



# INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE STATE TREASURER &  
CASH MANAGEMENT POLICY BOARD

SEPTEMBER 30, 2024

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# INDEX PERFORMANCE

	September 2024	4Q 2023	1Q 2024	2Q 2024	3Q 2024	5yr	10yr	2019	2020	2021	2022	2023
<b>Reserve Custom Index</b>	1.10%	4.56%	-0.27%	0.58%	4.32%	0.97%	1.65%	6.62%	6.58%	-1.69%	-8.72%	4.74%
<b>Endowment Custom Index</b>	1.63%	9.58%	4.96%	1.61%	5.90%	8.08%	6.96%	20.01%	13.31%	12.04%	-15.85%	16.27%
<b>3-Month Treasury Bill</b>	0.44%	1.41%	1.37%	1.37%	1.37%	2.38%	1.67%	2.26%	0.58%	0.05%	1.50%	5.26%
<b>6-Month Treasury Bill</b>	0.44%	1.43%	1.40%	1.38%	1.38%	2.45%	1.73%	2.38%	0.80%	0.06%	1.46%	5.27%
<b>BAML 1-3 Yr Govt/Credit A+</b>	0.82%	2.59%	0.39%	0.96%	2.92%	1.64%	1.57%	3.83%	3.23%	-0.49%	-3.65%	4.46%
<b>BAML 1-5 Yr Govt/Credit A+</b>	0.90%	3.23%	0.11%	0.85%	3.44%	1.44%	1.67%	4.62%	4.43%	-1.00%	-5.34%	4.61%
<b>BAML 5-10 Yr Govt/Credit A+</b>	1.34%	6.21%	-0.80%	0.24%	5.48%	0.36%	2.05%	9.04%	9.39%	-2.64%	-12.84%	4.85%
<b>BBrg Barclays US Aggregate</b>	1.34%	6.82%	-0.78%	0.07%	5.20%	0.33%	1.84%	8.72%	7.51%	-1.54%	-13.01%	5.53%
<b>BC Municipal Bond</b>	0.99%	7.89%	-0.39%	-0.02%	2.71%	1.39%	2.52%	7.54%	5.21%	1.52%	-8.53%	6.40%
<b>BC US Corp High Yield</b>	1.62%	7.16%	1.47%	1.09%	5.28%	4.72%	5.04%	14.32%	7.11%	5.28%	-11.19%	13.45%
<b>BC Long Treasuries</b>	2.02%	12.70%	-3.26%	-1.82%	7.82%	-4.28%	1.09%	14.83%	17.70%	-4.65%	-29.26%	3.06%
<b>BC US Long Credit</b>	2.62%	13.71%	-1.65%	-1.68%	8.10%	-0.41%	3.18%	23.36%	13.32%	-1.18%	-25.29%	10.73%
<b>MSCI World Index</b>	1.83%	11.42%	8.88%	2.63%	6.36%	13.04%	10.07%	27.67%	15.90%	21.82%	-18.14%	23.79%





# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

- **The Total Consolidation market value is \$6.51B as of September 30<sup>th</sup>**
  - Returned 3.51% during Q3, bringing the YTD return to 4.49%
- **The Total Liquidity portfolio holds \$1.32B in assets**
  - The Liquidity portfolio returned 1.89% during Q2, bringing YTD returns to 4.33%
  - Solid performance from both Liquidity managers; Wilmington returned 1.97% over the quarter
- **The Total Reserve portfolio has a market value of \$4.62B**
  - The portfolio returned 4.22% over the quarter, underperforming the custom index by 10 bps
  - Chandler was a major contributor to strong performance, returning 5.44% during the quarter, slightly underperforming its index by 4 bps
  - Blackrock showed solid relative performance, returning 3.48% and outperforming its custom index by 4 bps





