

West Virginia Board of Treasury Investments

# Analysis of Investment Performance

Period Ending September 30, 2024

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

# Market Environment – September 2024

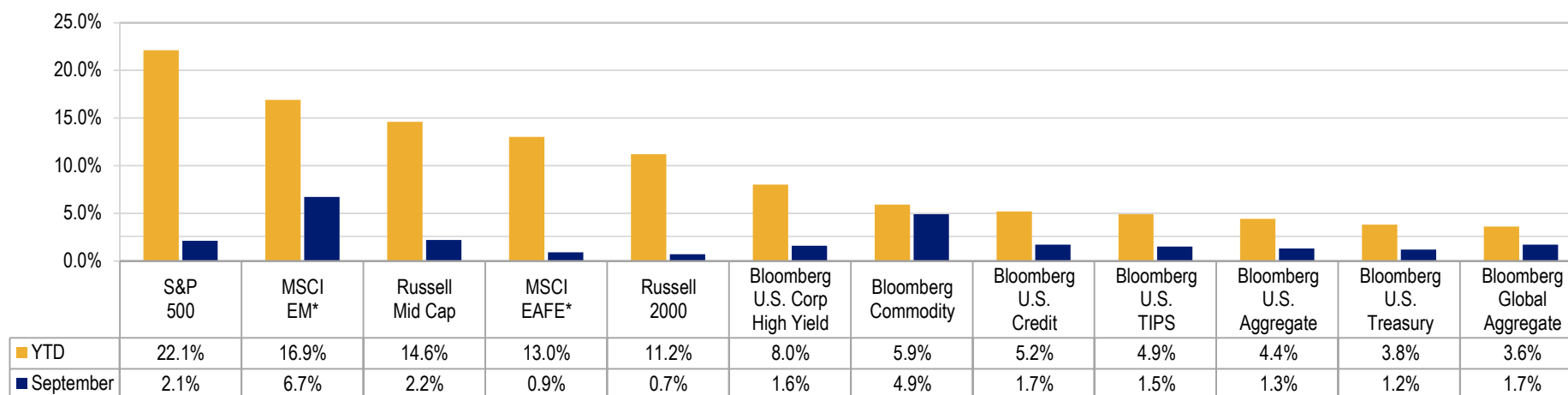
## September Highlights

- Unemployment edged lower to 4.1% as the BLS indicated 245,000 jobs were added in September, with prior monthly estimates reversed upwards by a combined 144,000 jobs. The consumer price index (CPI) increased by 0.2% month-on-month in August with annual inflation lower at 2.5%.
- US stocks were positive across the spectrum of size and style. Utilities (+6.6%) led all S&P 500 sectors for the month, while energy (-2.7%) was the largest sector detractor.
- Developed global stocks were all mostly positive with Pacific (+2.1%) leading Europe (+0.4%). Emerging market stocks led the way due to China's surge (23.9%) that had Asia (8.0%) well ahead of EMEA (+2.4%) and Latin America (+0.1%).
- Bond prices rebounded as yields declined aggressively by 46 basis points at the short-end and middle of the curve, while rising by 1 basis point at 30-years. The 10-year Treasury yield declined to 3.8%. All U.S. bond sectors were positive with Long Government/Credit (+2.3%) performing the best.
- Commodities surged. All major subsectors were positive with agriculture (+7.6%) leading the way upwards.

## 2024 Highlights

- Global equity markets performance remains positive based on resilient economic data and diverging central bank interest rate movement expectations. The Fed finally cut rates in September to a targeted range of 4.75%-5.0%. Annualized US GDP growth was revised higher to 3.0% in Q2. US mega cap stocks have dominated headlines with information technology (+30.3%) and communication services (+28.8%) leading most of the way up, but a late surge has utilities (30.6%) as the top performing S&P 500 sector YTD.
- 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 recently surged due to broad stimulus actions by China to reverse recent 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 remained volatile this year with widely divergent performance across major subsectors, including precious metals (+28.0%), industrial metals (+12.2%), agriculture (-2.8%) and energy (-4.1%).

