

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending January 31, 2026

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

Market Environment – January 2026

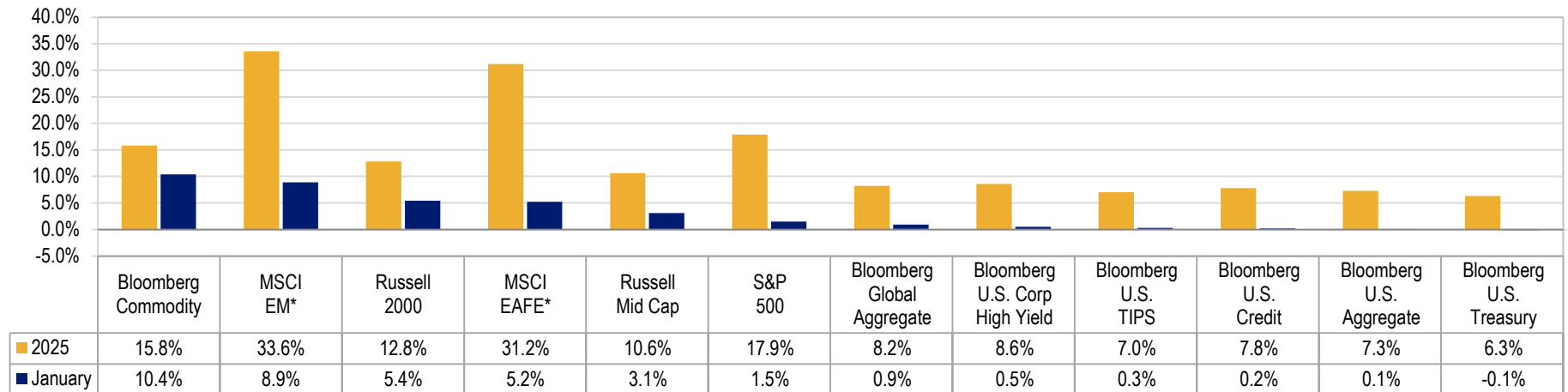
January Highlights

- ❑ The Fed held its benchmark rate steady at 3.50%-3.75% with two dissents and projections suggesting one cut in 2026. December reports indicated that inflation measured by CPI remained elevated at 2.7% and BLS unemployment rate was unchanged at 4.4% with 50,000 jobs added..
- ❑ US equities had a ninth consecutive month of positive returns with valuations still ahead of longer-term averages. Small cap was the leading size segment followed by mid and large cap. Value exceeded growth on a relative basis across the size spectrum. Energy (+14.4%) was the leading S&P 500 sector, while Financials performed worst at (-2.4%).
- ❑ International equity markets outperformed on a relative basis. Within developed markets, Pacific (+6.7%) led Europe (+4.5%) on a regional basis. Within emerging markets, Latin America (+15.3%) was ahead of Eastern Europe (+12.3%) and Asia (+8.3%) on a regional basis.
- ❑ The Bloomberg US Aggregate index was positive as the yield curve flattened. Yields rose across the curve with the 10-year reaching 4.26% principally due to persistent inflation concerns. US bonds were mixed with HY (+0.5%) leading, while Long G/C (-0.2%) trailed on a sector basis.
- ❑ Commodities were mostly positive across major subsectors, including Energy (+20.6%), Precious Metals (+11.0%), Industrial Metals (+5.6%), Agriculture (-0.5%).

