

2022

LAMP
LOUISIANA ASSET MANAGEMENT POOL, INC.

ANNUAL REPORT

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[Louisiana Legislative Auditor's Report](#)

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Performance shown is historical and not indicative of future returns. An investment in the Louisiana Asset Management Pool is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.



FROM THE PRESIDENT

Dear LAMP Participant:

LAMP opened 2022 with a 30-day yield of 0.05% and closed the year at 4.15%. Our average yield compared favorably to our benchmark, the S&P AAA/AA Rated Government 30-Day Net Yield Index. We also rebated \$3,100,000 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$28 million since the rebate program began in October 2006.

Since LAMP's inception in January 1994, we have generated more than \$713 million in non-taxable revenue for participants without any cost to Louisiana's taxpayers.

LAMP maintained its AAAm Standard & Poor's rating throughout the year. We also received our 29th consecutive, unmodified audit opinion from the Louisiana Legislative Auditor's Office.

Our collective pool, through our strength of partnership, continues to offer operating efficiencies and economies of scale. During fiscal year 2022, our membership grew to 791 voluntary participants and our assets under management increased to more than \$3.6 billion.

I extend my gratitude to our local officials that serve on the LAMP, Inc. Board of Directors, President's Advisory Board and the LAMP, Inc. staff for their commitment of time and work this year. Thank you for continuing to trust your organization's assets to LAMP.

John M. Schroder
State Treasurer
President, LAMP, Inc.



P.S. Please feel free to contact me at the State Treasury at 225.342.0010 or call the LAMP, Inc. administrative office at 800.249.5267. You can also visit us online at **www.lamppool.com**.



PROGRAM SUMMARY

About LAMP

The Louisiana Asset Management Pool (LAMP) was created in 1993 as a cooperative endeavor to assist Louisiana local governmental entities in the investment of their cash balances. LAMP combines the efficiency of private enterprise with the protection of public policy. It enables local officials to pool and collectively invest funds to benefit from competitive yields, lower fees and the same level of investment management otherwise available only to large institutional investors. All public entities, excluding the State of Louisiana and its departments, are eligible to participate in LAMP.

Fund Management

The Fund is operated by a non-profit corporation, LAMP, Inc., whose officers include the president, normally the treasurer of the State of Louisiana, a chief executive officer and a chief administrative officer, charged with day-to-day operations of the program. LAMP is governed by a board of directors consisting of nine to 14 members elected each year by the participants. Board members may serve a maximum of three one-year terms.

Fund Objectives

LAMP's objective is to provide safety of principal and daily liquidity with a competitive rate of return through investments in obligations issued by the U.S. government, its agencies and instrumentalities, government-only money market funds rated AA+ by Standard & Poor's Financial Services, and investment-grade commercial paper issued in the United States, traded in the U.S. markets, denominated in U.S. dollars with a short-term rating of at least A-1 by Standard & Poor's or the equivalent rating by a nationally recognized statistical ratings organization.

- **Preservation of Principal.** LAMP's primary goal is to maintain a stable net asset value in the collective pool, so principal is preserved. The Fund has consistently earned a rating of AA+ from Standard & Poor's, the highest rating available to LAMP.

- **Daily Liquidity.** LAMP offers same-day access to funds under management. To make investments or withdrawals without transaction fees or toll charges, LAMP participants may submit requests by visiting our secure online Participant Portal, or by contacting the LAMPline at 800.272.8162 and/or faxing 800.604.6988.
- **Competitive Yield.** By pooling assets and resources, LAMP's participants enjoy the level of professional money management otherwise available only to large institutional investors. LAMP's combined purchasing power generally results in higher yields and lower management fees for LAMP participants.

Fund Benefits

As a cooperative venture, LAMP can provide participants with a range of benefits that would be difficult to achieve individually. Some of these include:

- **Professional Money Management.** By aggregating the funds available for investment, LAMP's collective pool is large enough to attract the attention and service of the very best investment managers in the country, and help reduce the administrative and custodial fees to help maximize the yield on participants' investments. As a result, LAMP generates an attractive yield and a low expense ratio for its participants.
- **Administrative Efficiency.** LAMP operates extremely efficiently, keeping staff and overhead to a minimum while maintaining responsive services. LAMP participants have 24-hour access to account information, performance and yields through the Participant Portal.
- **Responsive Reporting.** LAMP participants enjoy the benefits of immediate, fully secured access to their accounts. The Participant Portal provides up-to-date account information and a variety of reports to LAMP participants.

