



INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE STATE TREASURER &
CASH MANAGEMENT POLICY BOARD

JUNE 30, 2024

Jennifer Appel, CFA, Sr. Investment Director
Kevin M. Leonard, Partner
Jonovan Sackey, Sr. Investment Associate



INDEX PERFORMANCE

	June 2024	3Q 2023	4Q 2023	1Q 2024	2Q 2024	5yr	10yr	2019	2020	2021	2022	2023
Reserve Custom Index	0.86%	-1.26%	4.56%	-0.27%	0.58%	0.42%	1.22%	6.62%	6.58%	-1.69%	-8.72%	4.74%
Endowment Custom Index	1.60%	-3.35%	9.58%	4.96%	1.61%	7.12%	6.21%	20.01%	13.31%	12.04%	-15.85%	16.27%
3-Month Treasury Bill	0.45%	1.38%	1.41%	1.37%	1.37%	2.22%	1.53%	2.26%	0.58%	0.05%	1.50%	5.26%
6-Month Treasury Bill	0.45%	1.36%	1.43%	1.40%	1.38%	2.29%	1.60%	2.38%	0.80%	0.06%	1.46%	5.27%
BAML 1-3 Yr Govt/Credit A+	0.56%	0.74%	2.59%	0.39%	0.96%	1.19%	1.28%	3.83%	3.23%	-0.49%	-3.65%	4.46%
BAML 1-5 Yr Govt/Credit A+	0.68%	0.25%	3.23%	0.11%	0.85%	0.92%	1.32%	4.62%	4.43%	-1.00%	-5.34%	4.61%
BAML 5-10 Yr Govt/Credit A+	1.11%	-3.00%	6.21%	-0.80%	0.24%	-0.27%	1.52%	9.04%	9.39%	-2.64%	-12.84%	4.85%
BBrg Barclays US Aggregate	0.95%	-3.23%	6.82%	-0.78%	0.07%	-0.23%	1.35%	8.72%	7.51%	-1.54%	-13.01%	5.53%
BC Municipal Bond	1.53%	-3.95%	7.89%	-0.39%	-0.02%	1.16%	2.39%	7.54%	5.21%	1.52%	-8.53%	6.40%
BC US Corp High Yield	0.94%	0.46%	7.16%	1.47%	1.09%	3.92%	4.31%	14.32%	7.11%	5.28%	-11.19%	13.45%
BC Long Treasuries	1.65%	-11.83%	12.70%	-3.26%	-1.82%	-4.26%	0.60%	14.83%	17.70%	-4.65%	-29.26%	3.06%
BC US Long Credit	0.57%	-7.23%	13.71%	-1.65%	-1.68%	-0.87%	2.40%	23.36%	13.32%	-1.18%	-25.29%	10.73%
MSCI World Index	2.03%	-3.46%	11.42%	8.88%	2.63%	11.78%	9.16%	27.67%	15.90%	21.82%	-18.14%	23.79%





EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

- **The Total Consolidation market value is \$6.89B as of June 30th**
 - Returned 0.74% during Q2, bringing the YTD return to 0.94%
- **The Total Liquidity portfolio holds \$1.87B in assets**
 - The Liquidity portfolio returned 1.24% during Q2, bringing YTD returns to 2.40%
 - Solid performance from both Liquidity managers; PFM returned 1.29% over the quarter
- **The Total Reserve portfolio has a market value of \$4.43B**
 - The portfolio returned 0.52% over the quarter, underperforming the custom index by 6 bps
 - JPM was key contributor, returning 0.99% during Q2 and outperforming the benchmark by 3 bps
 - Lazard returned 7 bps during Q2, lagging the benchmark by 17 bps



