



Louisiana Asset Management Pool, Inc.

TheECONOMY

What Does a Trough Signal?

The economy contracted at an annualized 32.9%, the worst reading in American history. While such a drop is unprecedented, it was actually better than most economists expected, a shocking representation of how low expectations for U.S. economic activity had fallen. The contraction is likely the trough in this economic cycle with most economic indicators showing that the U.S. is now on the path to recovery. However, economic data should be taken with a grain of salt because the economy has just seen a historic drop in activity that can skew economic surprises to the positive.

Jobs roared back in July with non-farm payrolls adding 1.7 million jobs, but the 10.2% unemployment rate remains starkly above its pre-COVID levels; the economy would have to add back another 12.9 million jobs to reach that level. While jobs are beginning to come back, consumer spending and confidence have yet to show significant improvement as the University of Michigan Consumer Sentiment survey retreated back to April lows after a brief jump in June.

Consumers may still be wary, but business conditions have made a meaningful comeback. Both the manufacturing and service PMIs have solidly moved into expansionary levels and business conditions have made a significant rebound from lockdown lows. The dichotomy between business and consumer conditions shows the challenge of restarting the economy with the ever-present threat of a viral resurgence and just how much it takes for the U.S. to recover from a near-total pause in economic activity.

With Q2 as the trough, market participants have moved to judge the speed of a recovery which looks to be slower on the consumer side than the business side. After all, the 10-year Treasury yield hit an all-time low, .5069% in July, signaling forward expectations still are not rosy.

Treasury Yields

MATURITY	8/7/20	7/6/20	CHANGE
3-Month	0.089%	0.145%	-0.056%
6-Month	0.104%	0.158%	-0.054%
1-Year	0.124%	0.152%	-0.028%
2-Year	0.129%	0.157%	-0.028%
3-Year	0.141%	0.186%	-0.045%
5-Year	0.231%	0.302%	-0.071%
10-Year	0.564%	0.676%	-0.112%
30-Year	1.234%	1.439%	-0.205%

Source: Bloomberg

Agency Yields

MATURITY	8/7/20	7/6/20	CHANGE
3-Month	0.048%	0.112%	-0.064%
6-Month	0.055%	0.200%	-0.145%
1-Year	-0.034%	0.191%	-0.225%
2-Year	0.124%	0.219%	-0.095%
3-Year	0.185%	0.274%	-0.089%
5-Year	0.337%	0.477%	-0.140%

Source: Bloomberg

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

MATURITY	8/7/20	7/6/20	CHANGE
1-Month	0.120%	0.230%	-0.110%
3-Month	0.160%	0.240%	-0.080%
6-Month	0.220%	0.280%	-0.060%
9-Month	0.230%	0.400%	-0.170%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2 '20	-32.90%
US Unemployment	Jul '20	10.20%
ISM Manufacturing	Jul '20	54.20
PPI YoY	Jul '20	-1.80%
CPI YoY	Jun '20	1.00%
Fed Funds Target	August 11, 2020	0.00% - 0.25%