Voting Rights and Governance

LAMP participants maintain direct oversight control of the pool by annually electing a board of directors from among the participants themselves.



FROM THE CEO

SAFEGUARDING OUR LOUISIANA

Dear LAMP Participant:

Louisianans have shown resiliency during the recovery from the COVID-19 pandemic shutdown and the aftermath of the 2021 deadly storm season, and when facing new coronavirus variants and weather-related challenges in 2022. These challenges continue to impact the lives of individuals and distress the state's economy¹.

According to USAFacts.org, Louisiana had 1,459,308 confirmed coronavirus cases as of December 31, 2022, up from 828,695 as of December 31, 2021². The state had 18,136 related deaths as of December 31, 2022, up from 14,986 as of December 31, 2021³. (As of May 2023, approximately 2,924,163 people, or 63% of the state, had received at least one dose of the coronavirus vaccine; approximately 2,561,641 people, or 55% of the state's population, became fully vaccinated.⁴)

Mother Nature continued to be a force in Louisiana in 2022, testing our mettle with heavy rains, floods, tornadoes and crop failures^{5, 6, 7}. Approximately 11% of the state's adults, or nearly 370,000 people, were displaced due to a disaster in 2022⁸.

The Pelican State remained the hardest-hit state at the end of the 2022 calendar year. According to the U.S. News & World Report, Louisiana ranked last among all states for the fifth year in a row.^{9, 10} Despite this, gains were made in three category rankings – healthcare, education and fiscal stability – when compared to 2021 metrics¹¹. According to Statista.com, the state's real gross domestic product decreased to -1.8% in 2022, compared to 1.3% in 2021 and -7.9% in 2020¹².

LAMP returned to in-person attendance at statewide conferences and meetings in 2022, attending more than 30 association conferences and local government meetings. We continued educating participants and prospects on the benefits of LAMP and the administrative ease of using the Participant Portal.

As the Federal Reserve continued to raise rates throughout the year, it was great to hear feedback from LAMP participants about the special projects they were able to complete with their additional interest income. We look forward to working with you and vow to continue doing everything in our power to help ensure the enduring strength of our collective pool and the safety of LAMP and our Louisiana.

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



¹ Spiess, J. (2022, November 11). *After five natural disasters in 2022, Louisiana's economy looks stellar in 2023*. OILMAN Magazine. Retrieved August 29, 2023, from [https://oilmanmagazine.com/article/after-five-natural-disasters-in-2022-louisianas-economy-looks-stellar-in-2023/#:~:text=The%20worst%20of%20the%20natural,billion%20in%20damage%20was%20done](https://oilmanmagazine.com/article/after-five-natural-disasters-in-2022-louisianas-economy-looks-stellar-in-2023/#:~:text=The%20worst%20of%20the%20natural,billion%20in%20damage%20was%20done.). ² *Louisiana coronavirus cases and deaths*. (n.d.). USAFacts.org. Retrieved August 29, 2023, from <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/state/louisiana>. ³ *Louisiana coronavirus cases and deaths*. (n.d.). USAFacts.org. Retrieved August 29, 2023, from <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/state/louisiana>. ⁴ *Louisiana coronavirus cases and deaths*. (n.d.). USAFacts.org. Retrieved August 29, 2023, from <https://usafacts.org/visualizations/coronavirus-covid-19-spread-map/state/louisiana>. ⁵ Louisiana Department of Agriculture and Forestry. (2022, December 27). *USDA designates 11 Louisiana parishes as disaster areas*. KALB-Alexandria. <https://www.kalb.com/2022/12/27/usda-designates-11-louisiana-parishes-disaster-areas/>. ⁶ Berlin, C., Chatlani, S. (2022, December 15). *After 21 tornadoes hit Louisiana, residents wake up to aftermath of another natural disaster*. WWNO-New Orleans. <https://www.wwno.org/news/2022-12-15/after-21-tornadoes-hit-louisiana-residents-wake-up-to-aftermath-of-another-natural-disaster>. ⁷ Gard, H. (2023, June 1). *Looking back at the 2022 hurricane season*. WVUE-New Orleans. <https://www.fox8live.com/2023/06/01/looking-back-2022-hurricane-season/>. ⁸ Frank, T. (2023, February 6). *Census: Disasters displaced more than 3M Americans in 2022*. E&E News by Politico: ClimateWire. <https://www.eenews.net/articles/census-disasters-displaced-more-than-3m-americans-in-2022/>. ⁹ *Overview of Louisiana*. (n.d.). U.S. News and World Report. Retrieved August 29, 2023, from <https://www.usnews.com/news/best-states/louisiana>. ¹⁰ Brasted, C. (2023, May 4). *Louisiana ranks last on U.S. News' Best States list*. AXIOS New Orleans. <https://www.axios.com/local/new-orleans/2023/05/04/louisiana-ranks-last-us-news-best-states-list>. ¹¹ *Overview of Louisiana*. (n.d.). U.S. News and World Report. Retrieved August 29, 2023, from <https://www.usnews.com/news/best-states/louisiana>. ¹² *Annual percent change of the real GDP in Louisiana from 2000 to 2022*. (n.d.). Retrieved August 29, 2023, from <https://www.statista.com/statistics/1036259/louisiana-real-gdp-growth/>.



