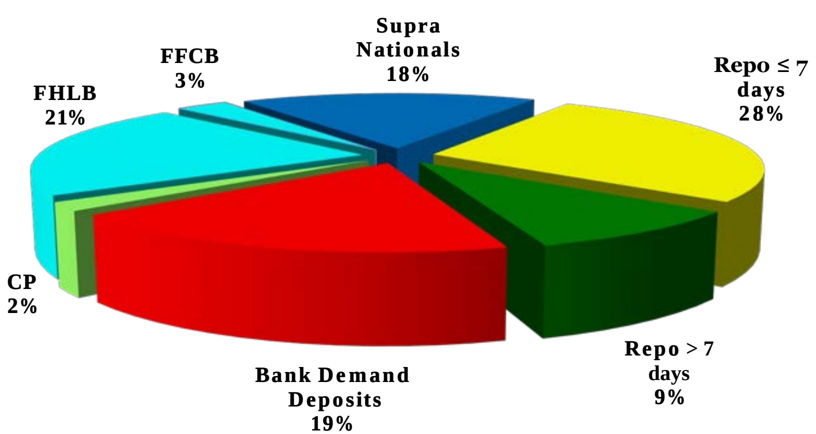
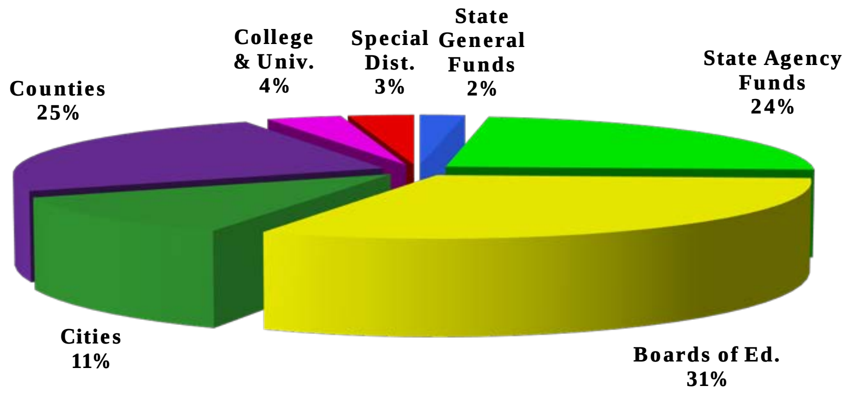
Georgia Fund 1 (GF1)

- 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 November 2019, GF1 participants earned 1.69%*.
- As of November 30, 2019, GF1 assets were $16.04 billion. The weighted average maturity (WAM) was 44 days.

Portfolio Composition



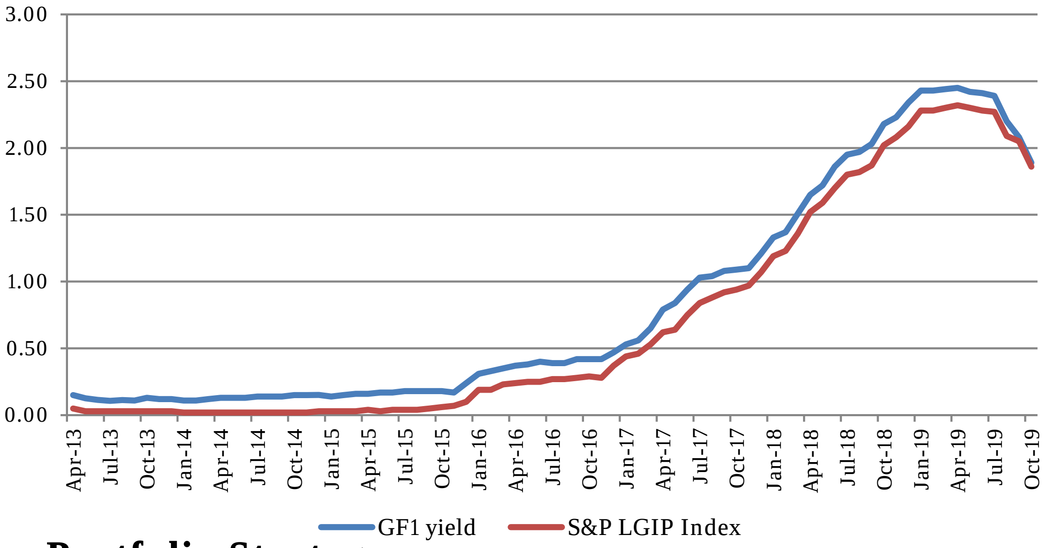
Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

December 5, 2019

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.

Georgia Fund 1 is growing thanks to the economy and participant's interest in a safe and attractive yielding fund. During the month of October, assets in GF1 grew by $2.7 billion as corporate tax and property tax collections by counties and cities flowed into the fund. Year over year from October 2018 to October 2019, assets of the fund are up by over $2.2 billion. Thank you!

For Georgia Fund 1 investment related questions, please direct inquiries to **Laura Glenn** at **(404) 656-2995** or by email at laura.glenn@treasury.ga.gov

Portfolio Strategy:

Trade tensions dominated the news headlines for the month of November. Investors fluctuated all month between risk on/risk off. Optimism over U.S. and China trade talks led to a selloff in the bond market; pessimism fueled by a trade agreement in jeopardy led to a subsequent rally in bonds. Short-term securities, sensitive to changes in monetary policy, barely budged throughout the month of November.

We started 2019 off with the Fed on hold for the first half of the year. Weakening growth, tepid inflation and trade tensions led the Fed to cut rates three times in the second half of the year. Federal Reserve Chairman Jerome Powell confirmed the Fed is now on hold after the last move at it's October 30th FOMC meeting. Powell stated "monetary policy is now well positioned to support a strong labor market and return inflation decisively to the Fed's 2% target".

With the Fed on hold for the foreseeable future (fed funds futures only have the odds of a cut at the April 2020 meeting at 38.5%), we look to add yield by purchasing agency discount notes in the 4- to 6-month area and through corporate repo priced off LIBOR.

Best wishes for the holiday season! Here's to a great 2020!

Maturity Distribution