2025 Highlights

- ❑ Global capital markets experienced another strong performance year, including a rapid recovery after approaching bear market territory in early April, amid issues of geopolitical tensions, tariffs, inflation, softening labor market and a historically long government shutdown. A weaker US Dollar Index (-9.4%) was a tailwind to international asset returns.
- ❑ US equities lagged global markets with Communication Services (+33.6%) the top performing S&P 500 sector, while Real Estate (+3.2%) was the worst. Large capitalization stocks (+17.4%) were ahead of small cap (+12.8%) and mid-cap (+10.6%). All-cap growth (+18.2%) was ahead of value (+15.7%).
- ❑ International equities surged with emerging markets ahead of developed regions. The weakened US Dollar impacted EAFE returns (+20.6% in Local Currency) more on a relative basis compared to EM returns (+31.2% Local Currency).
- ❑ Global fixed income outperformed US. Domestically, all sectors were positive with Mortgage Backed and HY (+8.4%) the top performing sectors while Municipal Bonds (+4.2%) lagged. Treasury yields declined across most of the yield curve, with the largest fall in short and middle sections. US Fed cut rates three times, while the ECB reduced rates four times to a level of 2.0%.
- ❑ Commodities had wide performance dispersion across major subsectors, including Precious Metals (+80.2%), Industrial Metals (+21.4%), Agriculture (-2.3%) and Energy (-10.5%).

Returns



Source: Investment Metrics *Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of January 31, 2026

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,672,617,036	100.0					
Money Market Pool*	8,300,472,968	85.8	0.328	2.539	4.457	5.126	3.524
<i>Custom Money Market Pool Index**</i>			0.278	2.163	3.841	4.457	2.999
Federated Hermes - Money Market	4,149,069,922	42.9	0.334	2.551	4.471	5.139	3.531
UBS - Money Market	4,151,403,046	42.9	0.323	2.527	4.444	5.113	3.517
Government Money Market Pool	625,392,985	6.5	0.315	2.461	4.286	4.956	3.358
<i>Custom Government Money Market Pool Index***</i>			0.283	2.186	3.899	4.510	3.033
UBS - Government	625,392,985	6.5	0.315	2.461	4.286	4.956	3.358
Short-Term Bond Pool	746,751,083	7.7	0.342	2.962	5.603	5.344	2.737
<i>Short-Term Bond Pool Index****</i>			0.266	2.674	5.201	4.717	2.122
Sterling - Short-Term Bond	746,751,083	7.7	0.342	2.962	5.603	5.344	2.737

*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

Comparative Performance - Net of Fees

As of January 31, 2026

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	9,672,617,036	100.0					
Money Market Pool*	8,300,472,968	85.8	0.326	2.520	4.424	5.095	3.493
<i>Custom Money Market Pool Index**</i>			0.278	2.163	3.841	4.457	2.999
Federated Hermes - Money Market	4,149,069,922	42.9	0.331	2.532	4.438	5.109	3.502
UBS - Money Market	4,151,403,046	42.9	0.320	2.508	4.411	5.081	3.484
Government Money Market Pool	625,392,985	6.5	0.312	2.443	4.255	4.925	3.327
<i>Custom Government Money Market Pool Index***</i>			0.283	2.186	3.899	4.510	3.033
UBS - Government	625,392,985	6.5	0.312	2.443	4.255	4.925	3.327
Short-Term Bond Pool	746,751,083	7.7	0.337	2.927	5.541	5.281	2.677
<i>Short-Term Bond Pool Index****</i>			0.266	2.674	5.201	4.717	2.122
Sterling - Short-Term Bond	746,751,083	7.7	0.337	2.927	5.541	5.281	2.677

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West Virginia Board of Treasury Investments

Investment Managers Cash Flow

1 Month Ending January 31, 2026

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	9,598,634,599	41,907,186	32,075,251	9,672,617,036
Money Market Pool	8,239,342,909	33,558,911	27,571,149	8,300,472,968
Federated Hermes - Money Market	4,118,291,521	16,779,455	13,998,946	4,149,069,922
UBS - Money Market	4,121,051,388	16,779,455	13,572,203	4,151,403,046
Government Money Market Pool - UBS	615,086,674	8,348,275	1,958,037	625,392,985
Short-Term Bond Pool - Sterling Capital	744,205,017		2,546,066	746,751,083