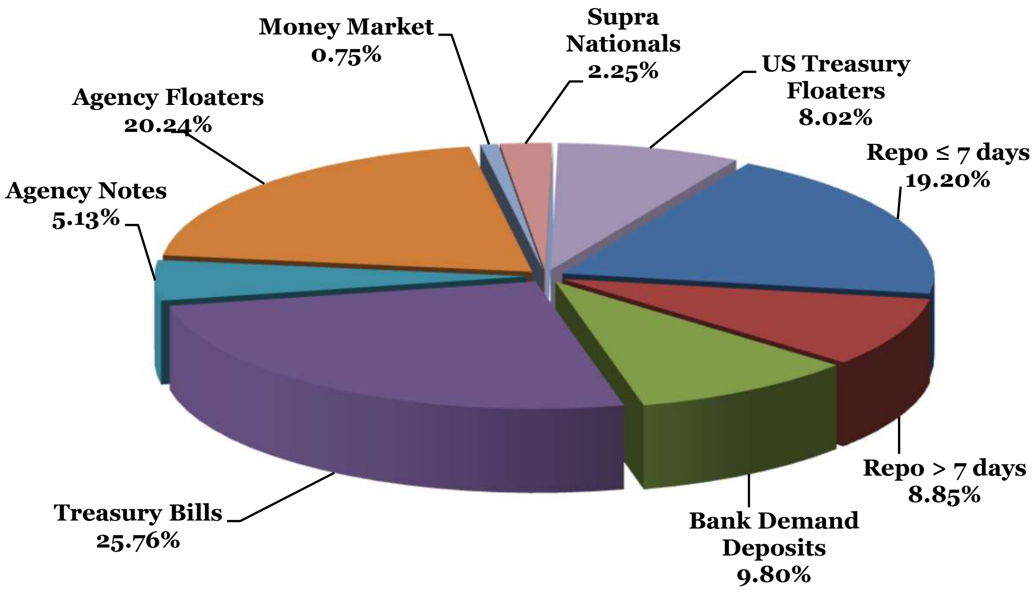
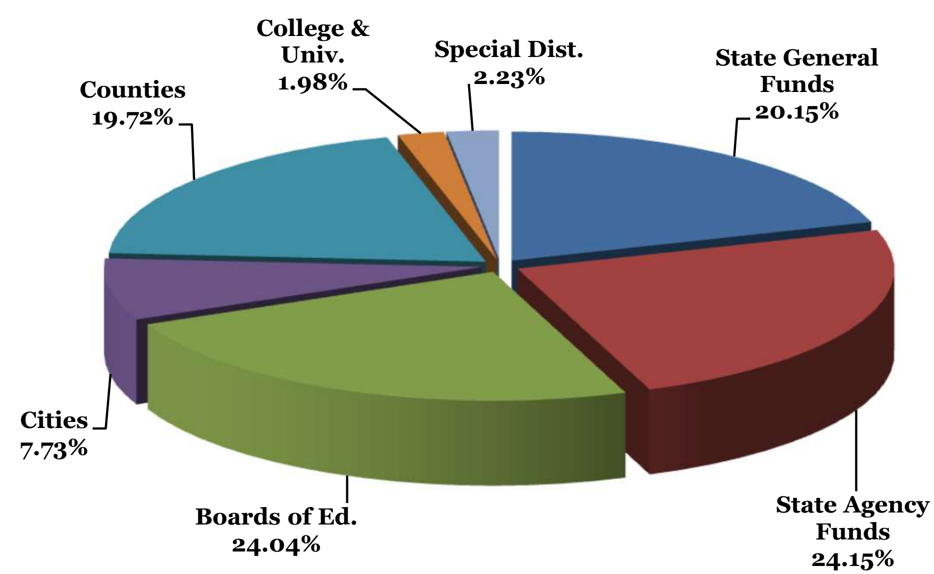
Georgia Fund 1 (GF1)

- O.C.G.A. § 36-83-1 to § 36-83-8 authorizes Georgia local governments and other eligible 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 investments 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 is calculated on an actual/365-day basis net of administrative fee(1).
- GF1 is rated AAAf/S1 by Fitch.
- For the month of July 2023, GF1 participants earned 5.21%(2).
- As of July 31, 2023, GF1 assets were $31.2 billion.
- As of July 31, 2023, the weighted average maturity (WAM) was 32 days.

