



INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE STATE TREASURER &
CASH MANAGEMENT POLICY BOARD

DECEMBER 31, 2024

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INDEX PERFORMANCE

	December 2024	1Q 2024	2Q 2024	3Q 2024	4Q 2024	5yr	10yr	2020	2021	2022	2023	2024
Reserve Custom Index	-0.81%	-0.27%	0.58%	4.32%	-1.99%	0.55%	1.41%	6.58%	-1.69%	-8.72%	4.74%	2.56%
Endowment Custom Index	-2.22%	4.96%	1.61%	5.90%	-1.31%	6.72%	6.67%	13.31%	12.04%	-15.85%	16.27%	11.45%
3-Month Treasury Bill	0.39%	1.37%	1.37%	1.37%	1.23%	2.54%	1.79%	0.58%	0.05%	1.50%	5.26%	5.45%
6-Month Treasury Bill	0.42%	1.40%	1.38%	1.38%	1.28%	2.60%	1.86%	0.80%	0.06%	1.46%	5.27%	5.55%
BAML 1-3 Yr Govt/Credit A+	0.23%	0.39%	0.96%	2.92%	-0.03%	1.52%	1.55%	3.23%	-0.49%	-3.65%	4.46%	4.28%
BAML 1-5 Yr Govt/Credit A+	-0.08%	0.11%	0.85%	3.44%	-0.71%	1.21%	1.55%	4.43%	-1.00%	-5.34%	4.61%	3.69%
BAML 5-10 Yr Govt/Credit A+	-1.70%	-0.80%	0.24%	5.48%	-3.60%	-0.32%	1.46%	9.39%	-2.64%	-12.84%	4.85%	1.12%
BBrg Barclays US Aggregate	-1.64%	-0.78%	0.07%	5.20%	-3.06%	-0.33%	1.35%	7.51%	-1.54%	-13.01%	5.53%	1.25%
BC Municipal Bond	-1.46%	-0.39%	-0.02%	2.71%	-1.22%	0.99%	2.25%	5.21%	1.52%	-8.53%	6.40%	1.05%
BC US Corp High Yield	-0.43%	1.47%	1.09%	5.28%	0.17%	4.21%	5.17%	7.11%	5.28%	-11.19%	13.45%	8.19%
BC Long Treasuries	-5.32%	-3.26%	-1.82%	7.82%	-8.62%	-5.20%	-0.64%	17.70%	-4.65%	-29.26%	3.06%	-6.41%
BC US Long Credit	-4.29%	-1.65%	-1.68%	8.10%	-6.26%	-1.92%	2.11%	13.32%	-1.18%	-25.29%	10.73%	-2.01%
MSCI World Index	-2.61%	8.88%	2.63%	6.36%	-0.16%	11.47%	9.95%	15.90%	21.82%	-18.14%	23.79%	18.67%





EXECUTIVE SUMMARY



PROPRIETARY & CONFIDENTIAL

EXECUTIVE SUMMARY

- **The Total Consolidation market value is \$6.27B as of December 31st**
 - Returned -1.20% during Q4, bringing the YTD return to 3.24%
- **The Total Liquidity portfolio holds \$1.21B in assets**
 - The Liquidity portfolio returned 0.95% during Q4, bringing YTD returns to 5.33%
 - Solid absolute performance from both Liquidity managers; PFM returned 1.03% over the quarter
- **The Total Reserve portfolio has a market value of \$4.53B**
 - The portfolio returned -1.99% over the quarter, right in line with the custom index
 - JPM was a contributor to relative performance, slightly outperforming its custom index with a quarterly return of -0.02%
 - Chandler also showed solid relative performance, despite a return of -3.43%, it outperformed its benchmark by 17 bps





