



Louisiana Asset Management Pool, Inc.

TheECONOMY

Tariffs, Inflation, and Uncertainty Ahead?

U.S. trade policy returned to the spotlight in February as President Trump advanced his tariff agenda under the “America First” platform. Early in the month, citing national security concerns such as fentanyl smuggling, the President imposed a 10% tariff on all Chinese imports. Additionally, initial tariffs of 25% were placed on imports from Canada and Mexico. However, following negotiations, these were suspended for 30 days, and Canadian energy exports were granted a reduced rate of 10%.

On February 10, President Trump reinstated 25% tariffs on global steel and aluminum imports, aiming to bolster U.S. manufacturing and strengthen national security. More recently, on February 13, he signed a memorandum introducing “reciprocal tariffs,” designed to match duties imposed by trading partners. Implementation of these measures, however, may be delayed until at least April, pending further review by the U.S. Trade Representative.

While the administration asserts that these policies will ultimately strengthen the U.S. economy, market participants exhibit concern over the potential economic repercussions, including retaliatory measures from trading partners and upward pressure on consumer prices. Recent inflation data suggest that progress toward the Federal Reserve’s 2% target has stalled and that shifts in trade policy could exacerbate existing inflationary pressures.

The January Consumer Price Index (CPI) report exceeded expectations, with headline CPI rising 0.5% month-over-month, bringing the annual increase to 3.0% – the highest since June of last year. Core CPI, which excludes food and energy, increased by 0.4% in January, with its 12-month gain reaching 3.3%. Notably, core CPI has remained within the 3.2%-3.3% range for eight consecutive months, highlighting the Fed’s fading progress on inflation.

Federal Reserve officials remain cautious about the broader economic implications of potential trade policy changes. In testimony before the Senate Banking Committee, Federal Reserve Chair Jerome Powell refrained from speculating on the direct impact of tariffs, emphasizing that the Federal Open Market Committee (FOMC) will “react in a thoughtful, sensible way” to achieve its mandate.

The uncertainty surrounding tariffs has introduced notable risks to the economic and market outlook. Inflation expectations – both consumer- and market-based – have risen, and market-implied expectations for Federal Reserve rate cuts have shifted. At the end of September, markets had priced in nearly eight 25-basis-point rate cuts for this year. That expectation has since declined to just two, reflecting evolving inflationary dynamics and monetary policy uncertainty.

Source: Bloomberg. Data as of February 24, 2025. 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. LAMP is not a bank. An investment in LAMP is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although LAMP seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. 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.**

Public Trust Advisors, LLC, a registered investment advisor with the U.S. Securities and Exchange Commission, provides investment advisory services to the Fund. PMA Securities, LLC, an affiliate of Public Trust Advisors, is a broker-dealer and municipal advisor registered with the SEC and MSRB and is a member of FINRA and SIPC and provides marketing, and securities and other institutional brokerage services.

Treasury Yields

MATURITY	2/21/25	1/15/25	CHANGE
3 Month	4.299%	4.301%	-0.002%
6 Month	4.325%	4.290%	0.035%
1 -Year	4.149%	4.168%	-0.019%
2 -Year	4.198%	4.264%	-0.066%
3 -Year	4.207%	4.337%	-0.130%
5 -Year	4.273%	4.447%	-0.175%
10 -Year	4.431%	4.653%	-0.222%
30 -Year	4.679%	4.880%	-0.201%

Source: Bloomberg

Agency Yields

MATURITY	2/21/25	1/15/25	CHANGE
3 Month	4.200%	4.170%	0.030%
6 Month	4.150%	4.120%	0.030%
1 -Year	4.010%	4.000%	0.010%
2 -Year	4.190%	4.251%	-0.061%
3 -Year	4.211%	4.304%	-0.093%
5 -Year	4.305%	4.462%	-0.156%

Source: Bloomberg

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

MATURITY	2/21/25	1/15/25	CHANGE
1 Month	4.300%	4.330%	-0.030%
3 Month	4.410%	4.420%	-0.010%
6 Month	4.440%	4.460%	-0.020%
9 Month	4.470%	4.490%	-0.020%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q4 '24	2.30%
US Unemployment	Jan '25	4.00%
ISM Manufacturing	Jan '25	50.9
PPI YoY	Jan '25	3.50%
CPI YoY	Jan '25	3.00%
Fed Funds Target	Feb '25	4.25%-4.50%