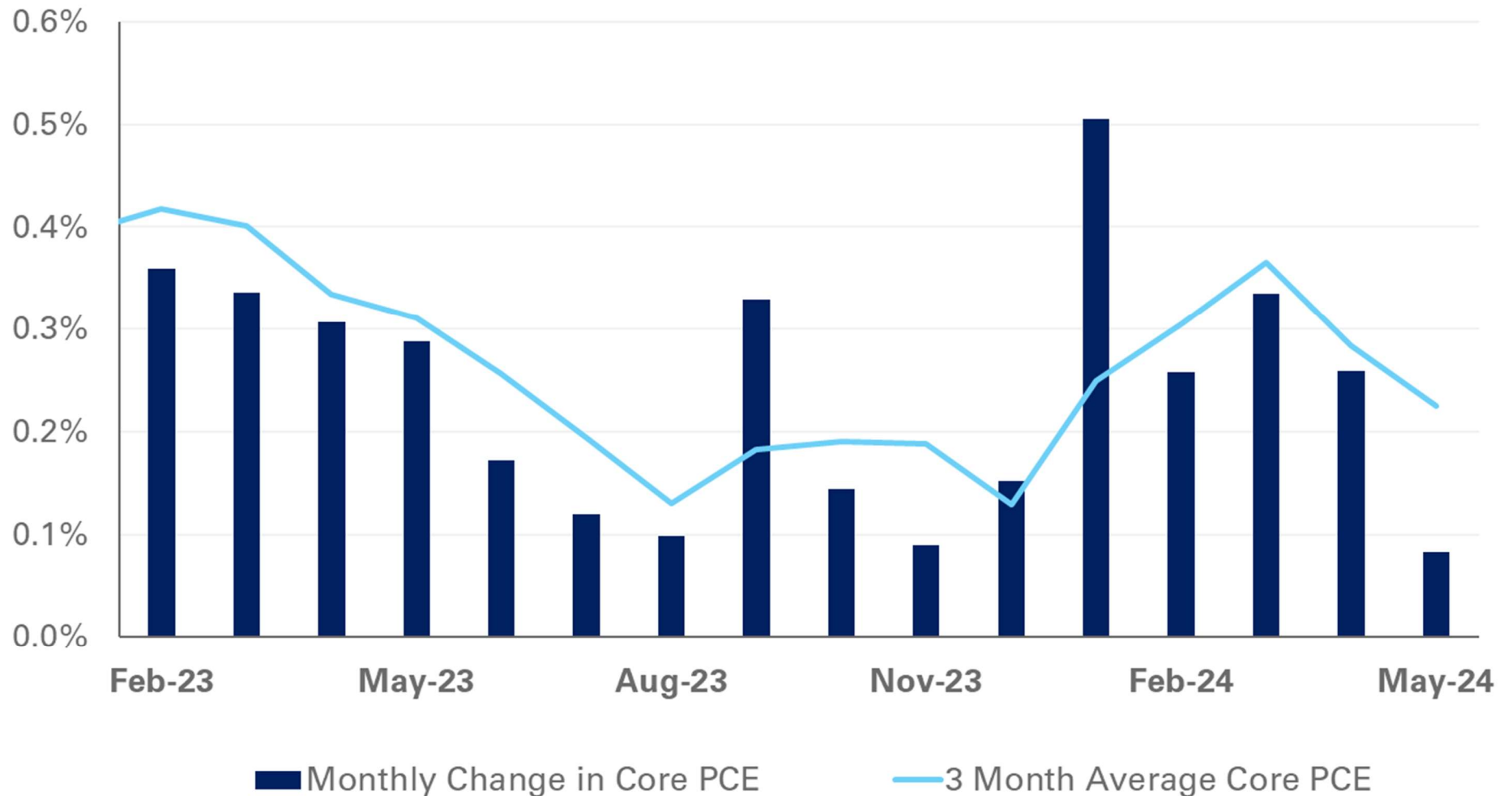


MARKET OVERVIEW



INFLATION PRESSURES BROADLY SOFTENED

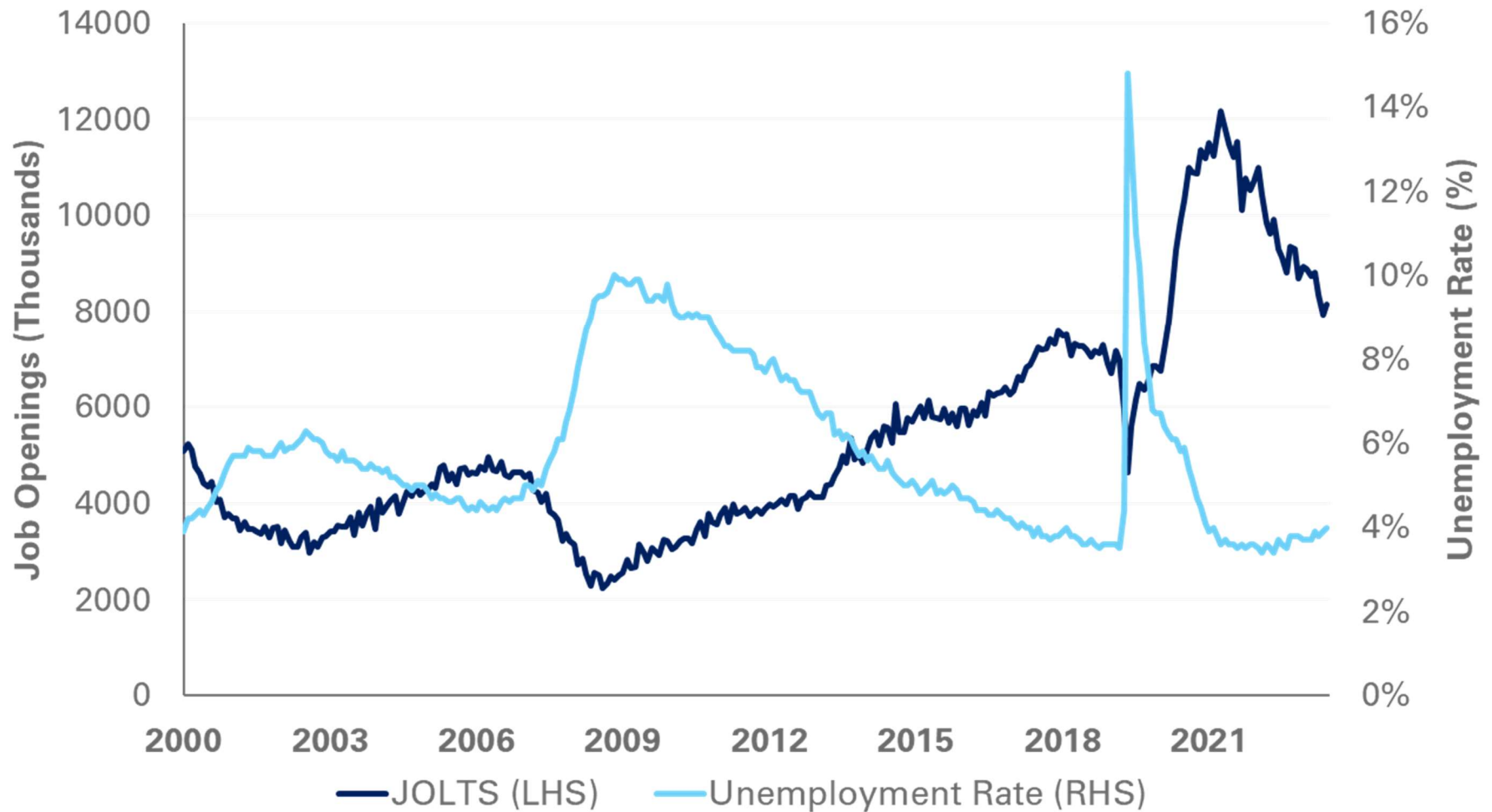
U.S. CORE PCE PRICE INDEX



Sources: Bureau of Economic Analysis, FactSet

THE LABOR MARKET IS IN BETTER BALANCE

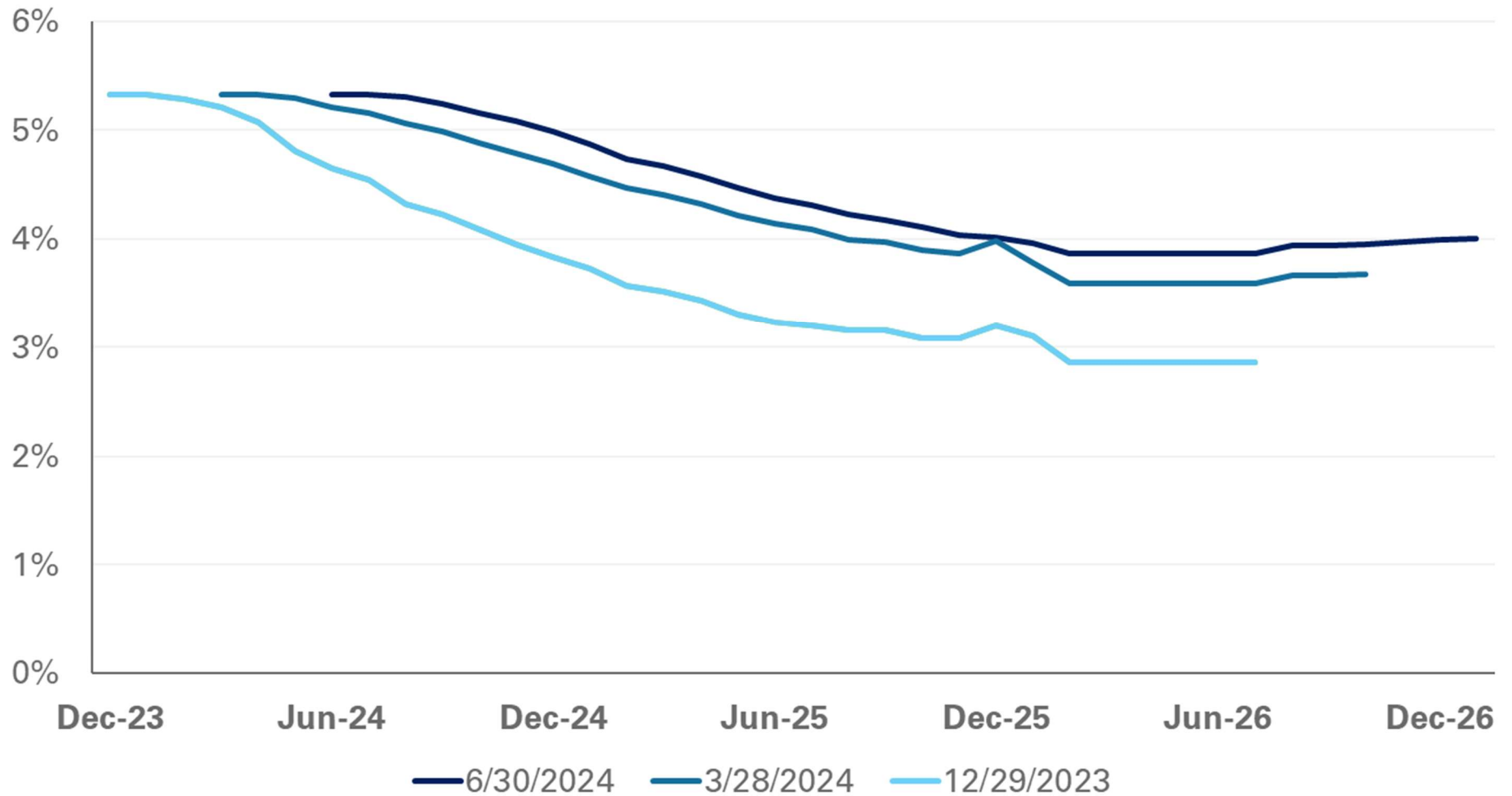
U.S. JOLTS VERSUS THE UNEMPLOYMENT RATE



Sources: U.S. Department of Labor, FactSet

RATE CUT EXPECTATIONS HAVE BEEN PUSHED OUT

FED FUNDS FUTURES EXPECTATIONS



Source: FactSet



REPORT APPENDIX



TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)											
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	9 Mo (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Delaware Total Consolidation	6,888,008,071	100.00	0.70	0.74	0.94	4.83	4.64	3.40	1.18	0.83	1.88	1.86	2.05	Jan-05