REPORT APPENDIX



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
Delaware Total Consolidation	6,268,038,317	100.00	-0.54	-1.20	3.03	3.24	4.38	2.02	1.29	2.00	2.07	2.11	Jan-05
Total Liquidity & Reserve	5,738,289,379	91.55	-0.56	-1.34	2.90	2.92	4.14	1.79	1.02	1.86		2.17	Dec-16
Total Liquidity	1,209,127,018	19.29	0.39	0.95	4.13	5.33	5.30	3.45	2.55	2.33	1.91	1.96	Jan-05
PFM Asset Management	619,624,624	9.89	0.40	1.03	4.18	5.40	5.34	3.76	2.81	2.53	2.03	1.82	Jun-13
Wilmington Liquidity	589,502,394	9.40	0.39	0.86	4.07	5.25	5.25	3.14	2.30	2.14	1.79	3.91	Jan-85
Total Reserve	4,529,162,361	72.26	-0.83	-1.99	2.68	2.37	3.58	-0.15	-0.56	0.80	1.58	2.07	Jan-05
Reserve Custom Index			<u>-0.81</u>	<u>-1.99</u>	<u>2.84</u>	<u>2.56</u>	<u>3.64</u>	<u>-0.65</u>	<u>-0.91</u>	<u>0.55</u>	<u>1.41</u>	<u>2.14</u>	
Over/Under			-0.01	0.00	-0.17	-0.19	-0.07	0.50	0.35	0.25	0.17	-0.08	
JPM Intermediate	1,144,948,432	18.27	0.18	-0.02	3.95	4.46	4.66	1.98	1.38	1.81	1.80	1.66	Jun-13
J.P. Morgan Custom Index			<u>0.23</u>	<u>-0.03</u>	<u>3.88</u>	<u>4.28</u>	<u>4.37</u>	<u>1.63</u>	<u>1.10</u>	<u>1.52</u>	<u>1.60</u>	<u>1.48</u>	
Over/Under			-0.05	0.01	0.07	0.17	0.29	0.34	0.29	0.29	0.21	0.18	
Blackrock Financial Mangement	1,144,532,639	18.26	-0.14	-0.73	3.60	3.78	4.31	0.94	0.48	1.29		1.97	Mar-18
Blackrock Custom Index			<u>-0.08</u>	<u>-0.71</u>	<u>3.58</u>	<u>3.69</u>	<u>4.15</u>	<u>0.89</u>	<u>0.41</u>	<u>1.21</u>		<u>1.87</u>	
Over/Under			-0.06	-0.01	0.03	0.09	0.16	0.05	0.06	0.09		0.10	
Chandler Asset Management	1,132,454,141	18.07	-1.60	-3.43	1.99	1.04	3.29	-2.06	-2.19	-0.04	1.40	1.33	Jun-13
Chandler/Lazard Custom Index			<u>-1.70</u>	<u>-3.60</u>	<u>1.93</u>	<u>1.12</u>	<u>2.97</u>	<u>-2.59</u>	<u>-2.60</u>	<u>-0.32</u>	<u>1.22</u>	<u>1.16</u>	
Over/Under			0.10	0.17	0.07	-0.07	0.32	0.54	0.42	0.27	0.17	0.17	
Lazard Financial Management	1,107,227,150	17.66	-1.76	-3.76	1.15	0.23	2.54	-2.54	-2.58	-0.51		1.26	Mar-18
Chandler/Lazard Custom Index			<u>-1.70</u>	<u>-3.60</u>	<u>1.93</u>	<u>1.12</u>	<u>2.97</u>	<u>-2.59</u>	<u>-2.60</u>	<u>-0.32</u>		<u>1.42</u>	
Over/Under			-0.06	-0.16	-0.78	-0.88	-0.43	0.05	0.02	-0.20		-0.16	
Total Endowment	136,999,857	2.19	-2.44	-1.76	5.72	10.95	13.64	2.48	4.72	5.43			Dec-10
Endowment Custom Index			<u>-2.22</u>	<u>-1.31</u>	<u>6.19</u>	<u>11.45</u>	<u>13.83</u>	<u>2.93</u>	<u>5.13</u>	<u>6.72</u>	<u>6.67</u>	<u>7.20</u>	
Over/Under			-0.22	-0.44	-0.47	-0.50	-0.19	-0.45	-0.42	-1.29			
SEI Balanced Strategy	70,574,637	1.13	-2.22	-1.71	6.24	11.54	14.17	2.64	4.85	6.83		7.21	Aug-15
Vanguard Funds	66,425,128	1.06	-2.67	-1.81	5.17	10.32	13.08	2.31	4.57			5.96	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
ARPA	392,749,081	6.27	0.42	1.11	4.06	5.37	5.29	3.55				2.84	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.40</u>	<u>1.20</u>	<u>3.97</u>	<u>5.38</u>	<u>5.25</u>	<u>3.98</u>				<u>3.25</u>	
Over/Under			0.02	-0.10	0.09	-0.01	0.04	-0.43				-0.41	
PFM ARPA	199,366,854	3.18	0.40	1.02	4.06	5.37	5.36	3.75				3.03	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.40</u>	<u>1.20</u>	<u>3.97</u>	<u>5.38</u>	<u>5.25</u>	<u>3.98</u>				<u>3.25</u>	
Over/Under			0.00	-0.19	0.09	-0.01	0.10	-0.23				-0.22	
Wilmington ARPA	193,382,227	3.09	0.44	1.20	4.06	5.36	5.22	3.34				2.65	May-21
<i>FTSE 1 Month T-Bill</i>			<u>0.40</u>	<u>1.20</u>	<u>3.97</u>	<u>5.38</u>	<u>5.25</u>	<u>3.98</u>				<u>3.25</u>	
Over/Under			0.05	-0.01	0.10	-0.02	-0.03	-0.64				-0.60	

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 December 31, 2024									
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
Liquidity Managers										
PFM Asset Management	\$ 948,106,498	\$ 160,000,000	\$ (510,000,000)	\$ (274,563)	\$ 16,403,975	\$ 2,265,751	\$ 323,404	\$ 2,799,559	\$ 619,624,624	
Wilmington Liquidity	\$ 918,733,089	\$ 160,000,000	\$ (510,000,000)	\$ (259,203)	\$ 14,956,611	\$ 2,373,902	\$ 536,174	\$ 3,161,821	\$ 589,502,394	
Total Liquidity Managers	\$ 1,866,839,588	\$ 320,000,000	\$ (1,020,000,000)	\$ (533,766)	\$ 31,360,586	\$ 4,639,652	\$ 859,578	\$ 5,961,381	\$ 1,209,127,018	
Reserve Managers										
BlackRock Financial Management	\$ 1,114,146,359	\$ -	\$ -	\$ (321,761)	\$ 21,548,952	\$ 5,992,788	\$ 138,424	\$ 3,027,878	\$ 1,144,532,639	
Chandler Asset Management	\$ 1,112,162,348	\$ -	\$ -	\$ (321,495)	\$ 22,178,738	\$ (1,606,612)	\$ (1,473,335)	\$ 1,514,495	\$ 1,132,454,141	
JPM Intermediate	\$ 1,112,278,508	\$ 4,711	\$ -	\$ (335,343)	\$ 25,332,503	\$ 5,327,313	\$ 1,102,327	\$ 1,238,414	\$ 1,144,948,432	
Lazard Asset Management	\$ 1,095,471,996	\$ -	\$ -	\$ (584,457)	\$ 20,935,576	\$ (5,791,881)	\$ (3,982,860)	\$ 1,178,776	\$ 1,107,227,150	
Total Reserve Managers	\$ 4,434,059,210	\$ 4,711	\$ -	\$ (1,563,056)	\$ 89,995,768	\$ 3,921,607	\$ (4,215,444)	\$ 6,959,564	\$ 4,529,162,361	
Total Liquidity & Reserve Managers	\$ 6,300,898,798	\$ 320,004,711	\$ (1,020,000,000)	\$ (2,096,822)	\$ 121,356,354	\$ 8,561,259	\$ (3,355,866)	\$ 12,920,944	\$ 5,738,289,379	
Land & Water Endowment										
SEI Funds	\$ 61,725,604	\$ 6,195,500	\$ (182,654)	\$ (103,279)	\$ 1,603,949	\$ (3,714,868)	\$ 5,050,386	\$ -	\$ 70,574,637	
Vanguard	\$ 58,182,618	\$ 6,195,500	\$ (179,525)	\$ (47,536)	\$ 838,427	\$ 1,371,076	\$ 64,567	\$ -	\$ 66,425,128	
Total Land & Water Endowment	\$ 119,908,308	\$ 25,144,179	\$ (13,115,358)	\$ (150,815)	\$ 2,442,377	\$ (2,343,792)	\$ 5,114,953	\$ -	\$ 136,999,853	
ARPA										
PFM ARPA	\$ 236,486,867	\$ 29,088	\$ (43,183,172)	\$ (71,684)	\$ 4,414,281	\$ 519,355	\$ 32,699	\$ 1,139,420	\$ 199,366,854	
Wilmington ARPA	\$ 230,714,095	\$ 30,106	\$ (43,183,172)	\$ (77,302)	\$ 3,287,913	\$ 533,773	\$ 84,504	\$ 1,992,312	\$ 193,382,227	
Total ARPA	\$ 467,200,961	\$ 59,193	\$ (86,366,344)	\$ (148,986)	\$ 7,702,195	\$ 1,053,128	\$ 117,203	\$ 3,131,731	\$ 392,749,081	
Total	\$ 6,888,008,067	\$ 345,208,083	\$ (1,119,481,702)	\$ (2,396,623)	\$ 131,500,926	\$ 7,270,596	\$ 1,876,290	\$ 16,052,676	\$ 6,268,038,317	

