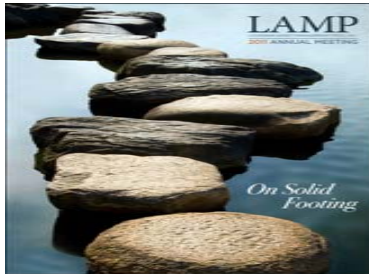




LAMP
LOUISIANA ASSET MANAGEMENT POOL, INC.
2011 ANNUAL MEETING

*On Solid
Footings*



Louisiana Asset Management Pool, Inc.

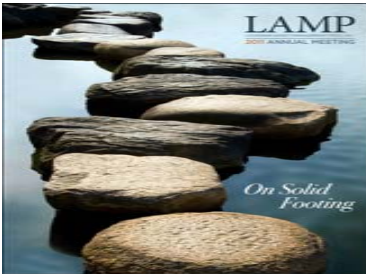


Sam Silver

Vice President, Fixed Income
American Beacon Advisors, Inc.

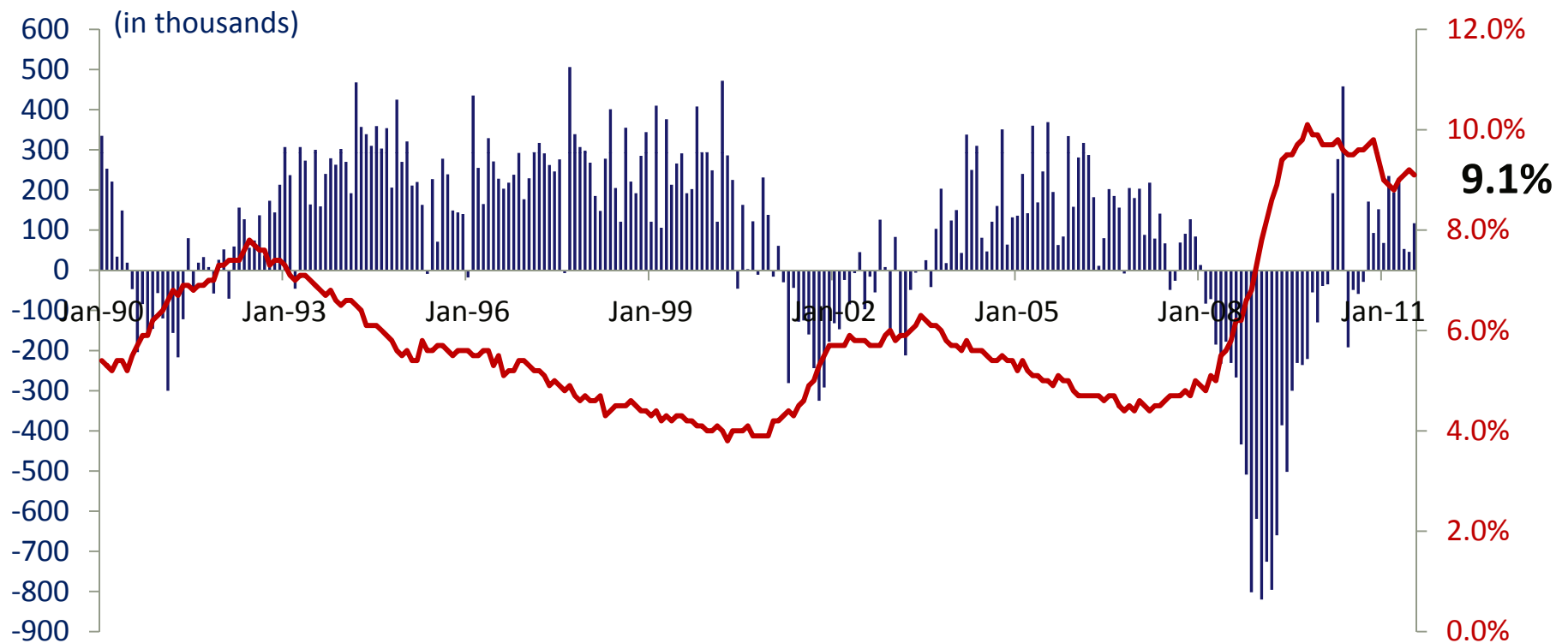
1) Economic Overview

2) LAMP Portfolio Overview

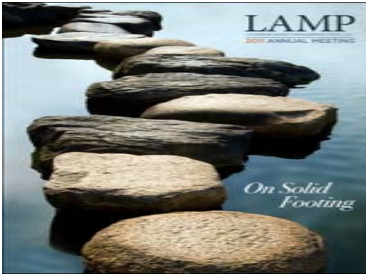


Employment

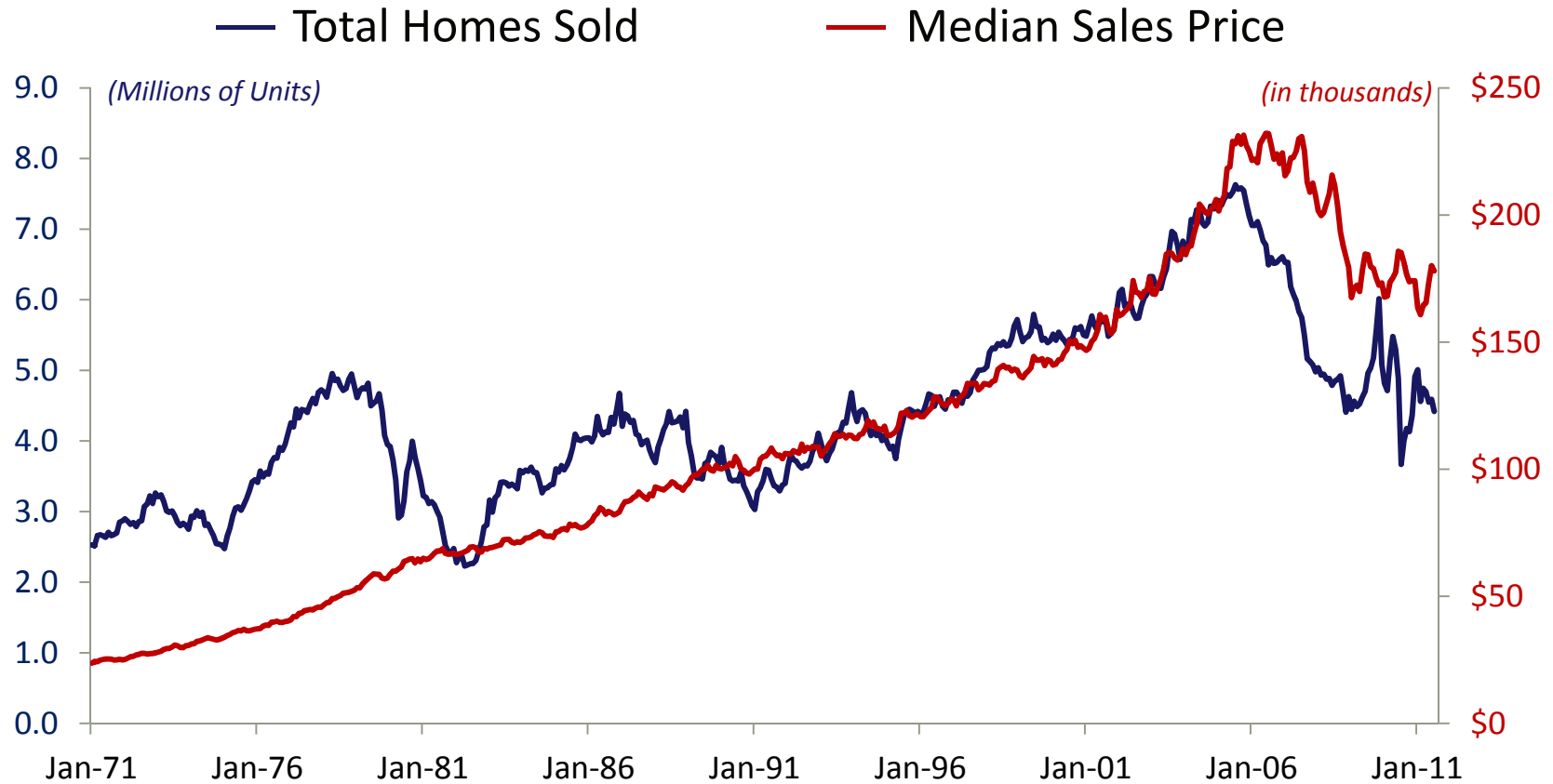
— Monthly Change in Non-Farm Payrolls — Unemployment Rate