Total Liquidity & Reserve	6,300,898,798	91.48	0.71	0.67	0.69	4.69	4.39	3.13	0.93	0.54	1.72		2.02	Dec-16
Total Liquidity	1,866,839,588	27.10	0.45	1.24	2.40	4.14	5.49	4.30	2.43	1.87	2.00	1.63	1.86	Jan-05
PFM Asset Management	948,106,498	13.76	0.45	1.29	2.47	4.20	5.55	4.48	2.76	2.12	2.20	1.76	1.64	Jun-13
Wilmington Liquidity	918,733,089	13.34	0.45	1.19	2.33	4.07	5.42	4.13	2.10	1.63	1.81	1.51	3.89	Jan-85
Total Reserve	4,434,059,210	64.37	0.81	0.52	0.22	5.00	3.73	1.73	-1.01	-1.00	0.69	1.39	2.01	Jan-05
Reserve Custom Index			<u>0.86</u>	<u>0.58</u>	<u>0.31</u>	<u>4.89</u>	<u>3.57</u>	<u>1.35</u>	<u>-1.54</u>	<u>-1.34</u>	<u>0.42</u>	<u>1.22</u>	<u>2.08</u>	
Over/Under			-0.05	-0.06	-0.09	0.11	0.16	0.38	0.53	0.34	0.27	0.17	-0.07	
JPM Intermediate	1,112,278,508	16.15	0.57	0.99	1.48	4.46	5.19	2.98	0.87	0.74	1.47	1.53	1.47	Jun-13
