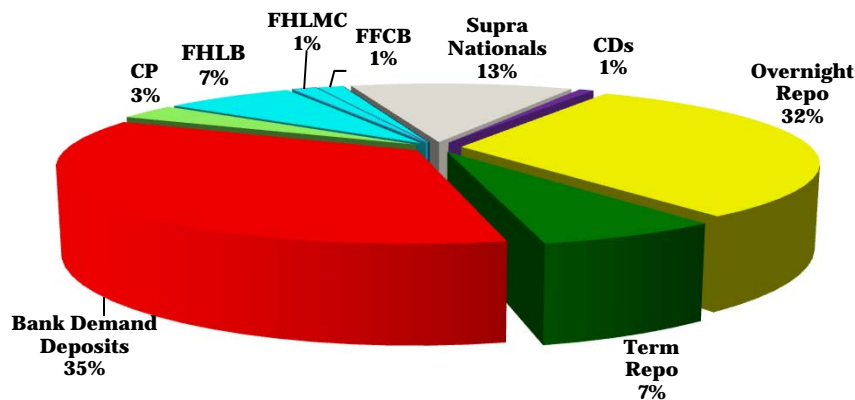


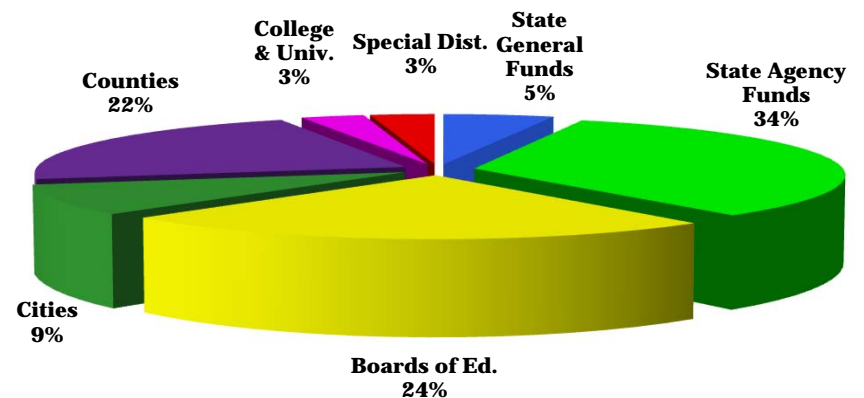
# Georgia Fund 1 (GF1)

- 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+ by Standard & Poor’s.
- For the month of December 2017, GF1 participants earned 1.21%\*.
- As of December 31, 2017, GF1 assets were \$12.3 billion. The weighted average maturity (WAM) was 9 days.