2022 FACTS & FIGURES

U.S. Economic Update

2022 was a tumultuous year for financial markets. Volatility was high as investors were confronted with surging inflation, dramatically tighter monetary policy, geopolitical unrest, supply chain constraints and rising recession fears. Yields rose sharply across the curve, reflecting the Federal Reserve's (Fed) aggressive tightening campaign and resulting in the worst bond market sell-off in a generation.

The U.S. economy shrank during the first two quarters of the period, resulting in much debate over whether the U.S. had entered a recession. However, the negative gross domestic product prints belied strong underlying growth in consumer spending, business investment and employment. By the third quarter, economic growth had rebounded as Americans cut loose over the summer, spending their hard-earned cash on travel, entertainment and restaurants. The increased demand for services helped to offset a decline in goods consumption as consumers continued to spend less on things and more on experiences. Business investment was also solid as companies sought to improve productivity through increased purchases of equipment and intellectual property. The positive growth momentum continued in the fourth quarter, but cracks in the U.S. consumer's resiliency began to emerge. Broad-based declines in retail sales and a pullback in services spending showed that consumers were starting to feel the pain from higher prices and tighter financial conditions brought on by restrictive monetary policy. Business investment also moderated as rising input costs and higher borrowing rates reduced profit margins. Nowhere was the strain of rising rates more evident than in the housing market. With mortgage rates roughly double where they were at the start of the year, housing affordability declined significantly, resulting in the longest string of monthly home sales declines on record.

The labor market remained immune to the Fed's efforts to cool demand. The U.S. added more than 4.5 million jobs during the year and the unemployment rate fell to a 53-year low of 3.5% in December. By year end, job openings had edged down but remained elevated, and quits rates continued to tick upward as workers job hopped in search of higher pay and better benefits. Average hourly earnings continued to rise, but the pace of wage growth decreased slightly in December. Easing of wage pressures combined with an uptick in labor force participation suggest that some slack may be returning to the labor market, which would be a much welcome sign for the Fed.

Inflation remained elevated throughout the year, but signs of a pullback in price pressures began to emerge in the fourth quarter. Goods prices continued to come down as consumer demand shifted to services and supply chain constraints eased. However, food and service inflation continued to accelerate, which is troublesome for the Fed as these prices tend to be stickier. Given the labor-intensive nature of the service industry, wage inflation is the primary driver of service price increases. For this reason, the Fed believes that getting labor supply and demand back in balance is key to bringing inflation down to its longer-run goal of 2%.

In an effort to cool demand and restore price stability, the Fed embarked on its most aggressive tightening campaign since the 1980s, raising the federal funds rate a cumulative 425 basis points (4.25%) in 2022. After four consecutive rate hikes of 75 basis points (0.75%), the Fed moderated the pace of tightening at the Federal Open Market Committee (FOMC) meeting in December, opting to raise rates by 50 basis points (0.50%) to a target range of 4.25% to 4.50%. Policymakers acknowledged that slowing the pace of rate increases was appropriate given the significant progress made in restricting policy stance; however, given the still-tight labor market and high inflation levels, the FOMC agreed that it was too early to take its foot off the brake. Participants believed that ongoing increases in the federal funds rate would be necessary to meet the Fed's employment and inflation goals. To this end, the FOMC raised its median estimate for the 2023 federal funds rate by 50 basis points (0.50%) to 5.125%. Participants expect that they will need to hold at this higher terminal rate at least until 2024 to help ensure that inflation is on a sustained downward path. Investors welcomed the Fed's slower pace, but did not buy into the hawkishness of the forward guidance. Post meeting, markets priced in a terminal rate below 5% with rate cuts starting in the second half of 2023.

