Clark County Treasurer Investment Pool Monthly Report

April 2023

Key Performance Indicators

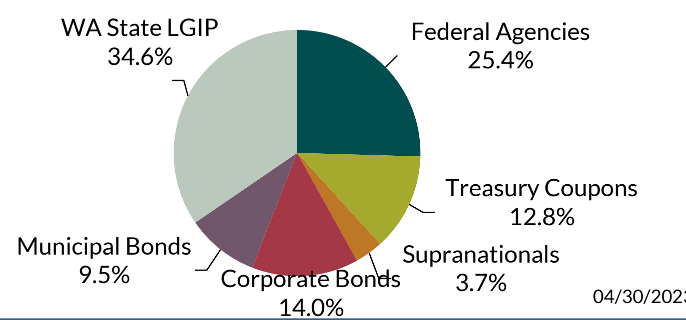
	Apr. 2023	Apr. 2022
County's Book Value Yield	2.38%	0.68%
State LGIP's Book Value Yield	4.94%	0.42%
County's Total Market Return	1.70%	-2.31%
Benchmark's Total Market Return	1.67%	-2.00%
County's Effective Duration	0.81 yrs.	1.10 yrs.
Benchmark's Duration	1.36 yrs.	1.42 yrs.
Average Maturity	0.91 yrs.	1.15 yrs.
Net Asset Value (NAV)	$0.974896	$0.980167
County's Book Value	$1,255.3 mm	$1,306.1 mm
Current Market Yields		
Fed Funds Rate (upper)	5.00%	1.00%
2-year Treasury Note	4.01%	2.72%

- Interest rates declined marginally in April as the banking sector continued to be under stress and growth continues to cool. Investors were seeking to lock in yields in anticipation the Federal Reserve may be very close to the end of its hiking cycle.
- First estimate of Q1 GDP growth came in at 1.1%, less than the consensus of 1.9%. Growth was weaker than expected mostly due to inventories being spent down. This means inventories will be a positive contributor to GDP in the second quarter. Consumer consumption came in at an impressive 3.7%!
- Job growth continues to surprise to the upside. Employers added 253k jobs in April, surpassing the 185k gain expected. March payrolls, however, were significantly revised down from 236k to 165k. Even still, unemployment rate ticked down from 3.5% to 3.4%, a three-month low. Labor participation remained at 62.6% in April, the highest since March 2020, but is still below our pre-pandemic rate of 63.3%.
- Real income (income adjusted for inflation) has improved significantly. It was deeply negative in 2021 and through the first half of 2022, but turned positive in the second half and was over 8% (annualized) in Q1. This level of income growth will carry the economy for a little longer, holding off a recession for now.
- Inflation is starting to cool, and this is starting to be the Fed's narrative as well. However, it will be important to watch wage pressures with this very strong labor market. In April, average hourly earnings rose 0.5%, more than the 0.3% expected, and year-over-year wages are up 4.4% vs. 4.3% last month.

Inflation: Still too high

Inflation has started to trend down in the last few months, but it is still not trending at a rate that will get it back near the Fed's 2% target in this year. This is a key difference in the Fed's forecast vs. the markets. The Fed funds futures market currently has 3 rate cuts priced in for this year where the Fed is not forecasting any.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	$821.3 mm	1.24	1.59	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	$434.0 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	**$1,255.3 mm**	**0.81**	**1.36**	**ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)**