# REPORT APPENDIX



# TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)										Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	9 Mo (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	
<b>Delaware Total Consolidation</b>	<b>6,511,705,219</b>	<b>100.00</b>	<b>0.96</b>	<b>3.51</b>	<b>4.49</b>	<b>8.51</b>	<b>5.61</b>	<b>2.35</b>	<b>1.64</b>	<b>2.33</b>	<b>2.21</b>	<b>2.20</b>	<b>Jan-05</b>
<b>Total Liquidity &amp; Reserve</b>	<b>5,937,421,830</b>	<b>91.18</b>	<b>0.98</b>	<b>3.60</b>	<b>4.32</b>	<b>8.45</b>	<b>5.40</b>	<b>2.13</b>	<b>1.36</b>	<b>2.18</b>		<b>2.42</b>	<b>Dec-16</b>
<b>Total Liquidity</b>	<b>1,316,184,849</b>	<b>20.21</b>	<b>0.61</b>	<b>1.89</b>	<b>4.34</b>	<b>6.10</b>	<b>5.28</b>	<b>3.06</b>	<b>2.33</b>	<b>2.25</b>	<b>1.82</b>	<b>1.93</b>	<b>Jan-05</b>
PFM Asset Management	672,447,331	10.33	0.59	1.81	4.33	6.09	5.32	3.36	2.56	2.43	1.93	1.77	Jun-13
Wilmington Liquidity	643,737,518	9.89	0.63	1.97	4.35	6.12	5.25	2.75	2.09	2.07	1.71	3.91	Jan-85
<b>Total Reserve</b>	<b>4,621,236,981</b>	<b>70.97</b>	<b>1.08</b>	<b>4.22</b>	<b>4.45</b>	<b>9.43</b>	<b>5.28</b>	<b>0.37</b>	<b>-0.06</b>	<b>1.23</b>	<b>1.81</b>	<b>2.20</b>	<b>Jan-05</b>
Reserve Custom Index			<u>1.10</u>	<u>4.32</u>	<u>4.64</u>	<u>9.42</u>	<u>5.37</u>	<u>-0.11</u>	<u>-0.41</u>	<u>0.97</u>	<u>1.65</u>	<u>2.28</u>	
Over/Under			-0.02	-0.10	-0.19	0.01	-0.09	0.48	0.35	0.26	0.16	-0.08	
JPM Intermediate	1,145,123,333	17.59	0.86	2.95	4.47	7.54	5.21	1.82	1.42	1.93	1.83	1.70	Jun-13
J.P. Morgan Custom Index			<u>0.82</u>	<u>2.92</u>	<u>4.31</u>	<u>7.01</u>	<u>4.81</u>	<u>1.46</u>	<u>1.14</u>	<u>1.64</u>	<u>1.64</u>	<u>1.52</u>	
Over/Under			0.04	0.03	0.16	0.53	0.40	0.36	0.28	0.29	0.19	0.18	
Blackrock Financial Mangement	1,152,900,879	17.71	0.94	3.48	4.54	8.28	5.27	0.94	0.71	1.53		2.15	Mar-18
Blackrock Custom Index			<u>0.90</u>	<u>3.44</u>	<u>4.43</u>	<u>7.80</u>	<u>5.09</u>	<u>0.90</u>	<u>0.63</u>	<u>1.44</u>		<u>2.05</u>	
Over/Under			0.04	0.04	0.11	0.48	0.18	0.04	0.08	0.09		0.10	
Chandler Asset Management	1,172,705,578	18.01	1.38	5.44	4.63	11.58	6.22	-1.02	-1.32	0.65	1.81	1.67	Jun-13
Chandler/Lazard Custom Index			<u>1.34</u>	<u>5.48</u>	<u>4.89</u>	<u>11.40</u>	<u>5.74</u>	<u>-1.45</u>	<u>-1.73</u>	<u>0.36</u>	<u>1.63</u>	<u>1.51</u>	
Over/Under			0.04	-0.04	-0.26	0.18	0.48	0.43	0.41	0.29	0.18	0.16	
Lazard Financial Management	1,150,507,191	17.67	1.16	5.02	4.15	10.37	5.30	-1.37	-1.76	0.17		1.90	Mar-18
Chandler/Lazard Custom Index			<u>1.34</u>	<u>5.48</u>	<u>4.89</u>	<u>11.40</u>	<u>5.74</u>	<u>-1.45</u>	<u>-1.73</u>	<u>0.36</u>		<u>2.05</u>	
Over/Under			-0.18	-0.46	-0.74	-1.03	-0.44	0.08	-0.03	-0.19		-0.15	
<b>Total Endowment</b>	<b>127,802,368</b>	<b>1.96</b>	<b>1.86</b>	<b>6.26</b>	<b>12.94</b>	<b>23.94</b>	<b>18.52</b>	<b>4.54</b>	<b>7.68</b>	<b>7.02</b>			<b>Dec-10</b>
Endowment Custom Index			<u>1.63</u>	<u>5.90</u>	<u>12.94</u>	<u>23.76</u>	<u>18.34</u>	<u>4.97</u>	<u>7.69</u>	<u>8.08</u>	<u>6.96</u>	<u>7.44</u>	
Over/Under			0.23	0.36	0.00	0.18	0.18	-0.43	-0.01	-1.06			
SEI Balanced Strategy	65,973,770	1.01	2.15	6.57	13.48	24.49	19.15	4.75	7.89	8.43		7.62	Aug-15
Vanguard Funds	61,828,508	0.95	1.56	5.94	12.36	23.36	17.86	4.32	7.45			6.81	Sep-20



# TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

	Allocation		Performance (%)										
	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	9 Mo (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>ARPA</b>	<b>446,481,021</b>	<b>6.86</b>	<b>0.54</b>	<b>1.67</b>	<b>4.22</b>	<b>5.95</b>	<b>5.22</b>	<b>3.10</b>				<b>2.72</b>	<b>May-21</b>
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.36</u>	<u>4.13</u>	<u>5.56</u>	<u>5.09</u>	<u>3.57</u>				<u>3.13</u>	
Over/Under			0.10	0.31	0.09	0.39	0.13	-0.47				-0.41	
<b>PFM ARPA</b>	<b>226,378,214</b>	<b>3.48</b>	<b>0.56</b>	<b>1.75</b>	<b>4.31</b>	<b>6.07</b>	<b>5.35</b>	<b>3.36</b>				<b>2.95</b>	<b>May-21</b>
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.36</u>	<u>4.13</u>	<u>5.56</u>	<u>5.09</u>	<u>3.57</u>				<u>3.13</u>	
Over/Under			0.12	0.39	0.18	0.51	0.26	-0.21				-0.18	
<b>Wilmington ARPA</b>	<b>220,102,807</b>	<b>3.38</b>	<b>0.53</b>	<b>1.58</b>	<b>4.11</b>	<b>5.82</b>	<b>5.07</b>	<b>2.85</b>				<b>2.49</b>	<b>May-21</b>
<i>FTSE 1 Month T-Bill</i>			<u>0.44</u>	<u>1.36</u>	<u>4.13</u>	<u>5.56</u>	<u>5.09</u>	<u>3.57</u>				<u>3.13</u>	
Over/Under			0.09	0.22	-0.02	0.26	-0.02	-0.72				-0.64	

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.

