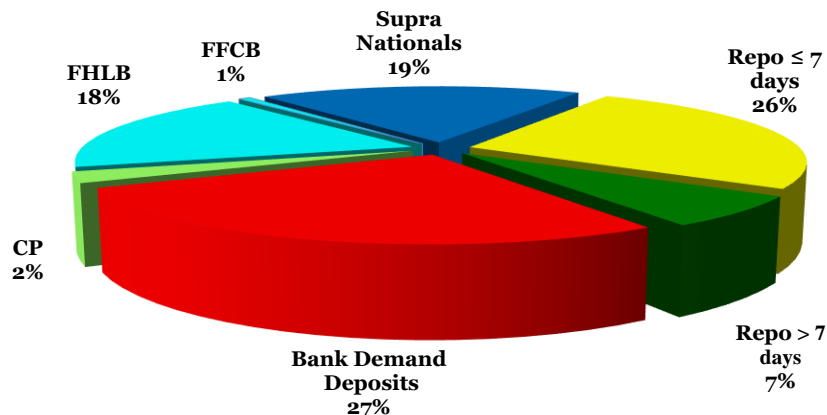


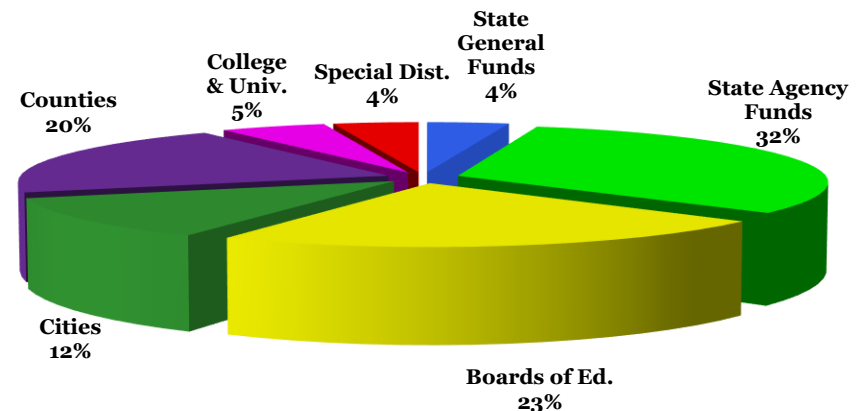
# Georgia Fund 1 (GF1)

- 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](http://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 AA Af by Standard & Poor’s.
- For the month of September 2019, GF1 participants earned 2.08%\*.
- As of September 30, 2019, GF1 assets were \$12.7 billion. The weighted average maturity (WAM) was 26 days.

## Portfolio Composition

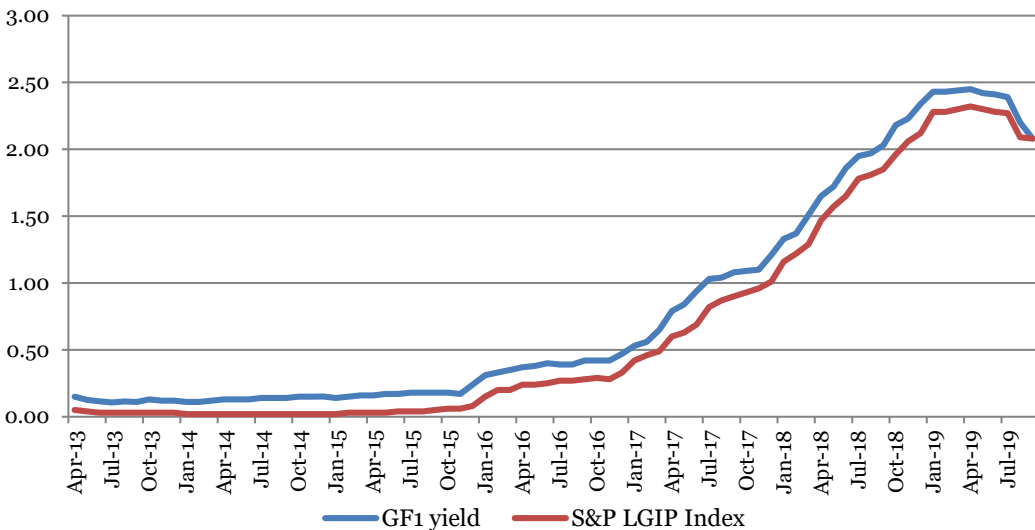


## Account Holder Distribution



\*Georgia Fund 1 yield is on an annualized basis.

## Monthly Yield



## Portfolio Strategy:

September was a month of turmoil and destruction. The month began with the headlines of Hurricane Dorian and the devastation it left behind in the Bahamas. The markets were in turmoil as oil prices surged on September 16 by the most on record after an attack on Saudi Arabia's Abqaiq processing facility. Brent futures in London leaped a record \$12 a barrel before settling just above \$69 for the biggest one-day percentage gain since the contract began trading in 1988. The following day, September 17, repo rates spiked in a cash crunch. During the panic, rates spiked to as high as 10% from about 2% the week before. The Fed stepped in and laid out as much as \$75 billion a day in temporary cash over four days to quell the funding crunch.

The chaos was eventually contained and the Fed at its September 18<sup>th</sup> Federal Open Market Committee (FOMC) meeting lowered the fed's fund target by 25 basis points to 1.75% - 2.00%. As we mentioned in the August disclosure statement, the march to yields below 2% is happening. As this move was expected by the market, we took maturities as well as funds out of overnight investments and locked in yields above 2% by purchasing paper from October to January at an average yield of 2.01% on \$4.5 billion. All maturities now offered from October 2019 to May 2020 yield below 2% with the highest yield of 1.85% for paper over year end maturing mid January.

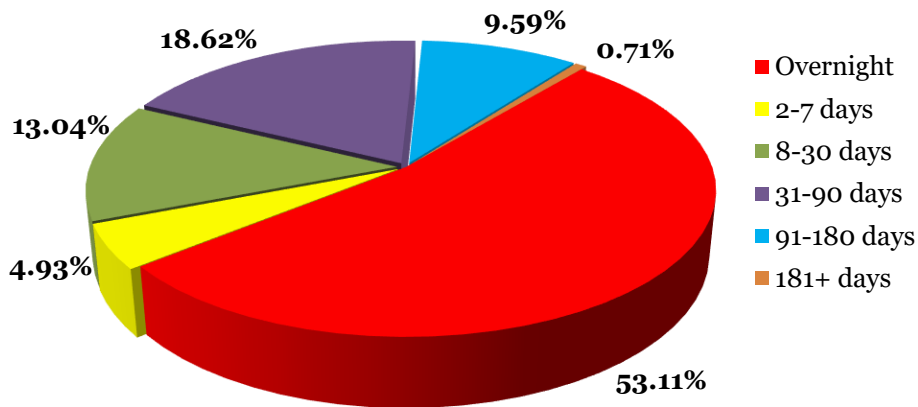
## In The News:

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

The primary objective for Georgia Fund 1 since the pool's inception is preservation of principal. OST continues to operate and report monthly to participants on an amortized cost basis. At fiscal year end (June 30<sup>th</sup>), investments are valued for financial reporting purposes at fair value. The fair valuation factor that enables participants to adjust their statement balances to fair value is provided in the GASB 40 letter on our website at <https://ost.georgia.gov/document/document/gfigasbo63019/download>

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](mailto:laura.glenn@treasury.ga.gov)

## 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.**