



Louisiana Asset Management Pool, Inc.

TheNEWS

How to Communicate with Your Stakeholders

At a recent Public Funds Seminar hosted by the LAMP administrator Public Trust Advisors, LLC, an educational session featured a panel of local government representatives responsible for presenting to boards, answering to stakeholders and community members, and making investment decisions on behalf of their constituents. Here are some important takeaways for communicating with your stakeholders about your local government's investments:

Understand what your stakeholders are looking to get out of the conversation.

It is important to distinguish the level of detail desired for the individual with whom you are speaking; council and board members will likely know more specifics about your organization and therefore want more detail than the general public. If you are presenting, decide the level of detail provided beforehand based on your audience. Remember that when dealing with members of the public, they are the customer. Give them a positive client experience and reassure them you are working hard to meet their needs.

Make sure you understand the role of the person that has asked a question or requested a meeting. If you're communicating with a Board of Trustees, get to know each Board Member; find out their personality, constituent base, and perspective. Define each of those for each member and work to build a relationship with them based on that knowledge.

Be transparent in your conversations, website, and reporting, but know the right time and place for a conversation.

Know what conversations to have in what location. Some discussions and questions may not be best suited for a public forum. There is nothing wrong with saying "I don't have that information; let me get back to you" or "I'd love to speak with you in detail on this; can we schedule a meeting?" but make sure you actually follow up with these individuals.

Sometimes there is so much information on subjects, but it might not be what people want to know. Answer their quick questions; seek out community members and ask what their issues are. Then make the answers to these questions available online. If permitted, publish your budget on your website and have open discussions about it.

You can provide a great deal of transparency through your website. Publish as much information as possible including council meetings, agendas, frequently asked questions, data, and more. You can also utilize your Comprehensive Annual Financial Report (CAFR) as an opportunity to talk about economic growth in your area, what has changed in your community, how the property taxes have altered, and more. A CAFR allows you to publish a great deal of information about your organization in a clear and concise format.

Make this relationship as easy as possible by utilizing tools and policies.

As a public finance official, you likely have to answer tough questions on budgets, investments, and how tax dollars are being spent on a frequent basis. Having a Board-adopted investment policy that is reviewed at least annually by yourself and your Board will give you something concrete to refer back to and use as backing for your answers to questions. When creating your investment policy, make sure it addresses safety, liquidity, and yield at a minimum. Include what securities are permitted for investment. When a board or council member questions a certain investment, point them back to the policy that the board approved.

Encouraging your staff to complete continuing professional education (CPE) courses, advanced certifications, and master's programs is a great way to invest in your team and your organization while working to reduce staff turnover.

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 presented should not be used in making any investment decisions. This material 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.



The **ECONOMY**

The Fed's Hawkish Rate Cut

As was widely expected, the Federal Reserve delivered its third consecutive 25 basis point rate cut at the October 30 FOMC meeting. The Fed noted "the implications of global growth developments for the economic outlook as well as muted inflation pressures" as justifications for the decision. Looking ahead, however, the trajectory of future interest rate policy appears less certain as domestic economic activity, while slowing, remains resilient and continues to expand at a roughly 2% annualized rate.

The Fed's decision has generally been characterized as a "hawkish rate cut" by market participants as comments made by Fed Chair Jay Powell at the post-meeting press conference appeared to confirm growing expectations that the Fed would pause its rate-cutting campaign barring further deterioration in economic activity. During the press conference, Fed Chair Jay Powell characterized the current stance of monetary policy as "in a good place," "sufficient to support the economy," and "appropriate." He continued by stating that a "material reassessment" of their outlook would be required for the Fed to act again soon. That certainly sounds like a Fed on hold, at least for now.

Among the rationale for the Fed to pause its late-cycle easing campaign is continued robust consumer spending, accounting for nearly two-thirds of U.S. economic activity and helping offset weakness in manufacturing and business investment. Additionally, service sector activity remains expansionary, increasing modestly in October and exceeding consensus estimates. Labor market activity, while cooling, remains buoyant with 128k jobs created in October and sharp upward revisions (+95k) to the prior two months.

Against this backdrop, the yield curve steepened through October with 3-month Treasury bill rates falling nearly 30 bps and 2-and 5-year Treasury yields declining a more modest nine bps and three bps, respectively.

Treasury Yields

MATURITY	11/5/19	10/7/19	CHANGE
3-Month	1.518%	1.703%	-0.185%
6-Month	1.565%	1.704%	-0.139%
1-Year	1.591%	1.640%	-0.049%
2-Year	1.625%	1.462%	0.163%
3-Year	1.637%	1.413%	0.225%
5-Year	1.664%	1.391%	0.273%
10-Year	1.858%	1.558%	0.300%
30-Year	2.338%	2.048%	0.290%

Source: Bloomberg

Agency Yields

MATURITY	11/5/19	10/7/19	CHANGE
3-Month	1.569%	1.802%	-0.233%
6-Month	1.571%	1.824%	-0.253%
1-Year	1.515%	1.768%	-0.253%
2-Year	1.639%	1.516%	0.123%
3-Year	1.642%	1.458%	0.184%
5-Year	1.740%	1.475%	-0.265%

