



Introduction to Georgia Fund 1 Prime (GF1 Prime)



Office of the State Treasurer

NEW STATE SPONSORED LGIP OFFERING

Presented by:

Office of the State Treasurer:

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State Treasurer

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LGIP Director

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Senior Portfolio Manager

Carol Kolling
Vice President
Director Client Contact Center

Wayne Perry
Senior Unit Manager
Participant Services



Background

- No changes being made to GF1
- The purpose of GF1 Prime is to offer local governments and certain state entities a second investment option
- GF1 Prime may offer a higher return than GF1 due to credit exposure in corporates, commercial paper, ABCP, etc.(details discussed later)



Approval of New Offering

- GF1 Prime was approved by the State Depository Board on October 4, 2023
- GF1 Prime was established as a new “LGIP Offering” as defined in the LGIP Trust Policy
- Federated Hermes (“Federated”) was selected to manage GF1 Prime with oversight by OST



Management and Oversight

- Federated will provide participant services and manage investments of GF1 Prime
- OST will monitor compliance with investment policy and guidelines and ensure Federated acts in the best interest of participants
- OST's custodian, State Street Bank, will custody all GF1 Prime assets



Voluntary Participation

- Participation in GF1 Prime is voluntary and based upon each entity's liquidity, investment goals, and other constraints
- Participants must complete a GF1 Prime Resolution to open an account



Online Investment Training

- OST will provide online investment training to all local governments at no cost
- Training will include various online courses related to fixed income investments.
- Two courses (2 hours) will be mandatory for depositors in GF1 Prime. Other courses will be optional.



Courses Required for GF1 Prime Depositors

These courses are required for GF1 Prime Depositors and available to all local and state governments

1. Introduction to GF1 Prime (1 Hour)

- I. An overview of short-term liquidity investing that covers money markets, liquidity products and credit risk.
- II. Highlight similarities and differences between GF1 and GF1 Prime (for example, GF1 can meet a participant's primary liquidity needs, and GF1 Prime can offer a slightly higher yield to a participant's invested strategic cash).

2. Introduction to GF1 Prime Participant Account Trading / Reporting Interface (1 Hour)

- I. Tutorial on the online system to securely execute transactions and use to manage GF1 Prime accounts including:
 - Processing Deposit and Withdrawal Transactions
 - Performing inquiries on your accounts and viewing transaction history
 - Preparing reports
 - Reviewing Electronic Monthly Statements, Summary Statements, and Customized Summary Statements



Optional Training Courses

The following optional training courses are available to all local and state governments.

1. Phishing and Cybersecurity Awareness (1 Hour 20 Minutes)

- I. This course is designed to provide a comprehensive overview of cybersecurity awareness issues and to equip you with the knowledge of the fundamentals of cybersecurity. At the end of this course, you will learn best practices on how to protect yourself and your organization from security threats and what to do if a security breach occurs.

2. How to Federal Reserve Impacts the Market (4 Hours 10 Minutes)

- I. Part 1 (1 Hour)
 - Part One of a four-part online series focusing on how the Federal Reserve impacts the markets. Part One reviews who the Federal Reserve is and the actions they took to control the speed and health of the U.S. economy in times of financial crisis.
- II. Part 2 (1 Hour)
 - Part Two of a four-part online series focusing on how the Federal Reserve impacts the markets. Part Two examines how the Federal Reserve is structured. It also reviews monetary policy and how it is implemented.
- III. Part 3 (1 Hour)
 - This course is Part Three of a four-part online series focusing on how the Federal Reserve impacts the markets. Part three looks at the economic data that influences the Fed's decisions.
- IV. Part 4 (1 Hour 10 Minutes)
 - This course is Part Four of a four-part online series focusing on how the Federal Reserve impacts the markets. Part Four outlines two schools of thought on government intervention into the markets, as well as the perceived benefits and drawbacks of Federal Reserve actions that influence the markets.



