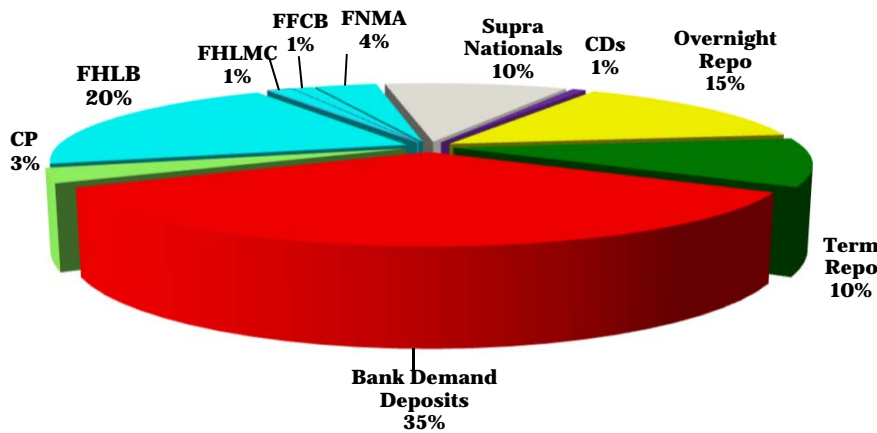


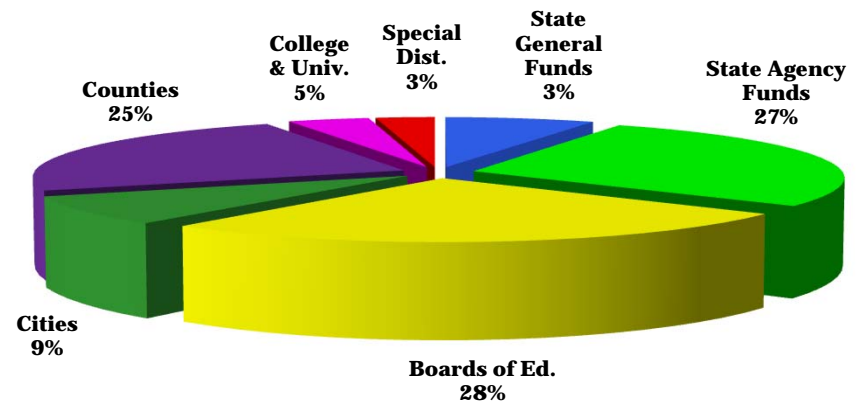
# Georgia Fund 1 (GF1)

- 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 February 2018, GF1 participants earned 1.37%\*.
- As of February 28, 2018, GF1 assets were \$13 billion. The weighted average maturity (WAM) was 23 days.

**Portfolio Composition**

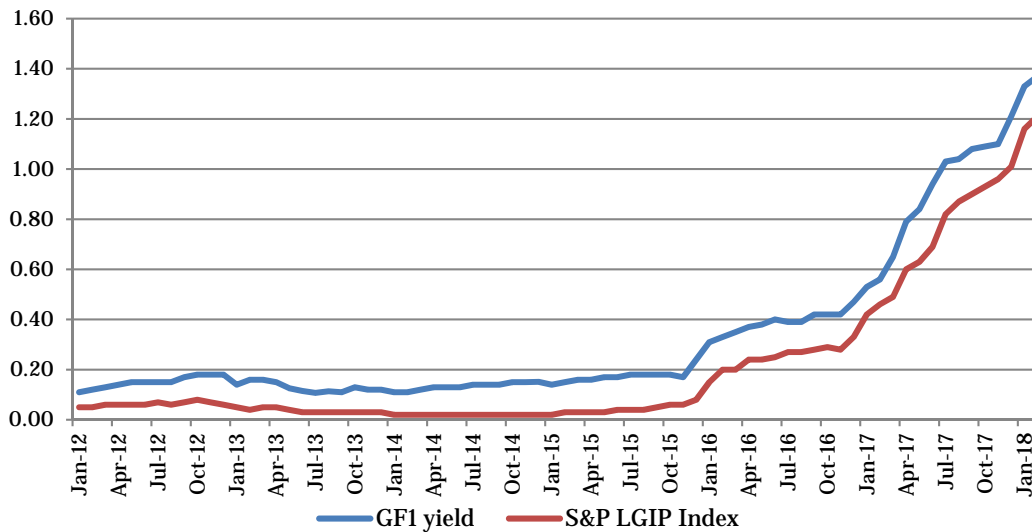


**Account Holder Distribution**



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

## Monthly Yield



## In The News:

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.

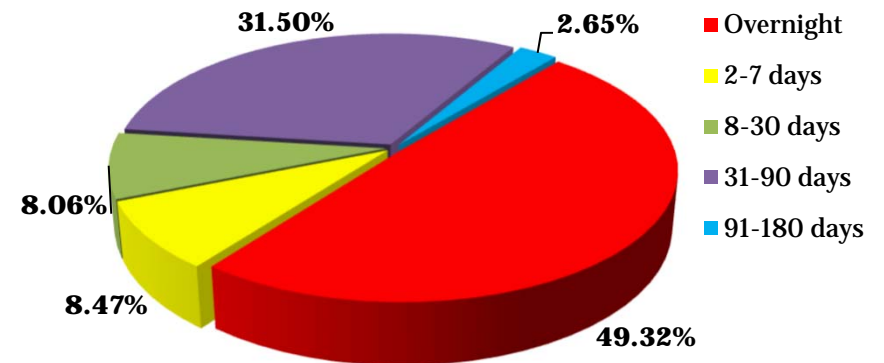
## Portfolio Strategy:

February brought a burst of volatility in both stocks and bonds. The average U.S. stock fund registered a negative total return of 3.6% for February. The long period of calm during the nine-year U.S. bull market was broken by worries about inflation and rising interest rates.

Federal Reserve Chairman Jerome Powell offered an upbeat view of the economy over two days of testimony on Capitol Hill, opening the door to four quarter-point interest rate increases for 2018. Inflation remains below the Fed's 2% target, but it has been firming in recent months. The probability of a 25 basis point hike at the March 21<sup>st</sup> meeting based on Fed Funds futures now stands at 88%, up from 82% at the beginning of 2018.

Three-month LIBOR rose by 23 basis points over the month of February as the U.S. government's issuance of Treasury bill supply increased dramatically since lawmakers resolved their impasse over the nation's borrowing limit. This has driven up borrowing costs for other borrowers in the short-term market which has led to higher rates for both discount notes and repurchase agreements. Over a billion of agency discount notes were purchased at an average yield of 1.56%. Term repurchase agreements that reset monthly off of three- or six-month LIBOR helped push the average yield of \$1.3 billion of term repurchase agreements to 1.635%. Higher rates will ultimately lead to higher rates paid out to Georgia Fund 1 participants!

## 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.**