Clark County Treasurer Investment Pool Monthly Report

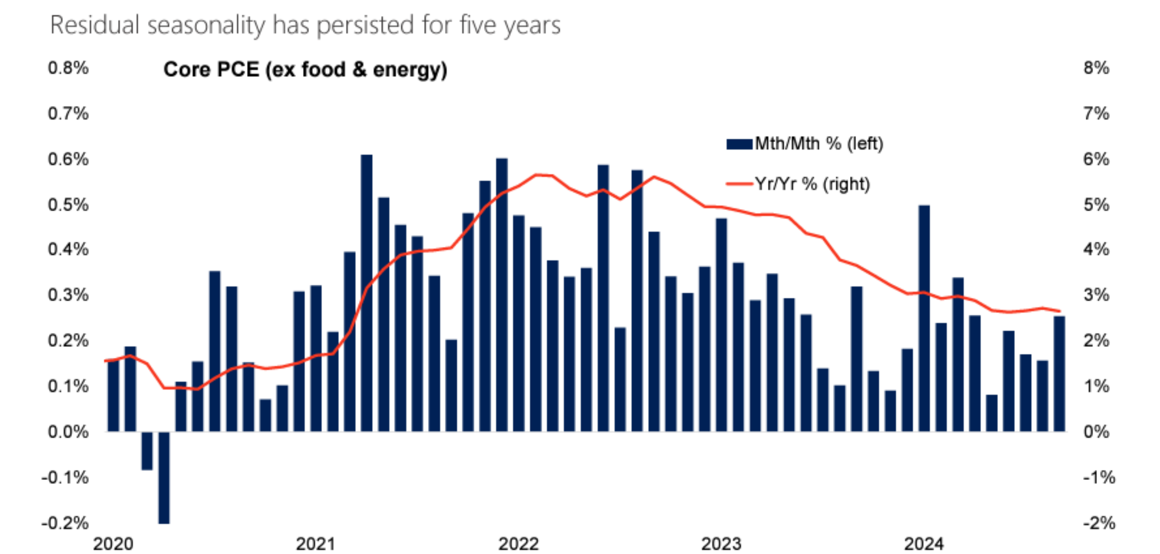
October 2024

Key Performance Indicators

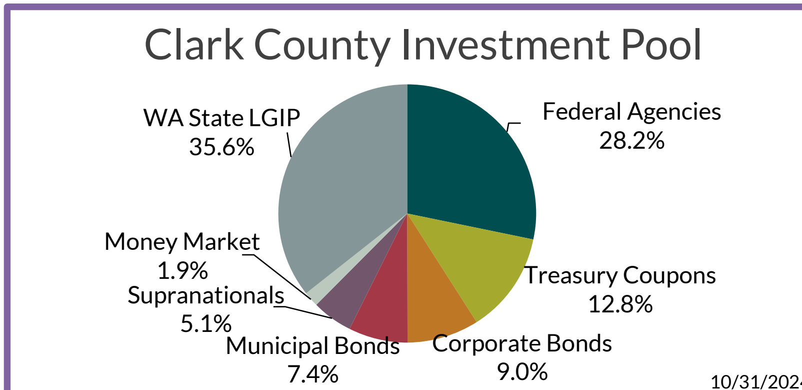
	Oct. 2024	Oct. 2023
County's Book Value Yield	3.83%	3.02%
State LGIP's Book Value Yield	4.93%	5.40%
County's Total Market Return	5.91%	4.08%
Benchmark's Total Market Return	5.70%	3.63%
County's Effective Duration	0.87 yrs.	1.13 yrs.
Benchmark's Duration	1.34 yrs.	1.32 yrs.
Average Maturity	1.02 yrs.	1.02 yrs.
Net Asset Value (NAV)	$0.999568	$0.980996
County's Book Value	$1,340.0 mm	$1,264.9 mm
Current Market Yields		
Fed Funds Rate (upper)	5.00%	5.50%
2-year Treasury Note	4.17%	5.09%

- After five months of decline, yields surged higher in October following the release of the September jobs report. The strong labor report forced investors to rethink just how fast and how far the Fed will be able to ease after its initial, outsized 50 basis point (bp) cut in September. The 2-year yield increased by 53 bps from 3.64% to 4.17% while the 10-year increased 50 bps from 3.78% to 4.28%. The move in the yield curve brought the market and the Fed's forecast back inline.
- Economic activity has been surprisingly strong lately, most notably, personal consumption and labor. Q3 real GDP rose at an annualized rate of 2.8% with final sales to private domestic purchasers (excludes inventories, trade and government) coming in at 3.2%. Consumer consumption rose 3.7% up from 2.8% in Q2. The consumer is in good shape for now but for how long?
- October's employment report was weak but comes with some caveats. The nonfarm payrolls increase of just 12k was highly distorted by hurricanes Helene and Milton along with Boeing's labor strike. Surprisingly, the unemployment rate, which is determined by the household survey, remained low at 4.1%.
- October was the last leg of the 2024 campaign. While polls showed a dead heat through the final stretch of the presidential campaign, betting markets leaned in favor of former President Trump. Budget analyses of the candidates' proposals suggest both would boost the debt by trillions, but because Trump is expected to add more debt, yields rose at end of the month as his odds of winning rose.

Inflation progress has stalled since May



The Fed's preferred measure of inflation Core Personal Consumption Expenditure (PCE) has been moving sideways at 2.7% since May and is likely to continue to do so, if not tick higher, if residual seasonality continues as it has for the last five years. Inflation has been higher in the first half of the year vs. the latter half. 2.7% since May is not yet consistent with inflation definitively moving to 2%.



Portfolio Summary

	Book Value	Eff Dur	Bench Dur	Benchmark
Clark County Core Invest. Fund	$837.1 mm	1.38	1.63	ICE BAML 0-3 yr./3-5 yr. UST (90%/10% Blend)
Clark County Liquidity Fund	$502.9 mm	0.01	0.09	ICE BAML 1 mon. UST
TOTAL PORTFOLIO	**$1,340.0 mm**	**0.87**	**1.34**	**ICE BAML UST 1 mon./0-3 yr./3-5 yr. (20%/72%/8% Blend)**