The year ended much the way it began, with economic uncertainty, high inflation and the Fed in play. The debate continues about whether the Fed will be able to achieve a soft landing or push the U.S. economy into recession. Policymakers believe that they will be able to restrict monetary policy enough to tame inflation but not tank employment. It is a delicate balance, and the Fed will need to be nimble to achieve it.



2022 FACTS & FIGURES

LAMP's Rebate

In 2022, LAMP, Inc. helped strengthen the rate of return to local economies through participant rebates totaling \$3,100,000 (cash basis) of administrative expenses rebated back to LAMP participants. LAMP, Inc. has rebated \$28 million since the rebate program began in October 2006.

LAMP closed the year with more than \$3.6 billion in assets under management. Yields throughout the year compared favorably to our benchmark, the S&P AAA/AA Rated Government 30-Day Net Yield Index.

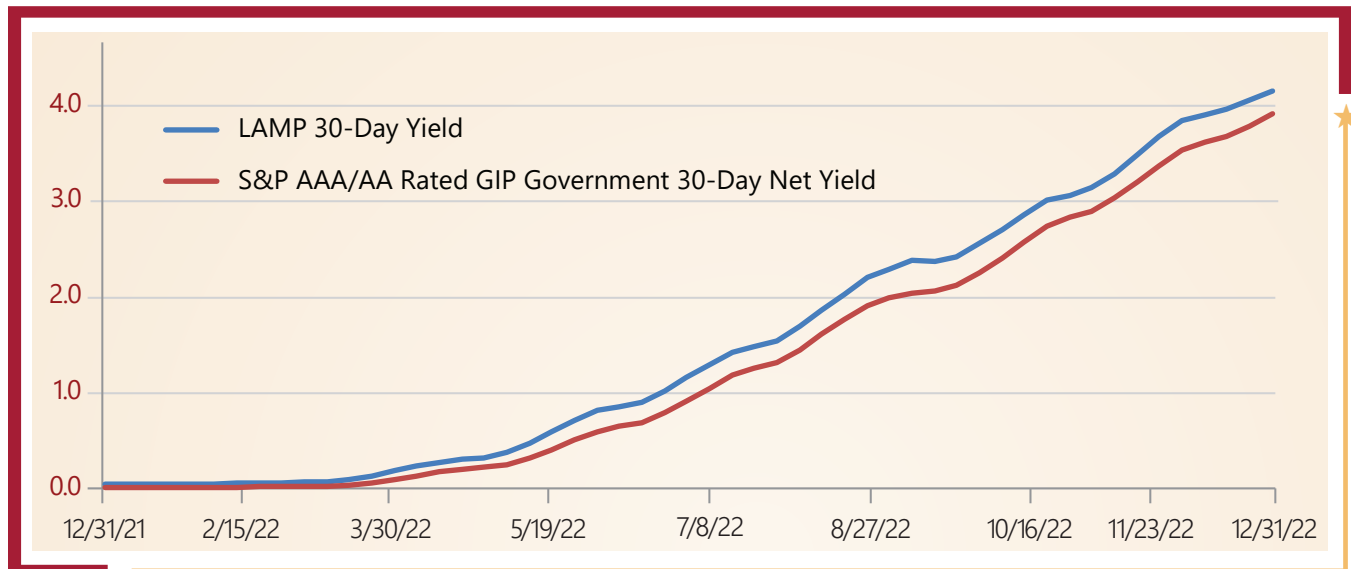
Financial & Compliance Audit

LAMP received its 29th consecutive, unmodified audit opinion from the Louisiana Legislative Auditor's Office. A copy of the report is available at www.lamppool.com.

S&P Rating

LAMP has maintained its AAAm rating from Standard & Poor's for its "extremely strong capacity" to maintain stability of principal and daily liquidity. More information is available at www.standardandpoors.com.

