



Quarterly Investment Report
Clark County Investment Pool

December 31, 2021

Quarterly Review

Clark County Investment Pool | CLARK Total Portfolio



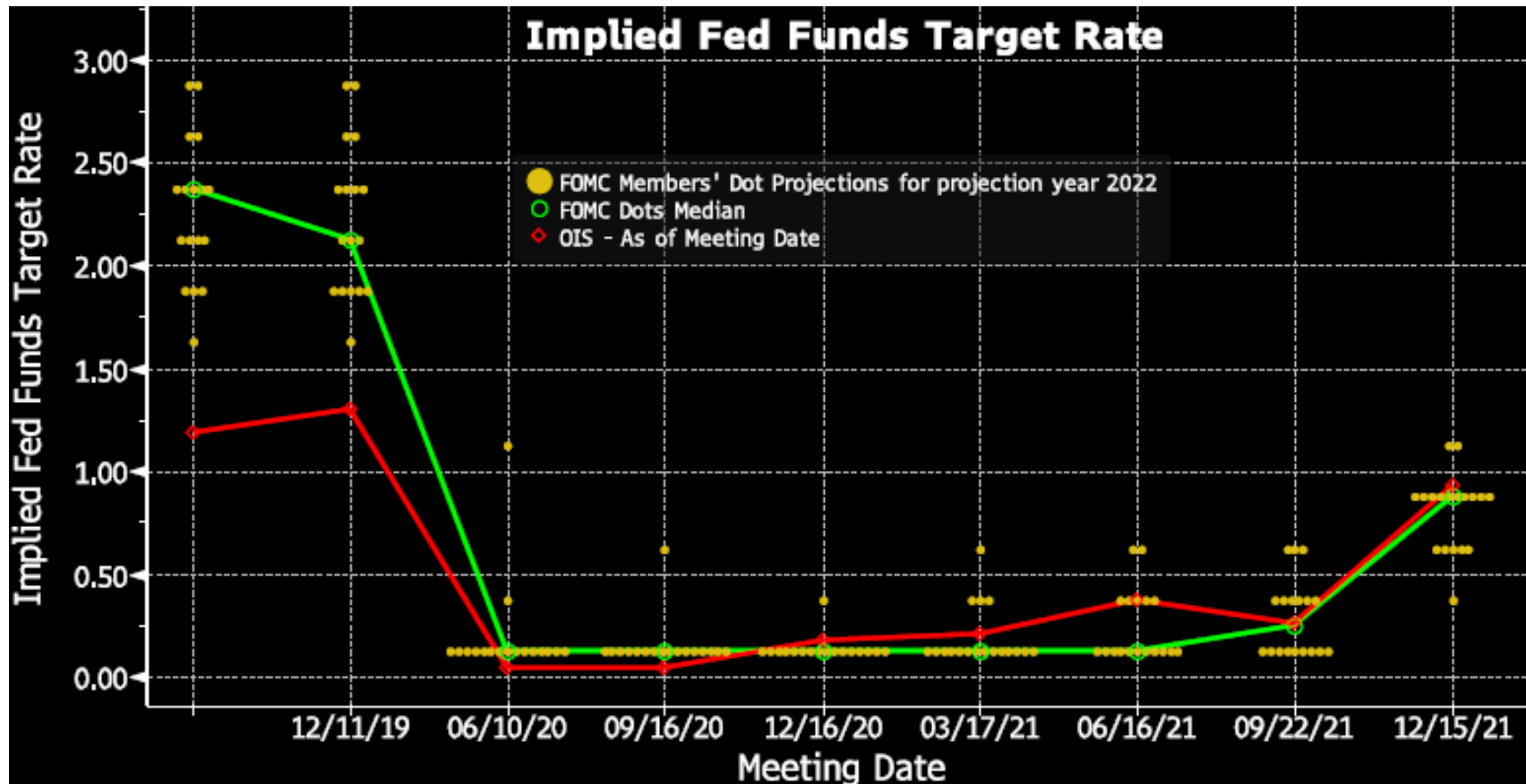
December 31, 2021

Market Overview

Total Portfolio Overview