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%.

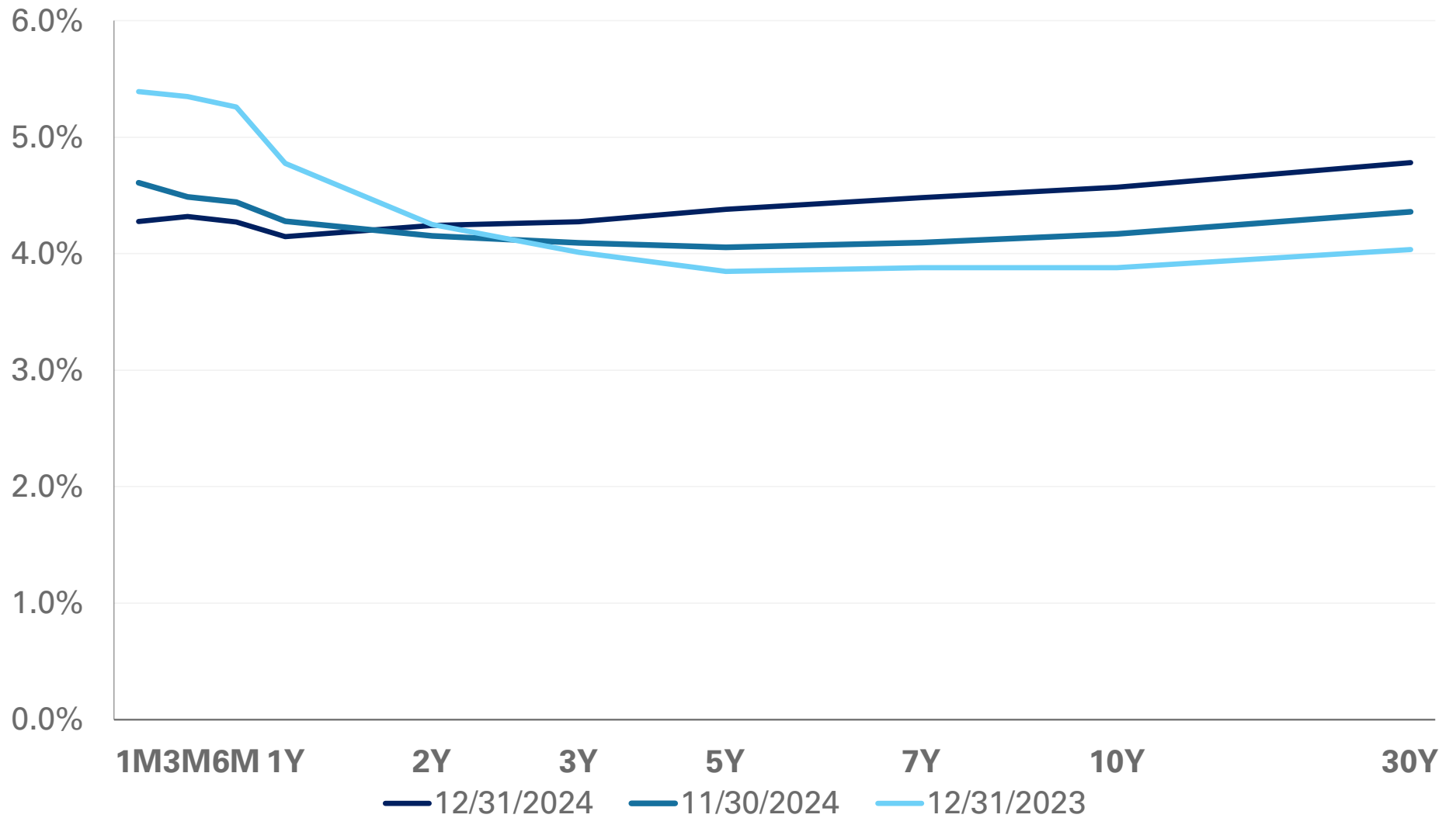
Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.

