



Louisiana Asset Management Pool, Inc.

TheNEWS

Five Ways to Protect Your Organization from Fraud

At a recent Public Funds Management Seminar hosted by the LAMP administrator (Public Trust Advisors, LLC), an educational session featuring a collection of investment and consulting professionals discussed helpful tips on how to prepare for, prevent, and protect your organization from fraud. Here are five takeaways for your local government:

- 1) Maintain and update your policies and procedures and make sure they are being reviewed.
 - a. Consistent and accurate policies and procedures will not only save you time but potentially eliminate the fraud risk associated with errors and dishonesty.
 - b. Be sure to incorporate processes that identify potential risks and provide a way for employees to report fraud or error.
 - i. It is often best to allow employees to report fraud anonymously as to reduce stressful situations.
- 2) Use a checks and balances system for processes, particularly processes that are at risk of fraud.
 - a. If possible, there should *always* be more than one person handling money, transactions, and/or banking changes.
 - b. At LAMP, we recommend the following to our Participants to provide an added layer of security to their accounts:
 - i. Each entity should have more than one authorized signer on an account(s).
 - ii. Multiple people should receive statements and transaction confirmations.
- 3) Be aware of email spam, phishing scams, and malware. Make sure your employees receive regular training on the ways to identify suspicious emails.
 - a. If something feels wrong, double check with others, including coworkers and vendors, to ensure that it is not a scam.
- 4) Each employee should have their own login information. Do not allow employees to share passwords.
 - a. When login credentials are shared, it is difficult to track individual actions and provides no audit trail.
 - b. Only provide logins or other authorizations to those employees who require them.
 - c. Wherever possible, use activity logs to monitor potential inappropriate or unauthorized access.
 - d. For LAMP Participants, MYACCESS offers dual factor authentication. If a login somehow falls into the wrong hands, there are still security questions to be answered as an added layer of safety.
- 5) Use technology to your advantage whenever possible.
 - a. Distance your organization from the use of checks. Using positive pay is a good option that does not allow for one check to be cashed more than once.
 - b. Avoid sending checks via the mail. Use direct deposit or a similar option that avoids the unnecessary risk of checks being lost, or worse yet stolen, in the mail.

While no organization will ever be completely risk free, taking precautions and preparing your employees can help reduce the opportunity as well as the amount of fraud that may occur.

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The **ECONOMY**

Monthly Economic Review Volatility Strikes Again

Following a tranquil end to the third quarter, market volatility returned with a vengeance in October. Equity markets ignored continued positive economic data in the U.S. and instead focused on fears of rising interest rates, elevated valuations, slowing global growth, and ongoing trade tensions between the U.S. and China. The S&P 500 fell nearly 7.0% over the month and recorded ten days with a move of plus or minus 1.0%, two times more than all of calendar year 2017. Despite the surge in volatility during the month, U.S. Treasuries traded with a rare positive correlation to equities and continued to sell off sending rates higher across the yield curve.

While domestic equity markets stumbled at the start of the fourth quarter, the U.S. economy remained on solid footing and continues to be a relative bright spot against a backdrop of slowing global growth. U.S. Gross Domestic Product (GDP) expanded at a faster-than-expected 3.5% in the third quarter while labor markets continued to tighten. The U.S. added a better-than-expected 250K jobs in October and nonfarm payrolls have averaged 209K per month year-to-date compared to 180K per month through the same period last year. The unemployment rate fell to a 48-year low of 3.7% and average hourly earnings rose at the fastest pace in nearly a decade at 3.1% year-over-year.

Solid domestic fundamentals and measures of core inflation sustaining near or above the central bank's 2.0% target should allow the Fed to raise rates by an additional 25 basis points at the December FOMC meeting. Pricing in the Fed Funds Futures market places the odds of a December rate hike at 75% while market-based expectations for 2019 remain below the Fed's dot plot projections.

Looking ahead to 2019, the Fed will enhance policy transparency and flexibility by holding a press conference following each of its policy meetings rather than once a quarter in conjunction with its updated forecasts.

Treasury Yields

MATURITY	11/9/18	10/11/18	CHANGE
3-Month	2.304%	2.258%	0.045%
6-Month	2.514%	2.437%	0.077%
1-Year	2.725%	2.647%	0.079%
2-Year	2.924%	2.848%	0.076%
3-Year	2.993%	2.935%	0.058%
5-Year	3.035%	3.004%	0.031%
10-Year	3.182%	3.150%	0.032%
30-Year	3.384%	3.323%	0.061%

Source: Bloomberg

Agency Yields

MATURITY	11/9/18	10/11/18	CHANGE
3-Month	2.355%	2.297%	0.058%
6-Month	2.482%	2.382%	0.100%
1-Year	2.651%	2.545%	0.106%
2-Year	2.988%	2.902%	0.086%
3-Year	3.055%	2.981%	0.074%
5-Year	3.163%	3.106%	0.057%

Source: Bloomberg

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

MATURITY	11/9/18	10/11/18	CHANGE
1-Month	2.270%	2.260%	0.010%
3-Month	2.610%	2.410%	0.200%
6-Month	2.830%	2.560%	0.270%
9-Month	2.990%	2.770%	0.220%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '18	3.50%
US Unemployment	Oct '18	3.70%
ISM Manufacturing	Oct '18	57.70
PPI YoY	Oct '18	3.40%
CPI YoY	Sep '18	2.30%
Fed Funds Target	Nov. 12, 2018	2.00% - 2.25%

