

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending August 31, 2024

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Market Environment – August 2024

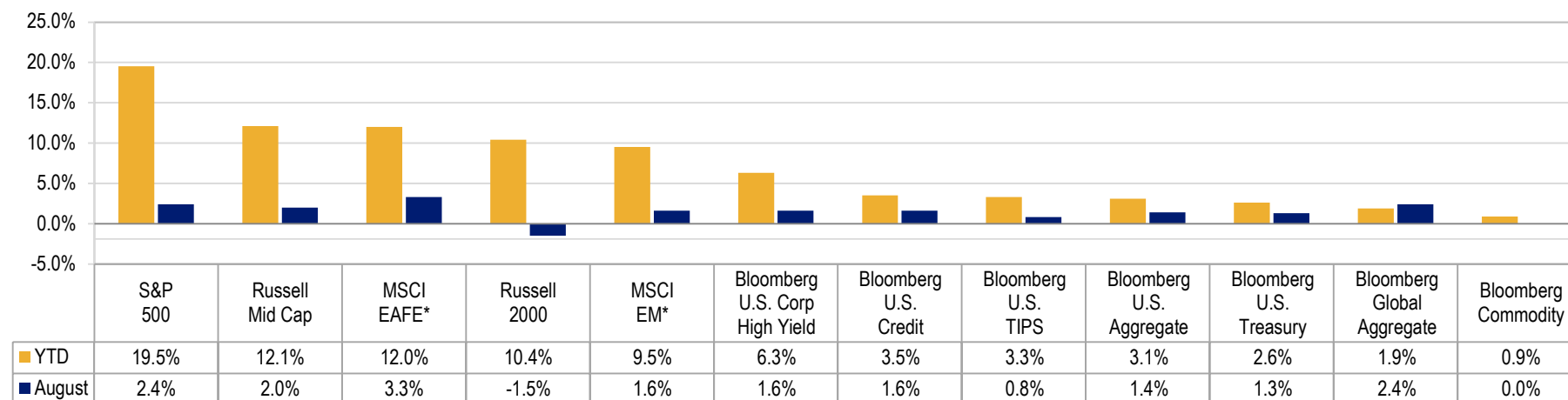
August Highlights

- Unemployment edged lower to 4.2% as the BLS indicated 142,000 jobs were added in August, despite downward revisions of a combined 86,000 jobs to prior monthly estimates. The consumer price index (CPI) increased by 0.2% month-on-month in July with annual inflation at 2.9%.
- Large and mid-cap stocks rose strongly, while small cap declined. Consumer staples (+5.9%) led all S&P 500 sectors for the month, while energy (-1.7%) and consumer discretionary (-1.0%) were the only sectors that declined.
- Developed global stocks were all positive with Europe (+4.0%) leading the Pacific region (+1.8%). Emerging market stocks were mixed with Latin America (+2.6%) ahead of Asia (+1.6%) and EMEA (+1.0%).
- Bond prices rebounded as yields declined across the entire Treasury yield curve. The 10-year Treasury yield declined to reach 3.9%. All U.S. bond sectors were positive with 30-year Treasuries (+2.4%) performing the best.
- Commodities were flat. Major subsector performance remained volatile with a negative return from energy (-4.3%) that was offset by positive gains in industrial metals (+3.4), precious metals (1.9%) and agriculture (1.3%).

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 possible interest rate cuts later in the year. US GDP growth was higher than expected at 2.8% in Q2. US mega cap stocks remain in the lead driven by information technology (+27.1%) and communication services (+23.1%).
- 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 are positive for the year as decreasing bond yields inversely impact bond prices. Anticipated interest rate cuts have been reduced as economic conditions remain strong and inflation elevated. All sectors are positive for the year, except for 30-year Treasuries (-0.4%).
- Commodities have remained volatile this year with widely divergent performance across major subsectors, including precious metals (+20.4%), industrial metals (+5.1%), energy (-4.5%) and agriculture (-9.7%).

Returns



*Net dividends reinvested

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Comparative Performance - Gross of Fees

As of August 31, 2024

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,855,311,473	100.0					
Money Market Pool*	9,649,363,887	88.9	0.491	0.989	5.760	3.680	2.500
<i>Custom Money Market Pool Index**</i>			0.403	0.809	5.008	3.117	2.069
Federated Hermes - Money Market	4,823,754,314	44.4	0.500	1.004	5.796	3.693	2.511
UBS - Money Market	4,825,609,574	44.5	0.482	0.974	5.724	3.667	2.488
Government Money Market Pool	506,531,875	4.7	0.475	0.942	5.570	3.489	2.326
<i>Custom Government Money Market Pool Index***</i>			0.408	0.821	5.054	3.141	2.044
UBS - Government	506,531,875	4.7	0.475	0.942	5.570	3.489	2.326
Short-Term Bond Pool****	699,415,712	6.4	0.962	2.177	7.151	2.048	2.300
<i>Short-Term Bond Pool Index*****</i>			0.918	2.107	6.387	1.291	1.633
Sterling - Short-Term Bond	699,415,712	6.4	0.962	2.177	7.151	2.048	2.300

*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

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Comparative Performance - Net of Fees

As of August 31, 2024

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,855,311,473	100.0					
Money Market Pool*	9,649,363,887	88.9	0.488	0.983	5.728	3.650	2.470
<i>Custom Money Market Pool Index**</i>			0.403	0.809	5.008	3.117	2.069
Federated Hermes - Money Market	4,823,754,314	44.4	0.497	0.998	5.766	3.665	2.484
UBS - Money Market	4,825,609,574	44.5	0.479	0.968	5.691	3.635	2.456
Government Money Market Pool	506,531,875	4.7	0.472	0.936	5.538	3.458	2.294
<i>Custom Government Money Market Pool Index***</i>			0.408	0.821	5.054	3.141	2.044
UBS - Government	506,531,875	4.7	0.472	0.936	5.538	3.458	2.294
Short-Term Bond Pool****	699,415,712	6.4	0.957	2.167	7.086	1.987	2.240
<i>Short-Term Bond Pool Index*****</i>			0.918	2.107	6.387	1.291	1.633
Sterling - Short-Term Bond	699,415,712	6.4	0.957	2.167	7.086	1.987	2.240

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Investment Managers Cash Flow

1 Month Ending August 31, 2024

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,822,811,542	-24,000,559	56,500,490	10,855,311,473
Money Market Pool	9,605,949,904	-3,915,361	47,329,344	9,649,363,887
Federated Hermes - Money Market	4,801,623,595	-1,942,491	24,073,209	4,823,754,314
UBS - Money Market	4,804,326,309	-1,972,870	23,256,135	4,825,609,574
Government Money Market Pool - UBS	523,977,287	-19,953,188	2,507,775	506,531,875
Short-Term Bond Pool - Sterling Capital	692,884,351	-132,009	6,663,370	699,415,712