Clark County Treasurer Investment Pool Monthly Report

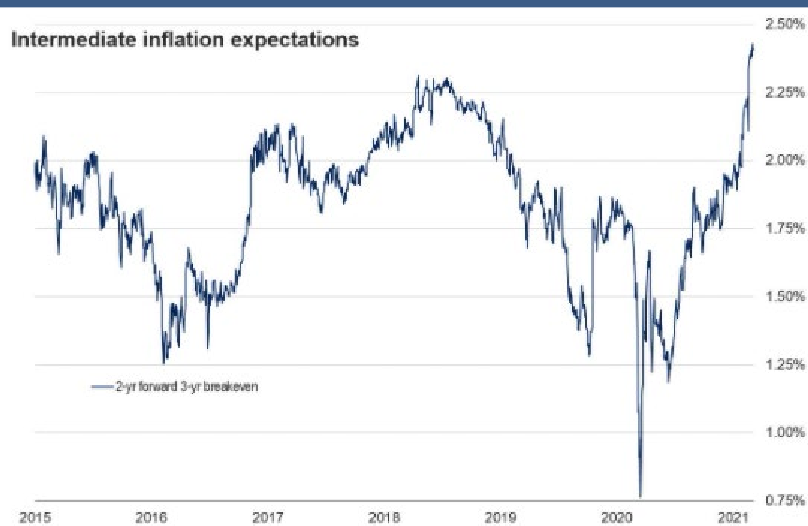
February 2021

Key Performance Indicators

	Feb. 2021	Feb. 2020
County's Book Value Yield	0.95%	1.95%
State LGIP's Book Value Yield	0.14%	1.68%
County's Total Market Return	1.18%	3.37%
Benchmark's Total Market Return	1.11%	3.17%
County's Effective Duration	1.12 yrs.	1.10 yrs.
Benchmark's Duration	0.99 yrs.	0.95 yrs.
Average Maturity	1.40 yrs.	1.47 yrs.
Net Asset Value (N.A.V.)	$1.006848	$1.009038
County's Book Value	$1,131.8 mm	$980.7 mm
Current Market Yields		
Fed Funds Rate (upper)	0.25%	1.75%
2-year Treasury Note	0.13%	0.91%

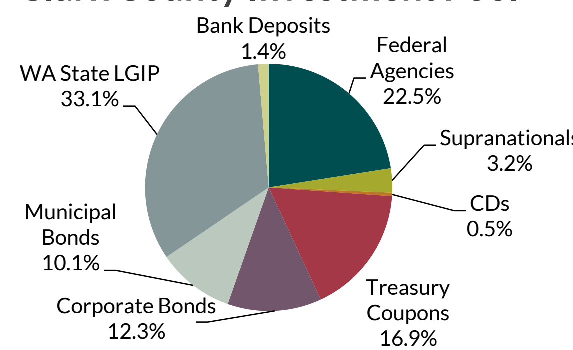
- COVID cases and hospitalization numbers continue to plummet. Fatalities are about half of what they were in the January peak. Several states have started to reopen, dropping mask mandates because of a lower number of cases and increased vaccinations. By the end of February, 16.3% of adults have received 1 dose of the vaccine and 8.4% have received 2 doses.
- The unemployment rate fell again in February and this time not from people leaving the labor force. Job growth was solid in February despite weather related layoffs in mining and construction. Nonfarm payrolls added 379k and private payrolls added 465k (excluding government layoffs). Leisure and hospitality added 355k. The pace of recovery has slowed since October. The U.S. has about 8.5 million people who remain unemployed.
- The $1.9 trillion-dollar American Rescue Plan is expected to pass in early March. Democrats will use the Byrd Rule which allows legislation to pass with just 50 votes vs. 60 (this is can be used once a year). The bill includes about $450 billion in direct stimulus checks to households.
- With pent-up savings and additional stimulus in the works, most economic forecasts show full GDP recovery this spring. 2020's real GDP was -3.5% on a year over year basis, whereas GDP forecasts for 2021 are between 5-10% growth, putting us back in line with pre-virus output.

Inflation expectations pick up:



At the beginning of the pandemic inflation expectations plummeted overnight. However, since the November elections and the Georgia run off, the market has priced in a considerable amount of inflation for the next several years. Right now, inflation expectations are higher than 2018 when we were at full employment. Higher inflation expectations push up the longer end of the yield curve. Since year-end, the 10-year yield has increased from 0.93% to 1.44%.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	$736.1 mm	1.70	1.48	ICE BAML 0-3 yr. UST
Clark County Liquidity Fund	$395.7 mm	0.02	0.09	ICE BAML 3 mon. UST
TOTAL PORTFOLIO	**$1,131.8 mm**	**1.12**	**0.99**	**ICE BAML 1-year UST**