Comparison of LGIP Offerings

UNDERSTANDING WHAT YOU INVEST IN

	Georgia Fund 1	Georgia Fund 1 Prime
Management	Fully managed by the OST	Managed by Federated Hermes with oversight from the OST
Purpose	Primary/Operational Cash	Strategic Cash
Securities	<ul style="list-style-type: none"> ▪ US Government Obligations ▪ Collateralized Bank Deposits ▪ Repurchase Agreements 	Includes Credit Risk Money market eligible securities rated A1/P1/F1 including: <ul style="list-style-type: none"> ▪ Commercial Paper ▪ Negotiable Certificates of Deposit (CD's) ▪ Asset Backed Instruments ▪ US Government Obligations ▪ Repurchase Agreements
Target Fitch Rating	AAAf	AAAmf
Maximum WAM	90 days	60 days
Participant Access (Online)	OST: Internet Participant Access System (IPAS)	Federated Hermes: GA Fund 1 Prime Account Access system
Stable Net Asset Value	✓	✓
Interest Paid Monthly	✓	✓
Compliance Monitoring	✓	✓
Monthly Stress Testing	✓	✓
Quarterly reporting to State Depository Board	✓	✓
Open to Local Governments	✓	✓
Quarterly Website Disclosure	✓	✓

Federated Hermes Overview

AN INFRASTRUCTURE DESIGNED TO MANAGE AND SERVICE PUBLIC SECTOR BUSINESS



Federated Hermes facts

Founded 1955

Assets under management \$715 billion

AUM breakdown of core sectors

- **\$525.1 billion in liquidity assets**
- **\$89.8 billion in fixed-income assets**
- \$77.3 billion in equity assets

Leader in liquidity and fixed income management

- Deep experience managing strategies that span the yield curve across all sectors
- Credit is the bedrock of our advisory work



Federated Hermes' presence in Georgia

- Approximately \$17 billion AUM for GA clients
- Hold approximately \$538 million in GA-based bonds

Backed by deep, experienced team

- Deep team of 122 liquidity and fixed income investment professionals: 47 portfolio managers, 47 analysts, and 26 traders
- Portfolio management team averaging 21 years of experience, 17 together at Federated Hermes
- Historical performance reflective of current team

GF1 Prime Investment Objective

POTENTIAL FOR HIGHER RETURNS



The primary objective of GF1 Prime is...

to provide eligible investors the potential of a higher return for strategic cash investments, over GF1, by adding credit orientated investments.

GF1 Prime will be managed as a...

low risk, high credit quality portfolio seeking preservation of principal, daily liquidity, and a competitive return.

GF1 Prime...

has a very low tolerance for risk and seeks to achieve and maintain a AAmmf rating from Fitch.

A Fitch Rating of “AAmmf” signifies...

the pool’s capacity to meet its dual objectives of preserving principal and providing liquidity to meet redemption requests in full and on time.

GF1 Prime Authorized Investments

SECURITIES AND MAXIMUM MATURITIES



- Georgia Fund 1 Prime will be managed using an extensive credit research process. It will be managed in compliance with state investment policies and portfolio guidelines and be consistent with NAST and NASACT best practices
- The maximum maturity of individual securities is 397 days, except obligations of the U.S. government, which have a maximum maturity of 762 days.

