



Clark County Treasurer Investment Pool Monthly Report

October 2020

Key Performance Indicators

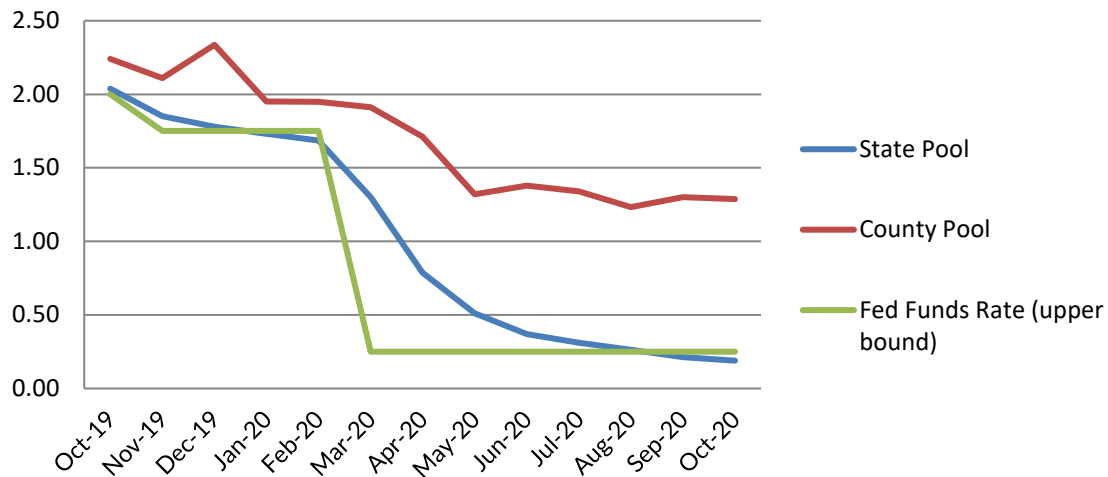
	<u>Oct. 2020</u>	<u>Oct. 2019</u>
County's Book Value Yield	1.29%	2.24%
State LGIP's Book Value Yield	0.19%	2.04%
County's Total Market Return	2.22%	3.14%
Benchmark's Total Market Return	1.93%	3.27%
County's Effective Duration	1.07 yrs.	0.89 yrs.
Benchmark's Duration	0.93 yrs.	0.99 yrs.
Average Maturity	1.31 yrs.	1.26 yrs.
Net Asset Value (N.A.V.)	\$1,008,573	\$1,004,197
County's Book Value	\$1,150.3 mm	\$1,150.3 mm

Current Market Yields

Fed Funds Rate (upper)	0.25%	1.75%
2-year Treasury Note	0.13%	1.52%

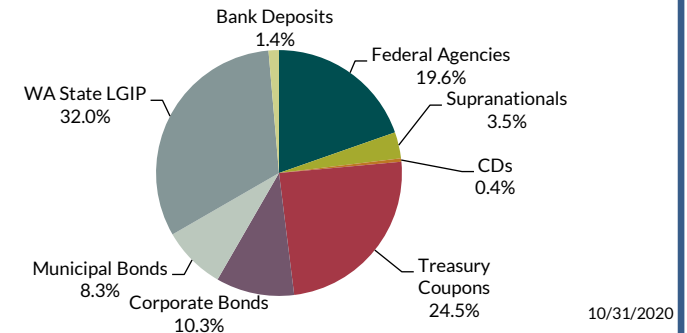
- In October, our economy continued its remarkable recovery from the COVID-19 pandemic. Even with case numbers increasing heading into the winter months, the recovery has been like no other. This was mainly due to the health of personal balance sheets and additional federal stimulus early on.
- The personal savings rate is declining since April's influx of cash from government issued stimulus but remains significantly elevated from an historical context. A high savings rate could indicate people are preparing to lose their job permanently, but it also represents a pent-up ability to spend.
- The October employment report beat expectations in all aspects. Nonfarm payrolls rose 638k, about 58k more than expected. Private payrolls rose 906k, approximately 226k stronger than expected along with 15k in positive revisions to September's data. October's unemployment rate fell to 6.9% from 7.9% in September. The Labor Participation Rate ticked up from 61.4% to 61.7%, meaning 724k re-entered the labor force.
- The first estimate of Q3's GDP growth came in at 33.1%. We are now down 3% from 2019's Q4 GDP and about 5% if we had been growing at our 5-yr historical pace. Much of Q3's growth was driven by the goods consumption (manufacturing sector), while services consumption still remains below 2019's Q4 despite its 3rd quarter increases. The best surprise in Q3's numbers was the rebound in business fixed investment. This suggests the recovery is likely to continue.

Interest Rate Comparison:



The county pool is structured to yield greater earnings over the long-term in comparison to the state LGIP. From mid-2017 to mid-2019, when we were in a raising rate environment, the state pool out-performed the county pool by \$2.7 million. In the 16 months since then, the county pool has out-performed state pool by \$7.9 million. The county pool, with its longer duration, is able to hold on to yield longer, but this will not last as we reinvest in these near zero interest rates.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$761.8 mm	1.58	1.46	ICE BAML 0-3 yr. UST
Clark County Liquidity Fund	\$388.5 mm	0.02	0.08	ICE BAML 3 mon. UST
TOTAL PORTFOLIO	\$1,150.3 mm	1.07	0.93	ICE BAML 1-year UST