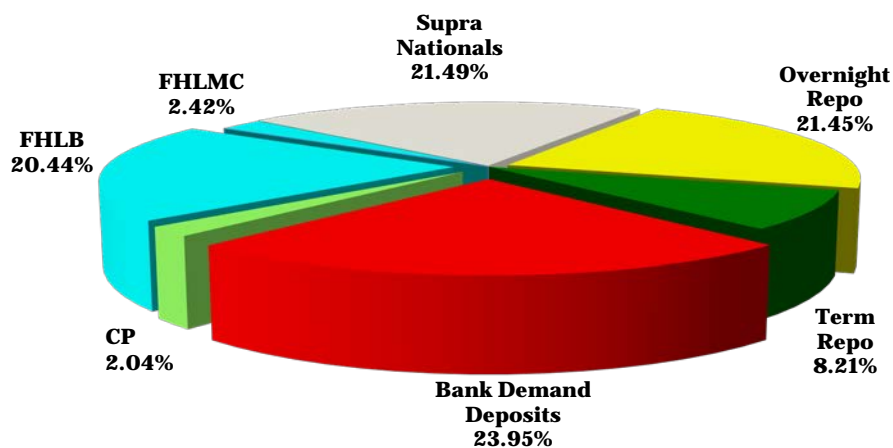


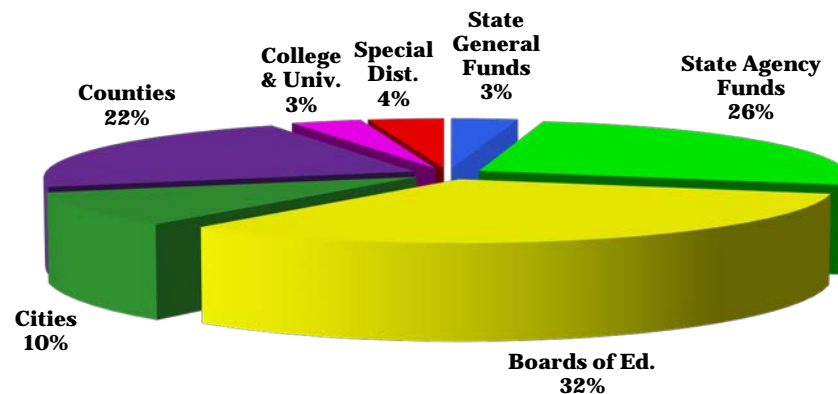
Georgia Fund 1 (GF1)

- 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 March 2019, GF1 participants earned 2.44%*.
- As of March 31, 2019, GF1 assets were \$15.1 billion. The weighted average maturity (WAM) was 27 days.

Portfolio Composition

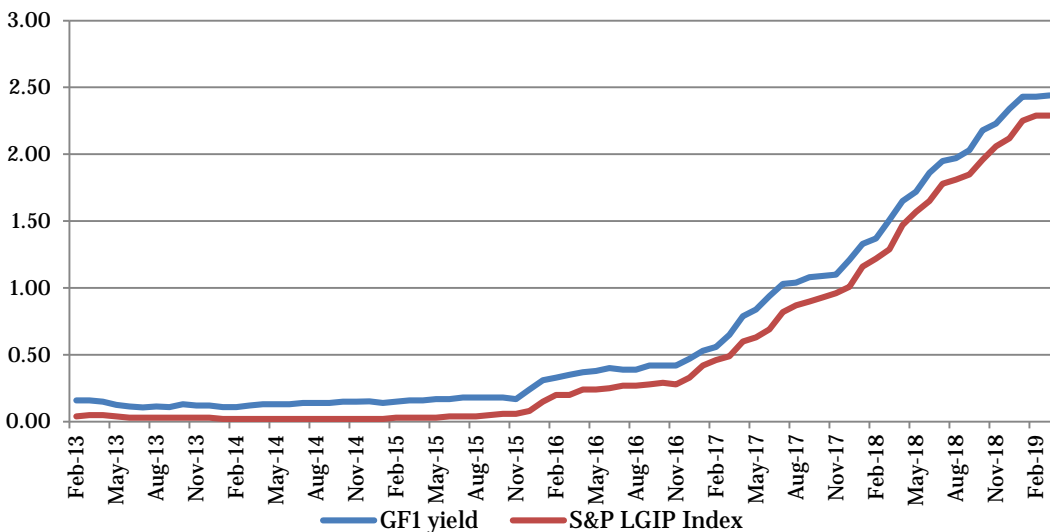


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

March Madness. The Federal Open Market Committee (FOMC) met March 20th and as expected left the target range for fed funds at 2.25% - 2.50%. Accompanied by the Fed's decision to maintain the current range was new language in the FOMC statement. The revisions reflect lower growth and inflation forecasts for the US economy with expected 2019 GDP dropping from 2.3% to 2.1%. Fed expectations, based on fed funds futures, now have a zero chance of a hike in 2019 and a good chance of an ease by year end. Projections released after the Fed's march meeting showed 11 of the 17 Fed officials who play a role in interest-rate policy didn't think the central bank would need to raise rates at all this year, up from two in December.

At December 31, 2018, the curve was positively sloped from 45 days out to a year with yields as high as 2.57% for a one year maturity. Flash forward three months. The front end of the yield curve is inverted. At March 31, 2019, two to six month agency discount notes were yielding roughly 2.40%; one year paper yielding 2.35%.

With the move in the markets and the rhetoric from the Fed, we have continued to lengthen the weighted average maturity (WAM) of Georgia Fund 1 out to 31 days by rolling overnight investments into agency discount notes at an average yield of 2.37%. If the Fed remains on hold, Georgia Fund 1's net yield paid out to participants should be in the range of 2.35% - 2.45% for 2019. Of course, that could all change on a dime.

In The News:

Additional information on the Georgia Fund 1 holdings can be found on the website at <https://ost.georgia.gov/gfl-holdings-reports>. The holdings are updated quarterly. Other state portfolio holdings are listed on the website as well.

Want to know more about the Office of the State Treasurer (OST)? Treasury Notes is a publication produced quarterly to provide insight to the primary functions and responsibilities of the OST as well as information on cash flows and investment management. The latest publication is as of December 31, 2018 and can be found at the following link- https://ost.georgia.gov/sites/ost.georgia.gov/files/related_files/document/Treasury%20Notes_12.31.18.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