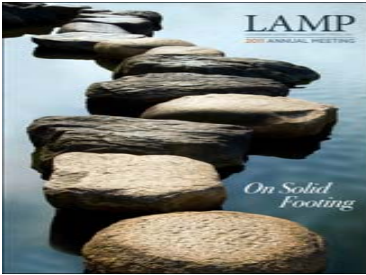
The labor market recovery stalled as economic and regulatory uncertainty made employers hesitant to hire new workers. September Non-Farm Payrolls added 103K jobs, but the Unemployment Rate remained unchanged at 9.1%.



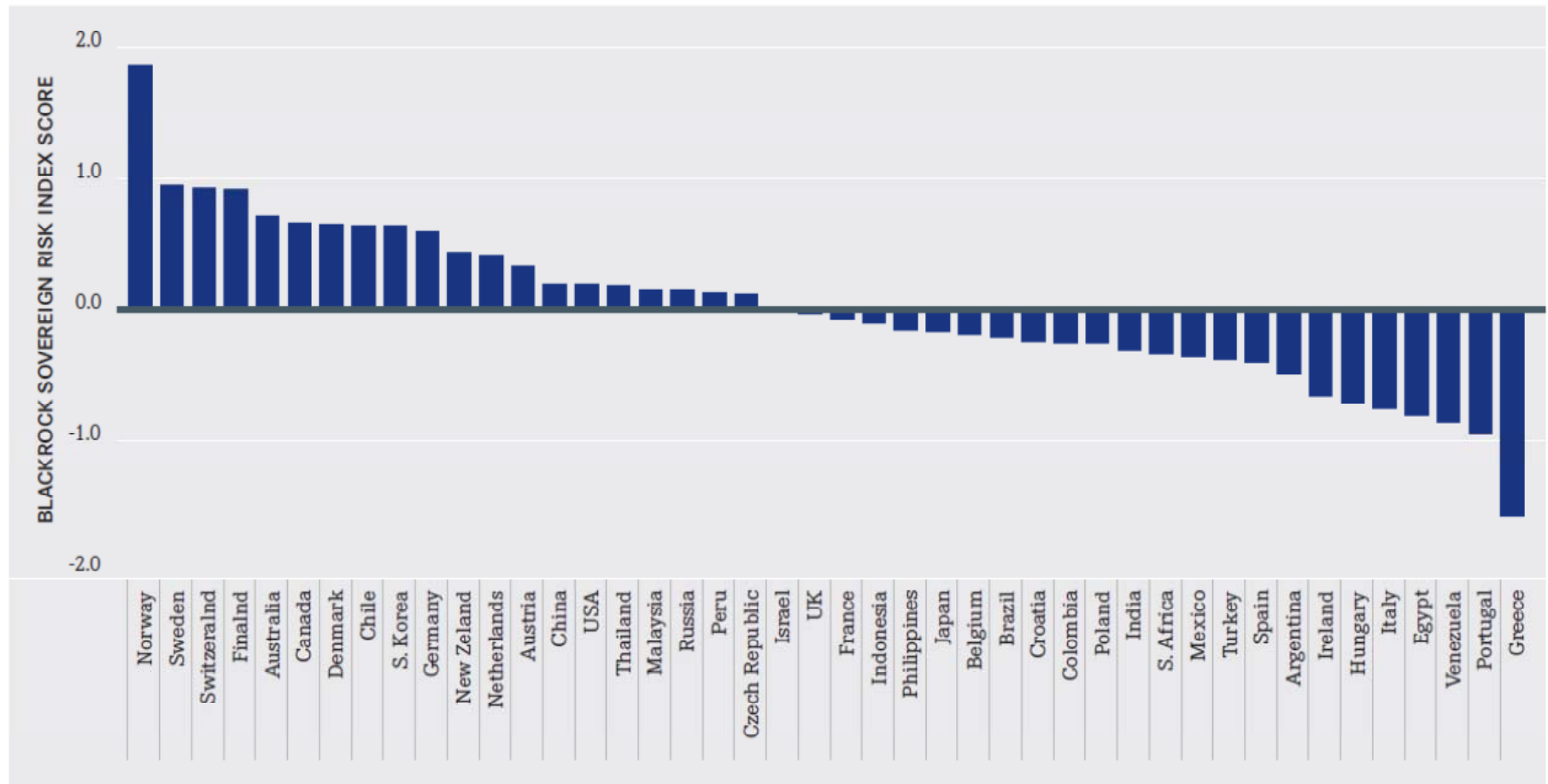
Housing



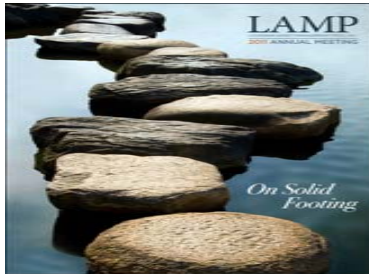
Despite historically low mortgage rates the housing market continues to struggle as stricter lending rules, unemployment above 9%, and the glut of foreclosed properties constrain demand.



Blackrock Sovereign Risk Index

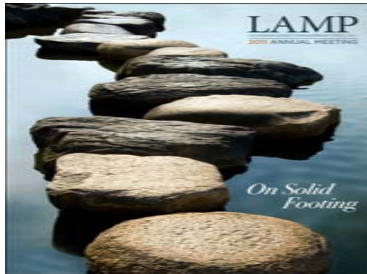


Sources: IMF, Eurostat, Bloomberg, World Bank, United Nations, BIS, Central Bank Websites, Consensus Economics, EIU, Euromoney, PRS Group, Moody's, Standard and Poor's, Fitch.



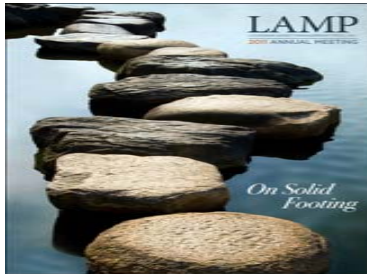
Credit Monitoring Process

- ❖ CDS spreads (more real time than ratings).
- ❖ Automated rating notifications from Bloomberg.
- ❖ Daily scheduled checks of rating agency websites, press releases, and brokerage websites.
- ❖ Maintaining close communication with rating agency and street analysts.
- ❖ Quarterly earnings releases.
- ❖ Formal credit reviews.