Commercial Paper

Short Term Corporate Debt Obligations

Negotiable Certificates of Deposit

Money Market Eligible Asset Backed Securities

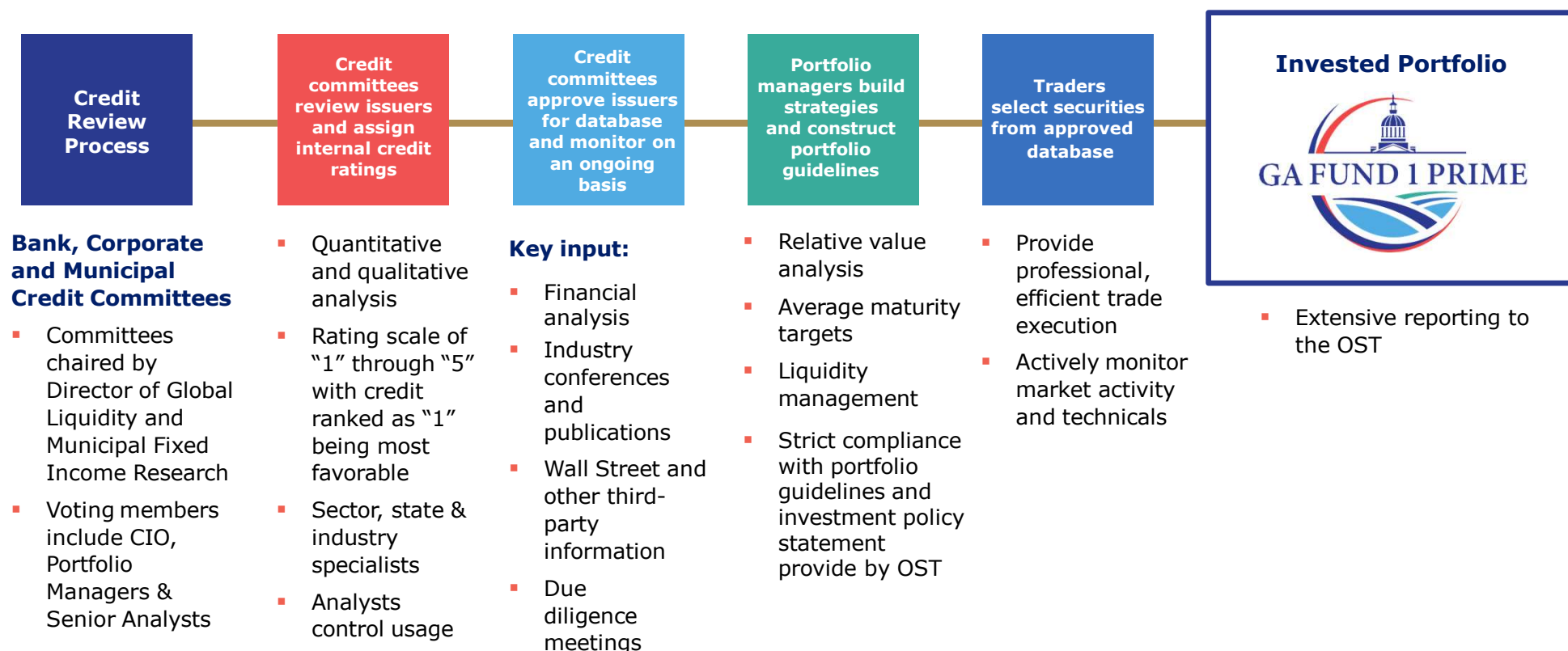
U.S. Treasury and Agency Securities

Repurchase Agreements

Credit Research is the Foundation of the Liquidity Investment Process



Georgia Fund 1 Prime will be managed using an extensive credit research process. It will be managed in compliance with state investment policies and portfolio guidelines and be consistent with NAST and NASACT best practices



GF1 Prime Risk Mitigation

VERY LOW TOLERANCE FOR RISK



Interest Rate Risk	<ul style="list-style-type: none"> • Security maturity restriction ≤ 397 days <ul style="list-style-type: none"> • Except obligations of the U.S. government, which have a maximum maturity of 762 days • Weighted Average Maturity (WAM) restriction ≤ 60 days • Weighted Average Life (WAL) restriction ≤ 120 days
Liquidity Risk	<ul style="list-style-type: none"> • Daily liquid assets $\geq 10\%$ • Weekly liquid assets $\geq 30\%$ • Understanding participant cash flows
Investment Concentration Risk[^]	<ul style="list-style-type: none"> • $\leq 5\%$ for individual issuers
Credit Risk Mitigation	<ul style="list-style-type: none"> • Bank, Corporate and Municipal credit committees • Review issuers and assign internal Federated Hermes credit rating • Develop approved issuer database; ongoing monitoring • Portfolio management strategy and construction • Traders select securities from approved issuer database • Reports sent to the OST
Periodic Stress Tests	<ul style="list-style-type: none"> • Interest rate stress • Credit stress • Redemption stress • Combined stresses • Spread widening stress • Reports sent to the OST
Client Concentration Risk	<ul style="list-style-type: none"> • Regular monitoring/periodic reporting • Reports sent to the OST

[^]Except for repurchase agreements with Treasury or Agency collateral, subject to limitations.

