



Clark County Treasurer Investment Pool Monthly Report

August 2022

Key Performance Indicators

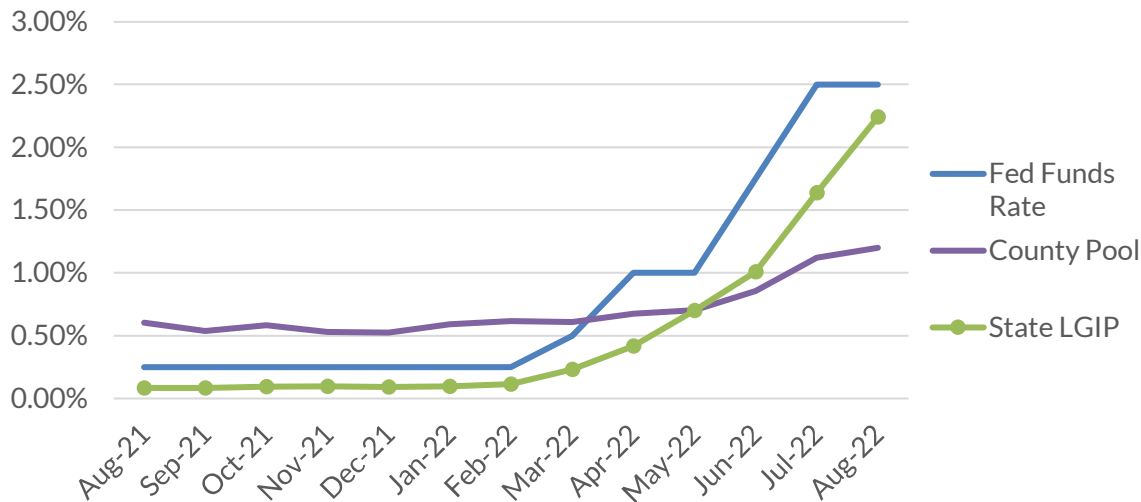
	August 2022	August 2021
County's Book Value Yield	1.12%	0.54%
State LGIP's Book Value Yield	2.24%	0.08%
County's Total Market Return	-2.70%	0.20%
Benchmark's Total Market Return	-2.50%	0.25%
County's Effective Duration	1.21 yrs.	1.10 yrs.
Benchmark's Duration	1.32 yrs.	0.95 yrs.
Average Maturity	1.31 yrs.	1.43 yrs.
Net Asset Value (NAV)	\$0.971947	\$1.004618
County's Book Value	\$1,133.6 mm	\$1,143.2 mm

Current Market Yields

Fed Funds Rate (upper)	2.50%	0.25%
2-year Treasury Note	3.50%	0.20%

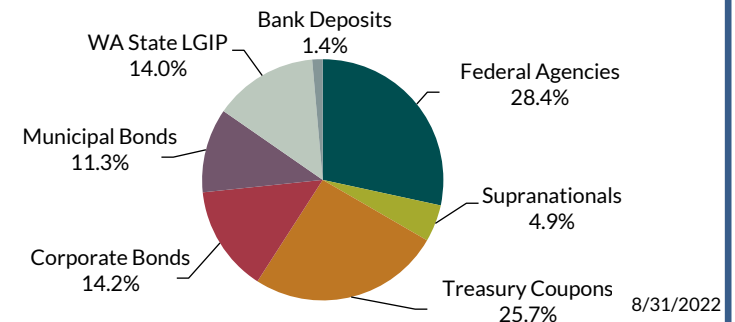
- The Fed continues to send a unified message that price stability must be achieved. Chair Powell's short but concise speech at Jackson Hole left little room for interpretation. The central bank will not ease prematurely and there will be some pain to the economy especially if price stability is not achieved.
- After a slight reprieve in July, yields continued to surge in August. 2-yr yield increased 61 basis points (bps) from 2.89% at the end of July to 3.50% by the end of August, and the 10-yr yield increased 55 bps from 2.65% to 3.20%. The 10-yr is still off its mid-June peak of 3.48% but is still having a huge impact on the housing market as mortgage rates are tied to the 10-yr yield and are now near 6%.
- The August's job report continued to surprise to the upside. Sending the same message that the job market is still very strong and in truth, too strong for the Fed. Nonfarm payrolls added 315k when 298k was expected. The highlight of the report came from the labor participation rate which unexpectedly rose from 62.1% to 62.4%. Participation has remained stubbornly low since the start of the pandemic, so this was a welcome surprise. The rise in participation caused a rise in the unemployment rate from 3.5% to 3.7%. Average hourly earnings remained at 5.2% year-over-year for the third consecutive month.
- There will be more volatility ahead as we navigate these unique times. The Fed is pushing through a very aggressive tightening cycle and the illusive peak of this cycle is yet to be known.

County Pool & State LGIP Book Yields vs. Fed Funds Rate:



As the Fed continues to rise rates, shorter duration pools like the Washington State LGIP will experience a faster rise in rate compared to our longer duration County Pool. Historically, the LGIP lags the Fed Funds Rate by about 30 days. The County Pool is structured to yield greater earnings over the long-term. Today's current rate environment will provide participants a substantial increase in investment earnings for the next few years.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$959.3 mm	1.44	1.63	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$174.3 mm	0.01	0.09	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,133.6 mm	1.21	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)