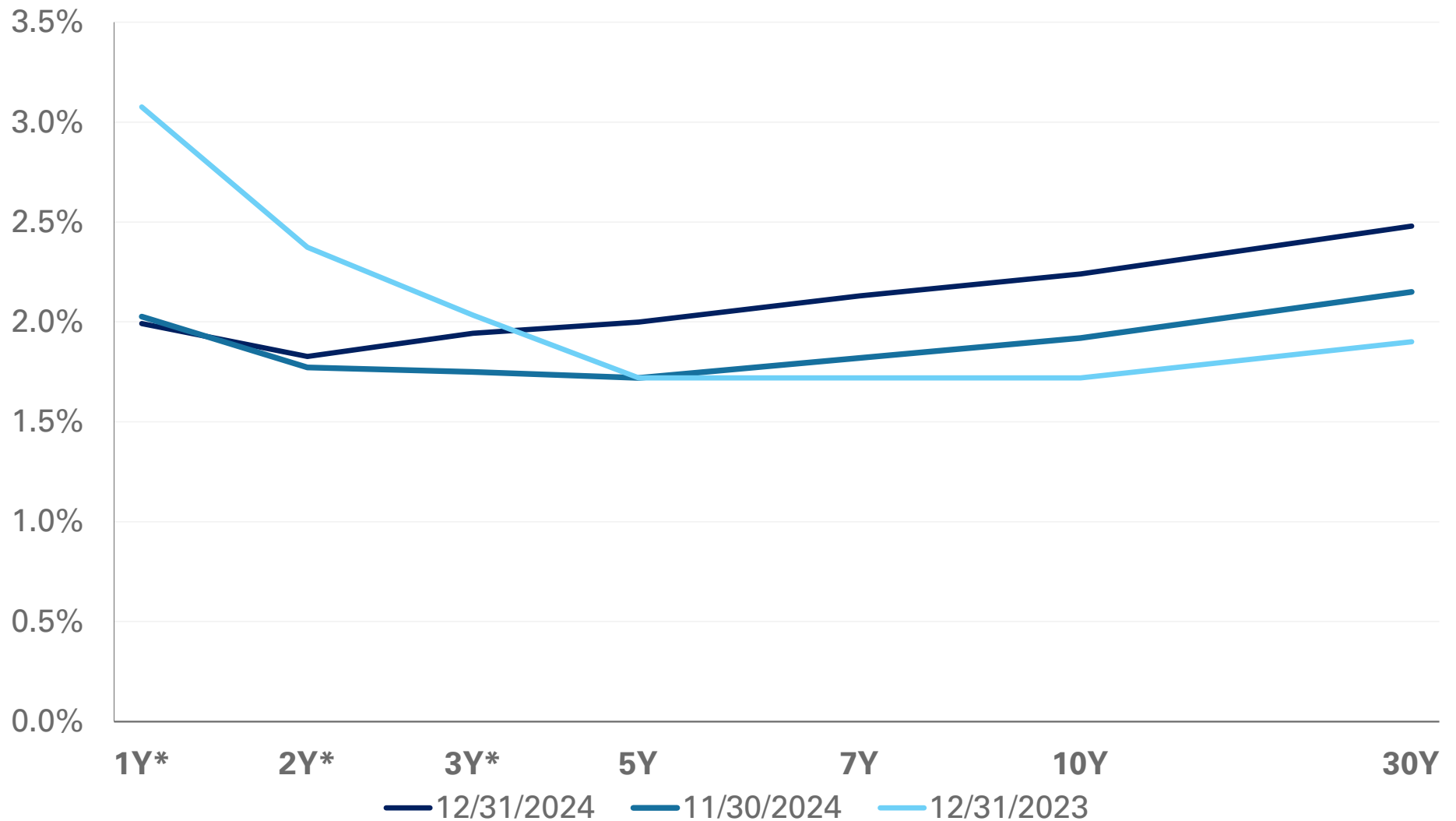


US TREASURY YIELD CURVE



Source: FactSet

US TREASURY REAL YIELD CURVE

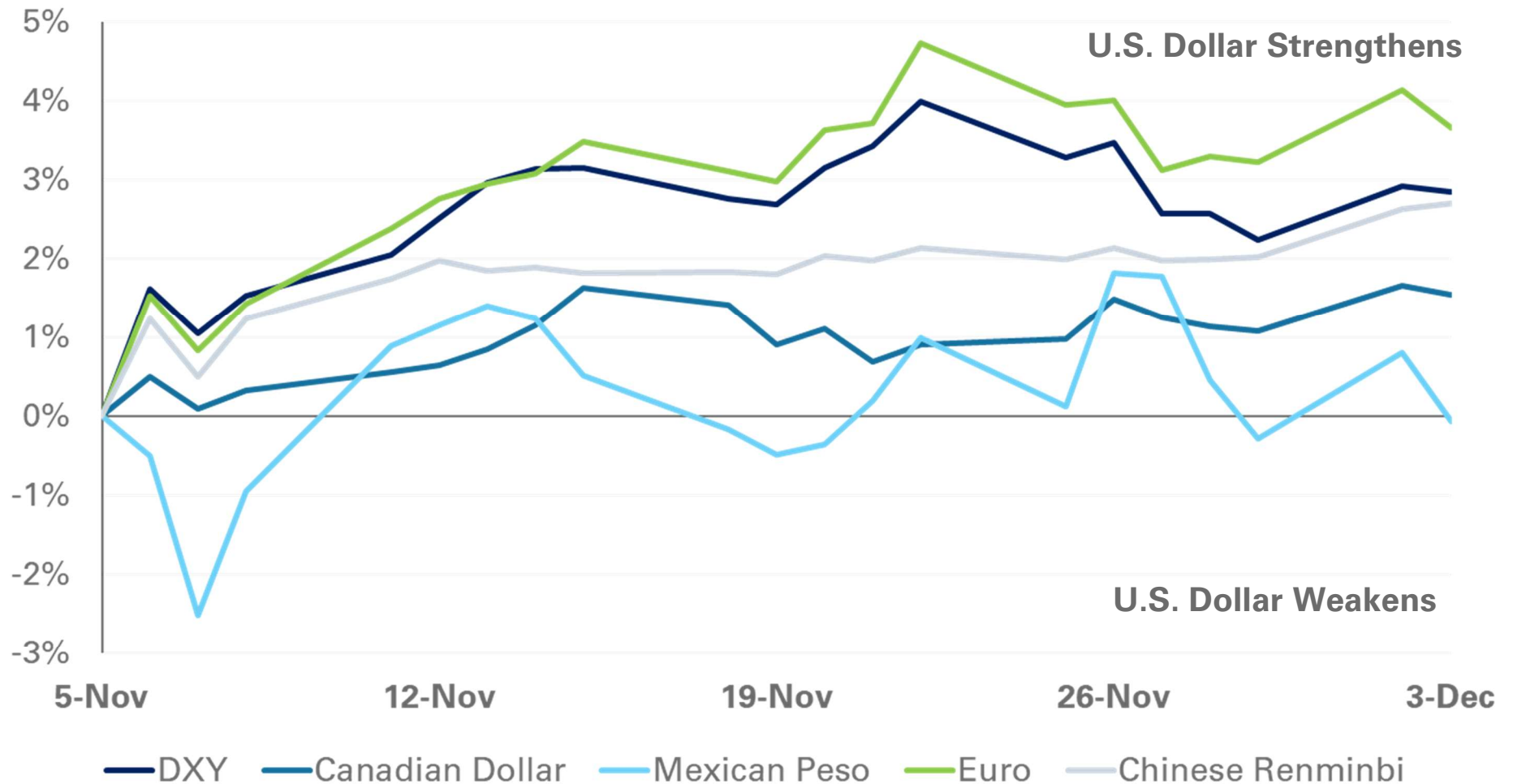


Notes: *Real yields are calculated based on a weighted average of select off-the-run TIPS yields
Source: NEPC, Bloomberg, FactSet



