



Clark County Treasurer Investment Pool Monthly Report

October 2022

Key Performance Indicators

	Oct. 2022	Oct. 2021
County's Book Value Yield	1.44%	0.53%
State LGIP's Book Value Yield	3.06%	0.10%
County's Total Market Return	-3.04%	-0.056%
Benchmark's Total Market Return	-2.91%	0.15%
County's Effective Duration	0.99 yrs.	1.10 yrs.
Benchmark's Duration	1.32 yrs.	0.94 yrs.
Average Maturity	1.08 yrs.	1.25 yrs.
Net Asset Value (NAV)	\$0.967450	\$1.000770
County's Book Value	\$1,267.1 mm	\$1,272.1 mm

Current Market Yields

	Oct. 2022	Oct. 2021
Fed Funds Rate (upper)	3.25%	0.25%
2-year Treasury Note	4.49%	0.50%

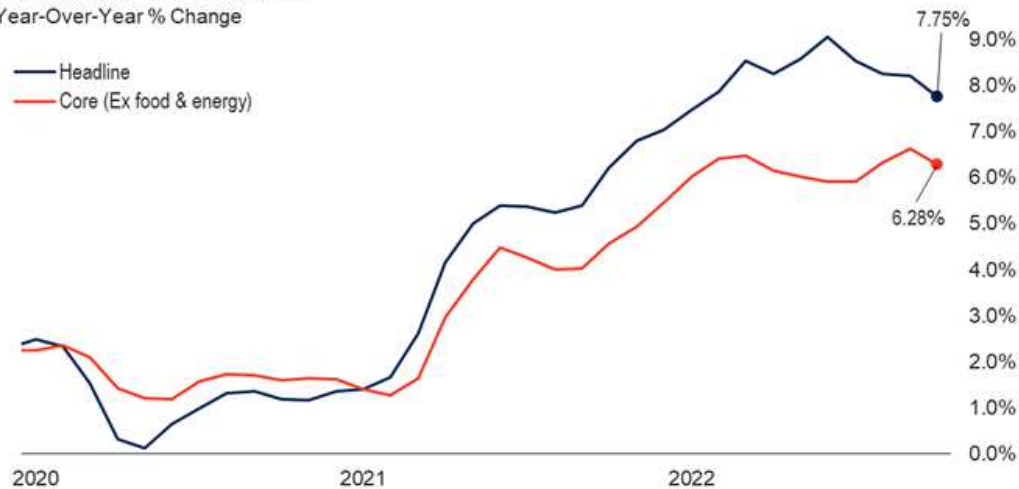
- Interest rates continued their move higher in October in response to continued labor tightness and price pressures that remain very elevated and more persistent than expected. The 2-yr yield increased 20 bps from 4.28% at the end of September to 4.49% by the end of October, and the 10-yr yield increased 22 bps from 3.83% to 4.05%. The average 30-yr mortgage rate is now over 7.10%, the highest level in over 20 years.
- The first estimate of Q3's GDP came in at 2.6%, a significant bounce back from the previous two quarters of negative growth. While the headline number was strong, underlying details were not as rosy with personal consumption coming in below trend at 1.40%.
- Both October ISM reports, manufacturing and services, showed stalling demand, easing capacity constraints, and cooling price pressures. Service activity was at 54, anything over 50 is consider expansion territory, which is still solid and unlikely to result in an increase in unemployment. However, being it was at 57 last month, it is a step in the right direction as the Fed is looking for to sufficiently cool demand.
- October's employment report brought more of the same thing we have been seeing all year. Nonfarm payrolls added 261k when 193k was expected and September payrolls were revised higher, making the overall change in payrolls a robust 290k. In addition to job growth, job openings increased, and the quit rate increased. The only silver lining from the Fed's perspective, is job creation is slowing.

October's Inflation Remains Elevated

Consumer Price Index

Year-Over-Year % Change

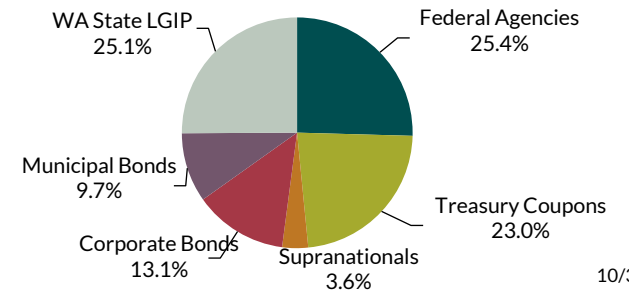
— Headline
— Core (Ex food & energy)



Source: Bureau of Labor Statistics

October's CPI report brought a glimmer of hope of cooling inflation, especially in core goods, but the stickier services components like shelter showed further rapid increases. The report put expectations for the December Fed meeting rate hike to be 50 bps but there a few more important data reports to come out before that meeting that could alter this expectation.

Clark County Investment Pool



10/31/2022

Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$949.4 mm	1.34	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$317.7 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$1,267.1 mm	1.19	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)