



Clark County Treasurer Investment Pool Monthly Report

June 2022

Key Performance Indicators

| | June 2022 | June 2021 |
|---------------------------------|--------------|--------------|
| County's Book Value Yield | 0.86% | 0.64% |
| State LGIP's Book Value Yield | 1.01% | 0.08% |
| County's Total Market Return | -2.38% | 0.18% |
| Benchmark's Total Market Return | -2.23% | 0.28% |
| County's Effective Duration | 1.23 yrs. | 1.24 yrs. |
| Benchmark's Duration | 1.34 yrs. | 0.96 yrs. |
| Average Maturity | 1.34 yrs. | 1.47 yrs. |
| Net Asset Value (NAV) | \$0.975990 | \$1.003625 |
| County's Book Value | \$1,167.3 mm | \$1,186.9 mm |

Current Market Yields

| | | |
|------------------------|-------|-------|
| Fed Funds Rate (upper) | 1.75% | 0.25% |
| 2-year Treasury Note | 2.95% | 0.25% |

- Treasury yields resumed their ascent in June with the 2-yr adding 40 basis points (bps) while the 10-yr increased 17. Hidden in those month-end yields was massive volatility where the 2-yr hit a yield of 3.43% intra-month prior to declining to 2.95% by month-end. Stocks officially entered a bear market as the S&P declined by over 8% and ended June down over 20% for the year.
- At its June meeting, the Fed hiked the fed funds rate by 75 bps, the largest hike since 1994. It was the stronger than expected May inflation report along with University of Michigan's survey showing a notable increase in long-term inflation expectations that the market and the Fed were reacting to.
- The Fed released a fresh set of economic projections that further downshifted growth expectations and further elevated the inflation outlook. Growth continues to disappoint at the same time inflation keeps surprising to the upside. Q1's GDP was revised down to -1.6% lead by a downward revision of personal consumption from 3.1% to 1.8%. Both the ISM Manufacturing and Services indices remain above 50 which is expansionary territory, however, both have slowed to the lowest level in two years.
- The June's job report was better than expected. Nonfarm payrolls added 372k when 265k was expected. Even considering the 94k in negative prior month revisions, more jobs were added than expected which all but guaranteed a 75-bps hike at the July 26-27 Fed meeting. The labor participation rate unexpectedly ticked down a tenth to 62.2%. The unemployment rate to remained at 3.6%.

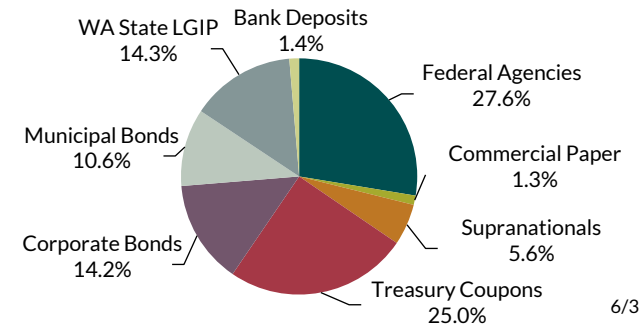
Consumer Consumption Revised Lower:

Real consumer spending



May consumer spending was less than expected but even more troubling, January, February, March and April's consumer spending figures were all revised down. Consumer consumption is more than 70% of our GDP. The Atlanta Fed's GPDNow model is estimating Q2 GDP growth to be -1.2%.

Clark County Investment Pool



Portfolio Summary

| | Book Value | Eff Dur | Bench Dur | Benchmark |
|--------------------------------|---------------------|-------------|-------------|---|
| Clark County Core Invest. Fund | \$984.7 mm | 1.51 | 1.65 | ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend) |
| Clark County Liquidity Fund | \$182.6 mm | 0.01 | 0.08 | ICE BAML 1 mon. UST |
| TOTAL PORTFOLIO | \$1,167.3 mm | 1.23 | 1.34 | ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend) |