# FISCAL YEAR TO DATE

	Change in Market Value Fiscal Year-to-Date Through September 30, 2024									
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
<b>Liquidity Managers</b>										
PFM Asset Management	\$ 948,106,498	\$ -	\$ (290,000,000)	\$ (139,589)	\$ 8,844,738	\$ 4,024,068	\$ 110,948	\$ 1,500,669	\$ 672,447,331	
Wilmington Liquidity	\$ 918,733,089	\$ -	\$ (290,000,000)	\$ (130,736)	\$ 8,066,861	\$ 5,026,875	\$ 322,034	\$ 1,719,395	\$ 643,737,518	
<b>Total Liquidity Managers</b>	<b>\$ 1,866,839,588</b>	<b>\$ -</b>	<b>\$ (580,000,000)</b>	<b>\$ (270,325)</b>	<b>\$ 16,911,599</b>	<b>\$ 9,050,943</b>	<b>\$ 432,981</b>	<b>\$ 3,220,064</b>	<b>\$ 1,316,184,849</b>	
<b>Reserve Managers</b>										
BlackRock Financial Management	\$ 1,114,146,359	\$ -	\$ -	\$ (158,366)	\$ 10,721,650	\$ 23,978,491	\$ 2,628,199	\$ 1,584,546	\$ 1,152,900,879	
Chandler Asset Management	\$ 1,112,162,348	\$ -	\$ -	\$ (157,580)	\$ 10,968,117	\$ 49,524,211	\$ (567,337)	\$ 775,819	\$ 1,172,705,578	
JPM Intermediate	\$ 1,112,278,508	\$ -	\$ -	\$ (164,713)	\$ 12,655,431	\$ 19,195,514	\$ 522,447	\$ 636,147	\$ 1,145,123,333	
Lazard Asset Management	\$ 1,095,471,996	\$ -	\$ -	\$ (284,714)	\$ 10,351,736	\$ 44,694,911	\$ (414,048)	\$ 687,309	\$ 1,150,507,191	
<b>Total Reserve Managers</b>	<b>\$ 4,434,059,210</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (765,373)</b>	<b>\$ 44,696,934</b>	<b>\$ 137,393,127</b>	<b>\$ 2,169,261</b>	<b>\$ 3,683,821</b>	<b>\$ 4,621,236,981</b>	
<b>Total Liquidity &amp; Reserve Managers</b>	<b>\$ 6,300,898,798</b>	<b>\$ -</b>	<b>\$ (580,000,000)</b>	<b>\$ (1,035,699)</b>	<b>\$ 61,608,533</b>	<b>\$ 146,444,070</b>	<b>\$ 2,602,242</b>	<b>\$ 6,903,885</b>	<b>\$ 5,937,421,830</b>	
<b>Land &amp; Water Endowment</b>										
SEI Funds	\$ 61,725,604	\$ 195,500	\$ (6,367)	\$ (49,167)	\$ 346,436	\$ 3,757,797	\$ 3,968	\$ -	\$ 65,973,770	
Vanguard	\$ 58,182,618	\$ 195,500	\$ (6,705)	\$ (22,732)	\$ 329,780	\$ 3,152,704	\$ (2,657)	\$ -	\$ 61,828,508	
<b>Total Land &amp; Water Endowment</b>	<b>\$ 119,908,308</b>	<b>\$ 795,072</b>	<b>\$ (417,144)</b>	<b>\$ (71,899)</b>	<b>\$ 676,216</b>	<b>\$ 6,910,501</b>	<b>\$ 1,311</b>	<b>\$ -</b>	<b>\$ 127,802,364</b>	
<b>ARPA</b>										
PFM ARPA	\$ 236,486,867	\$ -	\$ (14,117,296)	\$ (36,921)	\$ 2,399,699	\$ 1,028,460	\$ (7,301)	\$ 624,707	\$ 226,378,214	
Wilmington ARPA	\$ 230,714,095	\$ -	\$ (14,117,296)	\$ (39,400)	\$ 1,790,696	\$ 745,526	\$ 27,219	\$ 981,967	\$ 220,102,807	
<b>Total ARPA</b>	<b>\$ 467,200,961</b>	<b>\$ -</b>	<b>\$ (28,234,592)</b>	<b>\$ (76,321)</b>	<b>\$ 4,190,395</b>	<b>\$ 1,773,986</b>	<b>\$ 19,918</b>	<b>\$ 1,606,674</b>	<b>\$ 446,481,021</b>	
<b>Total</b>	<b>\$ 6,888,008,067</b>	<b>\$ 795,072</b>	<b>\$ (608,651,736)</b>	<b>\$ (1,183,919)</b>	<b>\$ 66,475,144</b>	<b>\$ 155,128,557</b>	<b>\$ 2,623,471</b>	<b>\$ 8,510,559</b>	<b>\$ 6,511,705,219</b>	