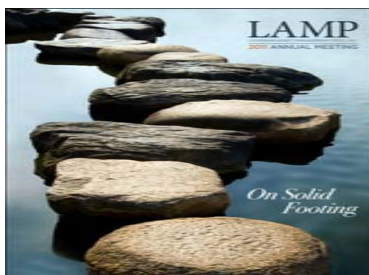
Operation Twist

- At the September FOMC meeting, the Fed announced the launch of Operation Twist – the simultaneous sale of short duration securities from its portfolio and the purchase of longer-dated paper.
- Will total \$400 billion of sales/purchases and last through June 2012
 - The Fed will sell its holdings of 3 month to 3 year paper
 - Purchase Treasuries with maturities 6 to 30 years in the secondary market
 - Sales and purchases will occur in weekly auctions open to primary dealers
- The anticipated result is a flattening of the yield curve
- Interest on Excess Reserves (IOER) – Left unchanged at 25 basis points
- Fed Funds Target – Left unchanged at 0 to 0.25%



Conclusions

- ❖ Uncertainty is driving Treasury yields to historic lows despite the United States being downgraded to AA+ by S&P.
- ❖ The U.S. economic recovery has hit a soft patch – job growth has stagnated, housing and consumer confidence remain depressed.
- ❖ Ongoing slack in the labor market should keep inflation pressures in check.
- ❖ Given the high degree of economic uncertainty and the lack of inflation pressure, the Fed announced that rates will remain exceptionally low until mid-2013.