Portfolio Composition



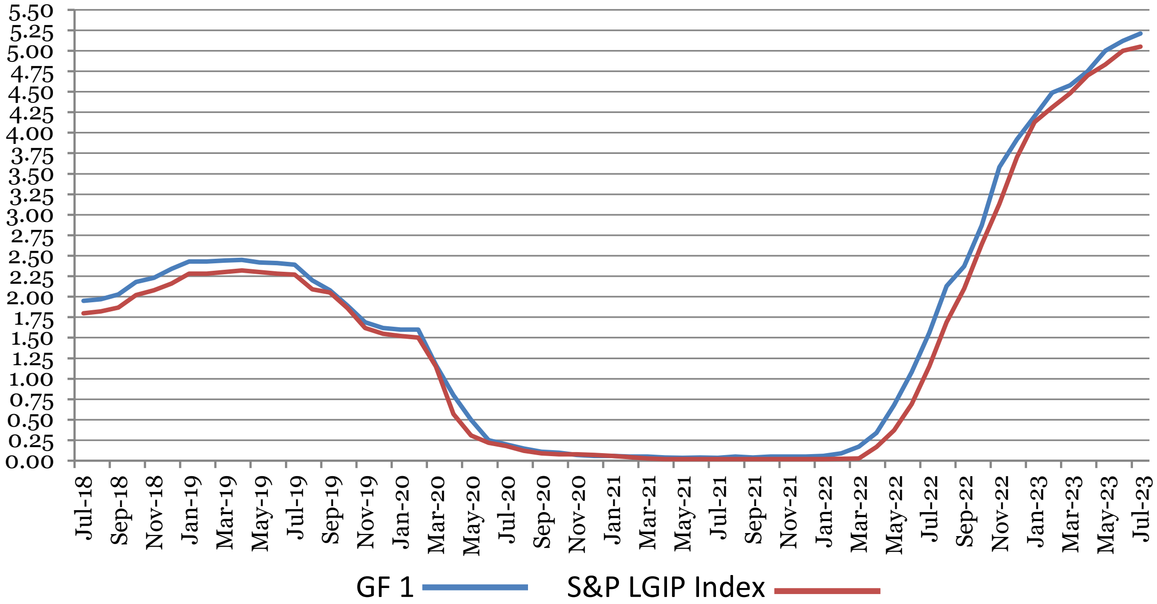
Account Holder Distribution



(1) Current administration fee is 5.5 basis-points. (2) Georgia Fund 1 Yield is calculated on an annualized basis.

August 9, 2023

Monthly Yield



In The News:

Additional information on the Georgia Fund 1 (GF1) holdings can be found on the website at https://ost.georgia.gov/gf1-holdings-reports. 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.

For GF1 investment related questions, please direct inquiries to Jon Perregaux, Senior Portfolio Manager, at **404-232-1498** or Jon.Perregaux@treasury.ga.gov.

Portfolio Strategy:

After pausing at the June 14th meeting, the Federal Open Market Committee (FOMC) opted to increase interest rates by 25 basis points at the July 26th meeting. Interest rates have now increased by 525 basis points since the FOMC began tightening in March of 2022. The FOMC has stated they will analyze future economic data before determining if additional interest rate hikes are warranted. Currently, the market is only pricing in a 11% chance of a 25 basis point rate hike at the September 20th FOMC meeting.

July employment data came in below expectations at +187k versus expectations of +200k. The unemployment Rate decreased to 3.5% down from 3.6%. July Headline CPI YoY came in at +4.7% (-0.10% MoM) and Headline PPI YoY came in at +2.4% (+0.10% MoM). After several consecutive monthly declines in the inflation data an uptick of 0.10% in PPI has raised the question if the FOMC will need to implement additional interest rate hikes.

Overnight General Collateral (GC) Repurchase Agreements averaged a yield of 5.10% in July. Treasury Bill yields averaged 5.25% for 1-month maturities, 5.37% for 3-month maturities, 5.46% for 6-month maturities and 5.35% for 12-month maturities. The Treasury Bill curve flattened in July and offered only 7 basis points of steepness as of 7/31/2023.

Jon Perregaux – Senior Portfolio

Maturity Distribution