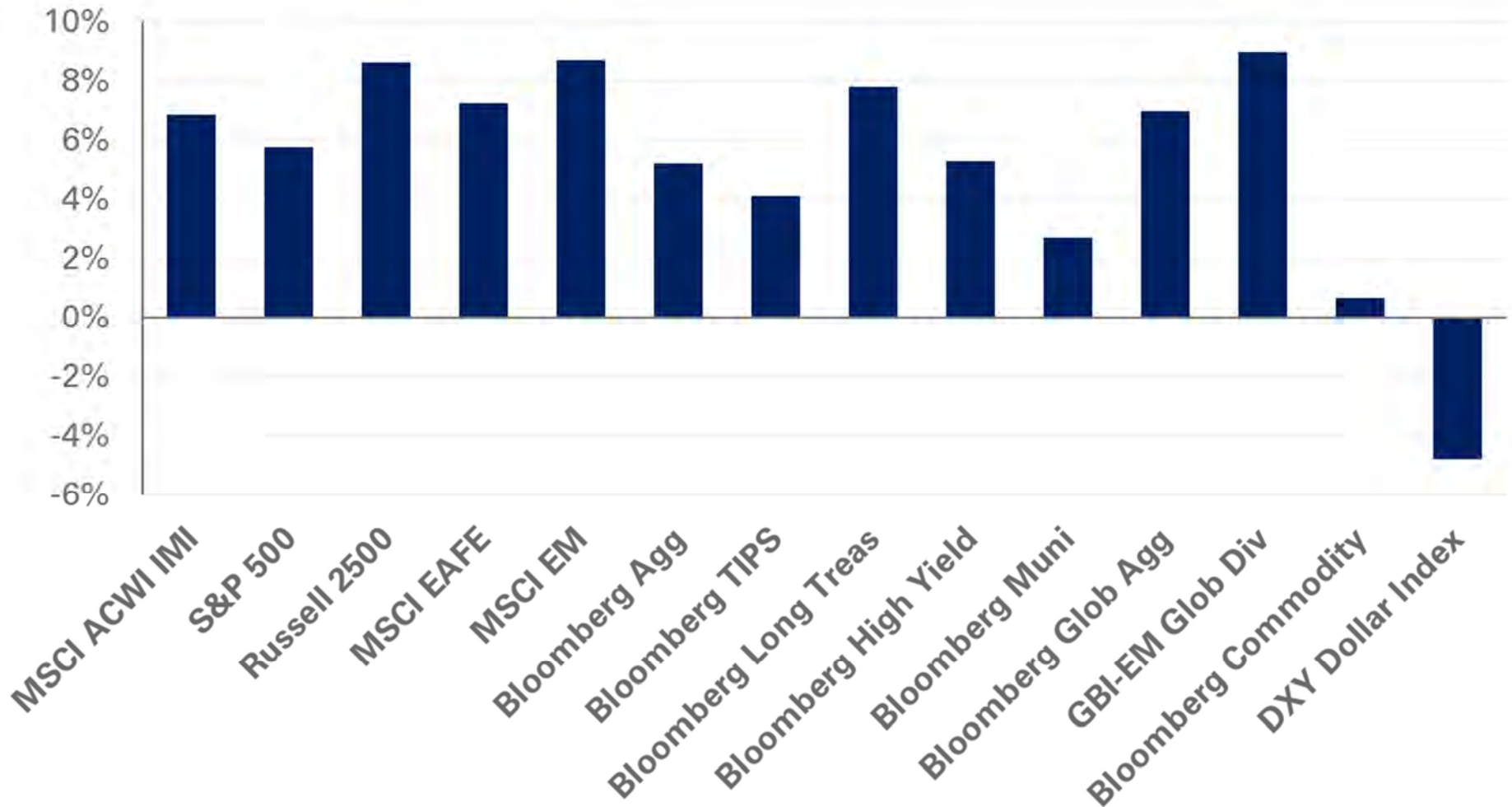
Footnotes:  
As of June 2023, the target allocation between Liquidity and Reserve Portfolios was adjusted to 25%/75%. The previous target allocation was 50%/50%.  
Values provided by Northern Trust and are reconciled to the audited custodian reports.  
Income is a product of income received during the month plus accrued income.  
Numbers may not add due to rounding.