A STRONGER USD WEIGHED ON NON-U.S. ASSETS

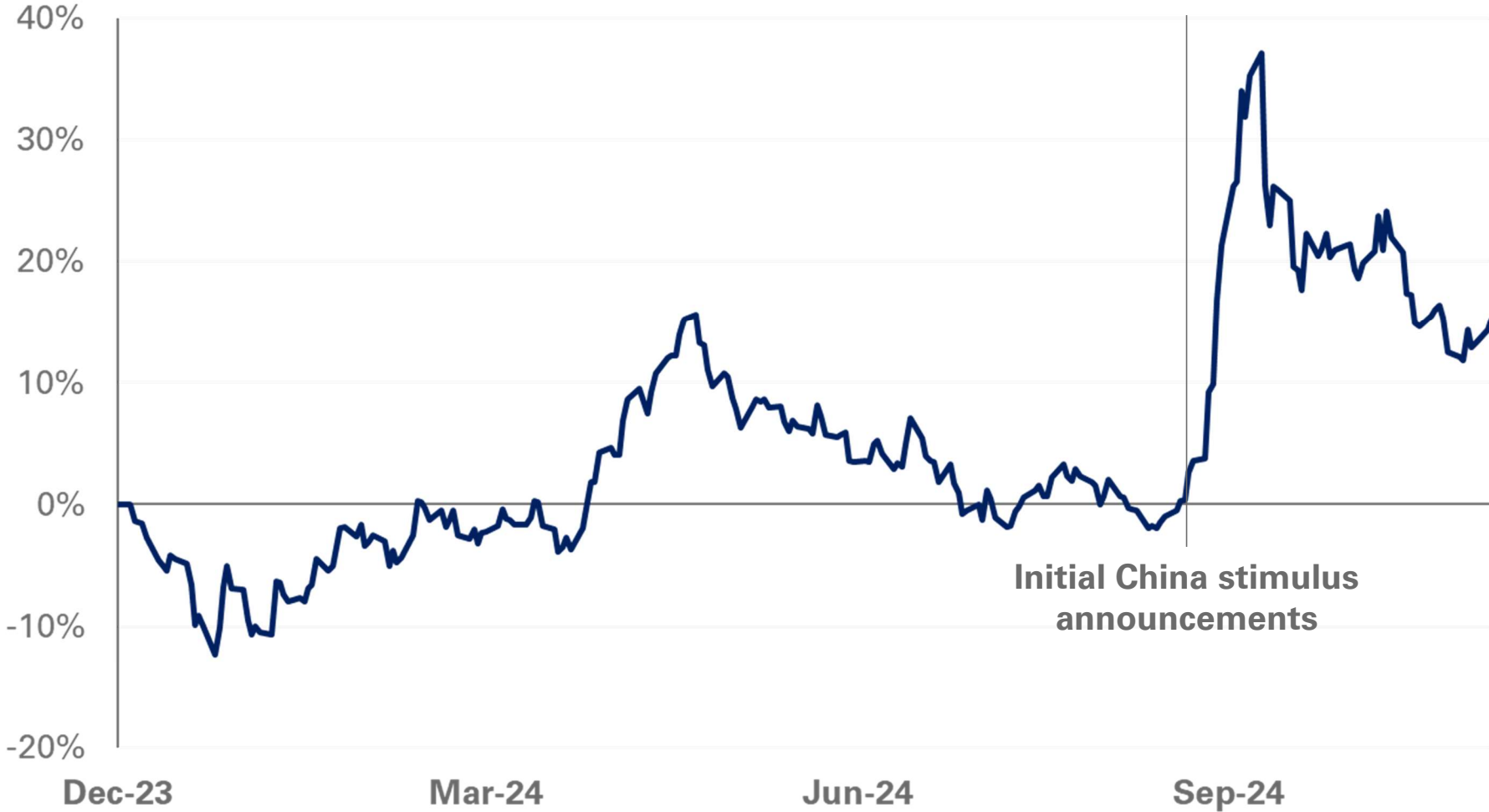
POST-ELECTION CURRENCY MOVEMENTS



Source: FactSet

CHINA RETURNED MOST STIMULUS-RELATED GAINS

