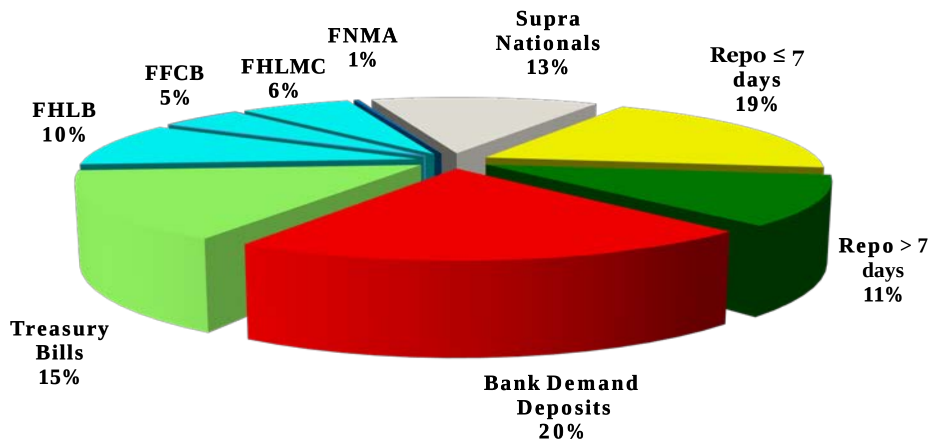
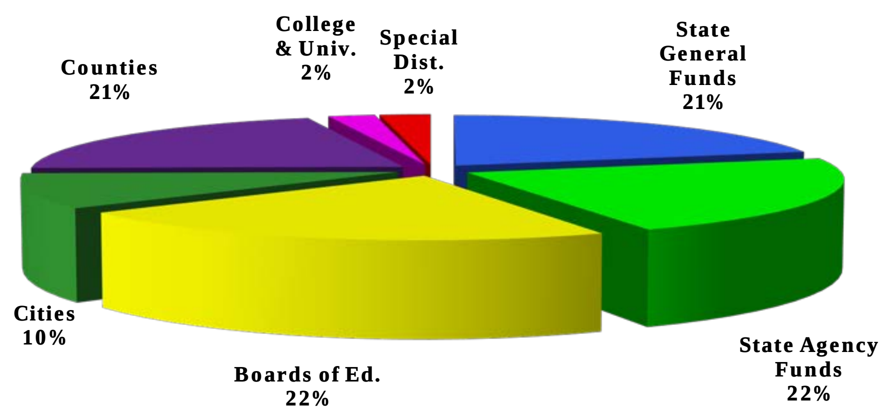
Georgia Fund 1 (GF1)

- O.C.G.A. § 36-83-1 to § 36-83-8 authorizes Georgia local governments and other authorized entities to invest funds in Georgia Fund 1 (“GF1”). GF1 is managed in trust by the Office of the State Treasurer.
- Eligible participants must complete a resolution authorizing investment to participate in the pool. The resolution and other documents can be found on our website at www.ost.georgia.gov
- GF1 is managed to maintain a constant net asset value (NAV) of $1.00.
- Yield calculated on an actual/365 day basis net of 5 basis points (bps) administrative fee.
- GF1 is rated AAAf by Standard & Poor’s.
- For the month of May 2020, GF1 participants earned .50%*.
- As of May 31, 2020, GF1 assets were $21.6 billion. The weighted average maturity (WAM) was 39 days.

Portfolio Composition



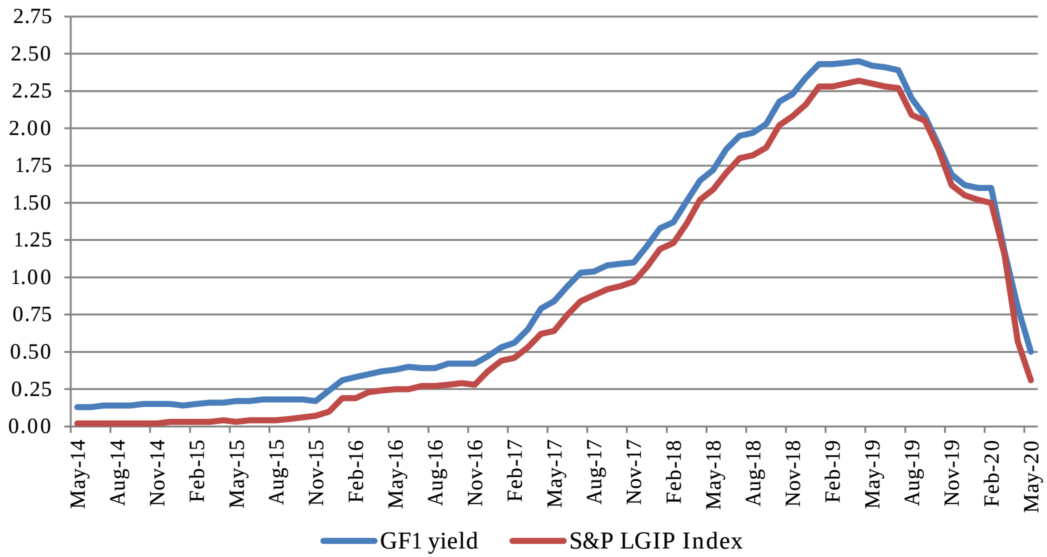
Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

