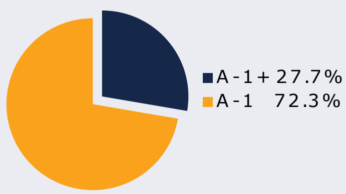
WEST VIRGINIA
BOARD OF TREASURY INVESTMENTS

West Virginia Money Market Pool

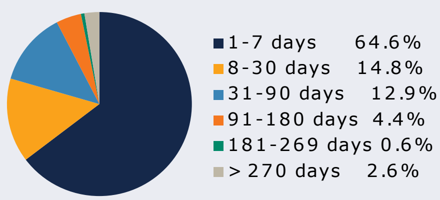
Portfolio Overview as of 08/31/2023

Pool Assets
$9.9 billion

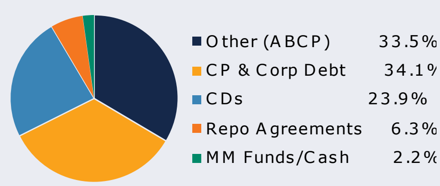
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Weighted Average Maturity
27 Days

Top Holdings (%)

Bank of America NA	5.4%
DZ Bank AG	4.1%
Sumitomo Mitsui Trust Bank	4.0%
Barton Capital Corp	3.5%
Credit Agricole	3.3%
Natixis Financial	3.0%
KBC Bank NV	3.0%
Mizuho Bank, Ltd.	3.0%
Bank of Montreal	2.8%
Svenska Handelsbanken AB	2.7%
Total % of Portfolio	**34.9%**

The West Virginia Money Market Pool is a money market portfolio created to invest the majority of the state and local government operating funds. The objective of the portfolio is to maintain sufficient liquidity to meet the needs of the participants while striving to earn 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 (Federated Hermes and 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 money market accounts.

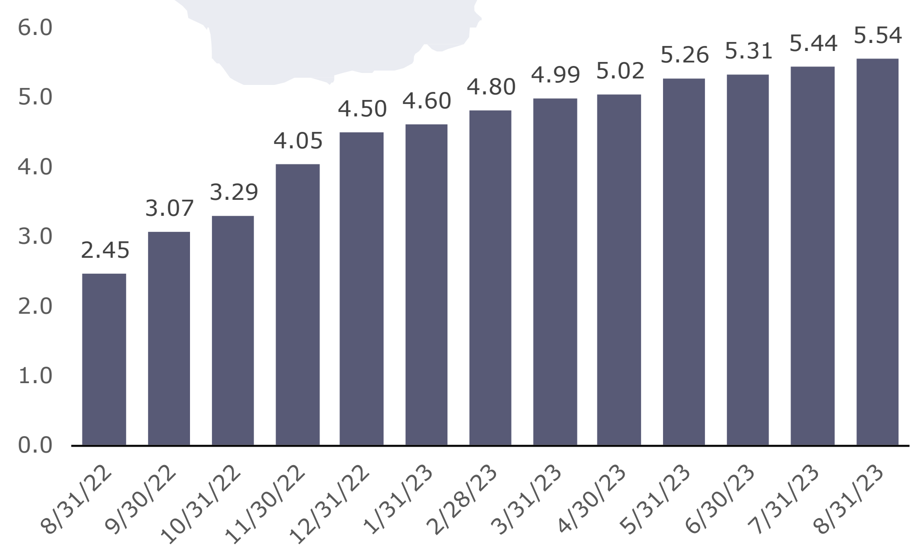
» Easy access is provided through the State Treasurer's Office online system.

» 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 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.
A 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

Pushback

The Federal Reserve's annual central-bank symposium at Jackson Hole, Wyo. is essentially an FOMC meeting minus an actual decision, with statements coming from interviews with many members and remarks by the chair. The conference that took place last week was remarkably similar to last year’s, with tough talk about slaying inflation and projections of the next policy action. To that end, Chair Jerome Powell referenced his terse and hawkish 2022 speech in his keynote—no doubt to emphasize the Fed has lost none of its commitment. “The message is the same: It is the Fed's job to bring inflation down to our 2% goal, and we will do so.”

But unlike last year, when the rate path was extraordinarily steep, Powell seemed to equivocate, outlining the conditions that would prompt the Fed to consider further hikes without promising any. The conditions are, of course, economic data. But one got the feeling he was returning to the tactic of providing forward guidance. The markets once again are disregarding Fedspeak, pricing in no fewer than four quarter-point cuts in 2024. Powell’s real message was to disabuse investors of this view. In so many words, expect higher for longer.

We think this outlook could translate to another quarter-point hike rate, more likely at the November FOMC meeting than September's. It’s important to remember the Fed usually is biased to its current direction. It prefers long ramps to switchbacks. The last thing policymakers want is to reverse direction if they ease too soon and inflation rises again—losing credibility and effectiveness in the process. This is probably why Powell took the time to push back on the recent speculation the Fed might raise its inflation target higher than 2% because of various structural shifts in the global economy (actually the theme of the symposium). He wants the markets to stop looking for justification for fighting the Fed.

Bank downgrades should have little impact

First the federal government, now several prominent banks. August saw the three major rating agencies downgrade several regional U.S. banks. The specific reasons vary, but the big picture is concern over the blows received by the aggressive tightening, exposure to risky CRE loans and reduced deposits. As is often the case, the punishment comes as most banks have addressed these problems. The collapse of Silicon Valley Bank and others in March seems more idiosyncratic every day. But it must be noted that regulations demand that money funds adhere by strict standards when purchasing commercial paper and other bank instruments, and most cash managers hold themselves to even higher standards. In other words, the downgrades should not materially affect the liquidity market.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.39%, 5.46%, 5.51% and 5.40%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.38%, 5.57%, 5.78% and 5.98%, respectively.