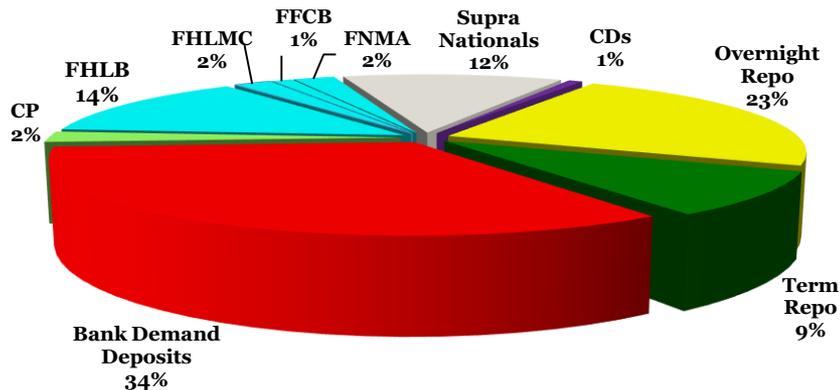


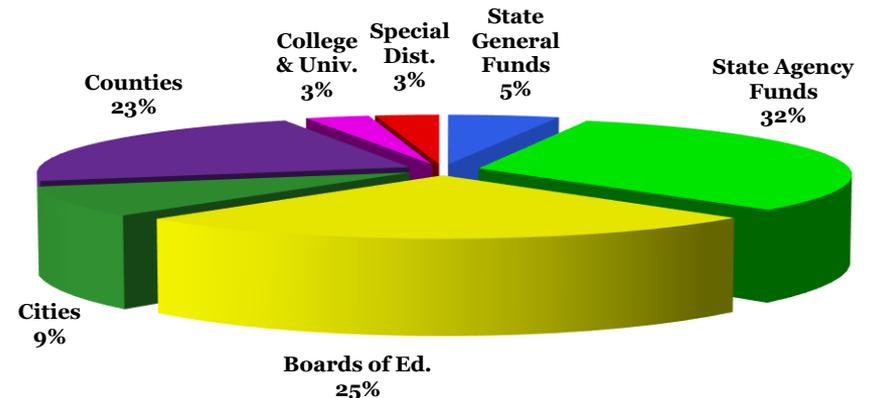
Georgia Fund 1 (GF1)

- 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 May 2018, GF1 participants earned 1.72%*.
- As of May 31, 2018, GF1 assets were \$13 billion. The weighted average maturity (WAM) was 19 days.

Portfolio Composition

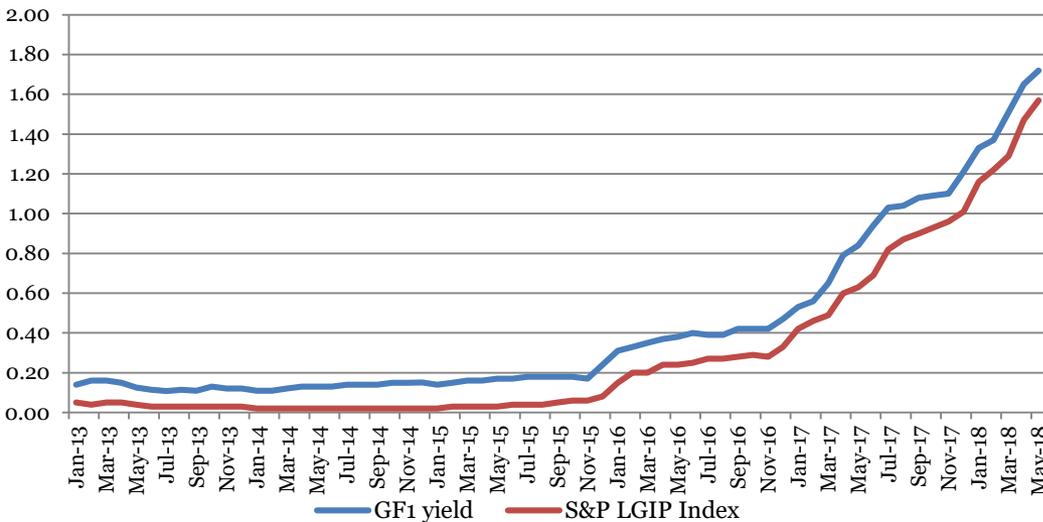


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

The month of May brought a deadly volcano explosion on the big island in Hawaii and a bit of turmoil in the financial markets. The U.S. administration's approach to global trade and Italy's new populist government weighed heavily on the U.S. stock market. As the month came to a close, the Dow Jones Industrial Average (DJIA) dropped nearly 400 points leading to a rally in the bond market pushing yields lower across the curve.

The net yield paid out to Georgia Fund 1 participants for the month of May was 1.72%, up 7 basis points from the month of April. The probability of a 25 basis point hike at the June 13th meeting based on Fed Funds futures stands at 84%. With 58% of Georgia Fund 1 assets invested in deposits and overnight repo at an average yield of 1.77%, another move by the Fed in June and we should see yields on half of Georgia Fund 1 investments close to 2.00% which will continue to push the net yield paid out to participants higher.

The last time Georgia Fund 1 paid out a net yield of 2.00% to participants was November 2008. Slowly but surely we will get there before year end!

In The News:

Additional information on the Georgia Fund 1 holdings can be found on the website at <https://ost.georgia.gov/gf1-holdings-reports>. The holdings are updated quarterly. Other state portfolio holdings are listed on the website as well.

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