June 9, 2020

Monthly Yield



In The News:

Additional information on the Georgia Fund 1 holdings can be found on the website at https://ost.georgia.gov/gf1-holdings-reports. The holdings are updated quarterly. Other state portfolio holdings are listed on the website as well.

In order to initiate a deposit or withdrawal from a GF1 account, an authorized user must call our office or log on to the secure Internet Participant Access System (IPAS) **before 2:00pm** on the business **day preceding the day you want funds transferred** to or from your account. OST may consider same-day transaction requests if small and received prior to 11:00am, however, authorized users should not wire any funds for same day transactions unless you receive a confirmation number in advance.

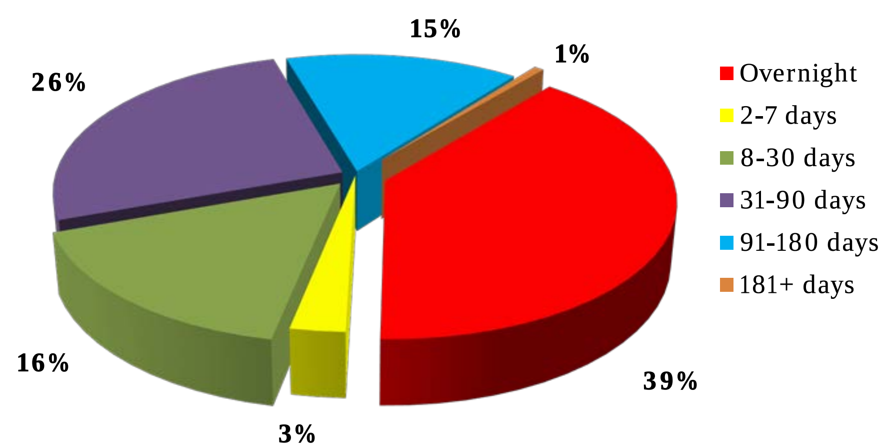
For Georgia Fund 1 investment related questions, please direct inquiries to **Mark Jones** at **(404) 651-8342** or by email at mark.jones@treasury.ga.go or **Scott Austensen** at **(404) 463-0605** or by email at **scott.austensen@treasury.ga.gov**.

Portfolio Strategy:

For the month of May short term interest rates moved slightly higher as parts of the economy began reopening with the employment picture not as grim as market participants had feared. When the pandemic hit in March, market prognosticators fretted over the possibility that unemployment would reach depression levels of over 20% as a result of fears that virtually all business coming to a screeching halt . To the markets surprise, the May unemployment report showed an unemployment rate of 13.3%, far off the forecasts of 17% for the month. For the month of May nonfarm payroll rose by a staggering 2.5 million, again much stronger than expectations. Of course we need to keep all of this in perspective as nonfarm payrolls in April shrank by over 20 million and economic growth in the first quarter declined by 5%. While the economy is on the mend, it is unlikely to return to potential growth and full employment for years. The good news is the recession should be less severe than feared with both fiscal and monetary engines firing on all cylinders in an effort to provide a cushion for individuals and corporations as well as a favorable environment for future growth.

GF1 yields will continue to drop in the very near term. Three-month Treasury Bills yield .15% and we expect that GF1 will see yields similar to that, as securities bought earlier in the year mature and are reinvested at these lower yields. The good news is we expect yields are at or near their lows. The bad news is they are likely to stay here for the rest of 2020.

Maturity Distribution



Georgia Fund 1 deposits are not guaranteed or insured by any bank, the FDIC, the Federal Reserve Board, the State of Georgia or any other agency.