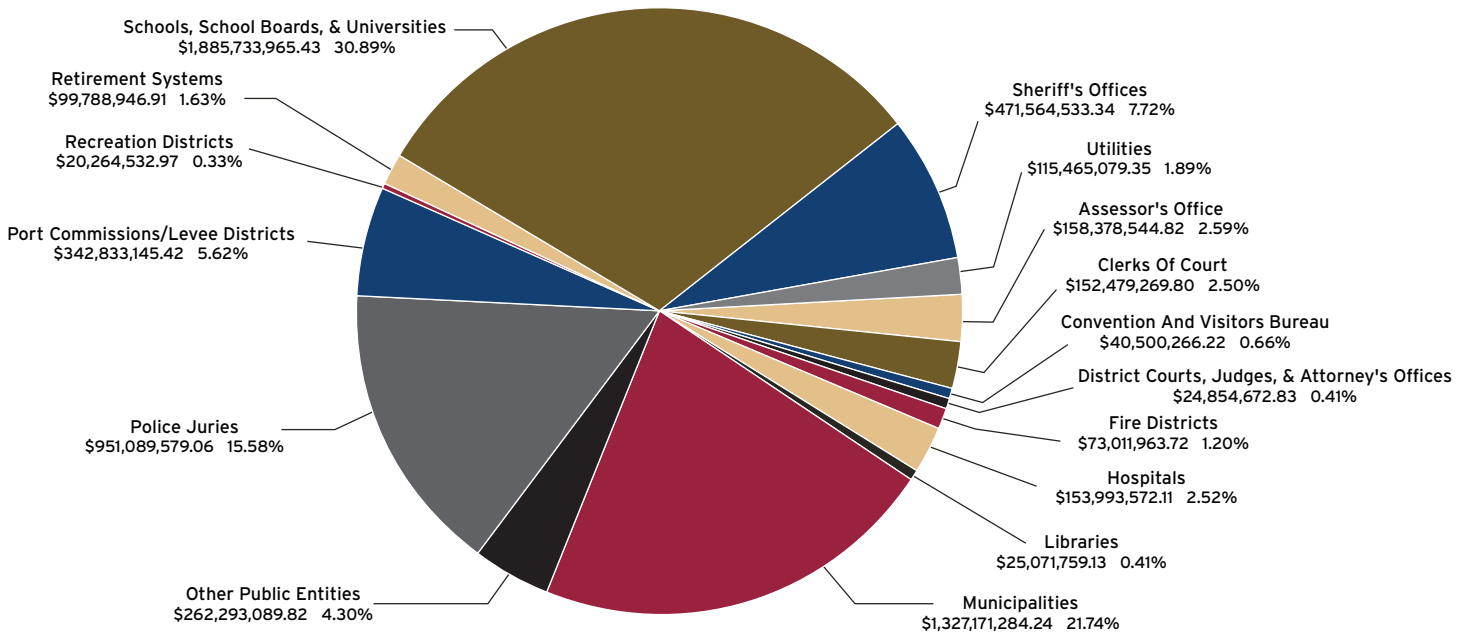
Source: Bloomberg



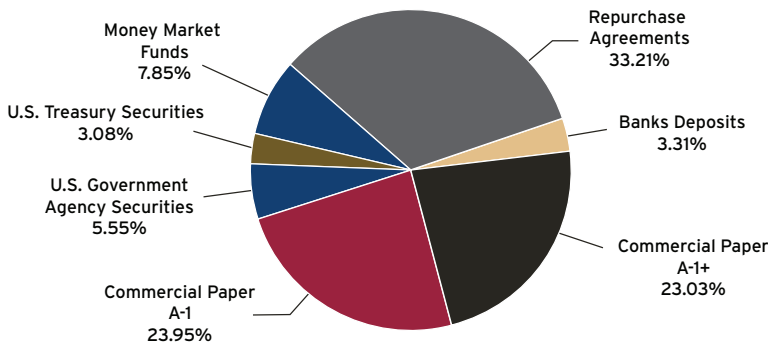
The **FUND**

Fund Highlights as of January 31, 2025 (Unaudited)

Participant Breakdown



Portfolio Breakdown



Month	Avg Monthly Yields	Month Ending Net Assets
Nov-24	4.80%	\$5,751,679,800
Dec-24	4.67%	\$5,458,379,245
Jan-25	4.49%	\$6,104,281,980

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.**