Compliance

Hawkish Transition into 2022



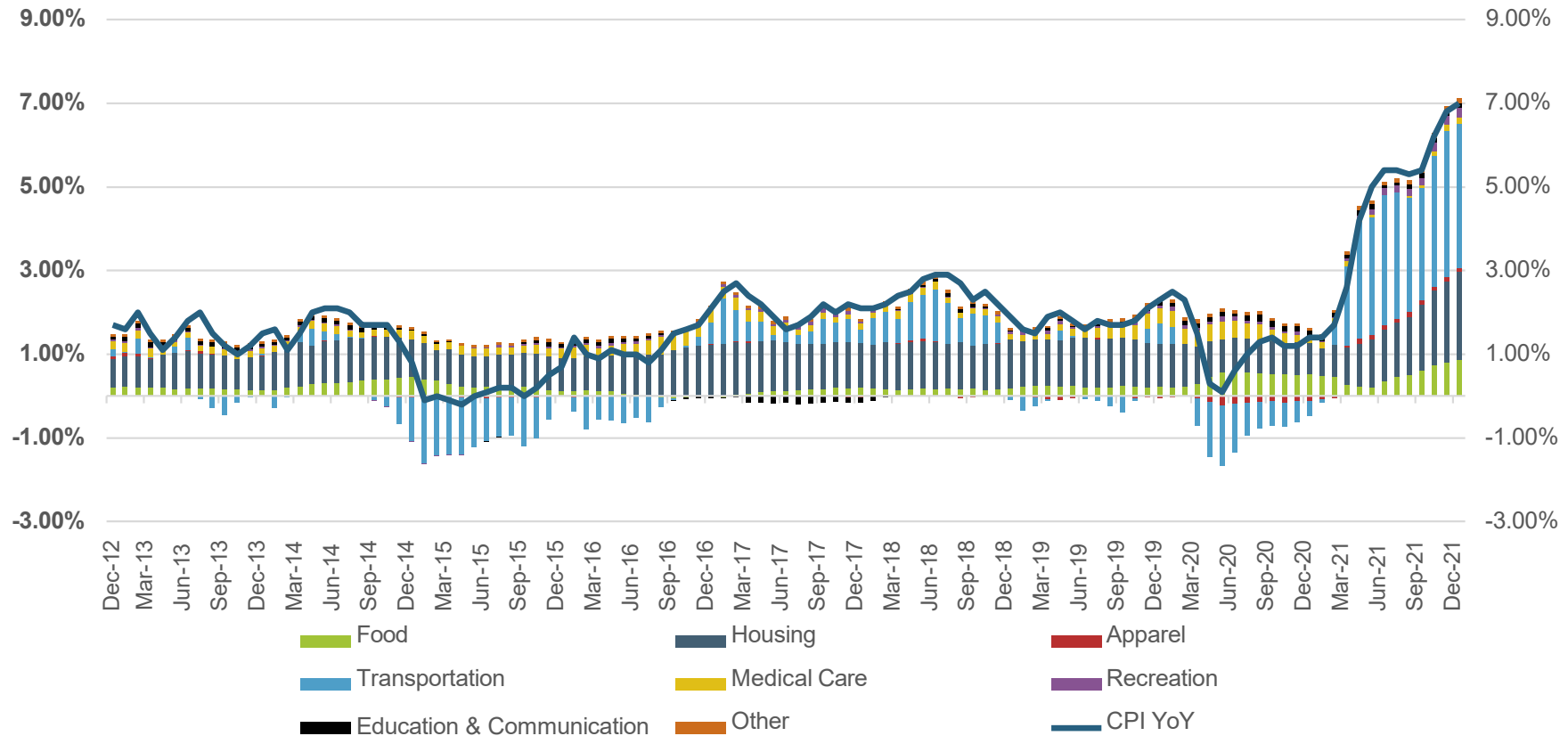
Higher than expected inflation combined with uniquely tight labor markets led the Fed to a more hawkish path for removing accommodation from markets.

What is Priced In?