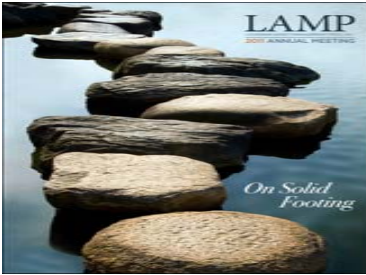


LAMP Portfolio Overview

	<u>Assets</u> (In millions)	<u>Percent of Portfolio</u>
U.S. Gov't Agencies/FDIC Insured	\$ 601.9	32.4%
U.S. Gov't Repurchase Agreements	330.0	17.7%
Registered U.S. Gov't MM Fund (AAAm)	6.4	0.4%
Commercial Paper (44.2% A-1+, 5.3% A-1)	<u>922.0</u>	<u>49.5%</u>
Total LAMP Portfolio	\$ 1,860.3	100.0%

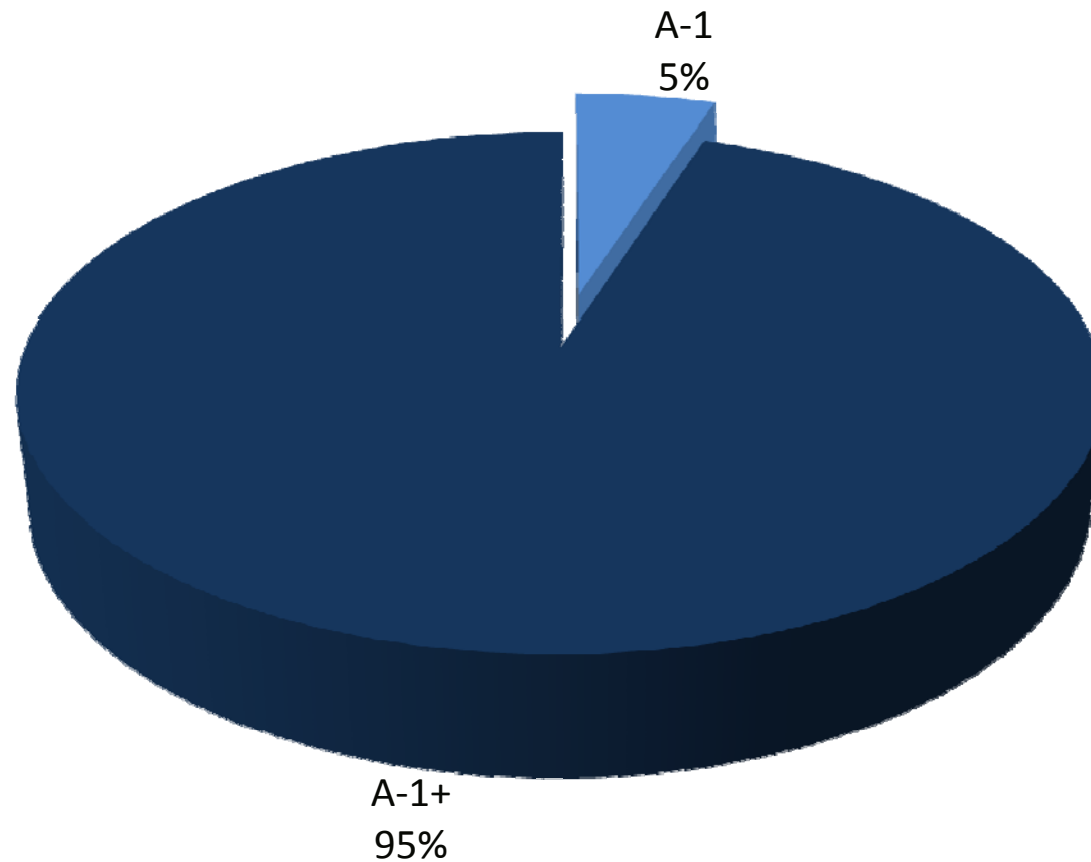
Weighted Average Maturity (WAM) 49 Days

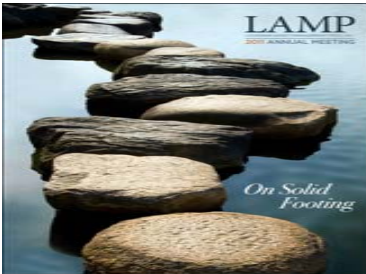
Weighted Average Life (WAL) 81 Days



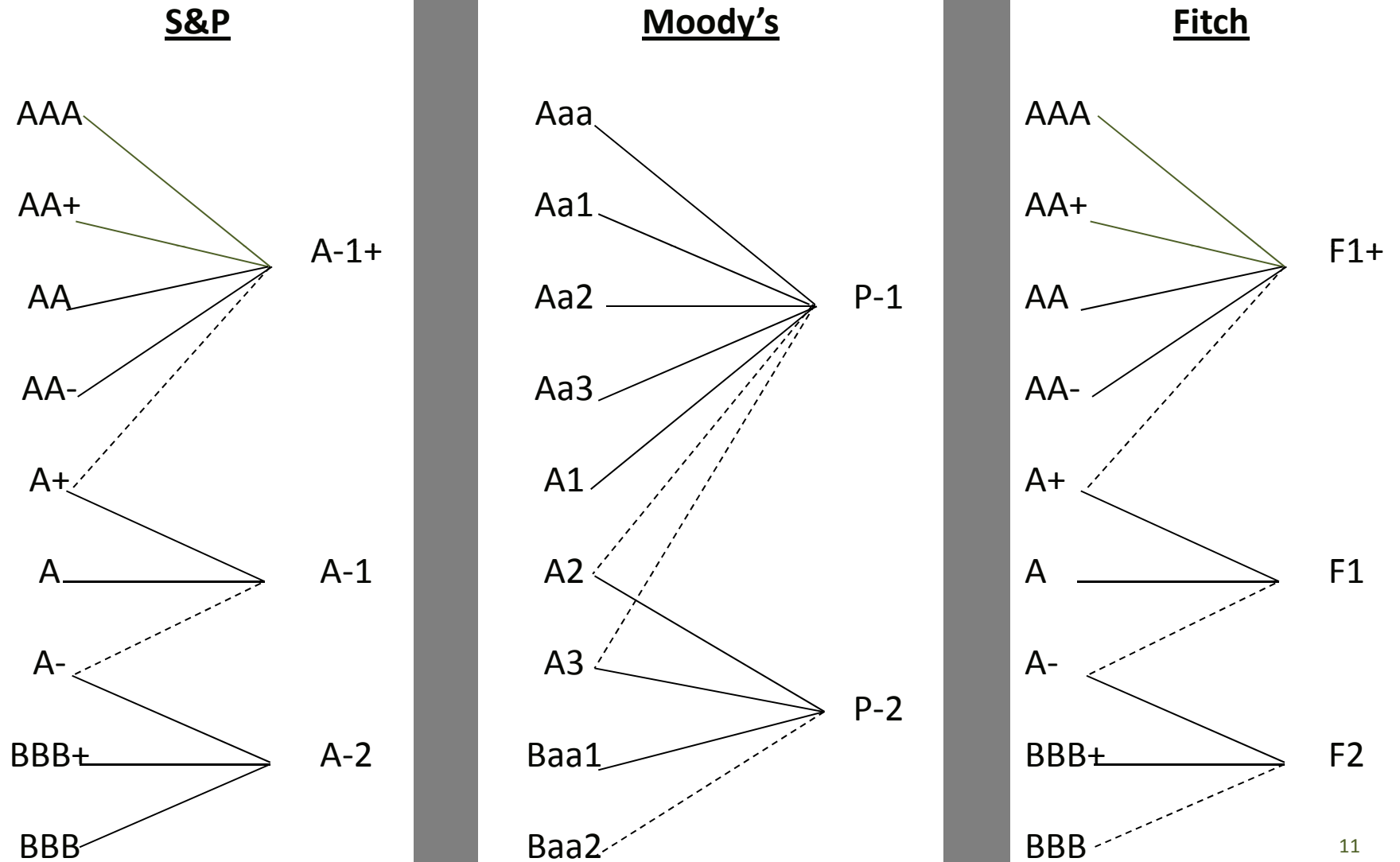
Portfolio Credit Quality

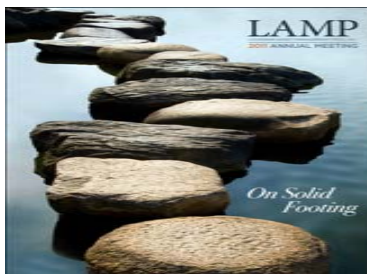
Standard & Poor's Short-Term Debt Ratings September 30, 2011