Source: Bloomberg

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

MATURITY	11/5/19	10/7/19	CHANGE
1-Month	1.680%	1.920%	-0.240%
3-Month	1.870%	1.980%	-0.110%
6-Month	1.880%	1.950%	-0.070%
9-Month	1.930%	1.830%	0.100%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q3 '19	1.90%
US Unemployment	Oct '19	3.60%
ISM Manufacturing	Oct '19	48.3.80
PPI YoY	Sep '19	-0.20%
CPI YoY	Sep '19	1.70%
Fed Funds Target	November 6, 2019	1.50% - 1.75%

Source: Bloomberg

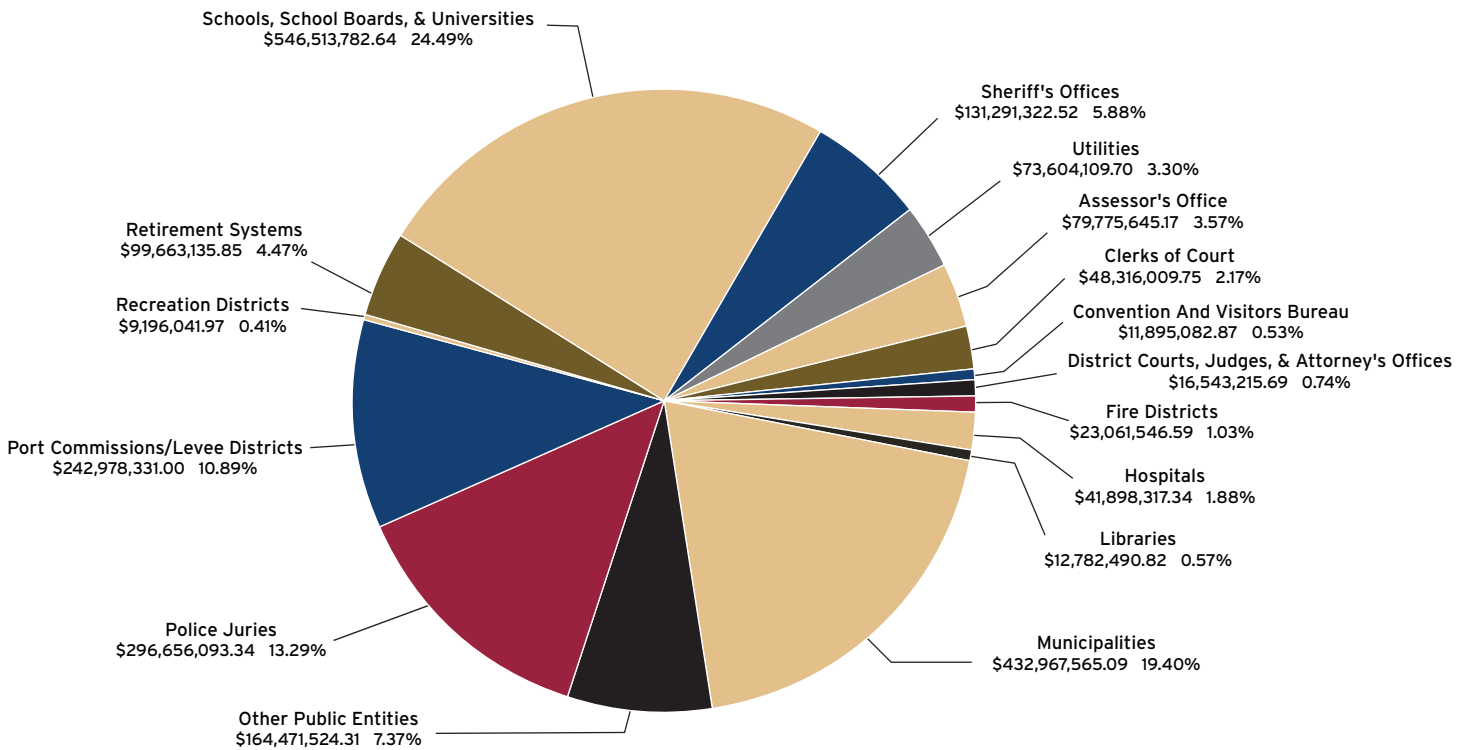
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives 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 presented should not be used in making any investment decisions. This material 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.



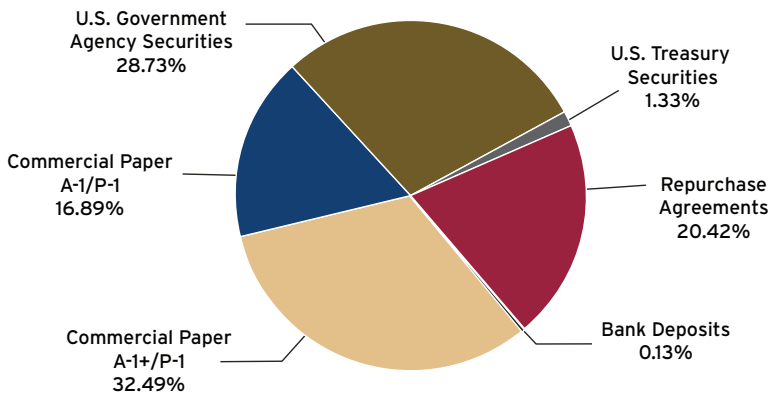
The **FUND**

Fund Highlights as of October 31, 2019 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
Aug-19	2.20%	\$2,334,427,180
Sep-19	2.13%	\$2,266,849,510
Oct-19	1.95%	\$2,231,664,173

Data may not equal 100% due to rounding. 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.**