TheINVESTOR January 2018

Louisiana Asset Management Pool, Inc.

TheECONOMY

Will Tax Reform and Full Employment Lead to Inflation in 2018?

In a continuation of recent labor market themes, U.S. nonfarm payrolls expanded in December although falling short of expectations. The U.S. economy added 148K jobs, well-below consensus of 190K in December, and gains in the prior two months were revised lower by a net 9K. While below forecast, the job gains bring the 2017 total to about two million jobs which is flat to 2016. The pace of job creation has moderated as the economy approaches full employment. The unemployment rate held steady at 4.1%, and the labor force participation rate was unchanged at 62.7%. Wage growth missed expectations with average hourly earnings rising 2.5% versus year-ago levels, after a 2.4% gain in November was downwardly revised. Time will tell if the new tax legislation signed in December will result in larger wage gains.

The November CPI report suggests that core inflation may be stabilizing. Core CPI slowed to a 1.7% annual rate in November from 1.8%. The Fed's preferred inflation gauge, the core PCE, increased 0.6% to a 1.5% annual rate through October compared to 1.4% the prior month. The Fed continues to believe that inflation will stabilize around their 2.0% target over the medium term and supports the likelihood of three or more rate hikes in 2018 in addition to further withdrawal of quantitative easing. The flattening of the U.S. Treasury yield curve remains a persistent theme as shorter-term rates rise on expectations of further Fed rate hikes and longer-term bonds benefit from global demand for yield and duration. At 0.52% (down from 0.56% last month), the spread between 2- and 10-year Treasury yields is the narrowest in over a decade.

U.S. real GDP growth was revised to an annualized pace of 3.2% from the previously estimated 3.3% in the third quarter. Growth was the fastest in two years and suggests the economy entered the fourth quarter on stronger footing with a possible modest lift from tax reform. Consumer spending remains the primary driver of U.S. growth, but significant business investment was also responsible for continued growth. The GDPNow currently forecasts fourth quarter growth at a 2.7% (versus 2.9% last month) annualized rate.

Treasury Yields

MATURITY	1/5/18	12/5/17	CHANGE
3 Month	1.375%	1.289%	0.086%
6 Month	1.576%	1.476%	0.100%
1 Year	1.793%	1.656%	0.136%
2 Year	1.960%	1.818%	0.142%
3 Year	2.060%	1.928%	0.131%
5 Year	2.289%	2.143%	0.146%
10 Year	2.476%	2.351%	0.125%
30 Year	2.811%	2.732%	0.079%

Source: Bloomberg

Agency Yields

MATURITY	1/5/18	12/5/17	CHANGE
3 Month	1.368%	1.323%	0.045%
6 Month	1.485%	1.407%	0.078%
1 Year	1.643%	1.563%	0.080%
2 Year	2.022%	1.896%	0.126%
3 Year	2.144%	2.018%	0.126%
5 Year	2.348%	2.214%	0.134%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1)

MATURITY	1/5/18	12/5/17	CHANGE
1 Month	1.520%	1.330%	0.190%
3 Month	1.670%	1.490%	0.180%
6 Month	1.840%	1.640%	0.200%
9 Month	1.970%	1.790%	0.180%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '17	3.20%
US Unemployment	Dec '17	4.10%
ISM Manufacturing	Dec '17	59.70
PPI YoY	Nov '17	4.30%
CPI YoY	Nov '17	2.20%
Fed Funds Target	Jan 08 '18	1.25% - 1.50%

