



Clark County Treasurer Investment Pool Monthly Report

November 2021

Key Performance Indicators

	Nov. 2021	Nov. 2020
County's Book Value Yield	0.52%	.95%
State LGIP's Book Value Yield	0.09%	0.16%
County's Total Market Return	-0.19%	2.23%
Benchmark's Total Market Return	0.08%	1.91%
County's Effective Duration	1.33 yrs.	1.00 yrs.
Benchmark's Duration	0.92 yrs.	0.93 yrs.
Average Maturity	1.40 yrs.	1.27 yrs.
Net Asset Value (N.A.V.)	\$0.999877	\$1.008794
County's Book Value	\$1,128.4 mm	\$1,159.9 mm

Current Market Yields

Fed Funds Rate (upper)	0.25%	0.25%
2-year Treasury Note	0.57%	0.11%

- In November, inflation continued to run hot and dominate headlines. It's too soon to know how much the new Covid variant, Omicron, will affect the economy with lockdowns and restriction. There is a high probability it will prolong the bottlenecks and shortages, and therefore cause another bout of inflation much like the Delta variant did. The latest reading of PCE (Personal Consumption Expenditure), the Fed's preferred inflation metric, came in at 4.1%. CPI (Consumer Price Index) came in at 6.1% year over year.
- November's job report was perplexing. Nonfarm payrolls (which surveys employers) only added 210k jobs when 550K was expected, but the household survey showed an increase of 1.5 million jobs and a decrease in the unemployment rate from 4.6% to 4.2%. It is not unusual for the two surveys to vary some because they are asking different questions and surveying different groups, but not typically by this much. It is likely the vaccine mandate has negatively impacted specific professions as November saw an unusual decline in education, healthcare, and state and local government jobs.
- At the end of the month, Fed Chair Powell testified before the Senate. His comments were very hawkish calling for the need to stop using the word transitory to describe inflation and that he would be in favor of ending the asset purchases (the taper) a few months sooner than planned. As a result, short-term rates rose, and long-term rates fell. Currently, the market is pricing in three rate hikes for next year.

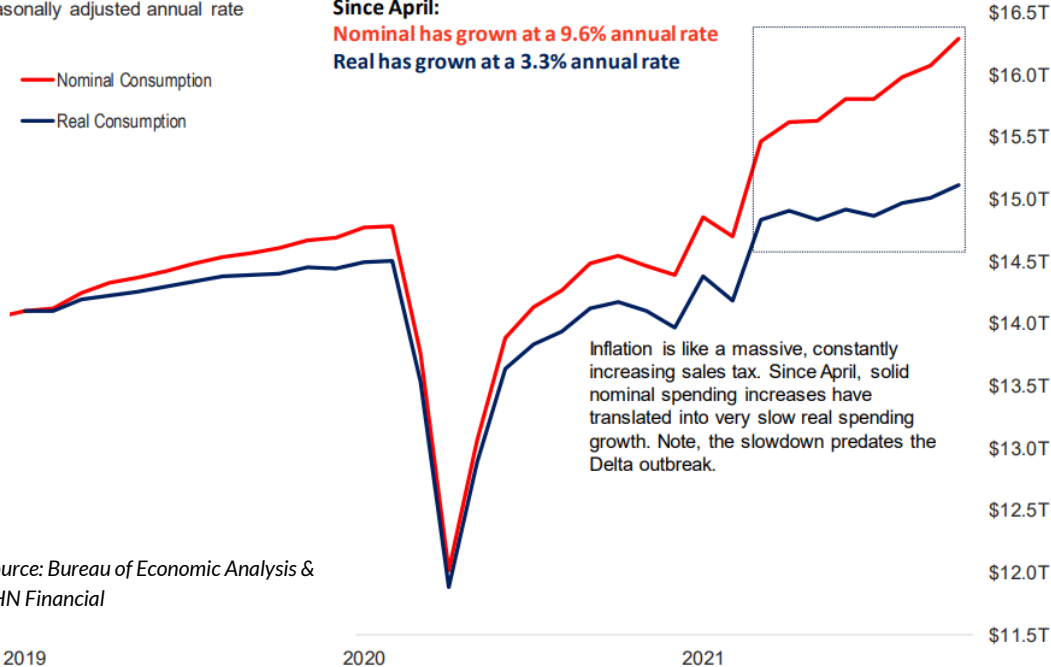
Consumer Consumption is Strong but dented by Inflation:

Personal Spending

Seasonally adjusted annual rate

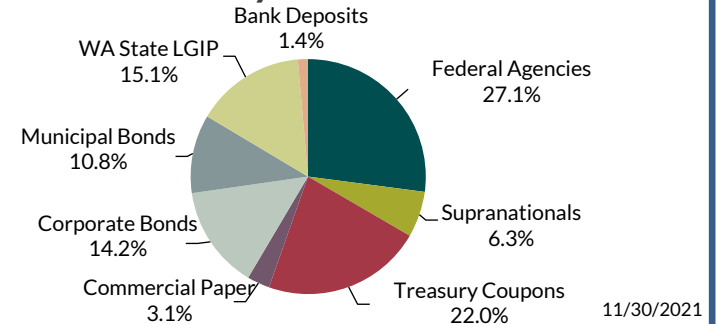
Since April:
Nominal has grown at a 9.6% annual rate
Real has grown at a 3.3% annual rate

— Nominal Consumption
 — Real Consumption



Source: Bureau of Economic Analysis & FHN Financial

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$942.6 mm	1.59	1.49	ICE BAML 0-3 yr. UST
Clark County Liquidity Fund	\$185.8 mm	0.01	0.09	ICE BAML 3 mon. UST
TOTAL PORTFOLIO	\$1,128.4 mm	1.33	0.92	ICE BAML 1-year UST