

From: Laura Glenn <laura.glenn@treasury.ga.gov>
Sent: Tuesday, March 12, 2019 2:01 PM
To: david.milliron@cityofhogansville.org
Subject: Georgia Fund 1

David,

I wanted to follow up our phone conversation with an email in regards to your inquiry about Georgia Fund 1. Georgia Fund 1 is a stable net asset value (NAV) pool which commingles state and local funds and invest the monies in short maturities (less than 397 days to maturity). The fund's yield is closely tied to the Fed Funds target as the short-term investments (overnight repo, term repo, discount notes) typically price off fed funds expectations. The yield on Georgia Fund 1 is not static as reflected in the attached yield history. For the month of February, the fund paid out a net yield of 2.43%. In a rising interest rate environment, you will see the yield move higher each month as investments reprice or maturities are reinvested in higher yielding securities. To invest in Georgia Fund 1, a resolution must be signed and notarized and returned to our office (see attached). Georgia Fund 1 is highly liquid as funds are available the next day (a transaction placed before 2 PM will have funds available the following business day).

I've attached the Disclosure Statement on Georgia Fund 1 as of January as we are finalizing February's information.

We can talk about Georgia Fund 1 in great length if you have any follow up questions and as I suggested I am happy to come and give a presentation to the staff and/or board if needed!

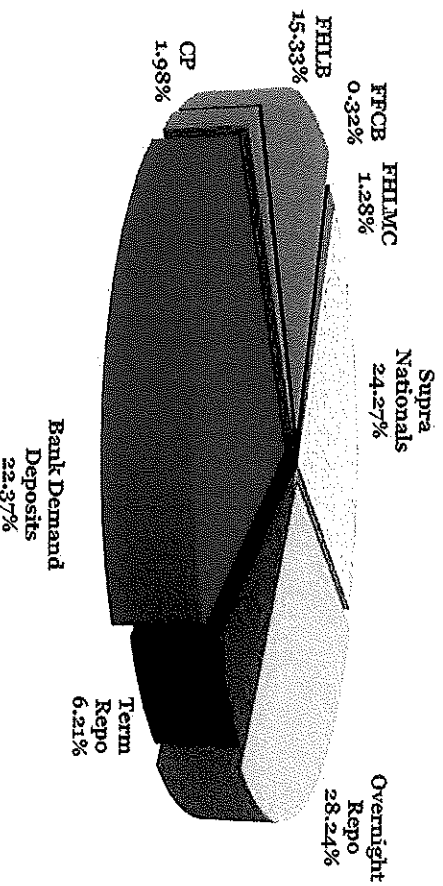
Laura

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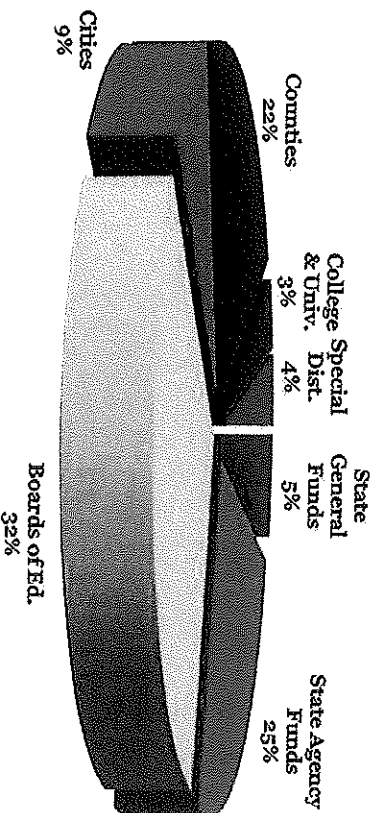
Georgia Fund 1 (GF1)

- 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 AAAf by Standard & Poor’s.
- For the month of January 2019, GF1 participants earned 2.43%*.
- As of January 31 2019, GF1 assets were \$15.6 billion. The weighted average maturity (WAM) was 21 days.

Portfolio Composition

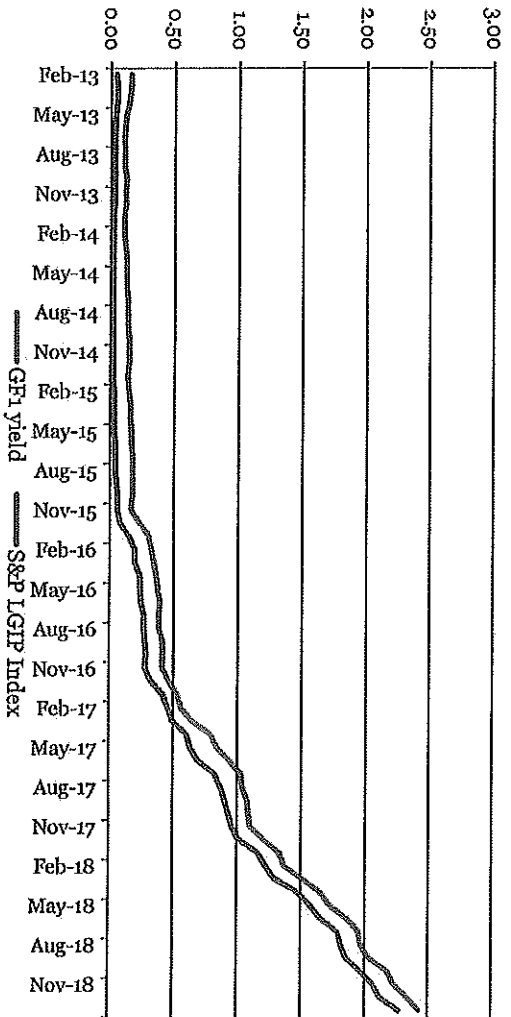


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

January was marked by the headline "Government Shutdown". The shutdown which began on December 21, 2018 lasted 35 days and became the longest shutdown in U.S. history. The shutdown affected economic growth in the U.S. The Congressional Budget Office said the federal government shutdown cost the economy \$1.1 billion. Meanwhile the U.S. labor market hit its 100th straight month of increased employment in January. Nonfarm payrolls rose a seasonally adjusted 304,000 in January.