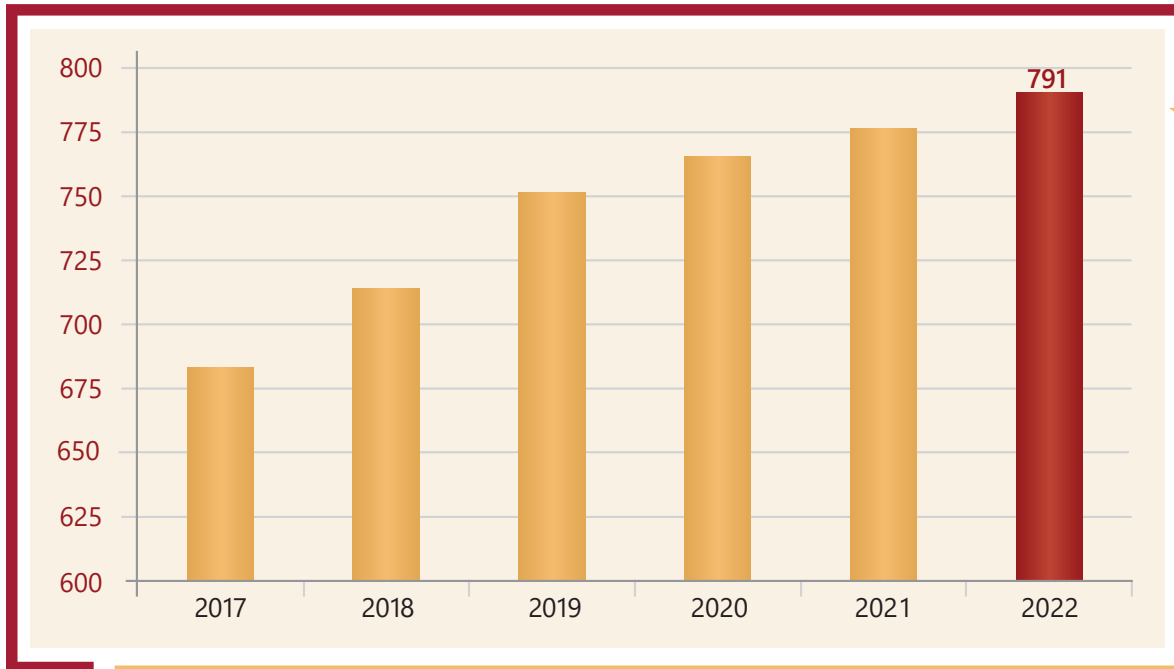
30-Day Yields



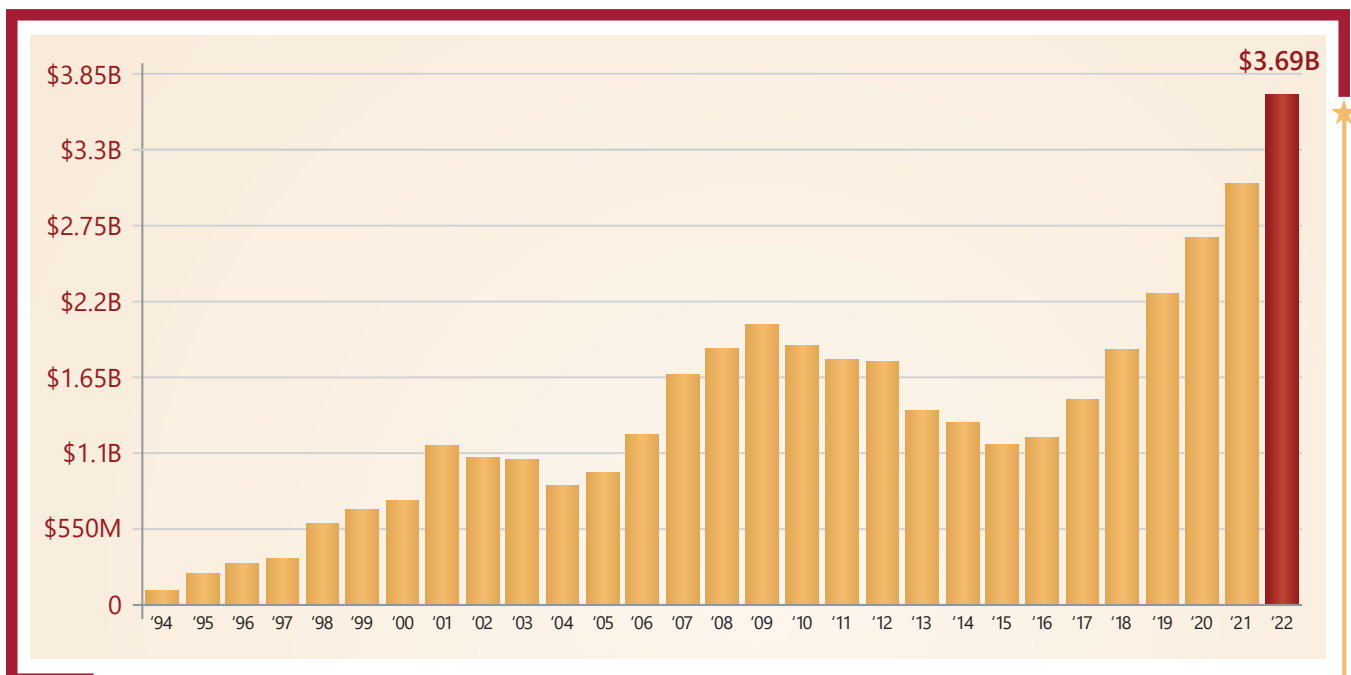


2022 FACTS & FIGURES

Number of Participants



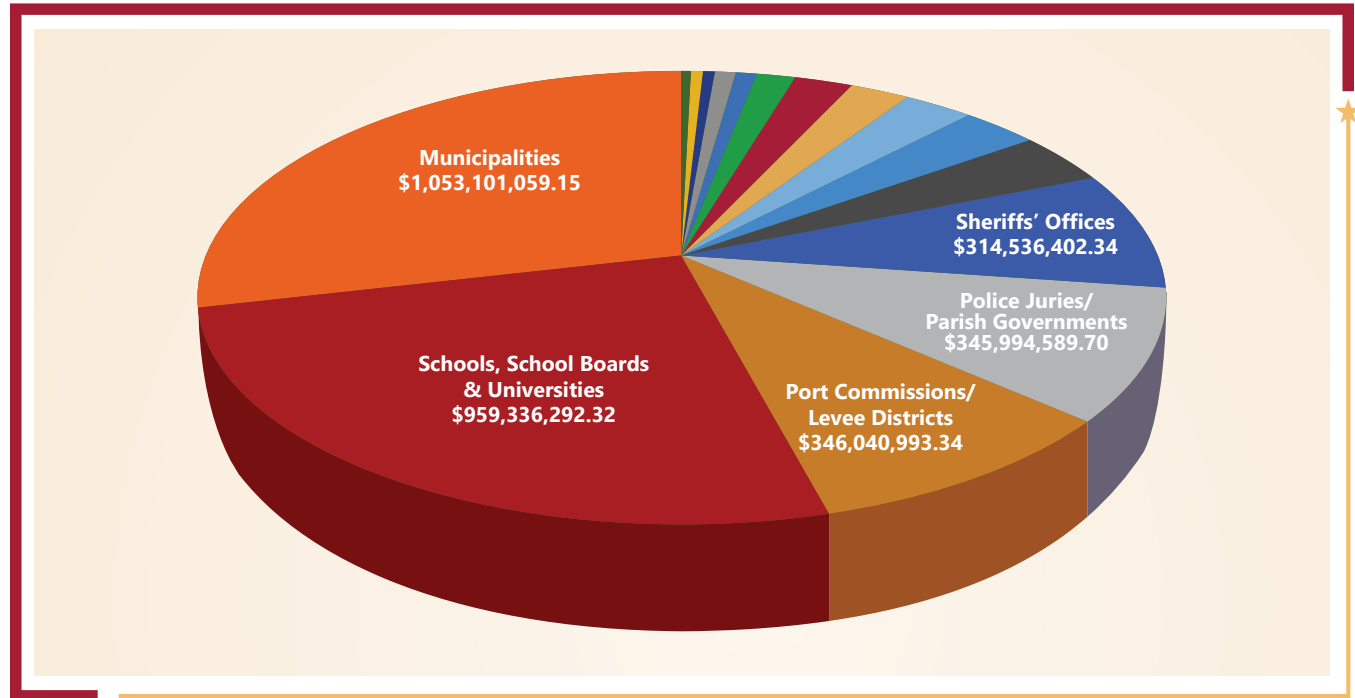
Assets Under Management





2022 FACTS & FIGURES

Assets by Participant Group



Municipalities	\$1,053,101,059.15	28%	Utilities	\$88,151,337.63	2%
Schools, School Boards & Universities	\$959,336,292.32	26%	Hospitals	\$85,347,686.69	2%
Port Commissions/Levee Districts	\$346,040,993.34	9%	Retirement Systems	\$55,760,257.37	2%
Police Juries/Parish Governments	\$345,994,589.70	9%	Convention & Visitors' Bureaus	\$31,851,534.96	1%
Sheriffs' Offices	\$314,536,402.34	9%	Fire Districts	\$30,570,157.98	1%
Other Public Entities	\$123,993,327.66	4%	District Courts, District Judges & District Attorneys' Offices	\$17,523,137.05	<1%
Clerks of Court	\$113,551,643.44	3%	Libraries	\$17,418,862.24	<1%
Assessors	\$102,105,805.56	3%	Recreation Districts	\$12,513,438.57	<1%
			Total	\$3,697,796,526.00	100%



2022 BOARD MEMBERS



LAMP, Inc. President and State Treasurer John M. Schroder recognizes the commitment and knowledge of the members of the Board of Directors and the President's Advisory Board. Thank you for your dedicated service.

BOARD OF DIRECTORS

The Honorable John M. Schroder, State Treasurer	President, LAMP, Inc.
The Honorable Julius Alsandor, Mayor	City of Opelousas
