



Clark County Treasurer Investment Pool Monthly Report

August 2021

Key Performance Indicators

	August 2021	August 2020
County's Book Value Yield	0.54%	1.23%
State LGIP's Book Value Yield	0.08%	0.26%
County's Total Market Return	0.20%	2.62%
Benchmark's Total Market Return	0.25%	2.37%
County's Effective Duration	1.10 yrs.	0.95 yrs.
Benchmark's Duration	0.95 yrs.	0.94 yrs.
Average Maturity	1.43 yrs.	1.29 yrs.
Net Asset Value (N.A.V.)	\$1,004,618	\$1,012,466
County's Book Value	\$1,143.2 mm	\$1,023.3 mm

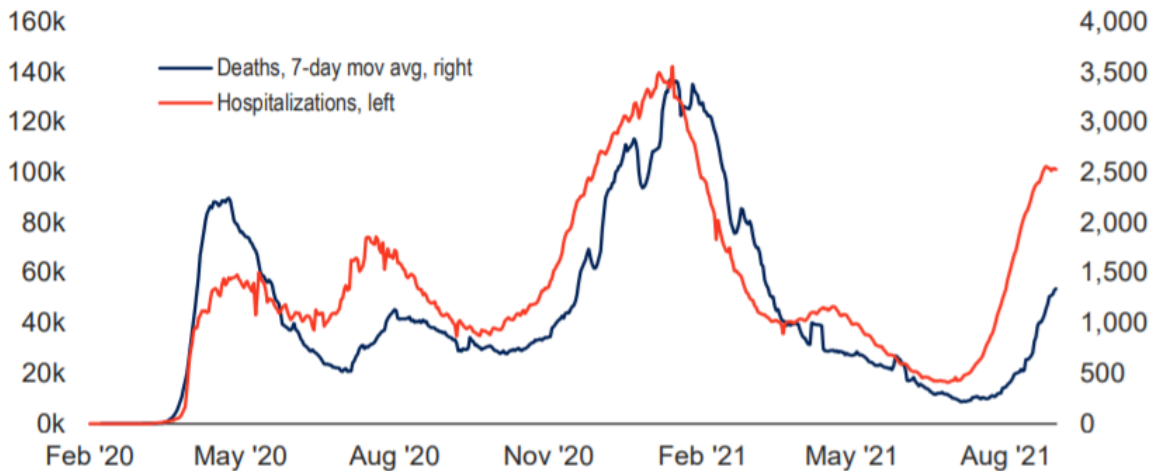
Current Market Yields

Fed Funds Rate (upper)	0.25%	0.25%
2-year Treasury Note	0.20%	0.14%

- The spread of the Delta variant in August shook confidence in the recovery. While we have yet to see hard economic data showing any impact on US production and consumer spending, there is evidence of deteriorating sentiment and worsening supply chain bottlenecks.
- Inflation continued to run hot in August as the production side of the economy struggled to keep up with strong demand. Supply chain bottlenecks and labor shortages have not retreated - they might be getting worse. The Fed has now started to call inflation temporary vs. transitory.
- August jobs report was surprisingly weak following two very strong months that were revised even higher in the August report. Nonfarm payrolls rose just 235k far short of the 733k consensus. While tempting to blame the Delta variant and rising COVID cases, there were other things going on in August that likely limited job growth. Seasonal businesses gave up the hiring push with just weeks left of the summer and early back-to-school teachers in July that made the August seasonal adjustment too large. With that context, we did see a substantial raise in wages in August; 0.6% month-over-month, twice the expected rise. Year-over-year hourly earnings growth accelerated from 4.05% to 4.28%.
- At the Jackson Hole summit, Chair Powell countered comments from hawkish FOMC members and emphasized the need for further strong job growth before setting a timeline for tapering asset purchases, much less raising rates. Powell also stressed that tapering will happen long before the Fed raises rates.

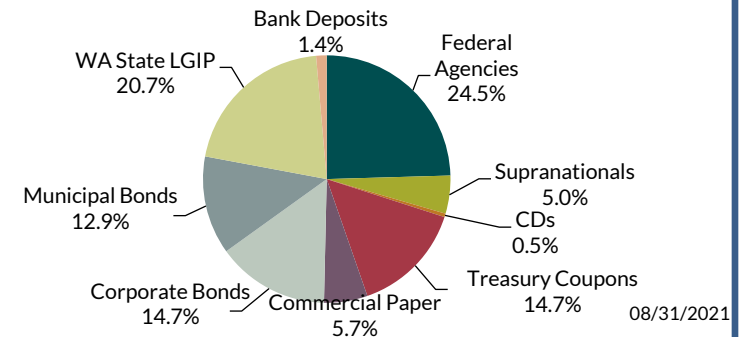
Delta Variant Wave:

COVID Hospitalizations and Deaths



The rapid spread of the Delta variant has led to a surge in hospitalizations and deaths. While breakthrough cases are a factor, the majority of hospitalizations and cases are among the unvaccinated. Hospitalizations are at the second highest of the pandemic. Survey data for August suggest that the rapid spread of the Delta variant is eroding confidence among consumers and businesses.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$885.7 mm	1.41	1.49	ICE BAML 0-3 yr. UST
Clark County Liquidity Fund	\$257.5 mm	0.01	0.08	ICE BAML 3 mon. UST
TOTAL PORTFOLIO	\$1,143.2 mm	1.10	0.95	ICE BAML 1-year UST