



Clark County Treasurer Investment Pool Monthly Report

April 2024

Key Performance Indicators

	<u>Apr. 2024</u>	<u>Apr. 2023</u>
County's Book Value Yield	3.79%	2.38%
State LGIP's Book Value Yield	5.40%	4.94%
County's Total Market Return	4.03%	1.70%
Benchmark's Total Market Return	3.39%	1.67%
County's Effective Duration	1.03 yrs.	0.81 yrs.
Benchmark's Duration	1.32 yrs.	1.36 yrs.
Average Maturity	1.17 yrs.	0.91 yrs.
Net Asset Value (NAV)	\$0.987768	\$0.974896
County's Book Value	\$1,292.3 mm	\$1,255.3 mm

Current Market Yields

Fed Funds Rate (upper)	5.50%	5.00%
2-year Treasury Note	5.04%	4.01%

- Yields jumped during the month as more unfavorable inflation data poured in. The two-year Treasury note increased from 4.62% to 5.01% while the 10-year increased from 4.20% to 4.68%. The 2/10 yield curve has now been inverted for over 22 months.
- After five consecutive months of gains, equities underwent a correction in April with the S&P 500 pulling back 4.2%.
- March's Core CPI (released in April) went unchanged from February at a yearly 3.8% pace while headline CPI accelerated from 3.2% to 3.5% on the back of higher energy prices. Inflation amongst core services, a segment that the Fed closely follows, was driven by higher costs for auto insurance and medical care, both of which are unlikely to exert inflationary pressure on the broader economy.
- After a very strong March employment report, job growth cooled in April most likely due to seasonal adjustments. Nonfarm payrolls increased by 175K making it the slowest job growth in the last six months. The unemployment rate ticked up from 3.8% to 3.9% and year-over-year earnings growth slowed from 4.2% to 3.9%, the first time under 4% since 2021.
- Q1 real GDP growth came in at 1.6% (less than the 2.5% expected), due to higher-than-expected inflation. Domestic demand remained strong at 2.8%, but for how much longer? Credit card balances continue to increase, reaching new record highs, while savings rates declined, and delinquency rates rose.

Both ISM indices below 50 in April

Service decline more troubling than manufacturing drop

ISM indices

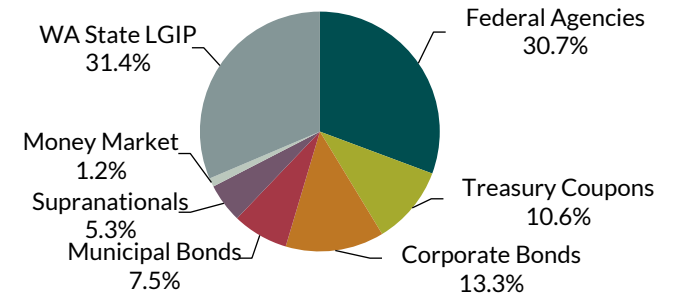
contraction < 50 < growth

— Manufacturing
— Services



ISM indices tend to be quite volatile. Manufacturing ISM bottomed out mid-2023 and has been trending up ever since. However, Services ISM went below 50 for the first time since January 2023 and is more concerning and may point cooling consumer demand.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$871.4 mm	1.53	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$420.9 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,292.3 mm	1.03	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)