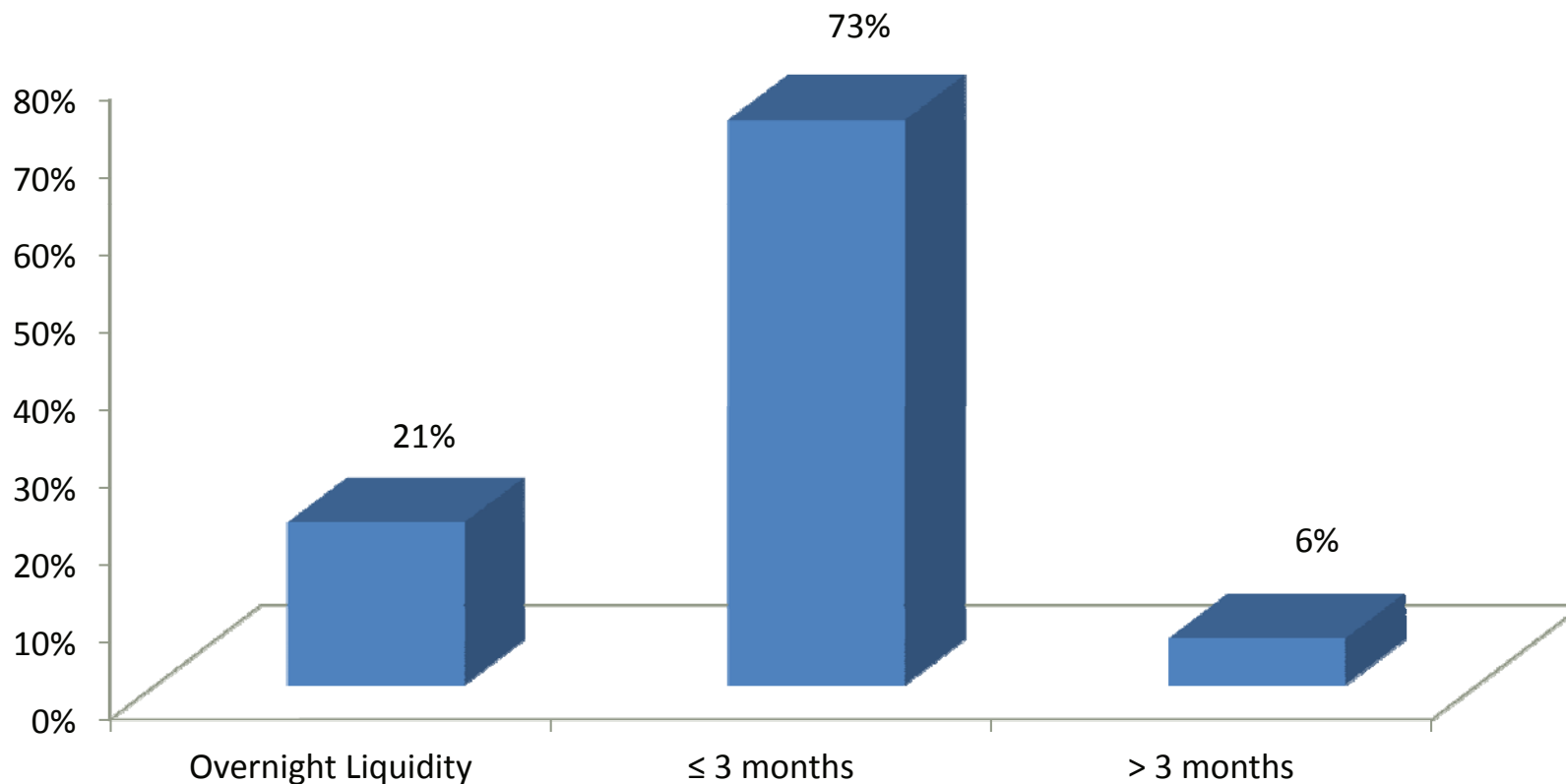
Relationship between long-term & short-term ratings





Portfolio Interest Rate Risk

As of September 30, 2011



Duration Distribution

Weighted Average Maturity: 49 Days