**Portfolio Composition**

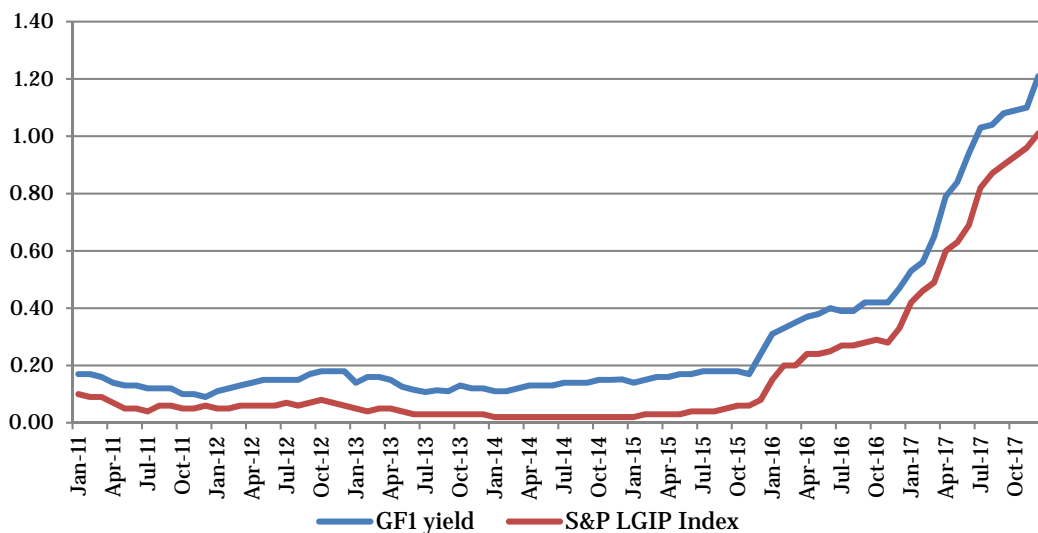


**Account Holder Distribution**



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

## Monthly Yield



## Portfolio Strategy:

As expected, the Federal Open Market Committee (FOMC) met in December and raised the target range for the federal funds rate to 1 ¼% - 1 ½%. The move in the target range pushed overnight repo from an average of 1.03% for the month of November to 1.17% for the month of December. In addition to overnight repo, Georgia Fund 1 has 35% invested in bank deposits. The rates on these deposits also reset with the Fed move taking the range from 1.10% - 1.38% to 1.10% - 1.50%. The net yield paid out to participants for the month of December was 1.21%, up 11 basis points from the month of November.

As for 2018, it's unclear about the frequency of future hikes. At a minimum, it appears two hikes will happen (6 of 16 officials on the FOMC predicted this) and a maximum of four hikes (4 of 16 officials). The odds of a hike in interest rates at the March meeting based on Fed Funds futures currently stands at 82%.

Rates will continue to rise in 2018 which is good news for Georgia Fund 1 participants as this will result in a higher net yield paid out to participants. Happy New Year!

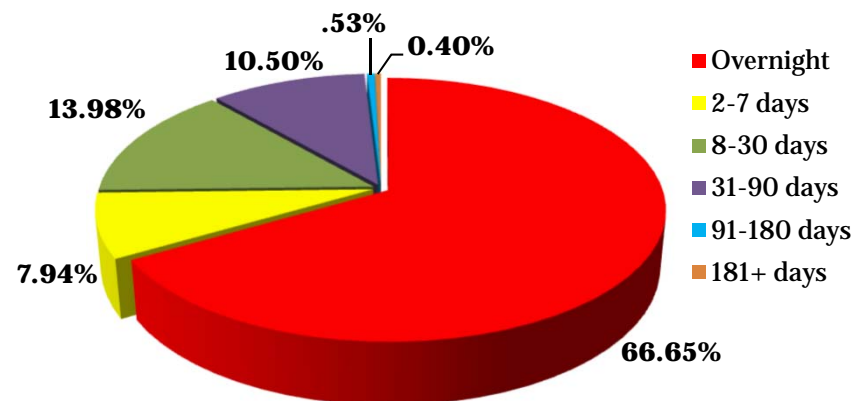
## In The News:

With a new year upon us, we would like to remind you to review the resolution(s) you currently have on file with the Office of the State Treasurer for your Georgia Fund 1 accounts. Please ensure bank account information is accurate and that prior personnel are not authorized to act on behalf of the municipality. If you have questions in regards to opening up a new account for Georgia Fund 1 or updating a resolution on file for a current account, please contact **Mary Ballard** by phone at **(404) 656-2993** or by email at [mballard@treasury.ga.gov](mailto:mballard@treasury.ga.gov)

For Georgia Fund 1 investment related questions, please direct inquiries to **Laura Glenn** at **(404) 656-2995** or by email at [lglenn@treasury.ga.gov](mailto:lglenn@treasury.ga.gov)

In addition, we are here to serve as a resource if you have questions in regards to eligible investments for municipalities in the State of Georgia or for any other investment related questions.

## Maturity Distribution



**Georgia Fund 1 deposits are not guaranteed or insured by any bank, the FDIC, the Federal Reserve Board, the State of Georgia or any other agency.**