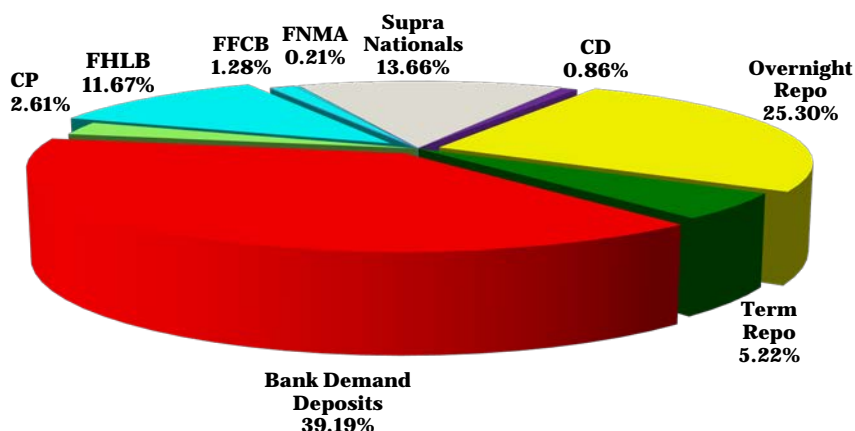


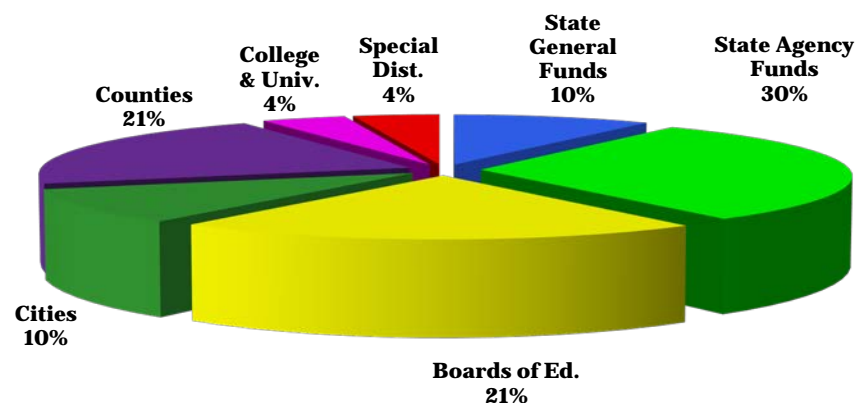
Georgia Fund 1 (GF1)

- 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 September 2018, GF1 participants earned 2.03%*.
- As of September 30, 2018, GF1 assets were \$11.7 billion. The weighted average maturity (WAM) was 16 days.

Portfolio Composition

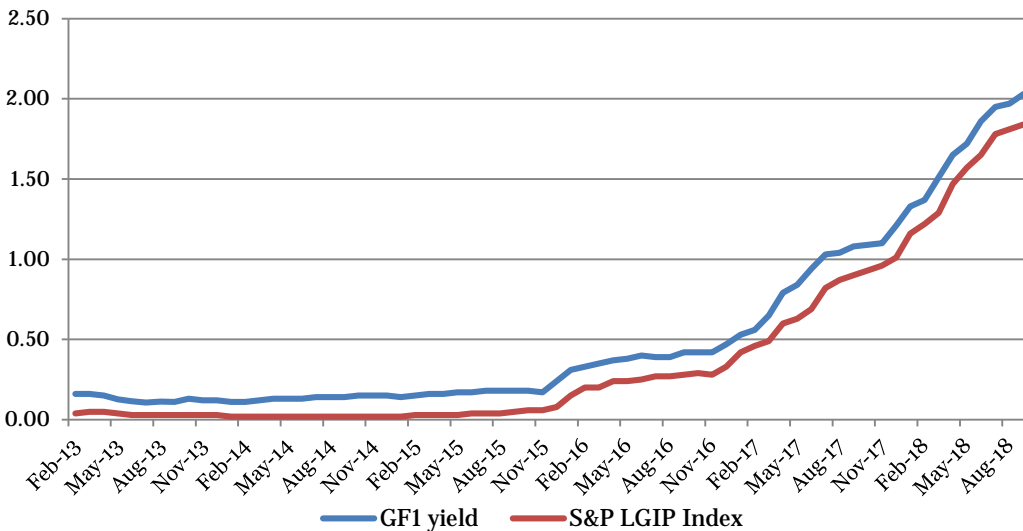


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

I quote Earth, Wind & Fire (with a date edit) “Do you remember the 26th night of September?” The Federal Open Market Committee (FOMC) met on that date and decided to raise the target range for the federal funds rate to 2.00% - 2.25%. The last time the federal funds rate was at 2.00% was September 2008. Ten long years ago. After the collapse of Lehman Brothers. The economy has slowly recovered with the unemployment rate at 6.10% 10 years ago, rising to 9.9% in 2010 and hitting a low of 3.7% in September. Inflation is near the FOMC’s symmetric 2% inflation objective. The economy seems to be hitting on most cylinders.

With close to 65% of Georgia Fund 1 invested in assets with overnight maturities, the move by the FOMC pushed the net yield paid to participants for the month of September to 2.03%. The overnight investments currently yield 2.24% which should push the net yield for October in the range of 2.15 - 2.20%.

The market is currently pricing in an 80% probability of a hike in December and another two to three 25 basis point hikes for 2019. Rise up Georgia Fund 1!

In The News:

Additional information on the Georgia Fund 1 holdings can be found on the website at <https://ost.georgia.gov/gf1-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. 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/sites/ost.georgia.gov/files/related_files/site_page/GF1_GASB_063018_signature.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

