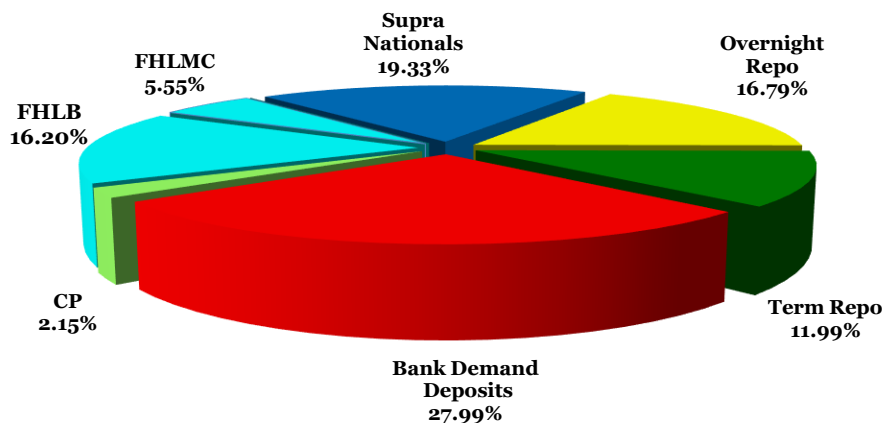


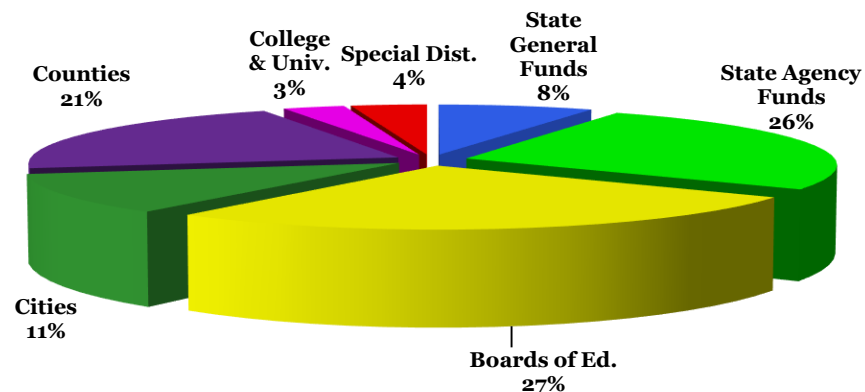
Georgia Fund 1 (GF1)

- 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 AA Af by Standard & Poor’s.
- For the month of June 2019, GF1 participants earned 2.41%*.
- As of June 30, 2019, GF1 assets were \$14.5 billion. The weighted average maturity (WAM) was 39 days.

Portfolio Composition

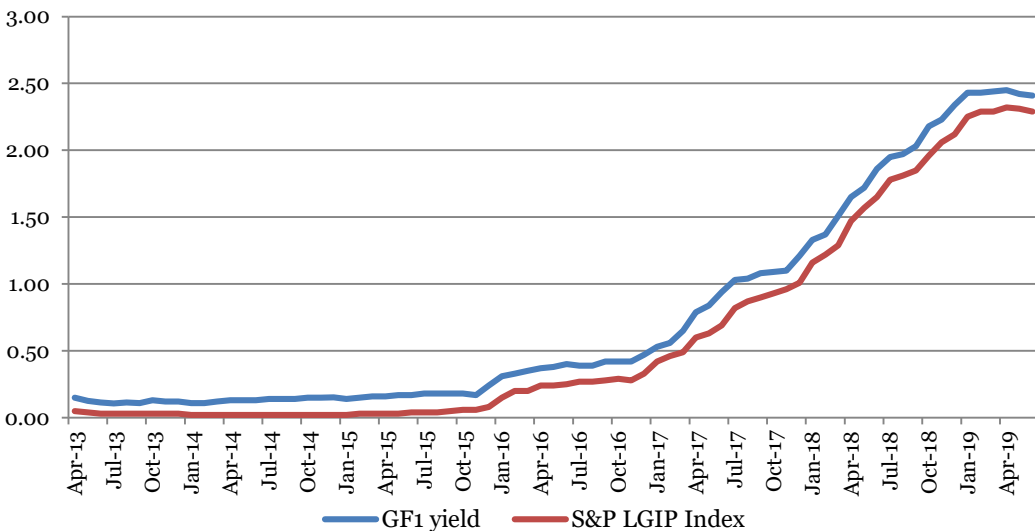


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

As we said in May's disclosure statement, what a difference a month makes. The jobs report for May was a disappointing addition of only 72,000 jobs. A month later 224,000 jobs were added and the unemployment rate inched up from a low of 3.6% to 3.7%. Investors began to reassess the potential for the Federal Reserve to cut interest rates at its meeting at the end of July. Fed Chairman Jerome Powell testifies before the House and Senate on July 10th and 11th and investors are hoping to get some monetary policy hints.

Fed expectations, based on fed funds futures, have a 98.5% chance of a rate cut at the July 31st meeting. This would move the target range for fed funds to 2.00% - 2.25%. Agency discount notes as far out as early November are priced at 2.00% and paper over the turn of the year now yields less than 2.00%. We continue to hold approximately 45% of the fund in overnight investments yielding 2.48%. If the Fed were to cut by rates by 25 basis points, the overnight investments would continue to yield more than agency discount notes from overnight out to a year.

To borrow a lyric from the Rolling Stones, "I'm just waiting on (the Fed)". Stay tuned as we see how the second half of the year shapes up.

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.

Want to know more about the Office of the State Treasurer (OST)? Treasury Notes is a publication produced quarterly to provide insight to the primary functions and responsibilities of the OST as well as information on cash flows and investment management. The latest publication is as of March 31, 2019 and can be found at the following link: https://ost.georgia.gov/sites/ost.georgia.gov/files/related_files/document/Treasury%20Notes_3.31.19.pdf

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