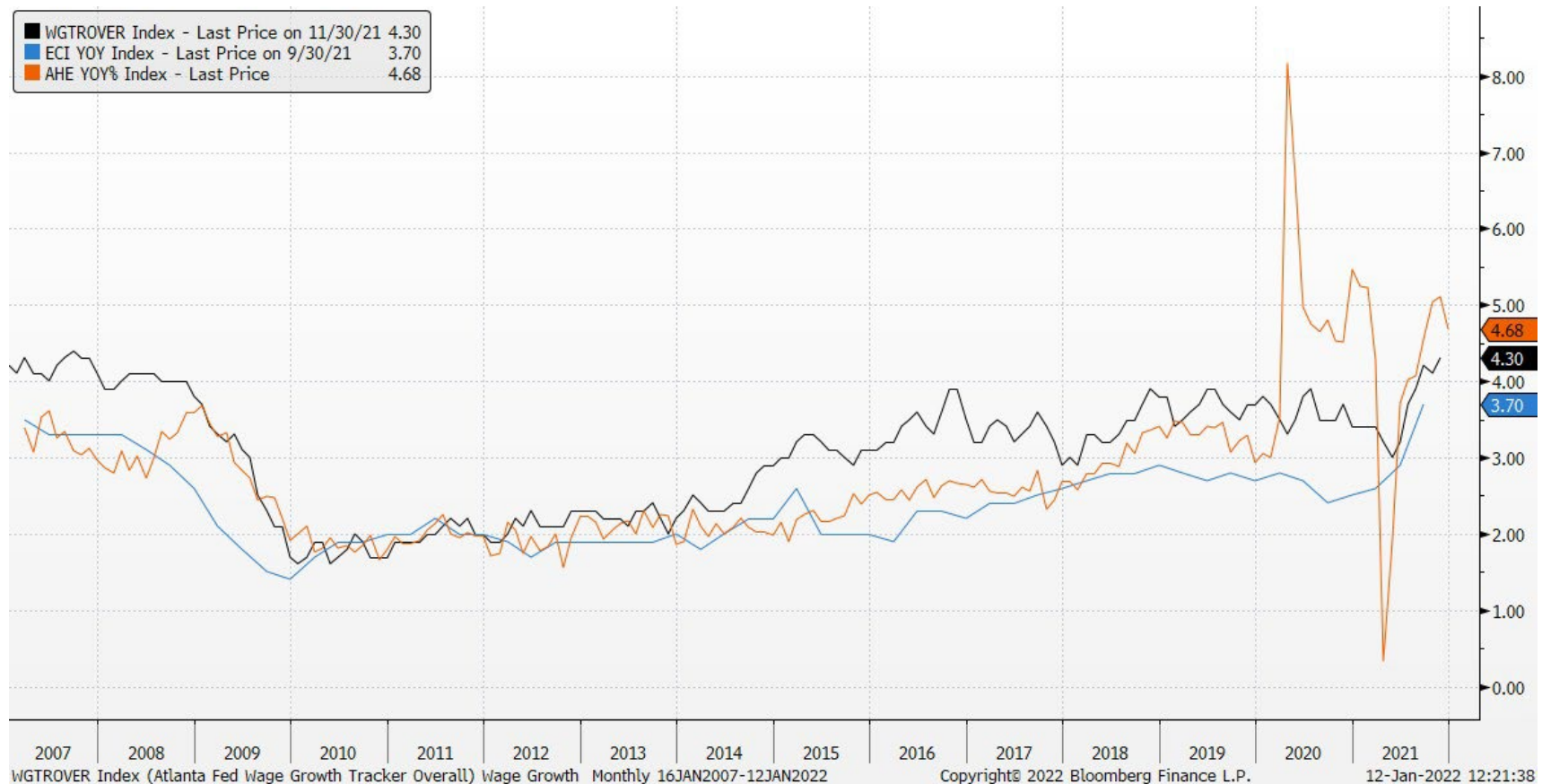
Markets are now pricing in three hikes in 2022 with even odds for a fourth. Peak fed funds continues to hover around 1.50%-1.75% - much like the rate we experienced pre-COVID.

