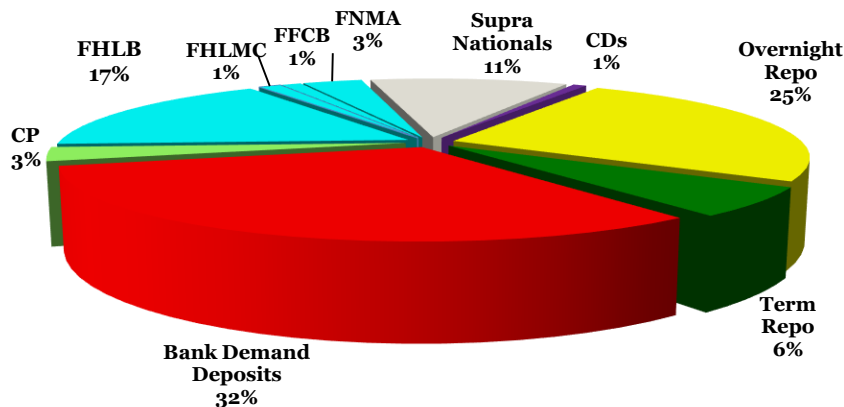


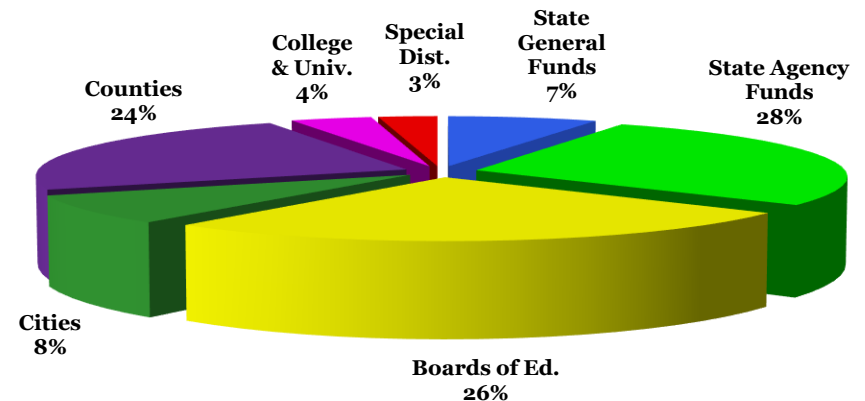
Georgia Fund 1 (GF1)

- 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 January 2018, GF1 participants earned 1.33%*.
- As of January 31, 2018, GF1 assets were \$13.5 billion. The weighted average maturity (WAM) was 27 days.

Portfolio Composition

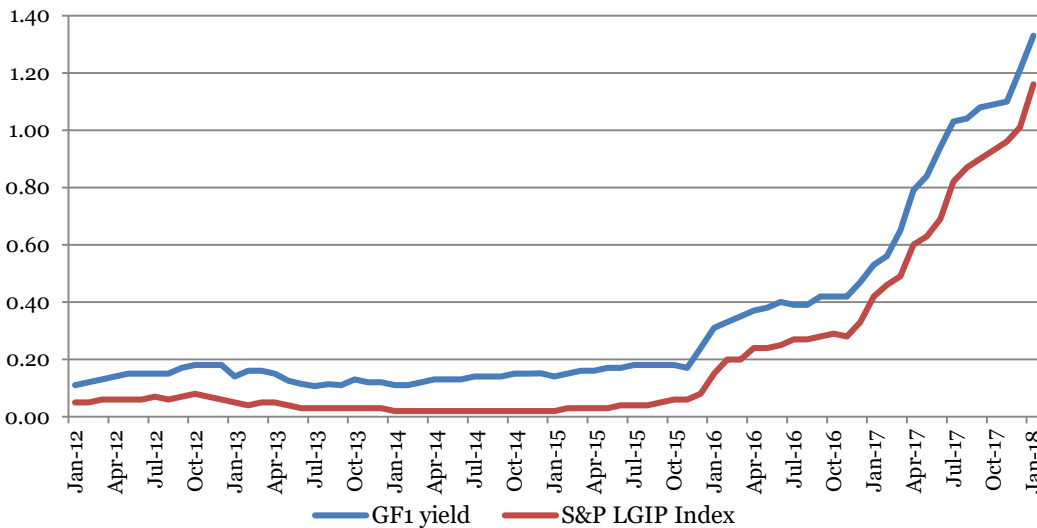


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

As was discussed in the December 2017 disclosure statement, the Federal Open Market Committee (FOMC) raised the target range for the federal funds rate to 1 ¼% - 1 ½% at their December 13th meeting. This mid month move helped push the net yield paid out to participants for the month of January to 1.33%, up 12 basis points from the month of December.

The weighted average maturity (WAM) increased to 27 days in January, up from 9 days at the end of December. The increase in the WAM was due to approximately \$3.7 billion reinvested in discount notes maturing in April or May of 2018. The average yield on the portfolio holdings rose from 1.35% at the beginning of January to 1.41% at the end of the month. This was due to the \$3.7 billion invested at an average yield of 1.44%.

The probability of a 25 basis point hike at the March 21st meeting based on Fed Funds futures now stands at 93%, up from 82% at the beginning of 2018. By mid June 2018, the Fed Funds target range is projected to be at 1.75% - 2.00%. Bottom line: A higher net yield paid out to participants.

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

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

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