Ms. Mary Bonnette, Finance Director.....	Avoyelles Parish School Board
Ms. Erica Bryant, Parish Administrator.....	Caddo Parish Commission
Ms. Shawn Charles, Interim Vice Chancellor for Administration and Finance	Southern University at New Orleans
Mr. Guy Cormier, Executive Director	Police Jury Association of Louisiana
The Honorable David Dart, Clerk of Court.....	East Feliciana Parish Clerk of Court
Mr. Matthew W. Dugas, Assistant Superintendent of Business Services	Lafayette Parish School Board
Mr. Grant Dussom, Chief Financial Officer	St. Charles Parish Council
The Honorable Bobby W. Edmiston, Assessor.....	Bossier Parish Assessor
Mr. Stuart Gay, Chief Financial Officer.....	Orleans Parish School Board
Sheriff Steven McCain	Grant Parish Sheriff
Mr. Bryan Polk, CPA, Chief Financial Officer	St. Bernard Parish Sheriff's Office
Sheriff Jayson Richardson.....	DeSoto Parish Sheriff's Office
Mr. Ronald Wendel, Jr., Executive Vice President & Chief Financial Officer.....	Port of New Orleans

PRESIDENT'S ADVISORY BOARD

The Honorable Barney Arceneaux, Mayor	City of Gonzales
Ms. Sharon Bennett, General Fund Accountant.....	Ouachita Parish School Board
The Honorable Lambert C. Boissiere, Jr.....	Constable First City Court
The Honorable Michael Chauffe, Sr., Mayor.....	Village of Grosse Tete