CPI Contribution



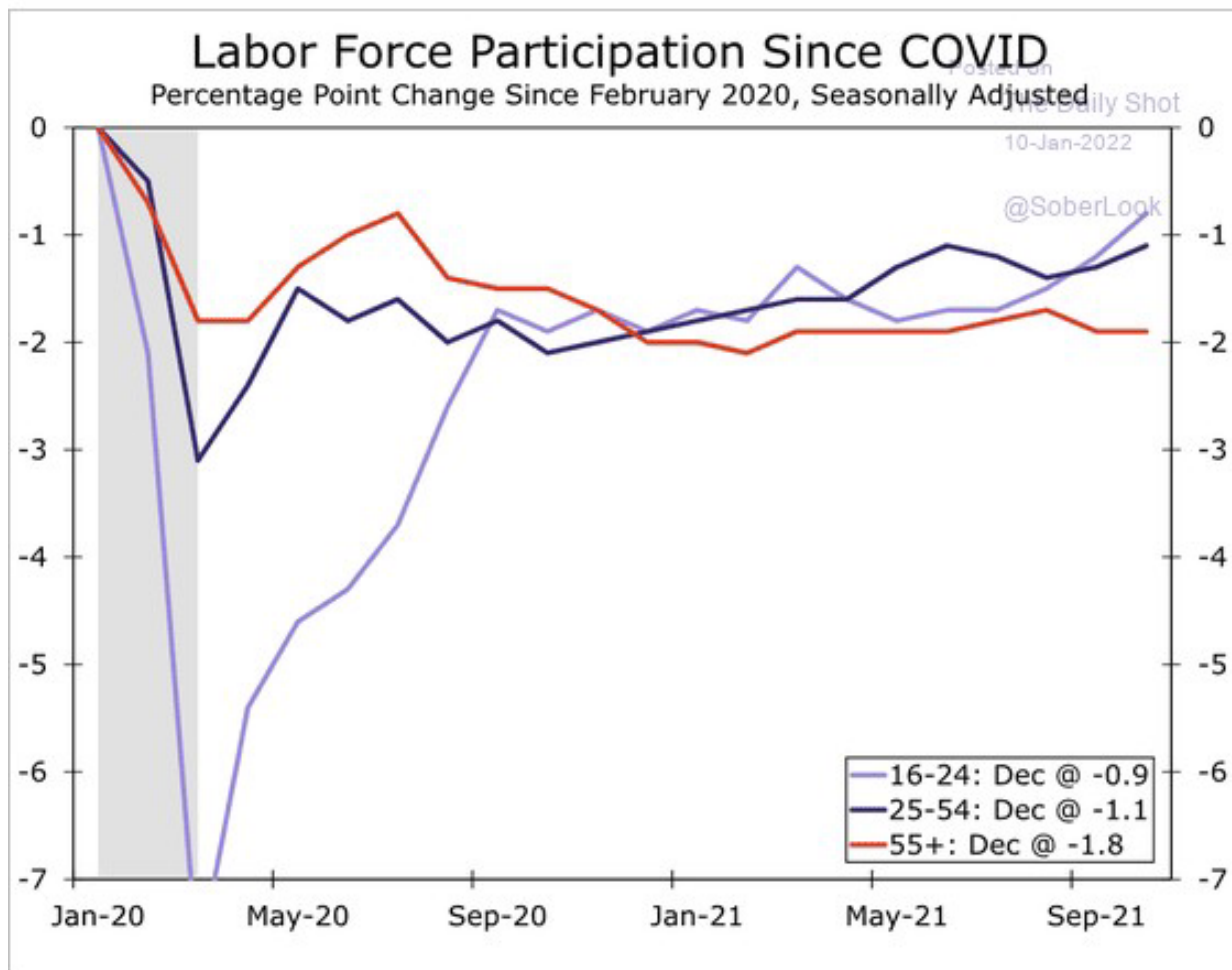
Inflation for December hit 7% with continued pressure in the goods sector, ongoing dislocation in the auto market and the much-expected rise in rents and housing. Inflation is expected to cool in the back half of 2022 – how much and how fast will prove important.

Wage Growth Perking Up



Wage growth has accelerated as current demand for labor is outstripping supply. Elevated CPI readings, combined with wage growth, is leading the Fed to be more hawkish to keep a lid on price growth.

