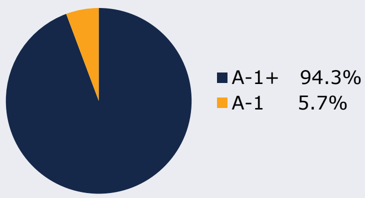
WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

West Virginia Government Money Market Pool

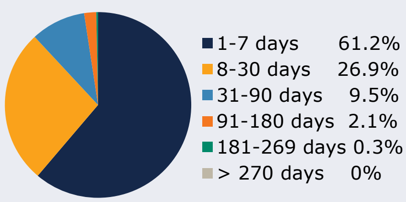
Portfolio Overview as of 01/31/23

Pool Assets
$284 Million

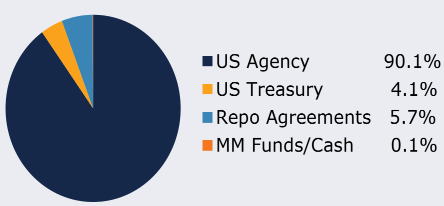
Credit Quality Composition (%)



Maturity Schedule (%)



Portfolio Composition (%)



Weighted Average Maturity
13 Days

Top Holdings (%)

Federal Home Loan Bank	67.9%
Federal Farm Credit Bank	13.5%
Federal National Mortgage Association	8.7%
Bank of America Securities	5.7%
United States Treasury	4.1%
Dreyfus Government Cash Mgmnt	0.1%
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.

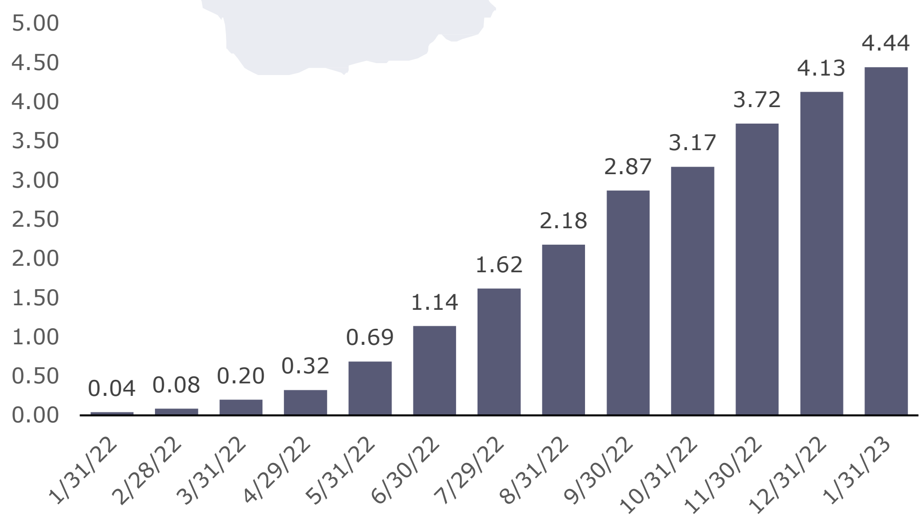
» Easy access is provided through the State Treasurer's Office online system.

» 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

It’s a classic showdown in the late innings. Federal Reserve Chair Jerome Powell stands on the pitcher’s mound throwing heat. At bat is the market, which like the mighty Casey is ignoring the fastballs, thinking each will miss the plate.

This game is playing out in the Treasury yield curve, which reflects market expectations the Fed will ease rates as early as the fourth quarter. It’s a stance based on slipping inflation data and the recent shrinking magnitude of hikes. The latest downshift came with yesterday’s 25 basis-point fed funds increase that lifted the target range to 4.5-4.75%. But it dismisses the Fed’s resolve to subdue—not just lower—inflation. Powell reiterated this in his press conference following the FOMC meeting. While acknowledging disinflation in some parts of the economy, “we see ourselves as having a lot of work to do,” adding that he continues to worry about “doing too little and finding out later that you didn’t go far enough.” The FOMC statement reflected this, saying officials anticipate more hikes will be needed to establish restrictive policy.

Count us among those who question the assumption that inflation will continue to decline quickly. The robust labor market and resilient consumer suggests CPI could hover around 4% for a while. That will test the resolve of policymakers bent on avoiding a repeat of the ’70s. It’s important to remember they did not technically start tightening until July, when the target rate rose above 2%. Prior to that, they were simply normalizing monetary policy, pulling rates up from the ultra-accommodative zero bound.

We think they will stay higher for longer, maintaining a 5-5.25% range into 2024, a scenario Powell laid out as his base case. In a “read my lips” moment, he said it likely will not be appropriate to cut rates this year. Whether or not investors take him at his word, we are wary of longer-dated securities currently yielding less than what we think they should. The market has the choice to pay attention or whiff on a pitch the Fed said it would throw.