MSCI CHINA YEAR-TO-DATE RETURNS

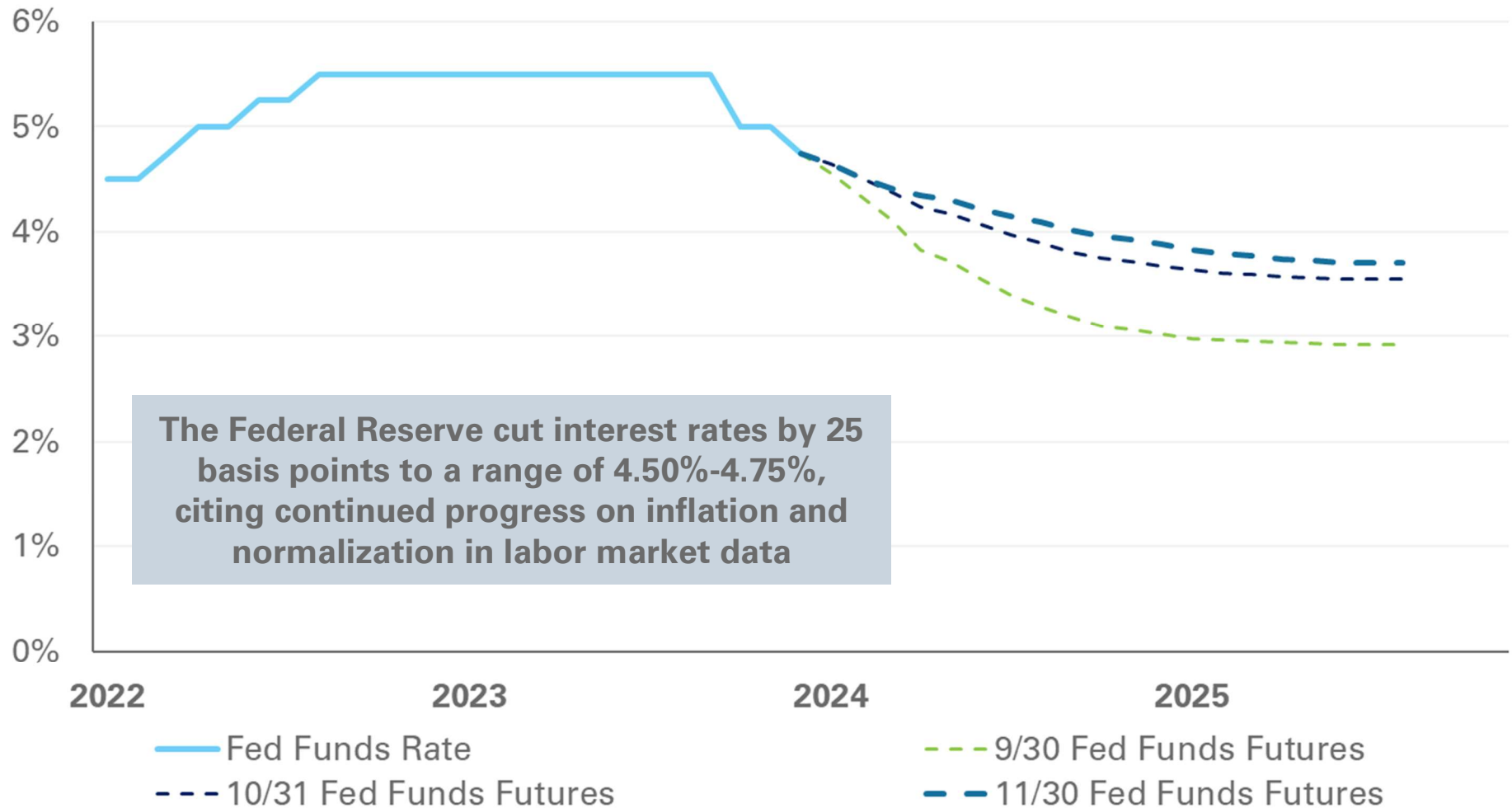


Note: Data reflects returns in USD.
Sources: MSCI, FactSet



MARKETS REASSESSED THE PATH FOR RATES

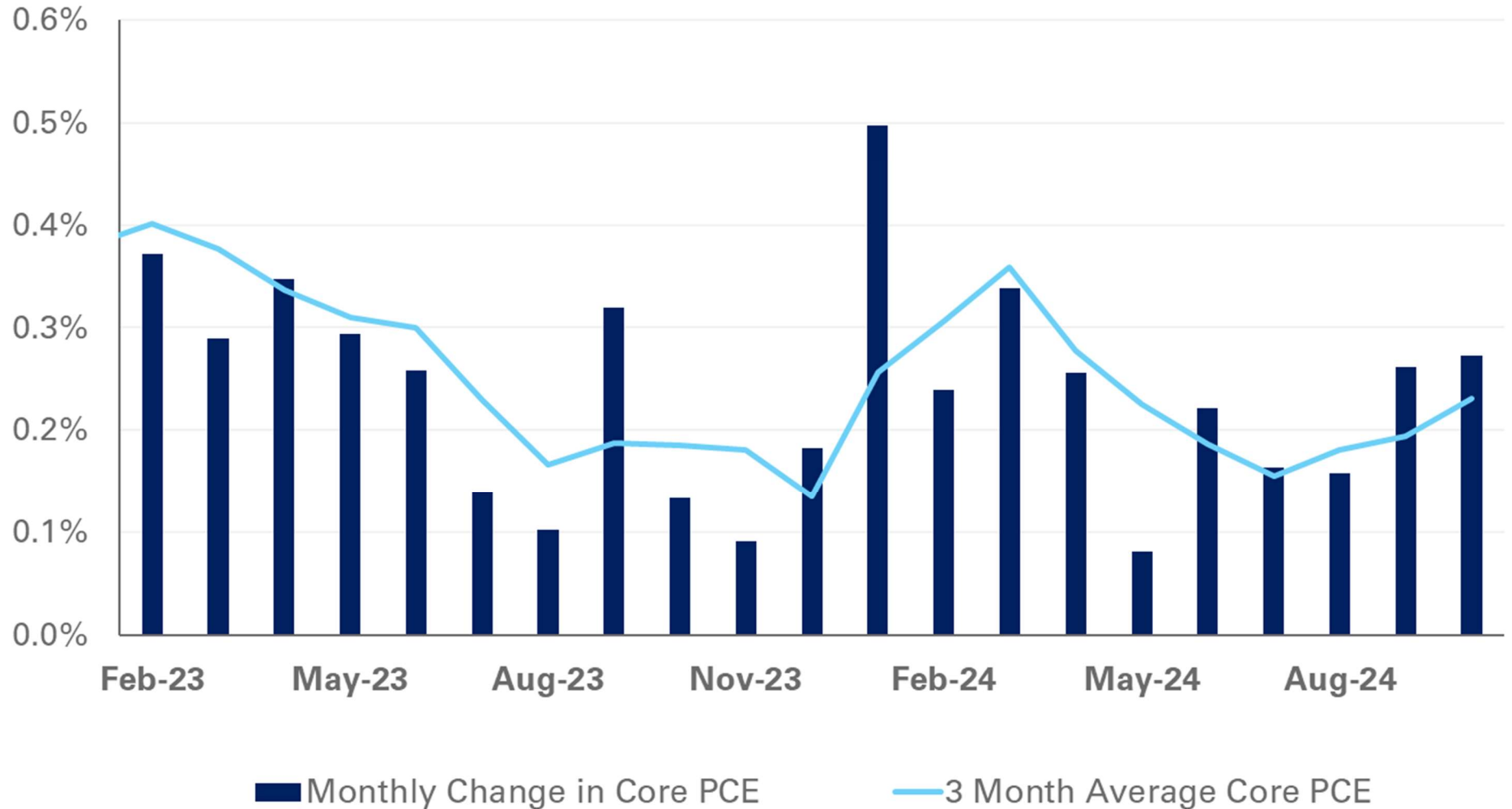