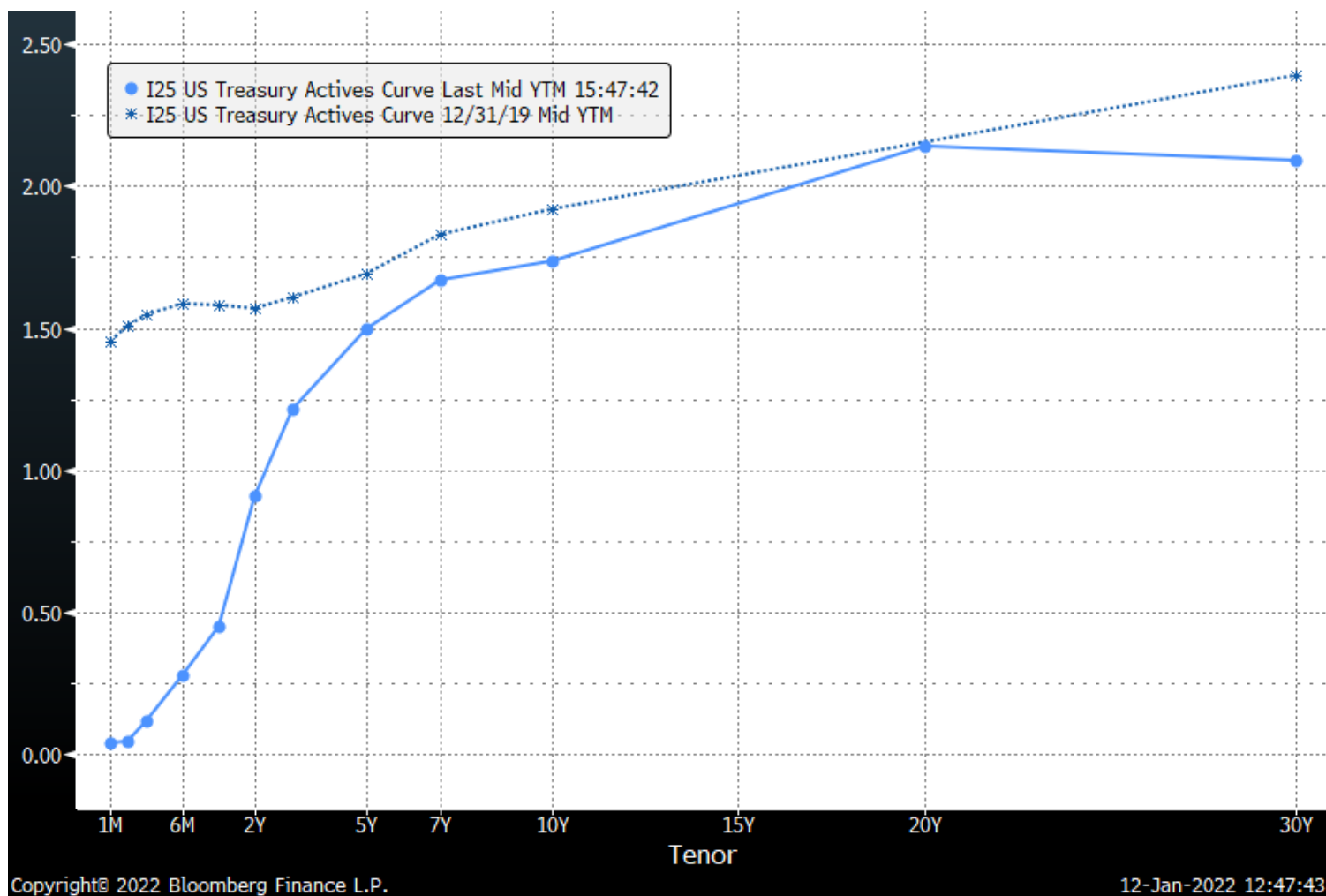
Need to Participate More



Source: [Wells Fargo Securities](#)

Tight labor markets came as a surprise as large swaths of eligible workers are staying out of the labor market despite ample job openings and wage increases. Is their return an if or a when?

Treasury Curve Update



Intermediate and longer-term yields have mostly retraced their declines from pre-COVID levels. As the Fed hikes, front-end yields will elevate back up.

- Fourth quarter growth is expected to rebound on the back of holiday sales and an inventory restocking cycle that should provide a tailwind to growth for several quarters ahead. While consumers and businesses remain in excellent health, we continue to monitor economic trends in the year ahead as we will experience a large withdrawal of both fiscal and monetary stimulus.
- High levels of liquidity and strong economic growth continue to pressure agency, corporate and municipal spreads to relatively low levels compared to historical norms. While we aren't outright avoiding spread sectors, we find ourselves increasingly selective, especially as we head into a Fed tightening cycle.
- All eyes will be focused on inputs into the inflation picture and signs indicating just how tight labor markets really are as we head into 2022. These two factors will determine how fast and how far the Fed will need to go to ensure we neither overheat the economy, nor unnecessarily derail a healthy recovery.

