



**Louisiana  
Asset  
Management  
Pool, Inc.**

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## MEMORANDUM

**TO:** Investment Management Firms Interested In Serving the  
Louisiana Asset Management Pool, Inc.

**FROM:** Theodore C. Sanders, III  
Chief Executive Officer *Theo Sanders*  
LAMP, Inc.

**RE:** Request for Proposals for Investment Management Services –  
Questions/Answers

**DATE:** July 15, 2009

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Enclosed are the questions/answers we received in connection to the Request for Proposals for Investment Management Services that Louisiana Asset Management Pool, Inc. issued June 23, 2009.

As a reminder, proposals must be received on or before Friday, August 7, 2000 by 4:00 PM CDT.

Enclosure

1. **Is LAMP looking to add to or reduce the number of providers from the current total of 3?**

*This will be determined once the search process is finalized.*

2. **Does LAMP intend to change the percentage allocation of assets among the providers?**

*Please see response to question #1.*

3. **Because we're an asset manager and focus solely on that role, we're not equipped to evaluate, interview, and procure an Arbitrage Rebate Tracking partner. If so, does that eliminate us from consideration for asset management services? (ability to perform tasks required is 50% of the evaluation criteria, but providing ART isn't specifically listed in VIII-A; however, questions about it occupy an entire section: VI-C, 1 and 2.)**

*Not necessarily.*

4. **What is the percentage of LAMP assets and the number of accounts that currently represent bond proceeds?**

*LAMP is currently not tracking any bond issues.*

5. **Can you confirm that your custodian fulfills the role of portfolio accountant, providing security valuation services to the pool?**

*These services are provided to the investment managers by our fund accountant MBIA-MISC.*

6. **Are government-only funds that utilize tri-party repurchase agreements permitted?**

*Yes*

7. **Is the 25% maximum concentration limit to government-only money market funds flexible for short periods of time due to market conditions such as at time of initial funding, or when the money market fund is the highest yielding instrument?**

*No*

8. **Are tri-party repurchase agreements permitted investments for short term cash management needs in the portfolio?**

Yes

9. **Please confirm the assets under management included within this RFP – will all three existing managers be replaced with a single manager or will multiple managers be selected?**

Please see response to question #1.

10. **Please clarify the services being requested in Section IIA of the RFP. Is this request for investment management services only or to provide LAMP participants all of the services listed in Section IIA?**

The services listed in that section were included in the RFP as general operational information.

11. **Please confirm whether the investment manager would hold the portfolio within a single account with all transactions occurring in an 'omnibus' type arrangement, with the multiple underlying individual local government accounts and any related transactions or accounting handled by MBIA-MISC outside the scope of this RFP.**

Yes, the investment manager(s) will have a single account with all transactions occurring in an 'omnibus' type arrangement, with the multiple underlying individual local government accounts and any related transactions or accounting handled by LAMP's fund accountant MBIA-MISC.

12. **Section III(A) LAMP offers an arbitrage rebate tracking service to LAMP participants. Currently the cost of this program is borne by the investment advisors. We are unaware of the current arbitrage rebate tracking service. Can you provide information on what is currently provided and by whom?**

LAMP is currently not tracking any bond issues.

13. **Section VI(G)(3) What legal services may be necessary on a continuing basis and who would you propose should provide them? Would your firm be willing to use Louisiana law firm(s)? We are unaware of any legal services that may involve the investment manager on an ongoing basis. Is there a particular service that LAMP is contemplating?**

No

**14. We would like a clarification on the arbitrage rebate service discussed in the RFP.**

**a. Does the investment advisor perform the rebate work or simply pay for the work to be done out of the investment advisor's fees?**

*LAMP is currently not tracking any bond issues. In the past the investment advisor would pay for the work to be done.*

**b. What is the nature of the arbitrage rebate services? The RFP references "arbitrage rebate tracking service", Is the service to calculate, track and report the rebate status of the funds in question?**

*Yes*

**c. How many bond proceed investments are in the fund at this time? Is it expected that this number will grow or decline in the future?**

*LAMP is currently not tracking any bond issues. We are unable to predict if this number will grow or decline in the future.*

**15. The RFP references the fact that the investment advisor would be expected to help with marketing the fund. Could you elaborate on the nature of the marketing assistance that the investment advisor would be expected to provide?**

*We would expect the investment advisor(s) to provide market commentary and information on issues that relate to investments held by the fund.*

**16. It is our understanding that the total assets of LAMP are allocated to three investment advisors to manage. How are the funds allocated? Is the total simply divided 70%, 15% and 15% or does each advisor get a segment of the portfolio based on security type, maturity or other criteria?**

*The current allocation is 70% to one manager, and 15% each to two other managers. This ratio may or may not be maintained in the future. LAMP will make this decision once the search process is finalized.*

- 17. When in the business day does the investment advisor get information on the amount of money to be invested in the portfolio or the amount that needs to be liquidated to meet cash outflows? Who is responsible for communicating this information?**

*LAMP's fund accountant MBIA-MISC sends this information to the managers via email after the fund closes at 11:00 a.m. CST.*

- 18. Will it be possible for bidders to receive the latest audit report for LAMP?**

*A copy of LAMP/LAMP, Inc.'s 2007 audit report prepared by the Louisiana Legislative Auditor is available on LAMP's website at:*

<http://www.lamppool.com/pdf/Legislative%20Audit%20Report%202007.pdf>

- 19. Will it be possible for bidders to receive a recent copy of portfolio holdings for LAMP?**

*LAMP's portfolio holding reports are available on LAMP's website at:*

[http://www.lamppool.com/rates\\_historical.asp](http://www.lamppool.com/rates_historical.asp)

- 20. We would like to know if the Student Loan Marketing Association (BA1/BBB-) is still an authorized investment?**

*LAMP's Statement of Investment Guidelines reads:*

*Objectives:*

*G. The LAMP shall be invested in a manner consistent with the guidelines necessary to maintain a AAAM rating from Standard & Poor's.*