

LOUISIANA ASSET MANAGEMENT POOL
STATEMENT OF INVESTMENT GUIDELINES

Effective Date: May 21, 2020

Introduction and Scope

The purpose of this Statement of Investment Guidelines is to identify the various policies and procedures applicable to the investment and management of the funds of the LAMP by the investment advisor designated, from time to time, by the Board of Directors or the Executive Committee of LAMP, Inc. (the "Advisor"). In addition to the following limitations and restrictions, as the President of LAMP, Inc., may, from time to time, impose such additional restrictions on the investment and management of the LAMP as may be deemed necessary or desirable, to the extent not inconsistent with the objectives set forth below. Capitalized terms used herein shall have the meanings ascribed to such terms in the Depositing Members' Information Guide.

Objectives

The LAMP shall be managed by the Advisor in a manner consistent with the following objectives:

- A. The safety of principal is the foremost objective of the LAMP, followed by liquidity and yield.
- B. Investment decision by the Advisor shall not undertake unreasonable investment risk in order to obtain current investment income.
- C. The LAMP shall remain sufficiently liquid to enable Depositing Members to meet all reasonable operating requirements.
- D. The LAMP shall be invested in a manner intended to attain a market average of return through various economic cycles, taking into account investment risk constraints, the cash flow characteristics of the LAMP, and the provisions of Louisiana law governing investment by municipalities, parishes and other types of political subdivisions.
- E. While the LAMP will not make investment for the purpose of trading or speculating as the dominant criteria, the Advisor shall seek to enhance total portfolio returns by means of active portfolio management. Although the prohibition concerning speculative investments precludes pursuit of gain for profit through unusual risk, trading in response to changes in market value or market direction is warranted under active portfolio management.

- F. The LAMP shall, to the extent practicable, be invested in a manner consistent with GASB Statement No. 79, as amended, and in connection therewith:
- i. All portfolio securities acquired hereunder shall have, at the time of purchase, a maximum remaining maturity of 397 days, two years (762 days) for U.S. Government floating/variable rate investments, such maturity shall be determined in accordance with GASB Statement No. 79; and
 - ii. The dollar weighted average maturity of the LAMP shall not generally exceed 60 days. The Advisor shall take reasonable steps to ensure that sufficient investments mature in one day to provide for the required liquidity for withdrawals from the LAMP.
- G. The LAMP shall be invested in a manner consistent with guidelines necessary to maintain a AAAM rating from Standard & Poor's.

Authorized Investment Instruments

Below is a description of the types of securities and other obligations that the LAMP may invest in, from time to time:

- A. U. S. Treasury securities, which shall include bills, notes and bonds.
- B. The LAMP shall be permitted to invest in such additional obligations and securities as may be designated as permissible investments hereunder by the Executive Committee of the Board of Directors of LAMP, Inc., from time to time; such designation shall be attached hereto as Exhibit A and shall be deemed incorporated in these Investment Guidelines by this reference. Any such designation shall comply with the provisions of Louisiana law concerning permissible investments for municipalities, parishes and other political subdivisions set forth in La. R.S. 33:2955.
- C. The LAMP shall be entitled to enter into direct security repurchase agreements of any federal book entry only securities described in subparagraph A or B above, from time to time, subject to the limitations set forth in "*Investment Limitations and Restrictions*", below.
- D. The LAMP may invest in certificates of other evidences of ownership in the securities set forth in subparagraph A or B above, which may consist of specified portions of principal or interest therein.

Investment Limitations and Restrictions

Below are the limitations and restrictions imposed on the Advisor with respect to the investment and management of the assets comprising the LAMP:

- A. Variable rate issues shall be limited to any aggregate of 25% of the assets of the LAMP and shall be acquired only after the value of the assets of the LAMP exceeds \$150 million.
- B. Government-only money market funds shall be limited to no more than 25% of the total assets comprising the LAMP. Additionally, no more than 10% of the total assets comprising the LAMP shall, at any time, be invested in any single such fund.
- C. The Advisor shall not acquire repurchase agreements calling for resale within more than seven days if, as a result thereof, more than 10% of the value of the assets comprising the LAMP would be invested in such agreements.
- D. A-1 or A-1+ commercial paper shall be limited to no more than 5% of assets in any one issuer at time of purchase and no more than 25% of assets in any industry, except the financial services industry. Further, no more than 50% of the assets comprising the LAMP may be invested in A-1 or A-1+ commercial paper at the time of purchase. Additionally, when an A-1 investment is placed on the watch list with negative implications by the rating agency, the Advisor must sell the investment as soon as practical, unless an exception is granted by the President or the Executive Committee based on the written request and recommendation of the Advisor. If the President executes this option the President must notify the Executive Committee in writing of any such actions within ten days.
- E. The Advisor shall not make loans, borrow money or pledge, mortgage, assign or encumber any asset comprising the LAMP, except that the LAMP may purchase debt securities described above as "*Authorized Investment Instruments*".
- F. The President of LAMP, Inc., may, from time to time, impose additional restrictions and limitations on the investment of assets comprising the LAMP, to the extent not inconsistent with the investment objectives set forth herein. Any such limitations shall be set forth on Exhibit A hereto.

Amendment

This Statement of Investment Guidelines shall be amended only by action of a majority of the members of the Executive Committee of the Board of Directors of LAMP, Inc. Written notice of any such amendment shall be furnished to each Depositing Member at least 30 days prior to its effective date.

Date: May 21, 2020

/s/ Theodore C. Sanders, III
Theodore C. Sanders, III
Chief Executive Officer
LAMP, Inc.

**LOUISIANA ASSET MANAGEMENT POOL
STATEMENT OF INVESTMENT GUIDELINES**

EXHIBIT A

AUTHORIZED INVESTMENT INSTRUMENTS AND LIMITATIONS

The following shall constitute the exclusive list of the issuers of obligations and other securities which the advisor may acquire, consistent with the terms of the Statement of Investment Guidelines attached hereto and any additional restrictions imposed herein:

- A. Federal Farm Credit Bank;
- B. Federal Agricultural Mortgage Corporation;
- C. Federal Home Loan Bank;
- D. Federal Home Loan Mortgage Corporation;
- E. Federal National Mortgage Association;
- F. Student Loan Marketing Association; and
- G. Small Business Administration; provided, however, that securities issued by the Small Business Administration shall not be acquired until the net assets of the LAMP exceed \$150 million and further that no more than 15% of the total assets comprising the LAMP shall, at any time, be invested in such securities.
- H. Government-only money market funds rated AAAM by Standard & Poor's.
- I. Investment grade commercial paper issued in the United States, traded in the United States markets, denominated in United States dollars, with a short-term rating of at least A-1 by Standard & Poor's Financial Services or P-1 by Moody's Investor Services, Inc. or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).

Date: May 21, 2020

/s/ Theodore C. Sanders, III
Theodore C. Sanders, III
Chief Executive Officer
LAMP, Inc.