FED FUNDS FUTURES EXPECTATIONS



Source: FactSet

SERVICES TO BLAME FOR STICKY INFLATION

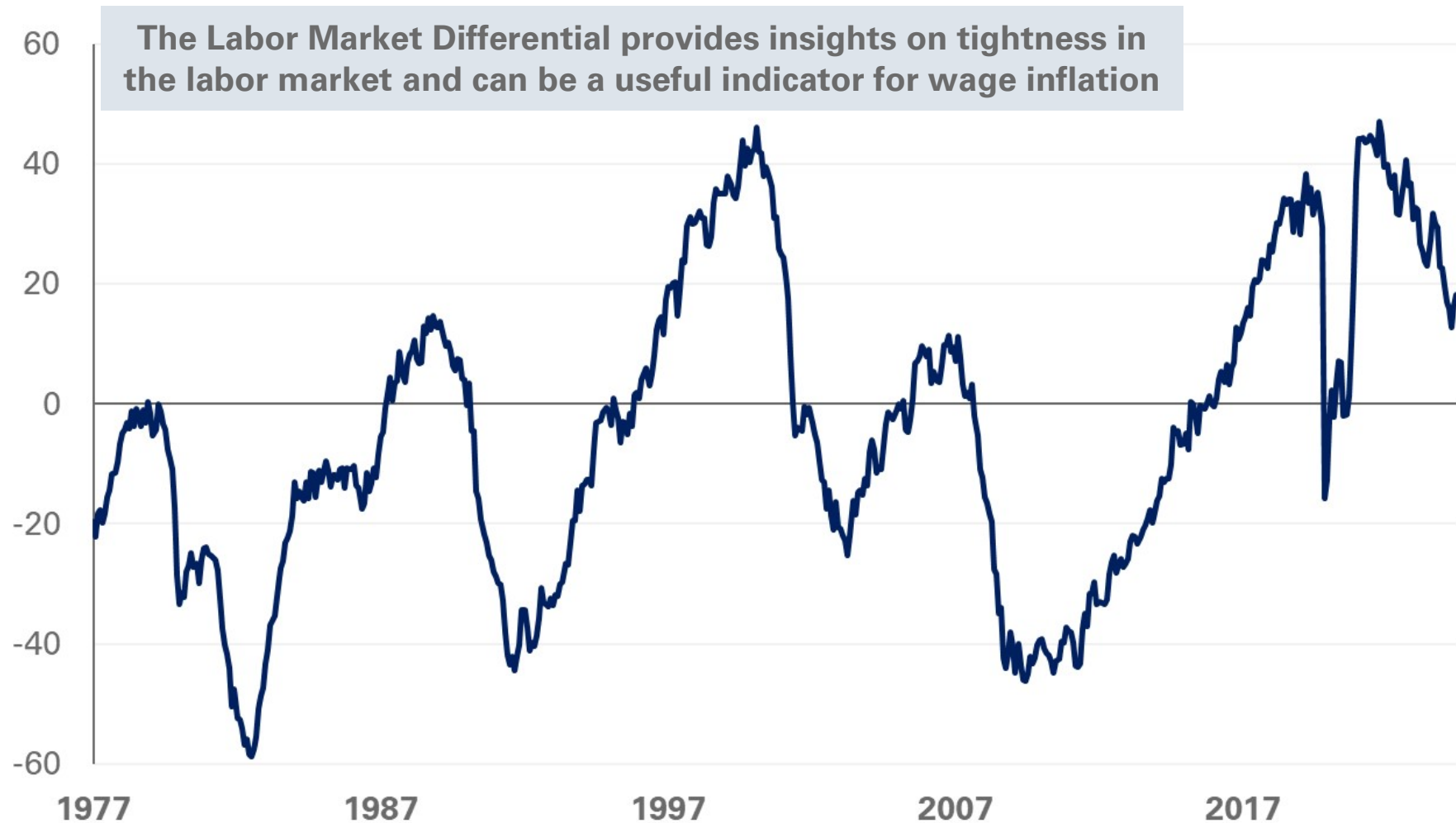
CORE PERSONAL CONSUMPTION EXPENDITURES (PCE)