Source: Bloomberg

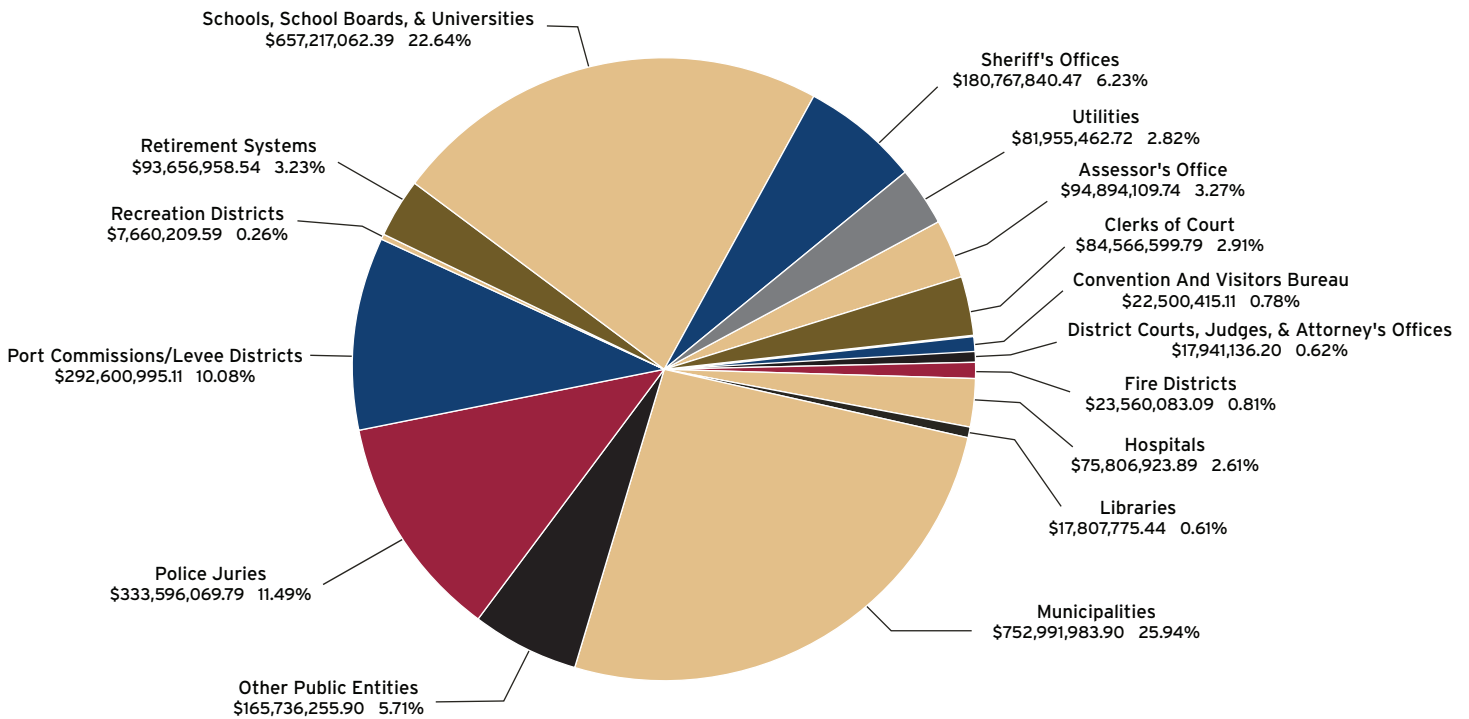
Data unaudited. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives 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 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.



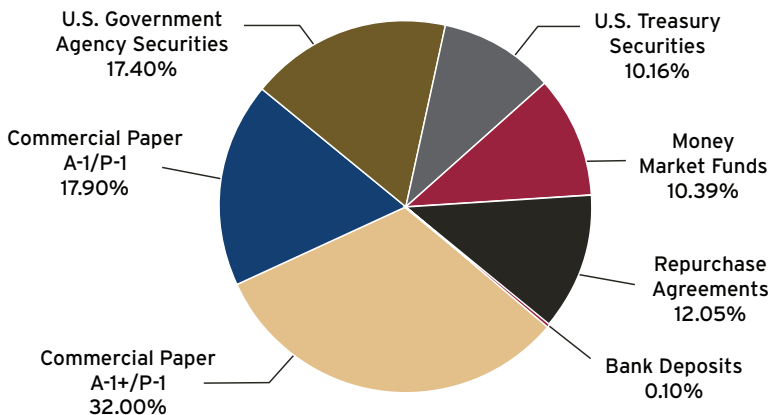
The **FUND**

Fund Highlights as of July 31, 2020 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
May-20	0.71%	\$2,872,202,554
Jun-20	0.52%	\$2,847,418,152
Jul-20	0.31%	\$2,903,313,223

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.**