Summary Overview

Clark County Investment Pool | CLARK Total Portfolio

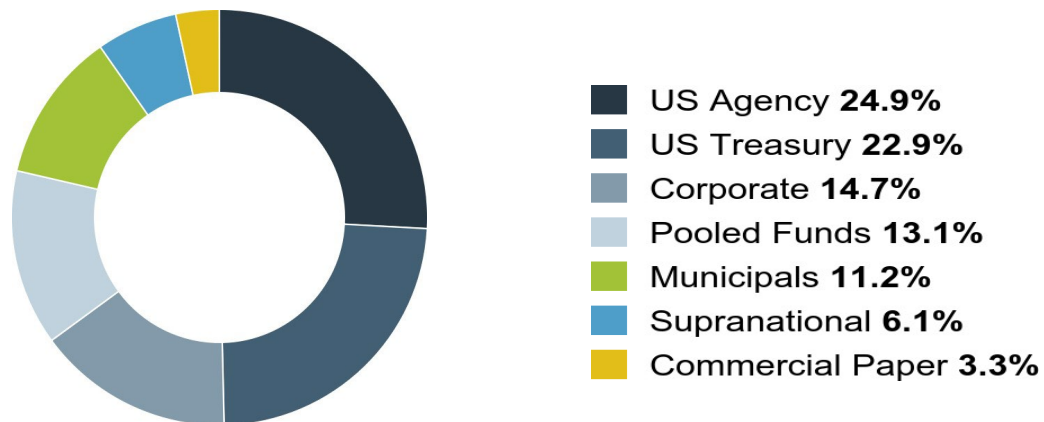


December 31, 2021

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	157,297,895
Investments	919,383,302
Book Yield	0.60%
Market Yield	0.68%
Effective Duration	1.34
Years to Maturity	1.46
Avg Credit Rating	AA

Allocation by Asset Class



Strategy Overview

Clark County Investment Pool | CLARK Total Portfolio



December 31, 2021

Strategic Structure

Account	Par Amount	Book Value	Market Value	Net Unrealized Gain (Loss)	Book Yield	Maturity in Years	Effective Duration	Benchmark Duration	Benchmark
CLARK-Investment Core	911,874,889	918,438,193	916,664,670	(1,773,523)	0.69%	1.71	1.56	1.71	90% ICE BofA 0-3 Year US Treasury Index, 10% ICE BofA 3-5 Year US Treasury Index
CLARK-Liquidity	157,297,895	157,297,895	157,297,895	0	0.08%	0.01	0.01	0.08	ICE BofA US 1-Month Treasury Bill Index
Total	1,069,172,784	1,075,736,088	1,073,962,565	(1,773,523)	0.60%	1.46	1.34	1.47	

Compliance Report

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December 31, 2021

Policy Diversification Constraint

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	22.901	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	17.848	Compliant
US Agency FFCB Issuer Concentration	35.000	3.707	Compliant
US Agency FHLB Issuer Concentration	35.000	7.680	Compliant
US Agency FHLMC Issuer Concentration	35.000	8.100	Compliant
US Agency FNMA Issuer Concentration	35.000	5.405	Compliant
US Agency Obligations - Primary FHLB, FNMA, FHLMC, FFCB Maximum % of Holdings	100.000	24.892	Compliant
US Agency Obligations - Secondary FICO, FARMER MAC etc. Maximum % of Holdings	10.000	2.370	Compliant
US Agency Obligations Issuer Concentration - Secondary FICO, FARMER MAC etc.	5.000	1.393	Compliant
Supranationals - Issuer is ADB, IADB, IBRD, or IFC	0.000	0.000	Compliant
Supranationals Issuer Concentration	5.000	4.172	Compliant
Supranationals Maximum % of Holdings	10.000	6.076	Compliant
Municipal Bonds Issuer Concentration	5.000	2.088	Compliant
Municipal Bonds Maximum % of Holdings	20.000	11.190	Compliant
Municipal Bonds: Non-GO outside of Washington (Not allowed)	0.000	0.000	Compliant
Corporate Notes & Commercial Paper Single Issuer %	3.000	2.049	Compliant
Corporate Notes Foreign Exposure except Canada	2.000	0.000	Compliant
Commercial Paper Issuer Concentration	3.000	1.397	Compliant
Certificates of Deposit Issuer Concentration	5.000	0.000	Compliant
Certificates of Deposit Maximum % of Holdings	40.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	25.000	0.000	Compliant
LGIP Maximum % of Holdings	100.000	13.180	Compliant
PDPC Bank Deposits Issuer Concentration	100.000	1.467	Compliant
PDPC Bank Deposits Maximum % of Holdings	100.000	1.467	Compliant
Repurchase Agreements Issuer Concentration	20.000	0.000	Compliant
Repurchase Agreements Maximum % of Holdings	30.000	0.000	Compliant
Registered Warrants Maximum % of Holdings	10.000	0.000	Compliant

