



Clark County Treasurer Investment Pool Monthly Report

December 2023

Key Performance Indicators

	Dec. 2023	Dec. 2022
County's Book Value Yield	3.19%	1.66%
State LGIP's Book Value Yield	5.44%	4.12%
County's Total Market Return	4.36%	-2.06%
Benchmark's Total Market Return	3.93%	-1.97%
County's Effective Duration	1.10 yrs.	1.15 yrs.
Benchmark's Duration	1.32 yrs.	1.29 yrs.
Average Maturity	1.27 yrs.	1.28 yrs.
Net Asset Value (NAV)	\$0.988805	\$0.967686
County's Book Value	\$992.6 mm	\$1,044.5 mm

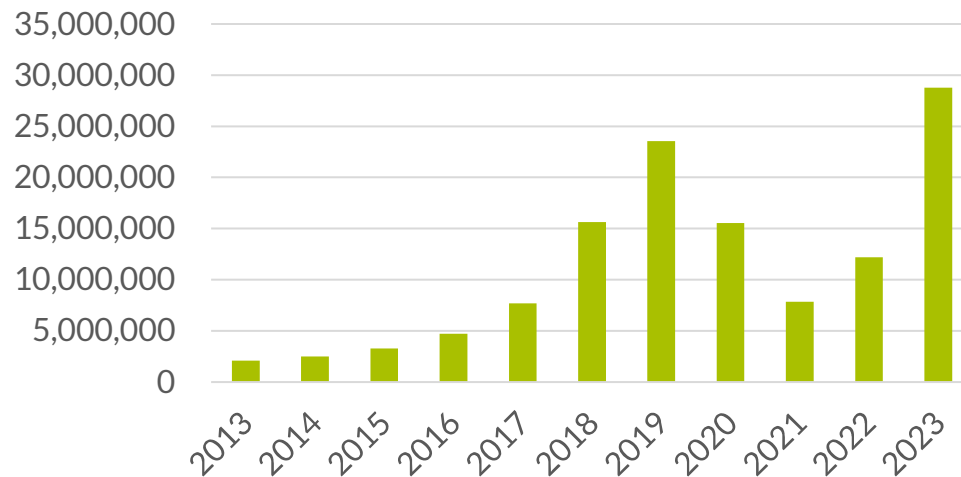
Current Market Yields

Fed Funds Rate (upper)	5.50%	4.50%
2-year Treasury Note	4.25%	4.41%

- Interest rates continued their descent in December with the 2-year dropping 43 basis points (bps) and the 10-year by 45 bps. The continued drop in yields was supported by more evidence that the current disinflationary trend remains intact and by a Federal Reserve who has started to pivot from “how high” to raise rates to “how long” and are forecasting multiple rate cuts in 2024.
- Markets believe the Fed will cut rates as much as 150 bps in 2024 starting in March. The Fed’s Summary of Economic Projections (SEP) released in December forecasted 75 bps of cuts in 2024.
- Price data released in December showed that inflation continued to moderate with headline PCE deflator decelerating to an annual rate of 2.6% while the Fed preferred core PCE deflator, which strips out volatile food and energy prices, trimmed its annual advance to 3.2%.
- The employment report for December was stable, where the bigger-than-expected rise in nonfarm payrolls (+261k) was offset by a big downward revision to October and November (-71k). The employment rate remained at 3.7% while the labor participation rate fell from 62.8% to 62.5%. Average hourly earnings rose 0.4% for a second consecutive month. On a year-on-year basis, average pay accelerated from 4.0% to 4.1%.
- The December ISM Services index fell from 52.7 to 50.6, almost two points below consensus. The report showed broad weakness and would suggest that the economy did slow in December.

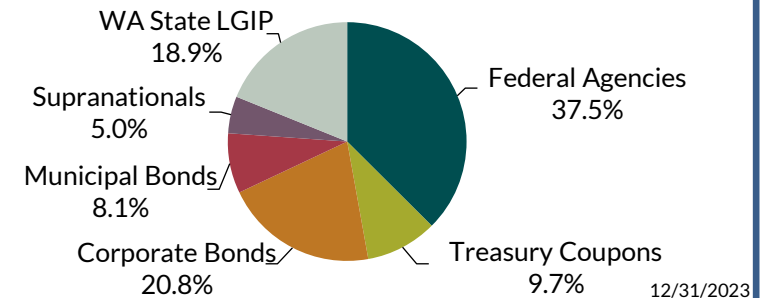
Historic Investment Earnings!

Interest Earnings



The Clark County Investment Pool (CCIP) had an average balance of \$1.08 billion in 2023 and average interest earnings rate of 2.59%. **2023 was the highest earnings year since the CCIP's inception, allocating over \$28.7 million in interest earnings.**

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	\$805.5 mm	1.39	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	\$187.1 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	\$992.6 mm	1.10	1.32	ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)