Sources: U.S. Bureau of Economic Analysis, FactSet

LABOR MARKET DYNAMICS IN FOCUS FOR THE FED

U.S. LABOR MARKET DIFFERENTIAL

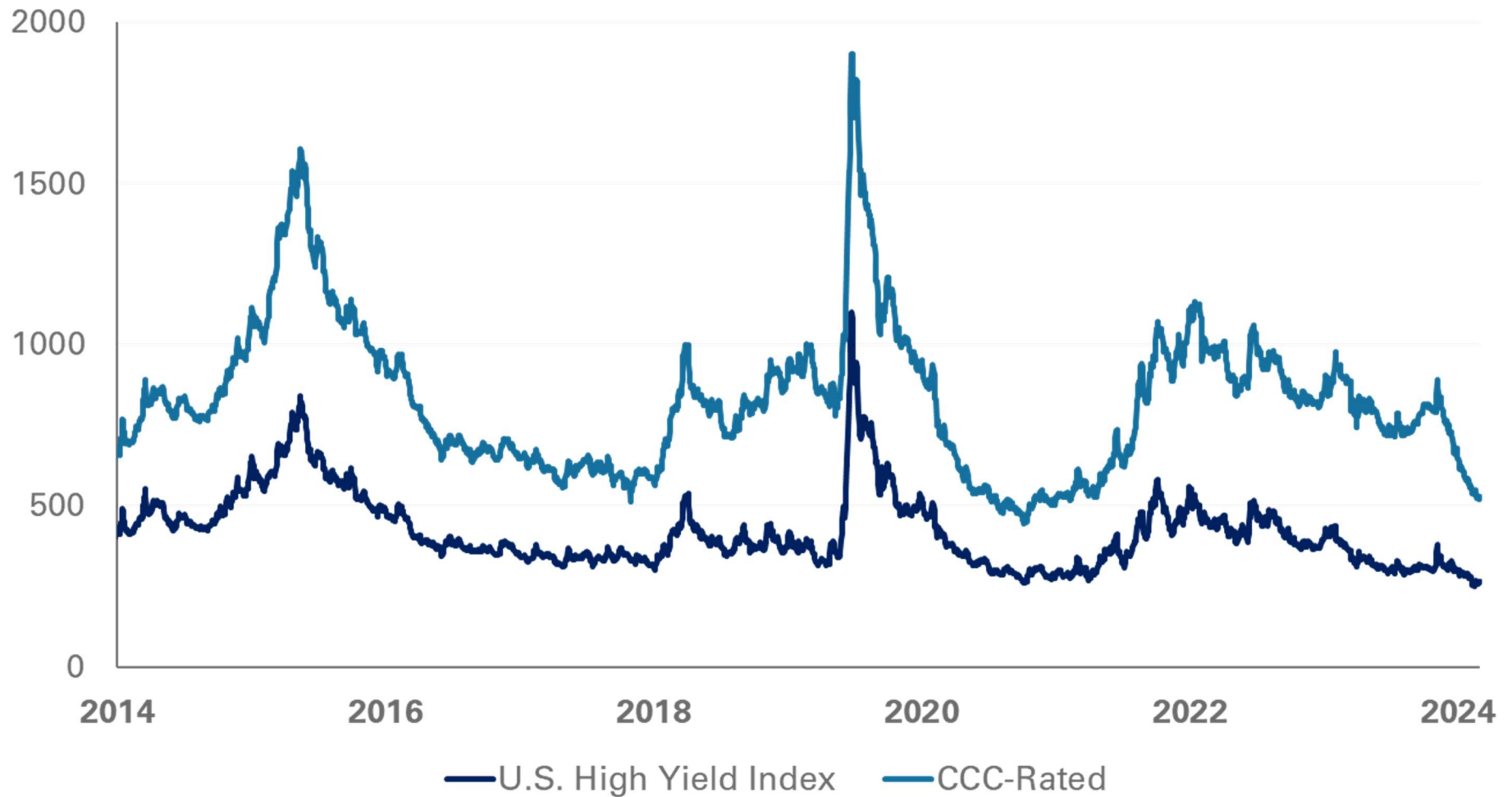


Note: The Labor Market Differential represents the share of consumers reporting jobs that are “plentiful” minus those reporting jobs are “hard to get”
Sources: Conference Board U.S., FactSet



CREDIT SPREADS CONTINUED GRINDING LOWER

U.S. HIGH YIELD CORPORATE OPTION-ADJUSTED SPREADS



Sources: Bloomberg, FactSet

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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.

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

