for that.

The second of four phases of the new SEC money market rules went into effect last month with no notable bumps across the industry. Money market funds now must maintain at least 25% in daily liquid assets (previously 10%) and at least 50% in weekly liquid assets (previously 30%). Tax-exempt money funds are not subject to the daily requirement. The third phase, which arrives next month, is entirely administrative. Its changes primarily concern mandatory reporting, such as if a money fund invested less than 25% of its total assets in weekly liquid assets or less than 12.5% of its total assets in daily liquid assets. Phase four, which imposes mandatory fees on institutional prime and institutional municipal funds if net redemptions exceed 5% of fund's net assets, comes in October. None of the so-called reforms change our conviction that liquidity vehicles are an important and viable option for investors.

In contrast to the fireworks the Bank of Japan (BoJ) launched in March by hiking rates for the first time in 17 years, the world's major global banks refrained from rate action in April. Actually, the BoJ produced the most notable news again when its decision to keep rates in its new range of 0-0.1% seemed to shake confidence in the yen, which weakened. The rest held no meetings or were noncommittal through speeches. Some seem inclined to see inflation fall further before cutting (the Bank of England, Bank of Canada), some have hinted a cut might come this summer (the European Central Bank's first of this cycle and the Swiss National Bank's second), and one, the Reserve Bank of Australia, has faced calls to raise rates as inflation there remains high.