## Returns



\*Net dividends reinvested

## West Virginia Board of Treasury Investments

## Total Fund Allocation and Performance - Net of Fees

As of September 30, 2024

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,959,062,853	100.0							
Money Market Pool*	9,717,141,827	88.7	0.450	1.438	4.224	1.438	5.721	3.803	2.527
<i>Custom Money Market Pool Index**</i>			0.393	1.204	3.700	1.204	4.990	3.251	2.117
Federated Hermes - Money Market	4,857,592,619	44.3	0.449	1.452	4.236	1.452	5.751	3.818	2.541
UBS - Money Market	4,859,549,208	44.3	0.451	1.424	4.212	1.424	5.692	3.788	2.514
Government Money Market Pool	536,612,436	4.9	0.418	1.358	4.067	1.358	5.497	3.601	2.346
<i>Custom Government Money Market Pool Index***</i>			0.398	1.222	3.745	1.222	5.039	3.277	2.094
UBS - Government	536,612,436	4.9	0.418	1.358	4.067	1.358	5.497	3.601	2.346
Short-Term Bond Pool	705,308,590	6.4	0.838	3.022	5.003	3.022	7.994	2.288	2.401
<i>Short-Term Bond Pool Index****</i>			0.838	2.963	4.509	2.963	7.296	1.599	1.811
Sterling - Short-Term Bond	705,308,590	6.4	0.838	3.022	5.003	3.022	7.994	2.288	2.401

\*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.

\*\*\*\* Benchmark is BofA Merrill Lynch 1-3 Year Government/Credit Index + 10 bps.

## West Virginia Board of Treasury Investments

## Total Fund Allocation and Performance - Gross of Fees

As of September 30, 2024

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	1 Month	Quarter	Year To Date	FYTD	1 Year	3 Years	5 Years
Total Composite	10,959,062,853	100.0							
Money Market Pool*	9,717,141,827	88.7	0.453	1.446	4.248	1.446	5.753	3.833	2.557
<i>Custom Money Market Pool Index**</i>			0.393	1.204	3.700	1.204	4.990	3.251	2.117
Federated Hermes - Money Market	4,857,592,619	44.3	0.452	1.460	4.259	1.460	5.780	3.846	2.568
UBS - Money Market	4,859,549,208	44.3	0.454	1.432	4.236	1.432	5.725	3.821	2.546
Government Money Market Pool	536,612,436	4.9	0.420	1.366	4.090	1.366	5.529	3.632	2.378
<i>Custom Government Money Market Pool Index***</i>			0.398	1.222	3.745	1.222	5.039	3.277	2.094
UBS - Government	536,612,436	4.9	0.420	1.366	4.090	1.366	5.529	3.632	2.378
Short-Term Bond Pool	705,308,590	6.4	0.843	3.038	5.051	3.038	8.059	2.349	2.461
<i>Short-Term Bond Pool Index****</i>			0.838	2.963	4.509	2.963	7.296	1.599	1.811
Sterling - Short-Term Bond	705,308,590	6.4	0.843	3.038	5.051	3.038	8.059	2.349	2.461

\*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.

\*\*\*\* Benchmark is BofA Merrill Lynch 1-3 Year Government/Credit Index + 10 bps.

## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow - Net of Fees

Quarter Ending September 30, 2024

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>10,791,238,212</b>	<b>634,271</b>	<b>167,190,370</b>	<b>10,959,062,853</b>
Money Market Pool	9,634,466,262	-56,684,757	139,360,322	9,717,141,827
Federated Hermes - Money Market	4,815,600,048	-28,327,189	70,319,760	4,857,592,619
UBS - Money Market	4,818,866,214	-28,357,568	69,040,562	4,859,549,208
Government Money Market Pool - UBS	472,127,425	57,451,037	7,033,973	536,612,436
Short-Term Bond Pool - Sterling Capital	684,644,525	-132,009	20,796,074	705,308,590

## West Virginia Board of Treasury Investments

## Investment Managers Cash Flow - Net of Fees

Fiscal Year To Date Ending September 30, 2024

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
<b>Total Composite</b>	<b>10,791,238,212</b>	<b>634,271</b>	<b>167,190,370</b>	<b>10,959,062,853</b>
Money Market Pool	9,634,466,262	-56,684,757	139,360,322	9,717,141,827
Federated Hermes - Money Market	4,815,600,048	-28,327,189	70,319,760	4,857,592,619
UBS - Money Market	4,818,866,214	-28,357,568	69,040,562	4,859,549,208
Government Money Market Pool - UBS	472,127,425	57,451,037	7,033,973	536,612,436
Short-Term Bond Pool - Sterling Capital	684,644,525	-132,009	20,796,074	705,308,590