



# Clark County Treasurer Investment Pool Monthly Report

August 2023

## Key Performance Indicators

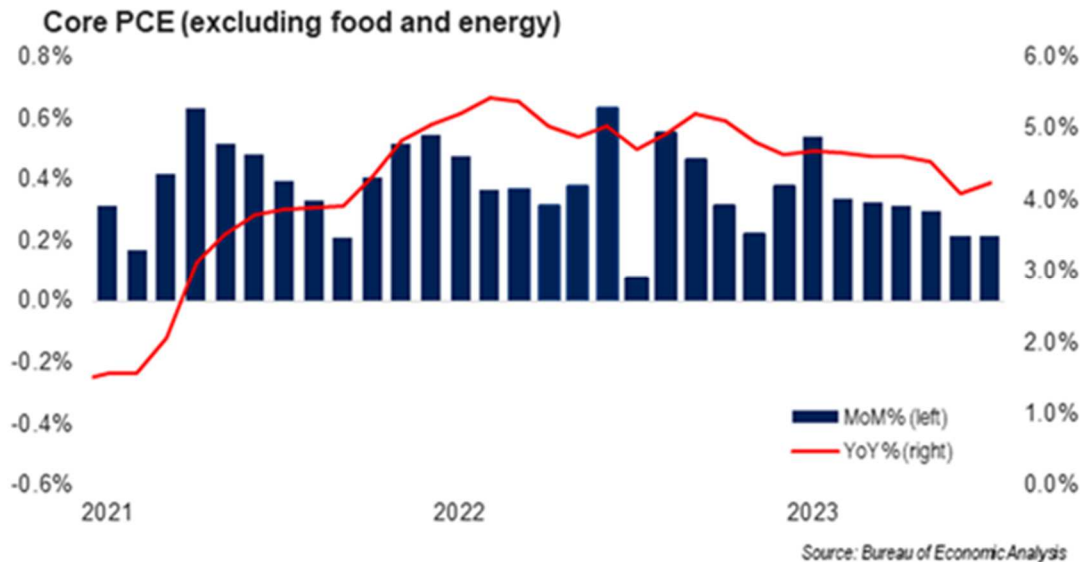
	August 2023	August 2022
County's Book Value Yield	2.74%	1.12%
State LGIP's Book Value Yield	5.35%	2.24%
County's Total Market Return	2.83%	-2.70%
Benchmark's Total Market Return	2.39%	-2.50%
County's Effective Duration	1.11 yrs.	1.21 yrs.
Benchmark's Duration	1.32 yrs.	1.32 yrs.
Average Maturity	1.20 yrs.	1.31 yrs.
Net Asset Value (NAV)	\$0.976879	\$0.971947
County's Book Value	\$1,061.8 mm	\$1,133.6 mm

### Current Market Yields

	August 2023	August 2022
Fed Funds Rate (upper)	5.50%	2.50%
2-year Treasury Note	4.86%	3.50%

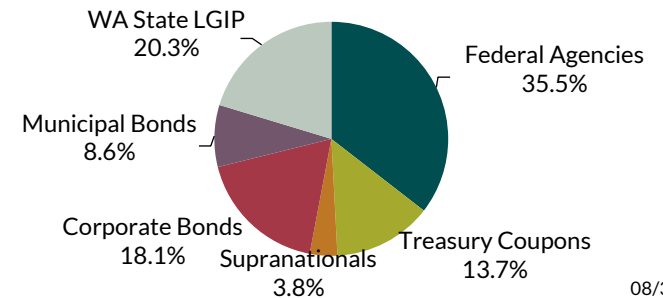
- Interest rates continued to be volatile in August but ultimately ended the month largely unchanged with the 2-year yield ending at 4.86% from 4.88% in July and the 10-year ending at 4.11% from 3.96%.
- The U.S. economy remains surprisingly robust considering the onslaught of rate hikes. The consumer continues to spend turning to credit to finance activities. Consumer credit increased \$10.4 billion in July (\$9.6 billion credit cards), and the savings rate dropped from 4.3% to 3.5%. Signs of consumer stress will be monitored closely this fall.
- The employment report for August was another mixed report. Nonfarm payrolls rose 187k, better than the consensus of 170k, however there was 110k in downward revisions to July and June (larger than usual). The unemployment rate jumped three tenths to 3.8% but it was for the best reason, a historically large and broad increase in the labor participation rate. This jump in the labor force, which lifted the participation rate by two tenths, brought much needed slack to the labor force and will be welcomed by the Fed. Average hourly wages increased 0.2% or 4.3% year-over-year, a tenth less than July.
- At the annual Fed Policy Symposium in Jackson Hole, Fed Chair Powell sent a very clear and hawkish message. He reiterated that the Fed maintains a 2% inflation target, obliterating any notion that 3% was the new 2%. "Two-percent is and will remain our policy target," He also reiterated that price stability is needed for the economy to work for everyone. "We will keep at it until the job is done."

## Inflation – Core PCE (Personal Consumption Expenditures) Price Index



July's inflation report was encouraging. Core PCE rose 0.2% in July, for a 4.2% year-over-year increase. While 4.2% is still more than twice the Fed's 2% target rate, if it continues to increase at 0.2% monthly rate, it will eventually drop to 2.4% year-over-year rate.

## Clark County Investment Pool



## Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$846.3 mm	1.36	1.59	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$215.5 mm	0.01	0.08	ICE BAML 1 mon. UST
<b>TOTAL PORTFOLIO</b>	<b>\$1,061.8 mm</b>	<b>1.11</b>	<b>1.32</b>	<b>ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)</b>