Clark County Treasurer Investment Pool Monthly Report

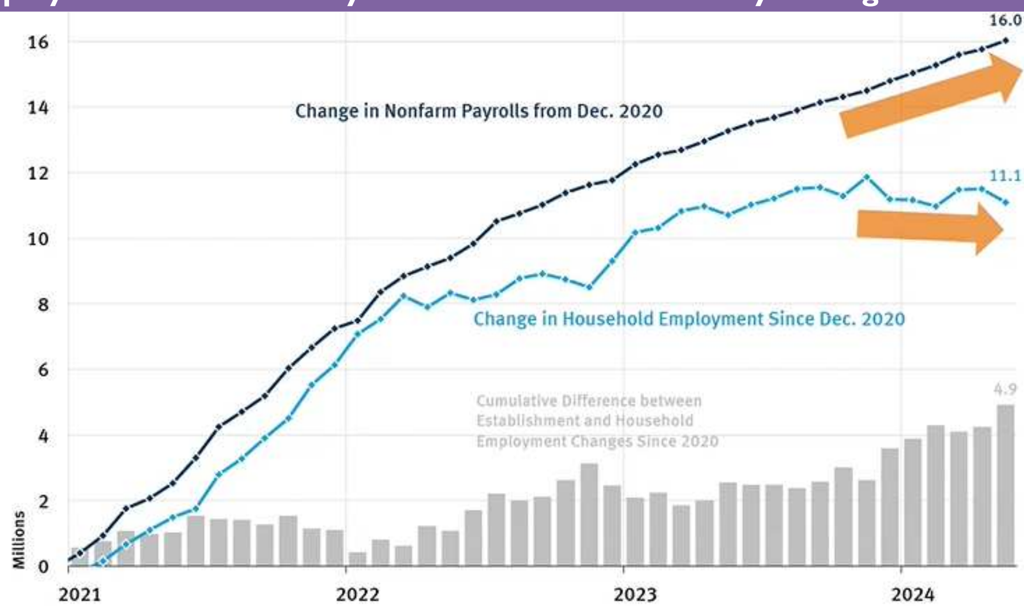
May 2024

Key Performance Indicators

	May 2024	May 2023
County's Book Value Yield	3.80%	2.84%
State LGIP's Book Value Yield	5.40%	5.15%
County's Total Market Return	4.43%	1.29%
Benchmark's Total Market Return	4.15%	1.21%
County's Effective Duration	1.27 yrs.	0.89 yrs.
Benchmark's Duration	1.32 yrs.	1.36 yrs.
Average Maturity	1.45 yrs.	1.08 yrs.
Net Asset Value (NAV)	$0.989509	$0.976899
County's Book Value	$1,173.6 mm	$1,157.3 mm
Current Market Yields		
Fed Funds Rate (upper)	5.50%	5.25%
2-year Treasury Note	4.87%	4.41%

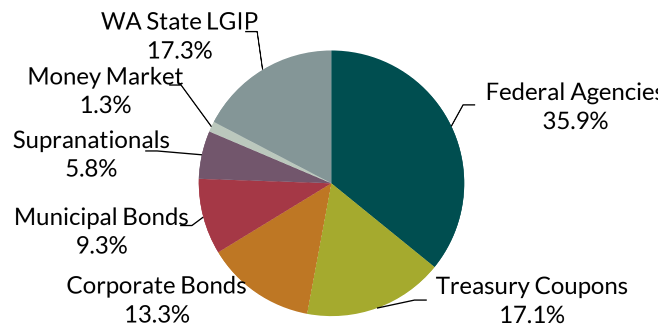
- Treasury yields whipsawed through May, first with relief following cooler inflation, only to recognize the cooler inflation data was still too high. By month-end, the two-year and the 10-year Treasury note had decreased 16 and 18 basis points (bps) respectively.
- After April's correction, equities pushed to new all-time highs in May on the back of strong earnings reports, particularly for tech stocks, which continue to lead the market.
- PCE inflation slowed in April, but not enough to put inflation back on track to 2%. The core PCE deflator rose 0.249% in April (released in May), the least since December 2023, but a rise that still annualizes to 3.03%. Inflation will have to slow further in the coming months for the Fed to start rate cuts.
- May's employment report was quite a bit stronger than expected. Nonfarm payrolls increased by 272K, 95k more than expected. The three-month average job growth is now 250k. However, the household survey did not show the same level of strength. The unemployment rate ticked up from 3.9% to 4.0% resulting in a new 2-year high. The California food-worker minimum wage increase likely had an impact on the higher-than-expected year-over-year earnings growth which ticked up from 4.0% to 4.1%.
- Early Q2 GDP estimates suggest a rebound from Q1's tepid 1.3% headline growth. The Atlanta Fed's model estimates 2.6% quarterly annualized growth which is well above the Fed's estimated 1.8% potential growth rate.

Employment: Nonfarm Payrolls and Household Survey Diverge



Nonfarm payrolls is a better measure of how many jobs were added to the labor market. The Household Survey is a better indicator of how tight the labor market is. The divergence means job growth is still strong, but the hot job market is cooling off and coming into better balance.

Clark County Investment Pool



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	$954.9 mm	1.56	1.60	ICE BAML 0-3 yr./3-5 yr UST (90%/10% Blend)
Clark County Liquidity Fund	$218.7 mm	0.01	0.08	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	**$1,173.6 mm**	**1.27**	**1.32**	**ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)**