Mr. John Gallagher, Executive Director	Louisiana Municipal Association
Ms. Debbie D. Hudnall, Executive Director	Louisiana Clerks of Court Association
The Honorable Derrick J. Johnson, Mayor	Town of Cheneyville
Mr. Osey "Skip" McGee, Jr., Executive Director	LA Sheriff's Pension & Relief Fund
Mr. Cliff Palmer, Executive Director.....	LA Municipal Advisory & Technical Services Bureau
The Honorable Jennifer Vidrine.....	LMA President
Mr. Tim Ward, Director of Finance	Vernon Parish School Board
Ms. Gloria M. Washington, Director of Finance & Human Resources.....	Caddo/Bossier Port Commission



OFFICERS & ADMINISTRATIVE STAFF



THEODORE C. SANDERS, III

Chief Executive Officer
tsanders@lamppool.com



KRISSY ORGERON

Chief Administrative Officer
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YOLANDA FRANCOIS

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CONTACT INFORMATION

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Yields:

For yield information, please visit
the LAMP website at www.lamppool.com

LAMPline:

Toll Free: 800.272.8162
Fax: 800.604.6988

Third-Party Reports:

- Louisiana Legislative Auditor's Report:
www.la.state.la.us
- Standard & Poor's Global Ratings:
www.standardandpoors.com

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2022 LAMP Annual Report

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