Source: Bloomberg

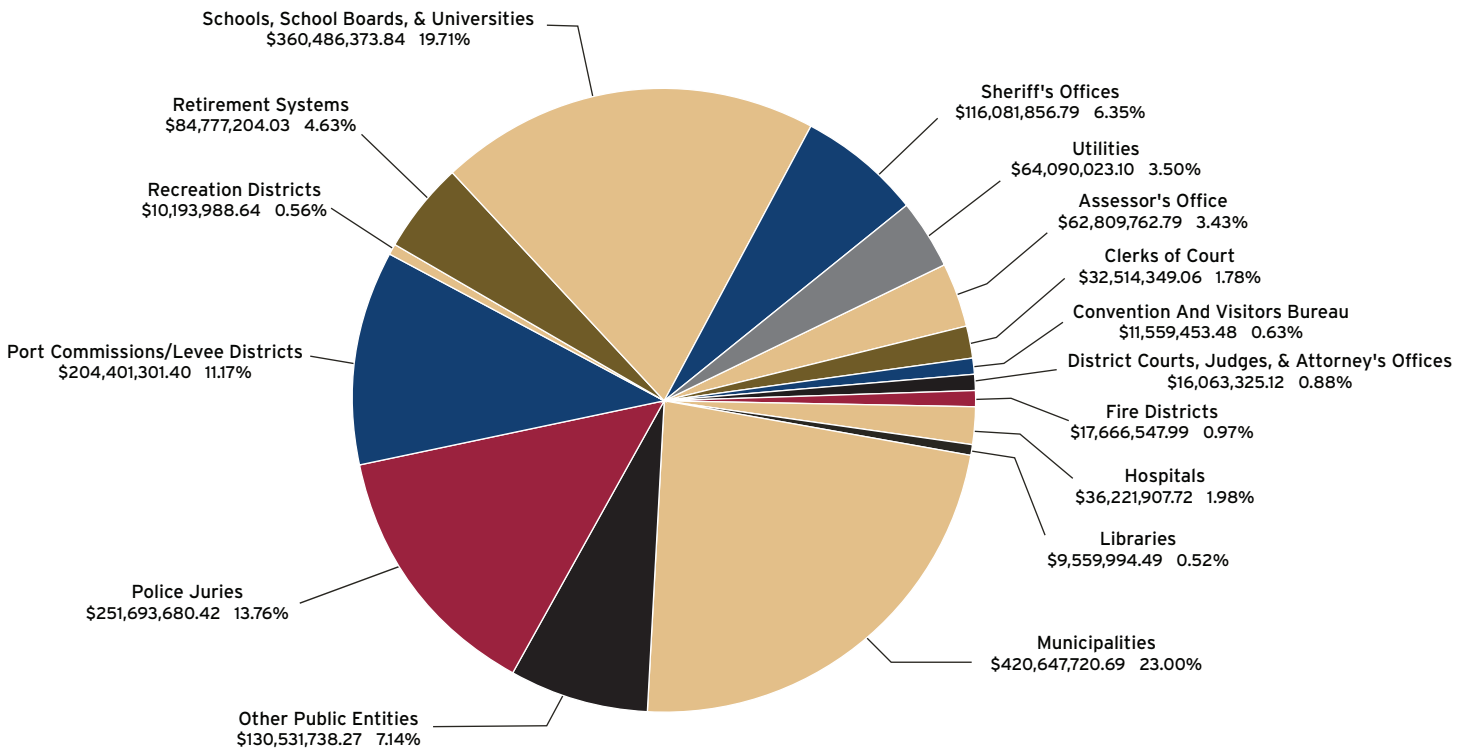
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. All comments and discussions presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.



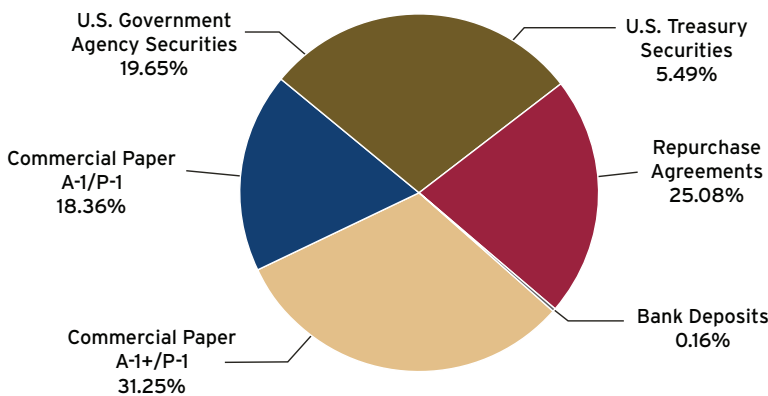
The **FUND**

Fund Highlights as of October 31, 2018 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields**	Month Ending Net Assets
Aug-18	2.02%	\$1,838,810,658
Sep-18	2.05%	\$1,819,630,549
Oct-18	2.18%	\$1,828,938,850

** Yields as of the last day of the month

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.**