New Participant Website for Georgia Fund 1 Prime

www.GeorgiaPrime.com



[PARTICIPANT SERVICES](#) [CONTACT US](#) [ACCOUNT ACCESS](#)

[POOL](#) [INSIGHTS](#) [RESOURCES](#) [ABOUT](#) [Q](#)

WELCOME

ABOUT GEORGIA FUND 1 PRIME

Welcome

WELCOME

NEWS AND ANNOUNCEMENTS

11-01-2023
2024 GEORGIA FUND 1 PRIME HOLIDAY SCHEDULE

Click the link above to see the complete 2024 Georgia Fund 1 Prime Holiday Schedule.

[VISIT PARTICIPANT SERVICES](#)

UPCOMING EVENTS

There are currently no events. Check back later.


QUICK LINKS

- Georgia LGIP Academy
- New Participant Enrollment
- [New Participant Account](#)
- [Quick Reference Guide](#)
- Account Documents
- Wiring Instructions


Georgia Fund 1 Prime


POOL INFORMATION READILY AVAILABLE





POOLINSIGHTSRESOURCESABOUT





Print

GEORGIA FUND 1 PRIME

OverviewPerformanceCharacteristicsPool InsightsDocuments

Overview

AT A GLANCE

PORTFOLIO ASSETS
10-31-2023

YTD RETURN NAV
10-26-2023

7-DAY NET YIELD
11-01-2023

DOCUMENTS
Fact Sheet

\$25.0 M

4.32%

2.83%

STRATEGY

The primary objective of GF1 Prime is to provide Local Investors the potential of a higher return on their investment by adding credit orientated investments. GF1 Prime will be managed as a low risk, high credit quality portfolio seeking preservation of principal, liquidity, and a competitive return.

KEY FACTS

Pool Cutoff

Deposits: 03:00 p.m. ET
Withdrawals: 03:00 p.m. ET

Pool Number(s)
Performance Incp. Date


814
12-04-2023

Additional Transaction Deadlines


Deposit/Withdrawal by ACH: 2:30 p.m. ET
Transfers between Accounts: 3:00 p.m. ET
Settlement of Wires: 5:00 p.m. ET (trade date)

Wiring Instructions

KEY INVESTMENT TEAM



Paige Wilhelm
Senior Vice President
Senior Portfolio Manager
Head of Prime Liquidity Group



Deborah A. Cunningham,
CFA
1981 joined Federated
Hermes
37 years of experience

Information included is for illustrative purposes only. Actual pool information will vary.

Prepared exclusively for Georgia Fund 1 and Georgia Fund 1 Prime participants and prospects. Not for distribution to the public.

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Account Access through Federated Hermes System



GA Fund 1 Prime Account Access

LOGIN AND POOL INFORMATION



GA FUND 1 PRIME Account Access

Please enter your Participant ID#, Pin # and Password below.

Participant ID#: Pin #:

Password: ☐ Remember me?

[Reset Password](#) [Submit](#) [Create Password](#)

GA FUND 1 PRIME Account Access

Transactions Transaction Approval Vendor Payment Update Profile Maintenance Help/Contact Us Reports Change Participant ID Statements Logout Inquiry

Pool Information

Participant ID: 86754
FHI RM Test

Georgia Fund 1 Prime

Information as of	October 29, 2023
Daily Net Yield	5.60%
Daily Interest Factor	0.000153371
7 Day Net Yield	5.60%
30 Day Net Yield	5.59%
NAV	0.100

Contact Information

Participant Services	1-833-G1P-POOL (417-7665)
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Performance quoted represents past performance, which is no guarantee of future results. Investment return will vary. The value of an investment when redeemed, may be worth more or less than the original cost.

Daily fund prices, daily interest factors and yield information are subject to normal quality control, validation and verification after such posting and, prior to 10:00 a.m. (Eastern Time) the next business day, remain subject to change.

Current performance may be lower or higher than what is stated.

Investors should carefully consider the pool's investment objectives, risks, charges and expenses before investing. Information about these and other important subjects is in the Investment Circular, which you should read carefully before investing.