# MARKETS BROADLY POSTED STRONG RETURNS

## QUARTERLY TOTAL RETURNS

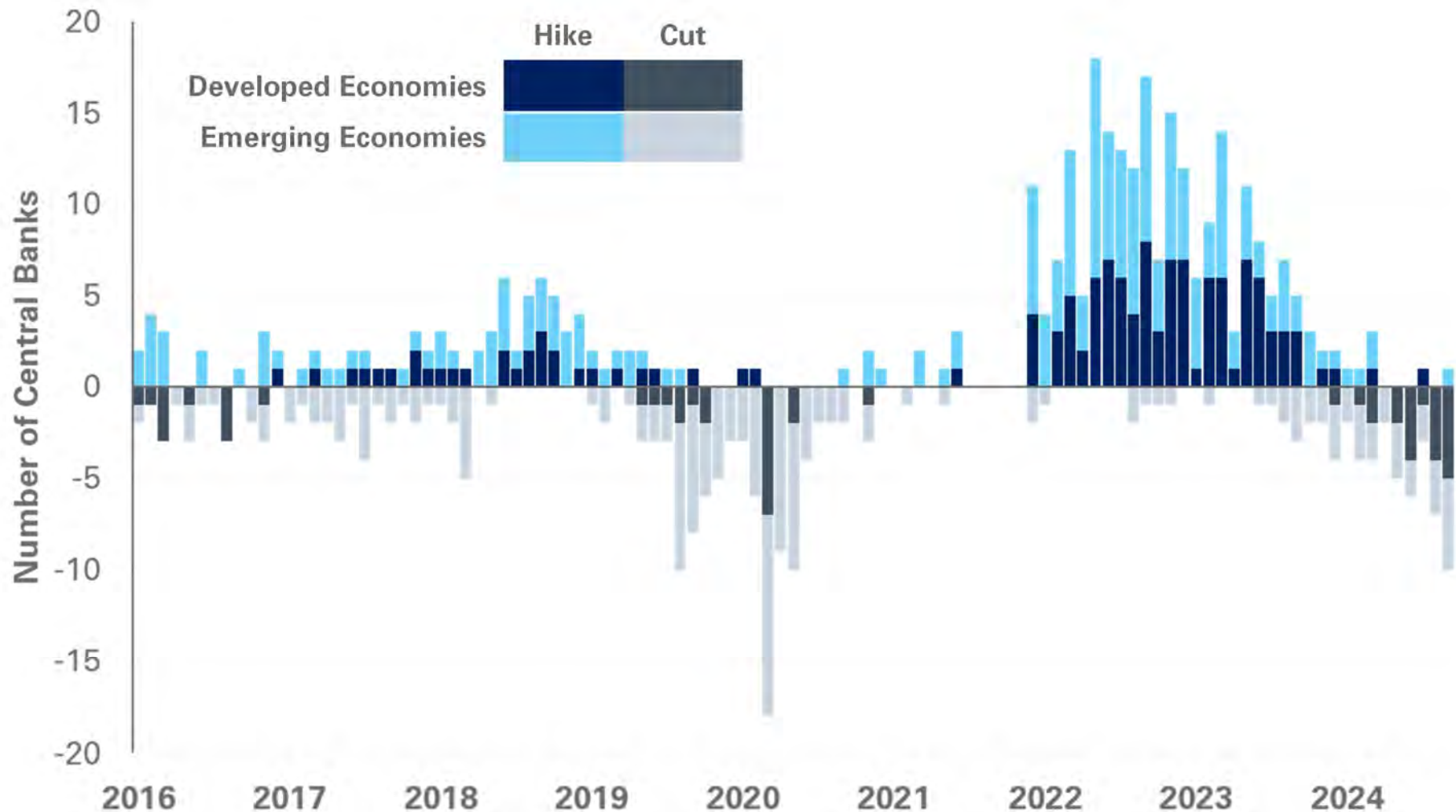


Sources: S&P, Russell, MSCI, JPM, Bloomberg, FactSet



# THE MONETARY POLICY BACKDROP IS EASING

## INTEREST RATE CHANGES BY GLOBAL CENTRAL BANKS

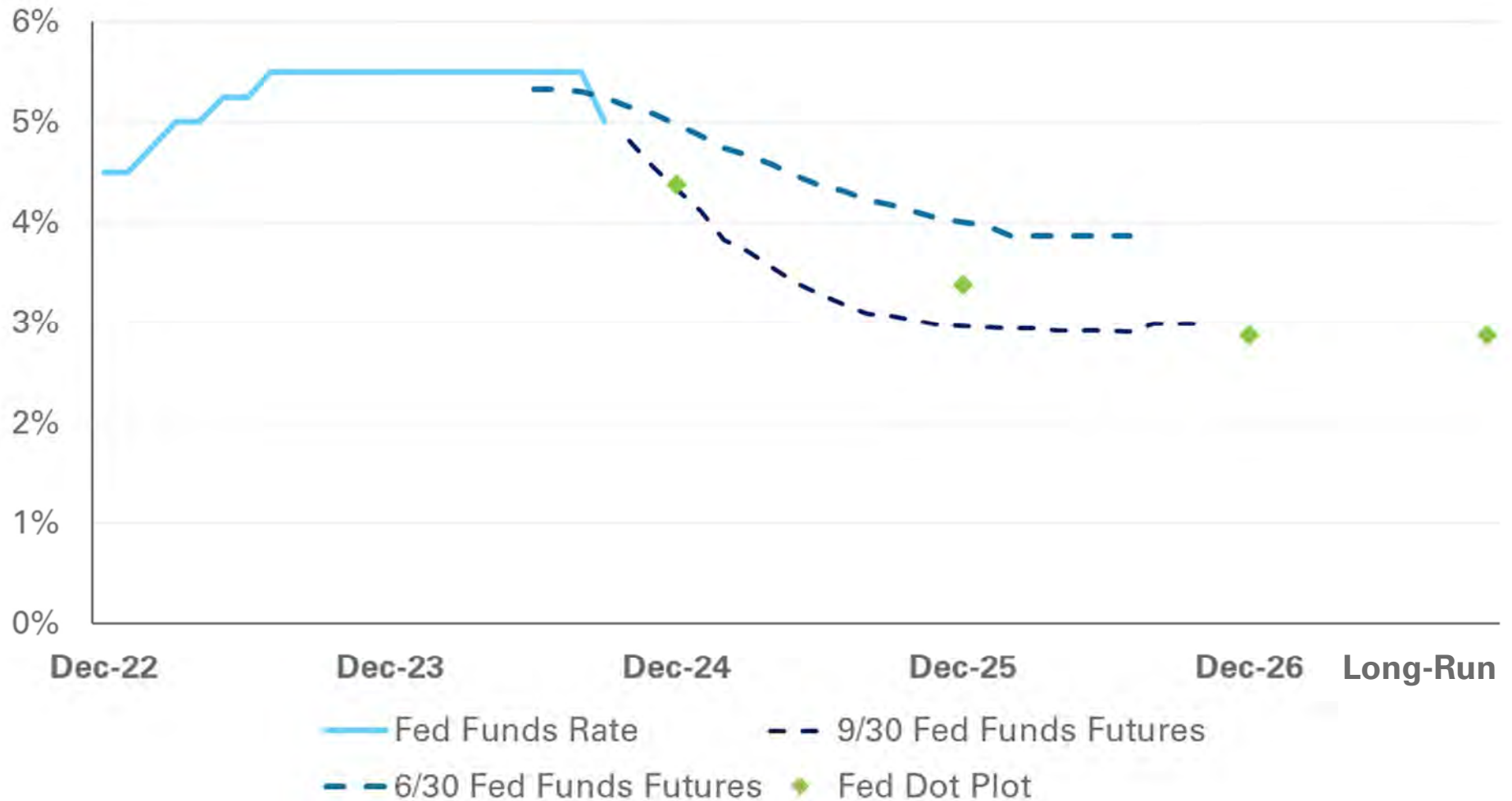


Notes: Developed Economies include Australia, Canada, countries governed by the European Central Bank, Japan, New Zealand, Norway, Sweden, Switzerland, United Kingdom, and the United States. Emerging Economies include Argentina, Brazil, Chile, China, Egypt, Ghana, India, Malaysia, Mexico, Pakistan, Peru, Philippines, South Africa, Thailand, and Turkey.  
 Source: FactSet