1) Actual values are based on market value.

2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

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Clark County Investment Pool | CLARK Total Portfolio



December 31, 2021

Policy Maturity Structure Constraint

Category	Policy Limit	Actual %	Status
Maturity Constraints Under 30 days Minimum % of Total Portfolio	10.000	15.764	Compliant
Maturity Constraints Under 5 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Maturity Constraints Under 1 Year Minimum % of Total Portfolio	25.000	26.914	Compliant

Policy Credit Constraint

Category	Status
US Agency Obligations - Secondary Minimum Ratings AA-/Aa3/AA- if rated	Compliant
Supranationals Ratings AA-/Aa3/AA- or better (Rated by 1 NRSRO)	Compliant
Municipal Bonds Ratings Minimum A-/A3/A- by All if rated	Compliant
Corporate Notes AA-/Aa3/AA- by All If Rated Issuer Concentration (3%)	Compliant
Corporate Notes Ratings Minimum A-/A3/A- by All if rated	Compliant
Corporate Notes Single A with Negative Outlook Cannot Purchase	Compliant
Corporate Notes Split AA- to A- Issuer Concentration % (1 must rate AA- and all must rate A-) (2%)	Compliant
Commercial Paper Ratings Minimum Ratings A1/P1 by both and F1 (if rated)	Compliant
Repurchase Agreements Minimum Ratings A-/A3/A- (Rated by 1 NRSRO)	Compliant

Policy Maturity Constraint

Category	Policy Limit	Actual Term	Status
US Treasury Maximum Maturity At Time of Purchase (years)	5.000	3.093	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	5.000	5.000	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	5.000	4.989	Compliant
Corporate Maximum Maturity of Single Issue At Time of Purchase (years)	5.000	4.970	Compliant
Corporate Note Portfolio Duration (years)	3.000	1.035	Compliant
Commercial Paper Days to Final Maturity (days)	270.000	42.000	Compliant
Repurchase Agreements Maximum Maturity At Time of Purchase (days)	365.000	0.000	Compliant
Weighted Average Maturity (years)	1.500	1.462	Compliant

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Asset Allocation Change over Quarter

Clark County Investment Pool | CLARK Total Portfolio



December 31, 2021

Security Type	09/30/2021		12/31/2021		Change	
	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio	Market Value + Accrued	% of Portfolio
US Treasury	167,627,092	15.34%	246,432,368	22.89%	78,805,275	7.55%
US Agency	254,911,937	23.33%	267,707,827	24.86%	12,795,890	1.54%
Supranational	56,611,585	5.18%	65,422,593	6.08%	8,811,008	0.90%
Municipals	147,276,001	13.48%	120,952,258	11.23%	(26,323,744)	(2.24%)
Corporate	160,577,837	14.70%	158,317,704	14.70%	(2,260,133)	0.01%
Commercial Paper	64,981,050	5.95%	34,997,400	3.25%	(29,983,650)	(2.70%)
Bank Deposit	21,026,088	1.92%	15,753,745	1.46%	(5,272,343)	(0.46%)
Pooled Funds	193,990,973	17.75%	141,544,150	13.15%	(52,446,823)	(4.61%)
Secondary Agency	25,703,053	2.35%	25,553,153	2.37%	(149,900)	0.02%
Total	1,092,705,616	100.00%	1,076,681,197	100.00%	(16,024,419)	

If negative cash balance is showing, it is due to a pending trade payable at the end of period.

