



# Clark County Treasurer Investment Pool Monthly Report

March 2022

## Key Performance Indicators

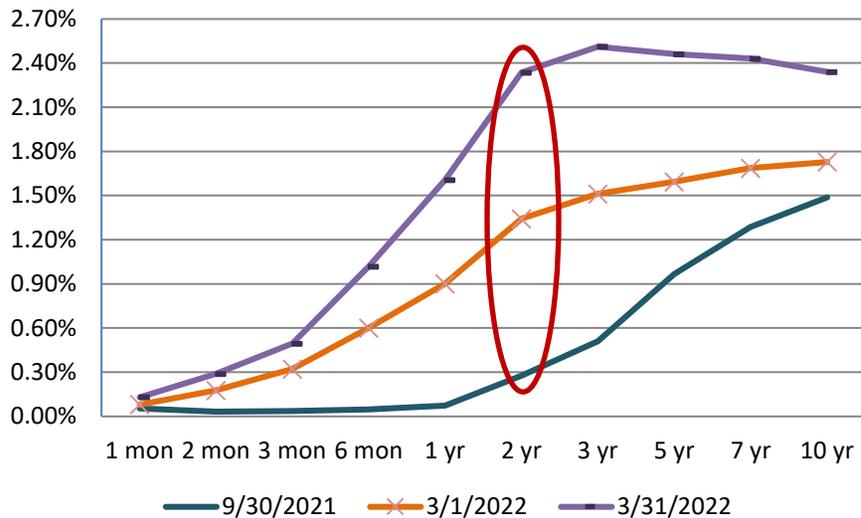
	Mar. 2022	Mar. 2021
County's Book Value Yield	0.61%	0.83%
State LGIP's Book Value Yield	0.23%	0.12%
County's Total Market Return	-1.86%	0.60%
Benchmark's Total Market Return	-1.63%	0.21%
County's Effective Duration	1.33 yrs.	1.12 yrs.
Benchmark's Duration	1.42 yrs.	0.98 yrs.
Average Maturity	1.40 yrs.	1.35 yrs.
Net Asset Value (N.A.V.)	\$0.980291	\$1.004543
County's Book Value	\$1,075.9 mm	\$1,150.8 mm

### Current Market Yields

Fed Funds Rate (upper)	0.50%	0.25%
2-year Treasury Note	2.34%	0.16%

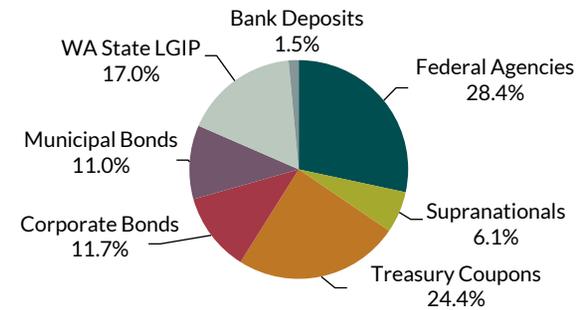
- The Federal Reserve officially raised rates in March by 25 basis points, the first rate hike since December of 2018. The Fed revised its economic and interest rate projections and are expecting slower growth, continued elevated inflation, and the policy rate to be 1.75%-2.00% by the end of the year. The treasury market has moved even more aggressively than the Fed and is pricing in a year-end policy rate of approximately 2.5%. Markets are also placing heavy odds of the Fed hiking by 50 basis points at both its May and June meetings.
- There is some indication that inflation on goods is starting to peak as the month-over-month increases are smaller than previously, however, inflation on services which tends to linger continues to ramp up. Spending on goods (including food, clothing, cars, etc.) is less than a third of total personal consumption.
- Growth is already slowing and there will be more evidence of this in the coming months. Mortgage rates, which are tied to the 10-yr treasury, have increased the most in one month than ever before in the last 28 years. Refinancing opportunities, including cash out refinancing, have all but vanished. This is happening at the same time as the expiration of the additional child tax credit.
- March's job report was exceptionally strong across the board. Nonfarm payrolls added 431k jobs giving us a 3-month trailing average of over half a million jobs added per month. Even with the labor participation rate increasing a tenth to 62.4%, the unemployment rate fell another two-tenths to 3.6%.

## Treasury curve shift in past 6 months:



The U.S. treasury curve has shifted up dramatically, especially in the belly of the curve, as inflation continues to rise and the Fed's rhetoric gets more hawkish. The 2-yr rate has increased over 2.00% in the last six months from 0.28% on September 30 to 2.34% on March 31. 0.99% of the increase was in March alone. On a 3-month rolling period, Q1's net loss was the 2<sup>nd</sup> largest in all of US bond history!

## Clark County Investment Pool



3/31/2022

## Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$877.5 mm	1.63	1.71	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$198.4 mm	0.01	0.08	ICE BAML 1 mon. UST
<b>TOTAL PORTFOLIO</b>	<b>\$1,075.9 mm</b>	<b>1.33</b>	<b>1.42</b>	<b>ICE BAML UST 1 mon/0-3 yr./3-5 yr. (20%/72%/8% Blend)</b>