An investment in Georgia Fund 1 Prime is not a deposit of a bank and is neither insured nor guaranteed by the State of Georgia or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although Georgia Fund 1 Prime seeks to preserve the value of your investment at \$1.00 per unit, it is possible to lose money by investing in the pool. The pool's yield will vary from day to day based on changes in interest rates and market changes.

NOT FDIC Insured May Lose Value No Bank Guarantee

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GA Fund 1 Prime Account Access

TRANSACTION PROCESSING



The screenshot shows the 'Transactions' page of the GA Fund 1 Prime account access. At the top, there is a navigation bar with the GA Fund 1 Prime logo and the title 'Transactions'. Below the navigation bar, there is a section titled 'Transactions' with the Participant ID: 86754 and FHI RM Test. A note states: 'Note: Transactions submitted after the pool cutoff time will receive the next business day's transaction date.'

Georgia Fund 1 Prime:

Type of Transaction	Pool	Account Number	Account Name	Prior Day Balance	Accrued Earnings
Transaction Type ▼	814	86725060	ACCOUNT 60	0.00	0.00
Transaction Type ▼	814	86726059	ACCOUNT 59	0.00	0.00
Deposit ACH	814	86727058	ACCOUNT 58	0.00	0.00
Deposit Wire	814	86728057	ACCOUNT 57	0.00	0.00
Transfer	814	86729056	ACCOUNT 56	0.00	0.00
Transaction Type ▼	814	86730055	ACCOUNT 55	0.00	0.00
Transaction Type ▼	814	86731054	ACCOUNT 54	0.00	0.00
Transaction Type ▼	814	86732053	ACCOUNT 53	0.00	0.00
Transaction Type ▼	814	86733052	ACCOUNT 52	0.00	0.00

The screenshot shows the 'Deposit' page of the GA Fund 1 Prime account access. At the top, there is a navigation bar with the GA Fund 1 Prime logo and the title 'Deposit'. Below the navigation bar, there is a section titled 'Transactions - Deposit Wire'. The page contains a form with the following fields:

Participant ID:	Participant Name:	Pool:	Account Number:
77555	FHI RM Test	814	1234567946
Transaction Type:	Deposit-Wire	Account Name:	INTEREST AND SINKING
Prior Day Balance:	51,723.46	Accrued Earnings:	70.23
Amount:			
<input type="radio"/> Current Settlement		<input type="radio"/> Future Settlement	
		Settlement Date:	

Click the "Submit" button only once to process your transaction.

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GA Fund 1 Prime Account Access

ROBUST REPORTING OPTIONS AND SCHEDULING CAPABILITIES



Settlement Report

Transactions
Transaction Approval

Vendor Payment
Update Profile

Maintenance
Help/Contact Us

Reports
Change Participant ID
Reports
Report Scheduler
Report Access

Statements
Logout

Inquiry

Settlement Report

Participant ID: FHI RM Test

Delivery
Screen

Submit

Settlement Report

Historical Settlement Report

Daily Balance Report

Account Information Report

Interest Distribution Report

Account History Report

Daily Interest Factor Report

Interest History Report

Confirmation Report

Vendor Information Report

Vendor Payment History Report

Vendor Payment Confirmation Report

Report Scheduler

Transactions
Transaction Approval

Vendor Payment
Update Profile

Maintenance
Help/Contact Us

Reports
Change Participant ID

Statements
Logout

Inquiry

Report Scheduler

Participant ID: 86754
FHI RM Test

Report Type
Settlement Report

Settlement Report

Account Information Report

Interest Distribution Report

Account History Report

Daily Interest Factor Report

Interest History Report

Vendor Information Report

Vendor History Report

Statement Summary Report

Daily Balance Report

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An investment in Georgia Fund 1 Prime and George Fund 1 is not insured or guaranteed by the Federal Deposit Insurance Company or any other government agency. You could lose money by investing in the pools. Although the Georgia Fund 1 Prime pool seeks to maintain stability of principal, it cannot guarantee it will do so.

Ratings are based on an evaluation of several factors, including credit quality, diversification and maturity of assets in the portfolio, as well as management strength and operational capabilities. Fitch's money market fund ratings are an assessment of a money market fund's capacity to preserve principal and provide liquidity through limiting credit, market and liquidity risk. Ratings are subject to change and do not remove market risk.