



### Key Performance Indicators

	May 2022	May 2021
County's Book Value Yield	0.70%	0.58%
State LGIP's Book Value Yield	0.70%	0.08%
County's Total Market Return	-2.08%	0.34%
Benchmark's Total Market Return	-1.98%	0.33%
County's Effective Duration	1.18 yrs.	1.26 yrs.
Benchmark's Duration	1.42 yrs.	0.97 yrs.
Average Maturity	1.25 yrs.	1.47 yrs.
Net Asset Value (N.A.V.)	\$0.981816	\$1.004907
County's Book Value	\$1,242.9 mm	\$1,202.7 mm

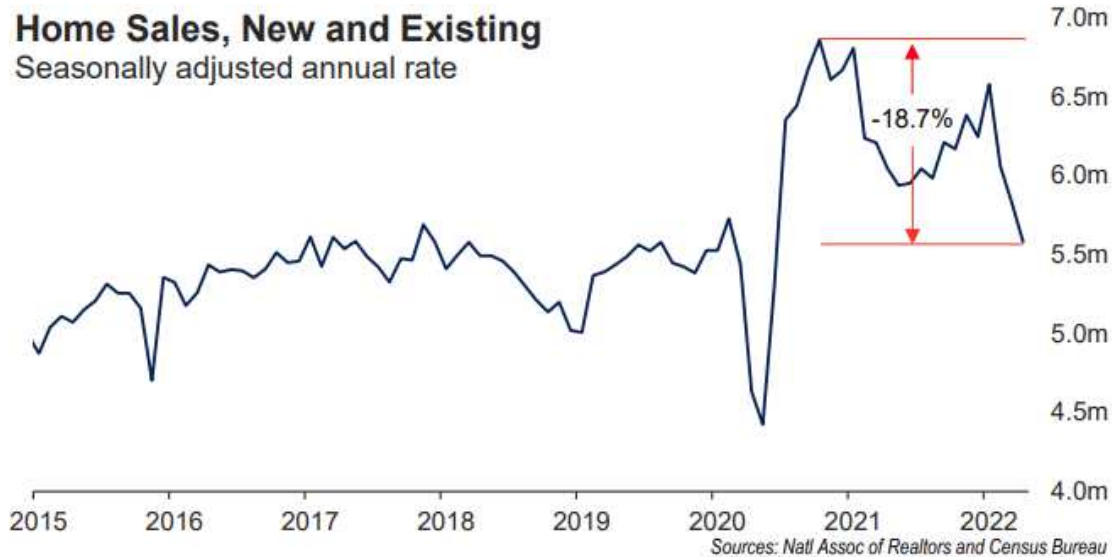
### Current Market Yields

Fed Funds Rate (upper)	1.00%	0.25%
2-year Treasury Note	2.56%	0.14%

- For the first time in 10 months, the 2-yr treasury yield did not end the month higher than the previous month. During the month, the S&P 500 fell temporarily into bear market territory (-20%) before bouncing back just prior to month-end.
- The market continues to expect the Fed to be aggressive with its tightening plan. Another 50-basis point hike is currently priced in for the June meeting as well as the July meeting. After that 100 basis points of tightening, 100 more is expected before year-end bringing us to a 2.75-3.00% Fed Funds Rate.
- April inflation slowed off its March peak, but rising gas and diesel prices will delay any slowdown in inflation until at least late summer. Consumers are still spending more on goods than prior to the pandemic. Increasing production of goods (supply side) is not something that can shift quickly. Supply chain issues and labor shortages are still playing a role in restraining production.
- The May's job report suggests labor demand is cooling but only marginally and from extreme strength. A hiring pace of 400-450k is still too fast for the Fed's comfort when +100-150k is consider sustainable. Nonfarm payrolls added 390k when 318k was expected. Luckily, the labor participation rate ticked up a tenth to 62.3% to absorb the new jobs which allowed the unemployment rate to remain at 3.6%. The one bright spot for the Fed was that Average Hourly Earnings were only up 0.3% month-over-month verses the 0.4% expected increase. Earnings are up 5.20% year-over-year.

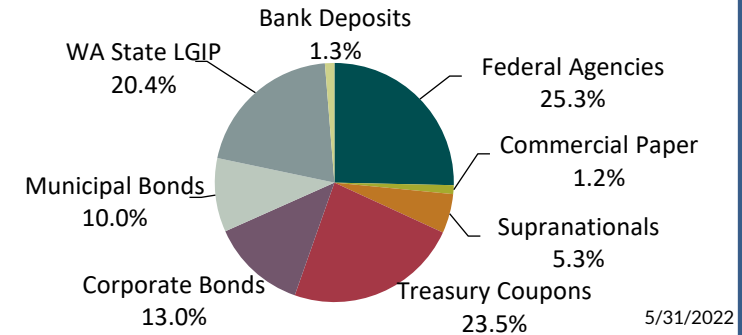
### Housing Market Responds to Higher Rates:

#### Home Sales, New and Existing Seasonally adjusted annual rate



Mortgage rates are tied to the 10-yr US treasury rate. The 10-yr rate has doubled from 1.5% at year end to 3.0%. We don't have May's housing data yet, but April Homes sales were almost 19% off the pandemic peak and below February 2020 levels. The housing market is very rate-sensitive and gives the Fed a real-time sense of how its policy is channeling into the economy.

### Clark County Investment Pool



### Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$973.3 mm	1.51	1.67	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$269.6 mm	0.01	0.08	ICE BAML 1 mon. UST
<b>TOTAL PORTFOLIO</b>	<b>\$1,242.9 mm</b>	<b>1.18</b>	<b>1.42</b>	<b>ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)</b>