J.P. Morgan Custom Index			<u>0.56</u>	<u>0.96</u>	<u>1.35</u>	<u>3.98</u>	<u>4.75</u>	<u>2.51</u>	<u>0.52</u>	<u>0.45</u>	<u>1.19</u>	<u>1.34</u>	<u>1.29</u>	
Over/Under			0.01	0.03	0.13	0.48	0.44	0.47	0.35	0.29	0.28	0.19	0.18	
Blackrock Financial Mangement	1,114,146,359	16.18	0.69	0.85	1.02	4.64	4.72	2.38	-0.19	-0.07	1.02		1.69	Mar-18
Blackrock Custom Index			<u>0.68</u>	<u>0.85</u>	<u>0.96</u>	<u>4.22</u>	<u>4.49</u>	<u>2.15</u>	<u>-0.23</u>	<u>-0.15</u>	<u>0.92</u>		<u>1.59</u>	
Over/Under			0.01	0.00	0.06	0.42	0.23	0.23	0.04	0.08	0.10		0.10	
Chandler Asset Management	1,112,162,348	16.15	1.03	0.17	-0.77	5.82	2.83	1.23	-2.79	-2.47	0.00	1.27	1.23	Jun-13
Chandler/Lazard Custom Index			<u>1.11</u>	<u>0.24</u>	<u>-0.55</u>	<u>5.62</u>	<u>2.46</u>	<u>0.31</u>	<u>-3.26</u>	<u>-2.87</u>	<u>-0.27</u>	<u>1.09</u>	<u>1.06</u>	
Over/Under			-0.08	-0.07	-0.22	0.20	0.37	0.92	0.47	0.40	0.27	0.18	0.17	