# MARKETS EXPECT MORE CUTS TO COME

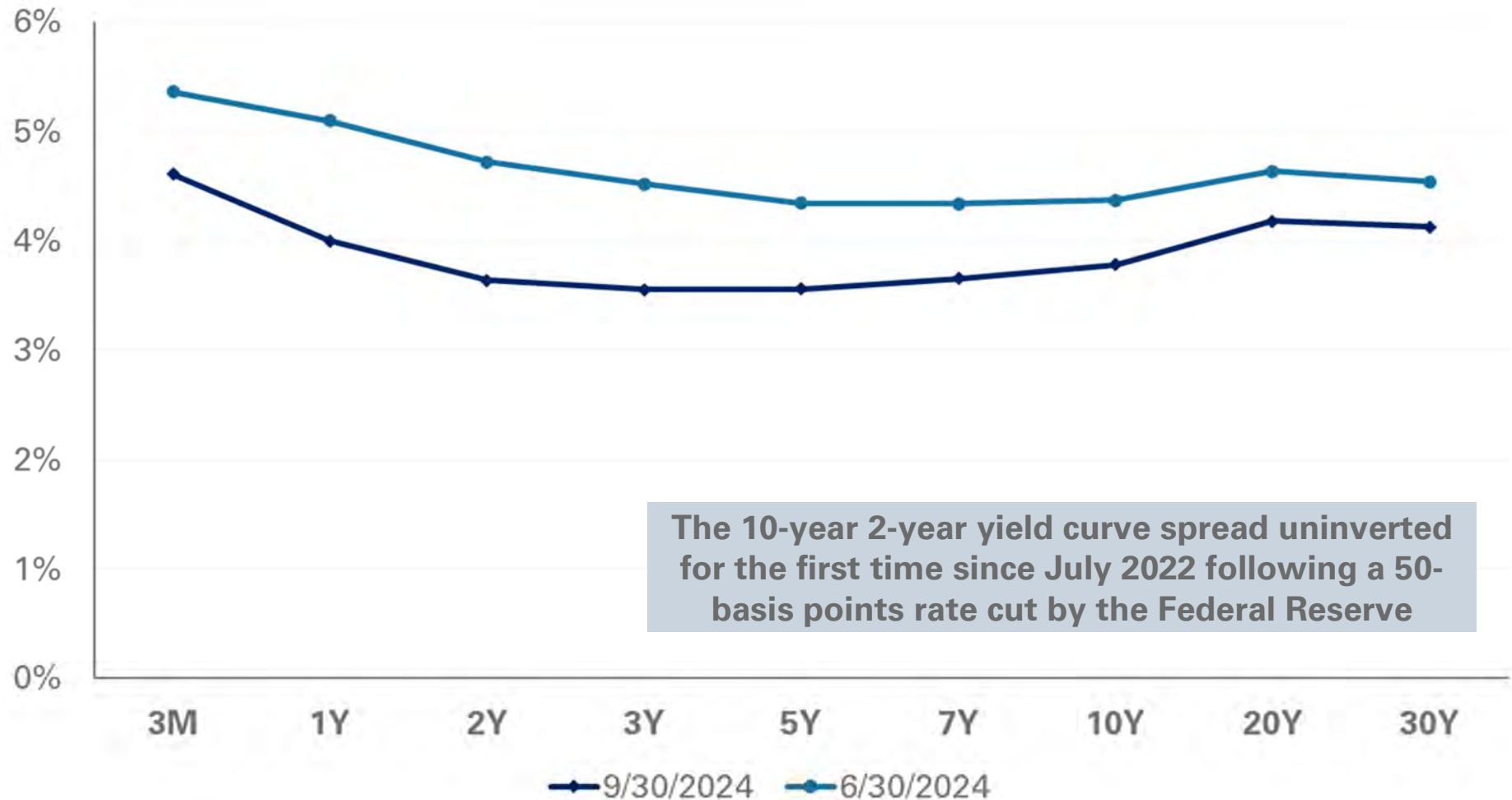
## FED FUNDS RATE VERSUS MARKET RATE EXPECTATIONS



Source: FactSet

# THE YIELD CURVE STEEPENED

## U.S. TREASURY CURVE



Source: FactSet

# 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.

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

