



# Clark County Treasurer Investment Pool Monthly Report

February 2022

## Key Performance Indicators

	Feb. 2022	Feb. 2021
County's Book Value Yield	0.62%	0.95%
State LGIP's Book Value Yield	0.11%	0.14%
County's Total Market Return	-1.10%	1.18%
Benchmark's Total Market Return	-0.71%	1.11%
County's Effective Duration	1.35 yrs.	1.12 yrs.
Benchmark's Duration	1.42 yrs.	0.99 yrs.
Average Maturity	1.40 yrs.	1.40 yrs.
Net Asset Value (N.A.V.)	\$0.989110	\$1.006848
County's Book Value	\$1,036.6 mm	\$1,131.8 mm

### Current Market Yields

Fed Funds Rate (upper)	0.25%	0.25%
2-year Treasury Note	1.44%	0.13%

- On February 24, Russia invaded Ukraine and the war, understandably so, has dominated headlines. The rest of the world has responded by placing severe economic sanctions on Russia, spiking uncertainty in the global financial markets and sending oil and other commodity prices surging. Markets still believe the Federal Reserve will proceed in March with its first hike of this cycle, but odds of a 50-basis point hike fell significantly after the Ukraine invasion.
- The Fed will need to be aggressive with removing monetary accommodation from the markets, making an economic "soft landing" nearly impossible. Early last month, we were expecting to see inflation peak in early March or April. Unfortunately, the war will make inflation increase higher in the short run. Real disposable income has been negative for the past seven months as wage growth cannot keep pace with inflation. Lack of real disposable income means less consumer consumption which accounts for over 70% of our GDP. The Atlanta Fed is calling for zero growth in Q1.
- February's job report was another surprisingly strong report indicating an even tighter labor market. The economy added 678k nonfarm payrolls, the unemployment rate fell two tenths to 3.8% and the participation rate increased to 62.3%. There are now only 2.1 million less people employed than prior to the pandemic. There may be another 2 or 3 million who could be persuaded to enter the labor force, but with 11 million job openings there is nowhere close to enough available workers to meet demand.

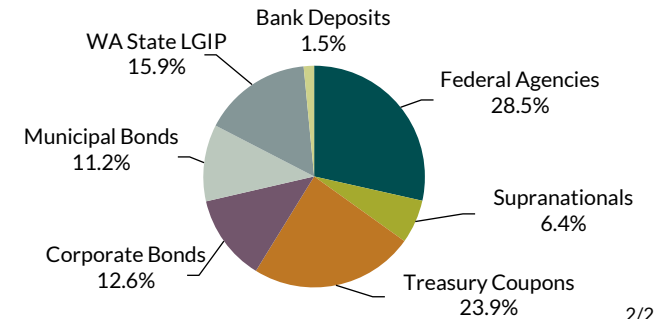
## ISM Services Index Falls:



Sources: Institute for Supply Management, Vining Sparks

Both ISM indices were expected to rebound in February from Omicron. The manufacturing index did, but the services index fell to its lowest level in a year. Respondents surveyed continue to be negatively impacted by supply chain disruptions, capacity constraints, inflation, logistical challenges, and shortage of labor.

## Clark County Investment Pool



2/28/2022

## Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$856.3 mm	1.62	1.71	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$180.3 mm	0.01	0.08	ICE BAML 1 mon. UST
<b>TOTAL PORTFOLIO</b>	<b>\$1,036.6 mm</b>	<b>1.35</b>	<b>1.42</b>	<b>ICE BAML UST 1 mon/0-3 yr./3-5 yr. (20%/72%/8% Blend)</b>