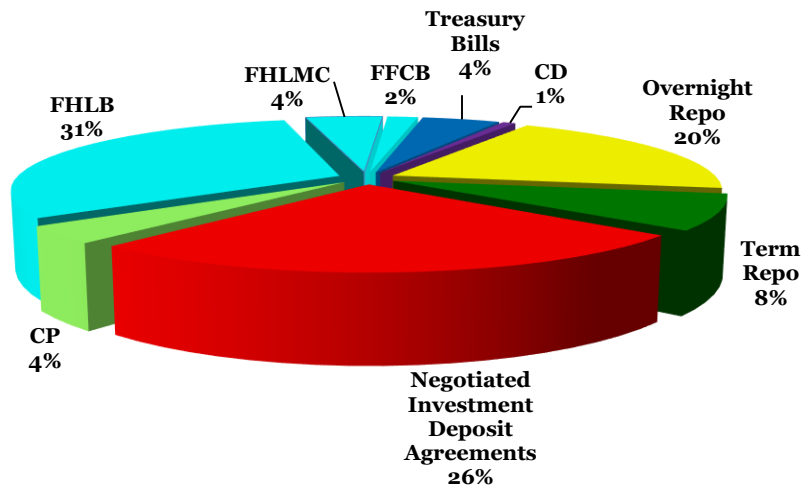


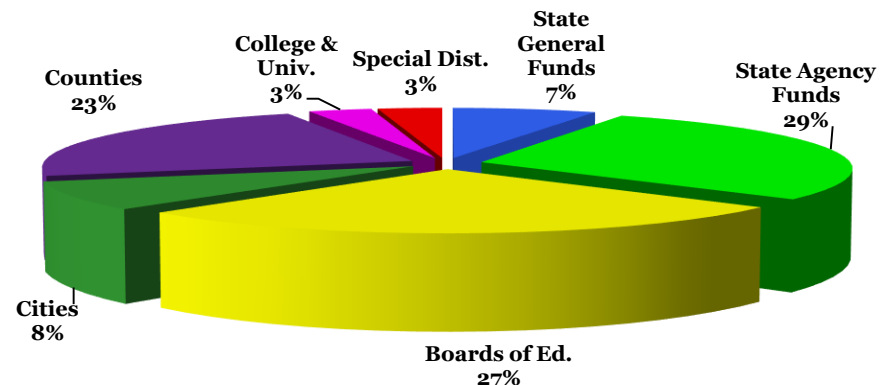
# Georgia Fund 1 (GF1)

- 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](http://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 December 2016, GF1 participants earned .47% (47 bp)\*.
- As of December 31, 2016, GF1 assets were \$12.8 billion. The weighted average maturity (WAM) was 34 days.

## Portfolio Composition

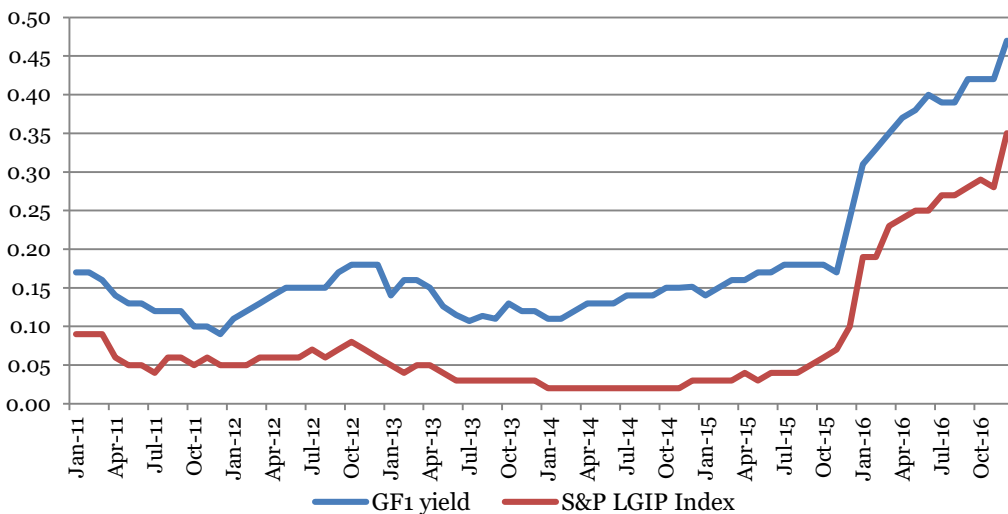


## Account Holder Distribution



\*Georgia Fund 1 yield is on an annualized basis.

## Monthly Yield



## Portfolio Strategy:

The primary objectives in managing GF1 are preservation of principal, liquidity, investment income and diversification. GF1 is managed to maintain a \$1.00 value and a weighted average maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. The GF1 weighted average maturity (WAM) was 34 days as of December 31, 2016. The annualized net rate paid to participants was 47 basis points in December.

As December rolled around, the malls were packed with shoppers looking for the perfect gift for their loved ones. The Federal Reserve was also in the giving mood, raising the federal funds rate by 25 basis points at their December 14th meeting, moving the target range to .50%-.75%. In addition, the Fed showed increased optimism about the U.S. economy. Fed officials are now looking to raise rates by another .75% in 2017, likely in three quarter-point moves.

The move by the Fed pushed overnight repo rates to an average of 51 basis points since December 14th. With roughly 20% of the fund in overnight repo and 26% in bank deposit accounts, this rise in rates had an immediate impact on the fund lifting the rate paid out to participants from 42 basis points for the month of November to 47 basis points for the month of December. With the expectation of future Fed hikes, we will continue to keep the WAM of Georgia Fund 1 shorter in order to immediately capture a higher move in rates which means a higher yield for participants.

Cheers to 2017!

## In The News:

The Office of the State Treasurer is expanding. The Investment Team now includes two Investment and Credit Analysts. Bradley Floore is a graduate of the University of Southern Mississippi with a Bachelor of Science in Business Administration with a double major in Finance and Accounting. Dylan Lightle is a graduate of the University of Georgia with a Bachelor of Business Administration in Finance.

The Investment Team is managed by two seasoned portfolio managers, Laura Glenn and Mark Jones. In addition, Ryan Rothgeb serves as the Senior Investment and Credit Analyst, assisting the two portfolio managers with investment management and fund operations.

Angela Roberts continues to handle daily trade operations and serves as a backup to the Fund Administrator, Mary Ballard.

As always, we are here to serve. Please contact Mary ([mballard@treasury.ga.gov](mailto:mballard@treasury.ga.gov)) with any questions regarding Georgia Fund 1 resolutions or IPAS issues. For investment related questions, please direct inquiries to [lglenn@treasury.ga.gov](mailto:lglenn@treasury.ga.gov)

## Maturity Distribution

