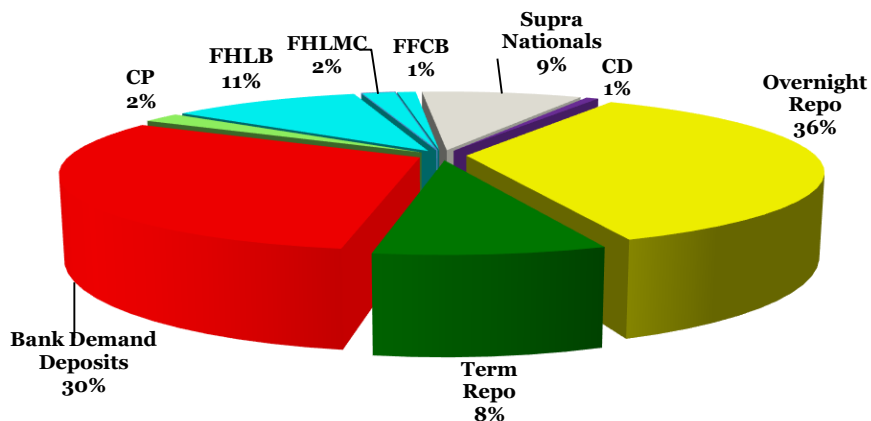


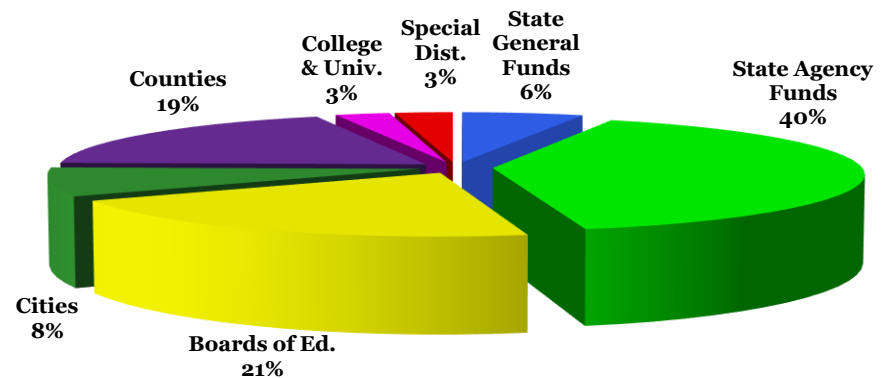
Georgia Fund 1 (GF1)

- O.C.C.G § 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 (bp) administrative fee.
- GF1 is rated AA Af by Standard & Poor’s.
- For the month of May 2018, GF1 participants earned 1.86%*.
- As of June 30, 2018, GF1 assets were \$14.5 billion. The weighted average maturity (WAM) was 10 days.

Portfolio Composition

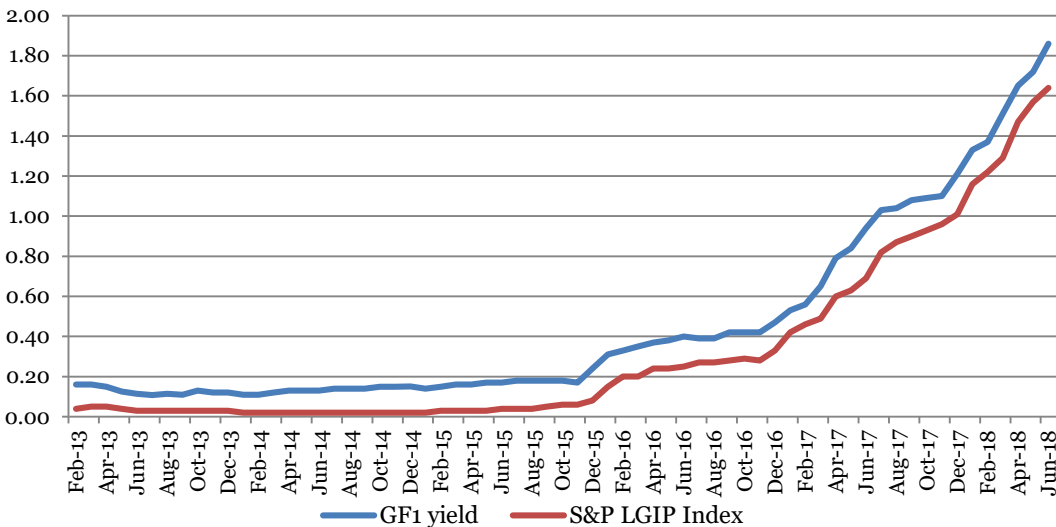


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

As expected on June 13 the FOMC voted to raise the overnight target for Fed funds to a range of 1.75-2.00%. The fixed income markets shrugged as this move had been well telegraphed by the Federal Reserve. The markets in the short run are being driven primarily by fears of a trade war that every day seems to draw closer. Some argue that the war has begun and the result has been lower long term Treasury yields as the market fears global growth will suffer. Despite these concerns regarding trade, the markets are also contending with the likelihood that the FOMC will continue to raise short term rates with Fed funds expected to end the year with a range of 2.25-2.50%. All of this has led to a volatile and very choppy equity market as investors vacillate between optimism regarding near term prospects for the economy and pessimism on interest rates and building trade conflicts.

The net yield paid out to Georgia Fund 1 participants for the month of June was 1.86%. We continue to manage Georgia Fund 1 to benefit from higher short term interest rates as the Fed moves the overnight lending rate higher towards what they consider to be a neutral rate.

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 30th), investments are valued for financial reporting purposes at fair value. Participants will be informed of the fair valuation factor that enables them to adjust their statement balances to fair value. We will post the factor to our website (www.ost.Georgia.gov) as soon as it is available.

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

Maturity Distribution