Source: Bloomberg

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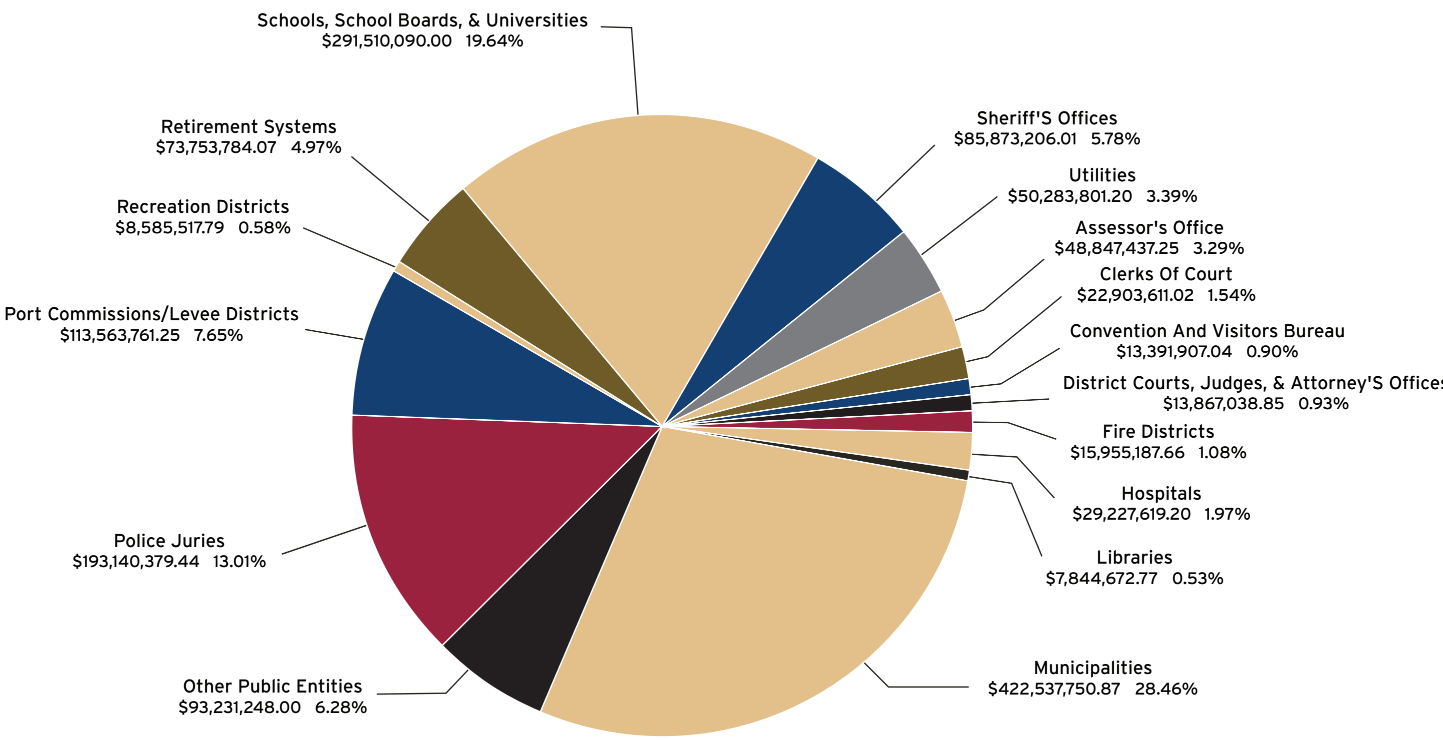
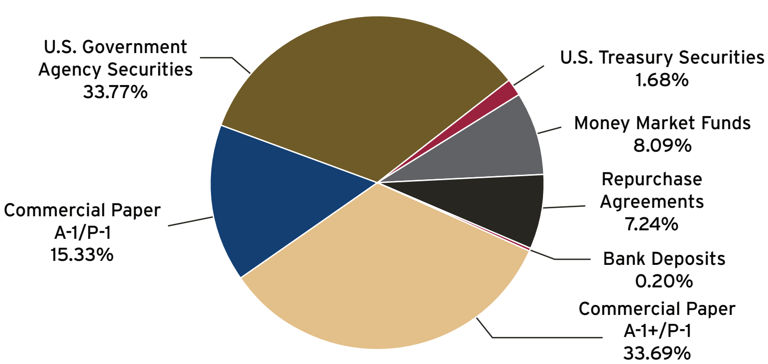
TheFUND

Fund Highlights as of December 31, 2017 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Yields**	Month Ending Net Assets
Oct-17	1.09%	$1,513,347,196
Nov-17	1.12%	$1,453,472,555
Dec-17	1.23%	$1,483,041,455

*** 30 day yield as of the last day of the month*