



Louisiana Asset Management Pool, Inc.



The Federal Open Market Committee (FOMC) voted on June 15, 2022, to raise the Fed Funds Target Rate by 75 basis points.

The Buzz Around Rising Interest Rates

Here's What You Need to Know:

The Federal Reserve continues to tighten monetary policy to combat inflation, with recent economic data surprising to the downside. The May consumer price index rose 8.6% from a year earlier, the highest reading in 40 years. In addition, the University of Michigan June consumer sentiment index also slumped to an all-time low as mounting inflation batters household finances.

What's Next for Your Local Government?

Review your investments to ensure that yields are in line with rising Fed Funds rate expectations at a minimum. Given the short average maturity of pool investments, LAMP yields can adjust more rapidly and typically provide an enhanced market rate. As holdings in LAMP mature, fund management invests these proceeds into higher-yielding securities thus providing investors with more opportunity.

Make the most out of your investment program and earn additional interest income for your community. If you'd like to set up a meeting to analyze your current investment program or for more information on how to best navigate your investment portfolio in a rising rate environment, please [contact us!](#)

Past performance does not guarantee future results. Any financial and/or investment decision can incur losses. Yields can vary over time. This communication is for informational purposes only. All information is assumed to be correct but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third-party sources that may or may not be verified. 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. There is a strong correlation between the Fed Funds rates and local government investment yields.

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