



Clark County Treasurer Investment Pool Monthly Report

May 2020

Key Performance Indicators

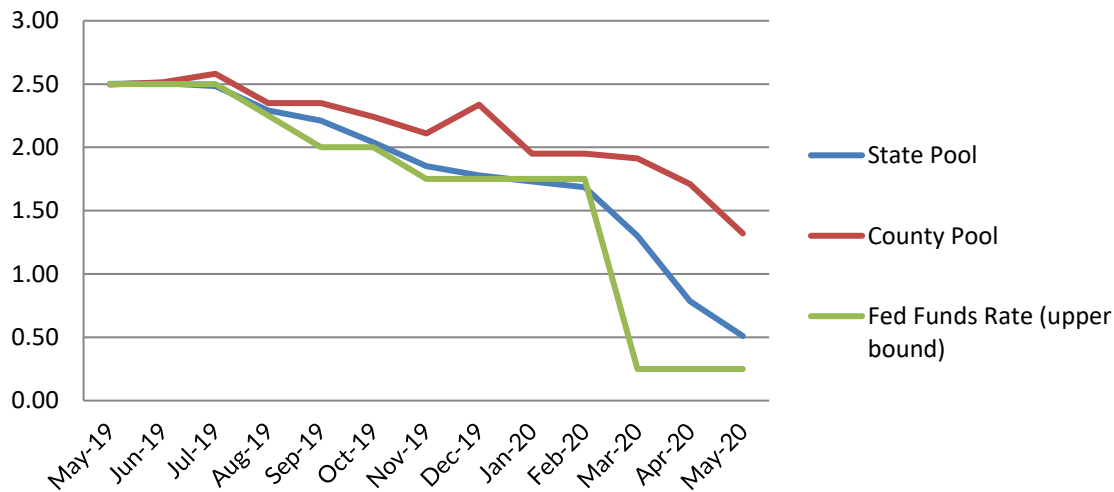
| | May 2020 | May 2019 |
|---------------------------------|--------------|------------|
| County's Book Value Yield | 1.32% | 2.50% |
| State LGIP's Book Value Yield | 0.51% | 2.50% |
| County's Total Market Return | 3.31% | 2.87% |
| Benchmark's Total Market Return | 3.13% | 2.69% |
| County's Effective Duration | 0.90 yrs. | 0.69 yrs. |
| Benchmark's Duration | 0.95 yrs. | 0.80 yrs. |
| Average Maturity | 1.23 yrs. | 1.07 yrs. |
| Net Asset Value (N.A.V.) | \$1.012921 | \$1.002845 |
| County's Book Value | \$1,057.2 mm | \$981.6 mm |

Current Market Yields

| | May 2020 | May 2019 |
|------------------------|----------|----------|
| Fed Funds Rate (upper) | 0.25% | 2.50% |
| 2-year Treasury Note | 0.16% | 1.92% |

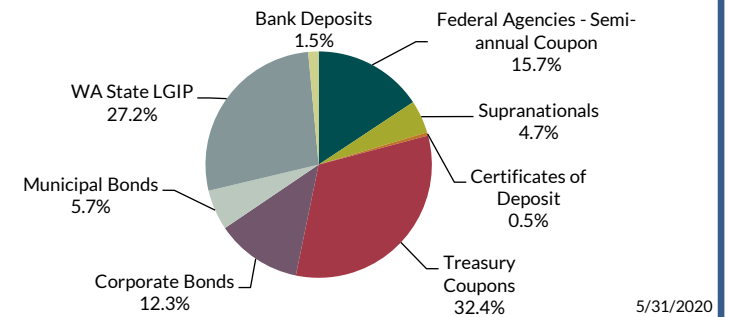
- The economic fallout from the virus will be massive and prolonged, but it appears April was the worst of it. May's economic data showed a slight bounce off the bottom across all sectors.
- May's unemployment rate was expected to tick up to 19.0% from April's 14.7%, but unexpectedly dropped to 13.3%. Payrolls were anticipated to cut 7.5 million jobs, but instead added 2.5 million!
- May's economic data is still abysmal by all historic measures, just less so than April. The Fed's unprecedented monetary stimulus has been well received by the equity markets, and even treasury yields have bounced off their record lows.
- As the U.S. continues to slowly reopen for business, evidence of a new wave of the virus will be closely monitored. So far, total new cases in the U.S. continue to trend lower, but at a slower rate than in April. This is very positive.
- April's personal income saw a significant increase despite a huge drop in wage income partly due to the offset made by unemployment insurance, but largely due to the stimulus checks each family received. As a result of the surge in income, and low spending (because businesses were closed), there was a 33% surge in the savings rate. Consumers are poised and ready to spend.
- First quarter's GDP rate was -4.8%. Second quarter's GDP rate is expected to come in around -25-30%, which means we are in a technical recession (two quarters in a row with negative GDP growth).

Interest Rate Comparison:



The State pool closely tracks the Fed Funds Rates. The Fed cut rates 150 basis points in March, dramatically altering future interest rate expectations for the State's LGIP as well as the County's pool. Most economists feel strongly that the Fed will not move rates into negative territory, mainly because they have a vast number of other tools in their toolkit that are more effective to stimulate the economy. Only time will tell if we can completely rule out negative rates.

Clark County Investment Pool



Portfolio Summary

| | Book Value | Eff Dur | Bench Dur | Benchmark |
|--------------------------------|---------------------|-------------|-------------|----------------------------|
| Clark County Core Invest. Fund | \$743.8 mm | 1.25 | 1.47 | ICE BAML 0-3 yr. UST |
| Clark County Liquidity Fund | \$313.4 mm | 0.03 | 0.08 | ICE BAML 3 mon. UST |
| TOTAL PORTFOLIO | \$1,057.2 mm | 0.90 | 0.95 | ICE BAML 1-year UST |