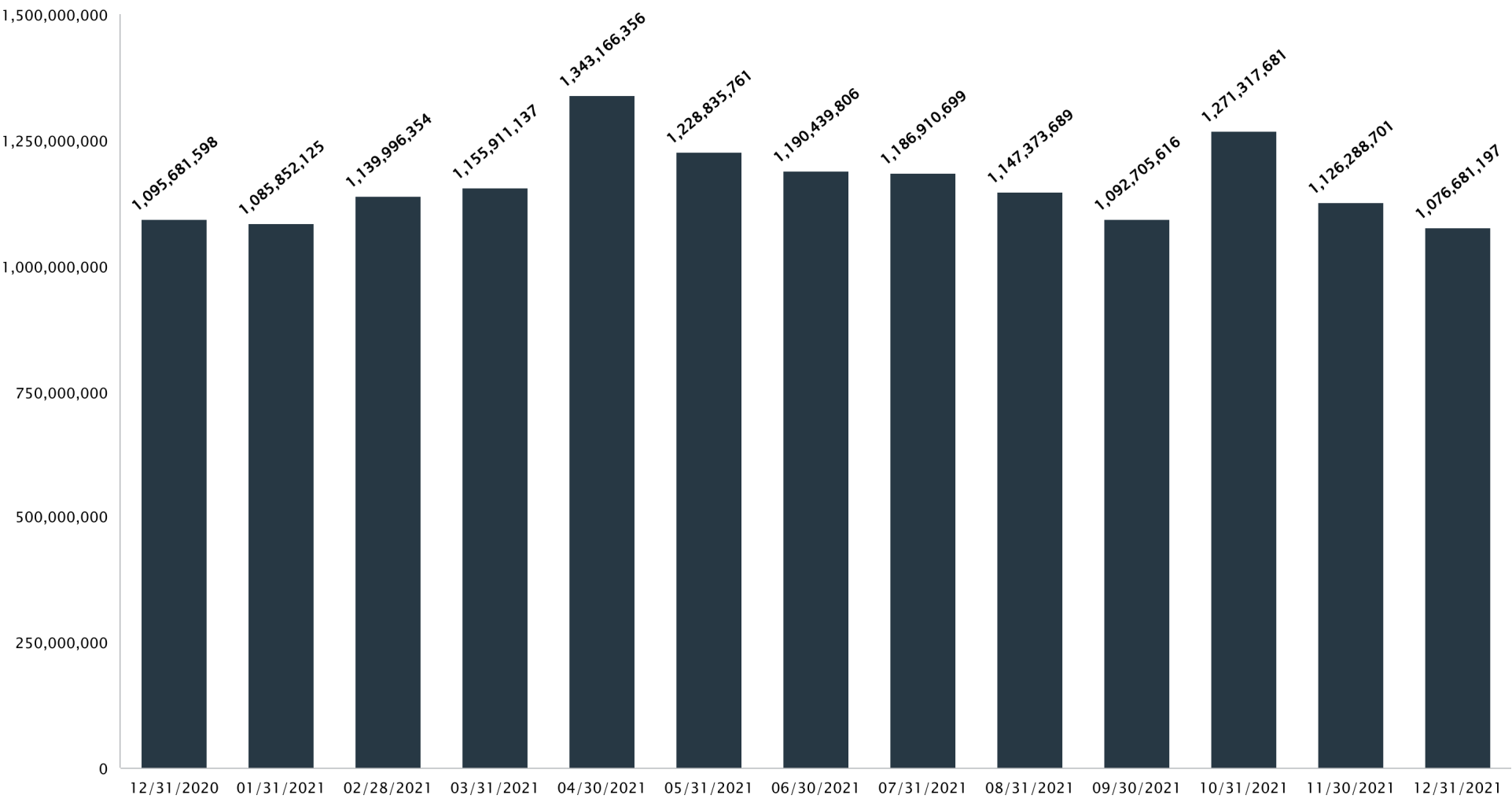
Historical Balances




Clark County Investment Pool | CLARK Total Portfolio

December 31, 2021

Market Value



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A thick, dark blue wavy line graphic that starts at the bottom left, rises to a peak, dips slightly, and then rises again towards the top right, creating a stylized upward trend.

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