Lazard Financial Management	1,095,471,996	15.90	0.97	0.07	-0.83	5.09	2.21	0.36	-3.00	-2.87	-0.36		1.19	Mar-18
Chandler/Lazard Custom Index			<u>1.11</u>	<u>0.24</u>	<u>-0.55</u>	<u>5.62</u>	<u>2.46</u>	<u>0.31</u>	<u>-3.26</u>	<u>-2.87</u>	<u>-0.27</u>		<u>1.27</u>	
Over/Under			-0.14	-0.17	-0.28	-0.53	-0.25	0.05	0.26	0.00	-0.09		-0.08	
Total Endowment	119,908,312	1.74	1.38	1.27	6.28	16.64	12.71	11.53	2.24	6.62	5.75			Dec-10
Endowment Custom Index			<u>1.60</u>	<u>1.61</u>	<u>6.65</u>	<u>16.87</u>	<u>12.95</u>	<u>11.76</u>	<u>2.99</u>	<u>7.47</u>	<u>7.12</u>	<u>6.21</u>	<u>7.13</u>	
Over/Under			-0.22	-0.34	-0.37	-0.23	-0.24	-0.23	-0.75	-0.85	-1.37			
SEI Balanced Strategy	61,725,604	0.90	1.49	1.43	6.49	16.82	13.04	11.87	2.27	7.67	7.20		7.07	Aug-15
Vanguard Funds	58,182,618	0.84	1.28	1.10	6.06	16.45	12.35	11.17	2.20				5.67	Sep-20

TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)										Inception Date	
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	9 Mo (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)		Inception (%)
ARPA	467,200,961	6.78	0.44	1.24	2.51	4.21	5.58	4.44	2.56				2.40	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.35</u>	<u>2.73</u>	<u>4.15</u>	<u>5.56</u>	<u>4.63</u>	<u>3.11</u>				<u>2.95</u>	
Over/Under			0.00	-0.11	-0.22	0.06	0.02	-0.19	-0.55				-0.55	
PFM ARPA	236,486,867	3.43	0.44	1.23	2.52	4.25	5.64	4.56	2.78				2.62	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.35</u>	<u>2.73</u>	<u>4.15</u>	<u>5.56</u>	<u>4.63</u>	<u>3.11</u>				<u>2.95</u>	
Over/Under			0.00	-0.12	-0.21	0.10	0.08	-0.07	-0.33				-0.33	
Wilmington ARPA	230,714,095	3.35	0.44	1.24	2.50	4.18	5.51	4.32	2.34				2.18	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.35</u>	<u>2.73</u>	<u>4.15</u>	<u>5.56</u>	<u>4.63</u>	<u>3.11</u>				<u>2.95</u>	
Over/Under			0.00	-0.11	-0.23	0.03	-0.05	-0.31	-0.77				-0.77	

Notes: Net of Fees. Results for periods longer than one year are annualized. Fiscal year end is June 30.

Performance history through 12/2015 is from BNY Mellon. NEPC Performance start date is January 2016. Fiscal Year end is June 30. Reserve Custom Index consists of 25% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofA 1-3 Yrs AAA-A US Corp & Govt / 50% ICE BofA US Gov/Credit 5-10 Yrs A Rated and Above, as of 4/1/2018.

Prior to this, the index comprised 75% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofA 6 Months US T-Bills TR.

Endowment Custom Index consists of 60% MSCI World Index/40% Bloomberg US Aggregate.

BlackRock Custom Index consists of 100% ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR.

J.P. Morgan Custom Index consists of 100% ICE BofA 1-3 Yrs AAA-A US Corp & Govt.

Chandler/Lazard Custom Index consists of ICE BofA US Gov/Credit 5-10 Yrs A Rated and Above.

The CARES portfolio has been liquidated.

DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv

