

West Virginia Board of Treasury Investments

Monthly Flash Report

Period Ending May 31, 2025

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Market Environment – May 2025

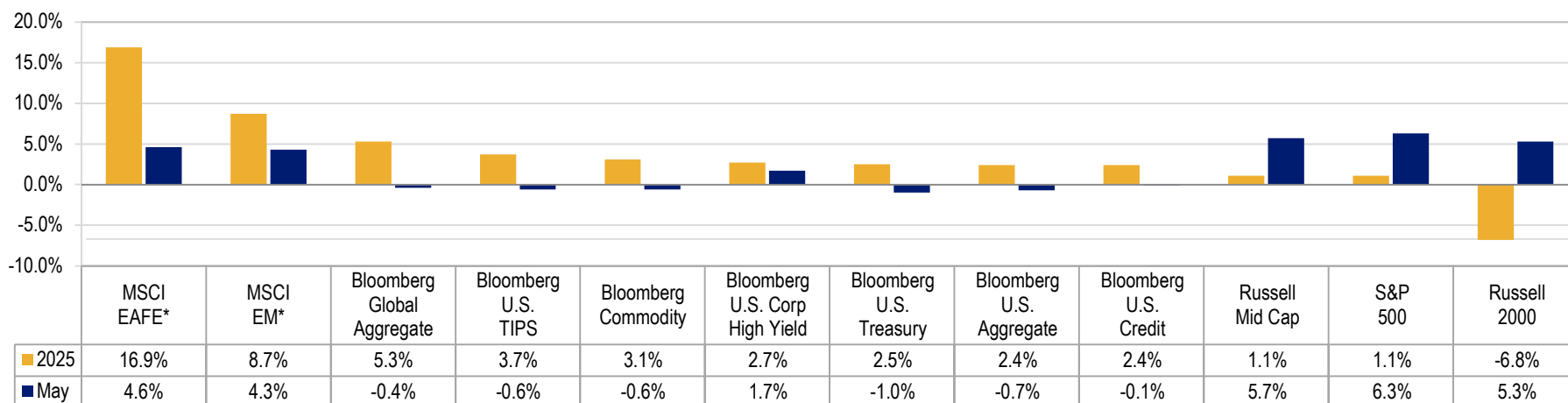
May Highlights

- ❑ The Conference Board Consumer Confidence Index survey increased for the first time this year. The consumer price index (CPI) increased by 0.2% month-over-month in April with annual inflation lower than expected at 2.3%. Unemployment was steady at 4.2% as the BLS indicated 139,000 jobs were added in May, along with a revision to March and April reports that decreased by 95,000 jobs.
- ❑ US stocks increased across the spectrum of size and style with growth ahead of value on a relative basis. Information Technology (+10.9%) and Communication Services (+9.6%) were the leading S&P 500 sectors this month, while Health Care (-5.5%) was the lone negative performing sector.
- ❑ Developed global stocks increased again with the Europe (+4.8%) ahead of the Pacific (+4.5%). Emerging market stocks were also positive again with Europe (+5.0%) and Asia (+5.0%) ahead of Latin America (+6.9%).
- ❑ Moody's downgraded the US credit rating one notch over rising debt and fiscal concerns. The Bloomberg US Aggregate index was negative as yields rose across much of the curve from 6 months onward. The 10-year Treasury yield remained volatile, increasing 23 basis point to 4.39%. US bonds were mostly negative with long treasuries (-2.6%) performing the worst, while high yield (+1.7%) was the best performing sector.
- ❑ Commodities declined, led downward by Agriculture (-3.3%) and Precious Metals (-0.3) despite positive results from Industrial Metals (+1.2%) and Energy (+0.5%).

2025 Highlights

- ❑ Global capital markets experienced wide dispersion given the uncertainty of the impact of trade tensions and geopolitical priorities of the US Administration. Annualized US GDP contracted -0.2% in Q1 due to a surge in imports.
- ❑ US stocks lagged global markets with Utilities (+9.1%) the top performing S&P 500 sector YTD, while consumer discretionary (-6.0%) was the worst. Growth has trailed value with a year-to-date spread of 2.0% between Russell 3000 All Cap Value (+2.0%) versus Growth (-1.5%). Mid capitalization stocks (+1.1%) are the leading size segment, while small cap stocks remain negative (-6.8%).
- ❑ Non-U.S. developed market stocks surged, as Europe (+21.2%) outperformed on a regional basis with outsized returns in Spain (+40.1%) and Germany (+32.1%). Positive European (26.5%) and Latin American (22.7%) emerging market returns also outperformed Asia (+7.4%) on a regional basis.
- ❑ Most fixed income sectors are positive except for municipal bonds (-1.0%). Volatile treasury yields declined across the short to medium portion of the yield curve. Anticipated interest rate reductions have softened in the US amidst economic uncertainty as US Fed holds at 4.25-4.50%, while the ECB cut rates four times this year to bring its lending rate down to 2.0%.
- ❑ Commodities increased with wide performance dispersion across major subsectors, including Precious Metals (+21.6%), Industrial Metals (+2.3%), Agriculture (-0.2%), and energy (-6.6%).

Returns



Source: Investment Metrics *Net dividends reinvested

West Virginia Board of Treasury Investments

Comparative Performance - Gross of Fees

As of May 31, 2025

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,048,348,544	100.0					
Money Market Pool*	8,760,052,661	87.2	0.376	4.592	5.050	4.837	2.955
<i>Custom Money Market Pool Index**</i>			0.326	3.977	4.399	4.169	2.497
Federated Hermes - Money Market	4,378,369,924	43.6	0.373	4.592	5.055	4.842	2.960
UBS - Money Market	4,381,682,737	43.6	0.380	4.592	5.045	4.831	2.951
Government Money Market Pool	565,273,366	5.6	0.377	4.455	4.901	4.639	2.804
<i>Custom Government Money Market Pool Index***</i>			0.331	4.054	4.481	4.212	2.524
UBS - Government	565,273,366	5.6	0.377	4.455	4.901	4.639	2.804
Short-Term Bond Pool	723,022,516	7.2	0.092	5.763	6.355	4.248	2.426
<i>Short-Term Bond Pool Index****</i>			-0.102	5.354	5.952	3.431	1.621
Sterling - Short-Term Bond	723,022,516	7.2	0.092	5.763	6.355	4.248	2.426

*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 May 31, 2025

	Allocation		Performance (%)				
	Market Value (\$)	% of Portfolio	1 Month	FYTD	1 Year	3 Years	5 Years
Total Composite	10,048,348,544	100.0					
Money Market Pool*	8,760,052,661	87.2	0.374	4.562	5.017	4.805	2.925
<i>Custom Money Market Pool Index**</i>			0.326	3.977	4.399	4.169	2.497
Federated Hermes - Money Market	4,378,369,924	43.6	0.370	4.562	5.022	4.813	2.932
UBS - Money Market	4,381,682,737	43.6	0.377	4.562	5.012	4.798	2.918
Government Money Market Pool	565,273,366	5.6	0.374	4.426	4.870	4.608	2.772
<i>Custom Government Money Market Pool Index***</i>			0.331	4.054	4.481	4.212	2.524
UBS - Government	565,273,366	5.6	0.374	4.426	4.870	4.608	2.772
Short-Term Bond Pool	723,022,516	7.2	0.087	5.705	6.292	4.186	2.365
<i>Short-Term Bond Pool Index****</i>			-0.102	5.354	5.952	3.431	1.621
Sterling - Short-Term Bond	723,022,516	7.2	0.087	5.705	6.292	4.186	2.365

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West Virginia Board of Treasury Investments

Investment Managers Cash Flow

1 Month Ending May 31, 2025

	Beginning Market Value (\$)	Net Cash Flows (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Total Composite	10,369,068,466	-357,553,537	36,833,615	10,048,348,544
Money Market Pool	9,025,233,180	-298,968,085	33,787,566	8,760,052,661
Federated Hermes - Money Market	4,511,117,267	-149,477,541	16,730,199	4,378,369,924
UBS - Money Market	4,514,115,913	-149,490,544	17,057,368	4,381,682,737
Government Money Market Pool - UBS	621,344,694	-58,456,201	2,384,873	565,273,366
Short-Term Bond Pool - Sterling Capital	722,490,592	-129,251	661,175	723,022,516