The Federal Open Market Committee (FOMC) met January 30th and as expected left the target range for Fed Funds at 2.25% - 2.50%. The Statement released after the meeting stated "In light of global economic and financial developments and muted inflation pressures, the Committee will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support these outcomes." In short, let's play it by ear. The market is now pricing in nearly a zero chance of a Fed rate hike this year and the market expects a cut in rates at the start of 2020. The agency discount note market is essentially flat from mid March out to October with paper trading at a discount of 2.37 to 2.40.

Georgia Fund 1's WAM remained at 21 days for the month of January and the net yield paid out to participants rose 9 basis points to 2.43%. If the Fed indeed stays on hold in 2019, Georgia Fund 1's net yield may hold around

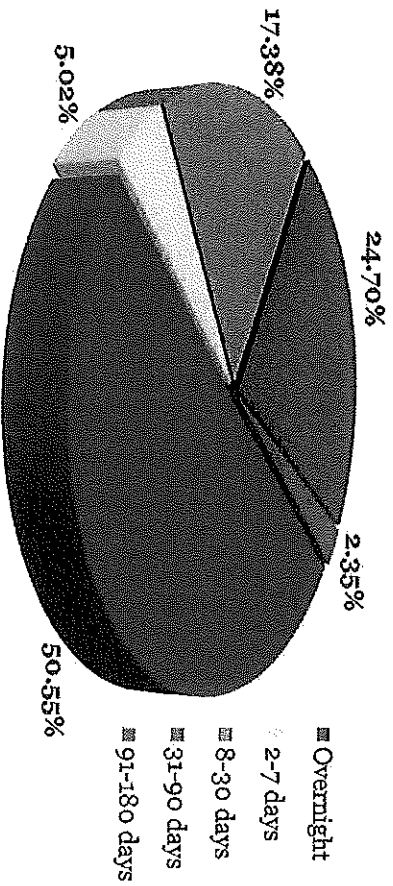
In The News:

Additional information on the Georgia Fund 1 holdings can be found on the website at <https://ost.georgia.gov/gfi-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 detailed 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



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.

Georgia Fund 1

Monthly Yield*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	4.32	5.30	4.20	1.03	0.17	0.17	0.11	0.14	0.11	0.14	0.31	0.53	1.33	2.43
February	4.50	5.30	3.54	0.83	0.15	0.17	0.12	0.16	0.11	0.15	0.33	0.56	1.37	2.43
March	4.59	5.31	3.00	0.70	0.17	0.16	0.13	0.16	0.12	0.16	0.35	0.65	1.51	
April	4.76	5.29	2.38	0.53	0.19	0.14	0.14	0.15	0.13	0.16	0.37	0.79	1.65	
May	4.93	5.28	2.15	0.38	0.20	0.13	0.15	0.13	0.13	0.17	0.38	0.84	1.72	
June	5.06	5.30	2.21	0.39	0.20	0.13	0.15	0.12	0.13	0.17	0.40	0.94	1.86	
July	5.25	5.30	2.24	0.40	0.21	0.12	0.15	0.11	0.14	0.18	0.39	1.03	1.95	
August	5.29	5.27	2.26	0.42	0.22	0.12	0.15	0.11	0.14	0.18	0.39	1.04	1.97	
September	5.33	5.13	2.35	0.42	0.22	0.12	0.17	0.11	0.14	0.18	0.42	1.08	2.03	
October	5.32	4.94	2.16	0.33	0.21	0.10	0.18	0.13	0.15	0.18	0.42	1.09	2.18	
November	5.31	4.71	2.00	0.26	0.20	0.10	0.18	0.12	0.15	0.17	0.42	1.10	2.23	
December	5.32	4.53	1.50	0.24	0.18	0.09	0.18	0.12	0.15	0.24	0.47	1.21	2.35	

*Net of fees



GF1 Highlights

- OST manages the LGIP which includes state and local funds
- Currently \$15.6 billion in assets under management
- Stable net asset value (NAV)
- Low administrative fee (currently 5 basis points annually)
- Highly liquid – next day funds
- Online transaction capability
- Interest paid monthly net of administrative fee
- Weighted Average Maturity (WAM) of 90 days or less
- Diverse client base – over 400 participants
- Rated AAA by Standard & Poor’s since June 1995
- Performance objective is to meet or exceed the S&P’s AAA & AA Rated Government Investment Pool Index/Government Only
- Daily compliance monitoring by OST compliance officer
- Monthly portfolio reporting to Standard & Poor’s
- Monthly stress testing by OST
- Quarterly reporting to State Depository Board



Georgia Fund 1 Accounts and Interest Allocation

- A separate account designated by name or number for each participant in the fund shall be kept to record individual transactions and totals of all investments belonging to each participant. A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant having a beneficial interest in the investment pool. Details of any investment transaction shall be furnished to any participant upon request – O.C.G.A. § 36-83-8 (e)

- The principal and credited income of each account maintained for a participant in the investment pool shall be subject to payment from the pool at any time upon request, subject to the procedures developed in accordance with paragraph (3) of subsection (b) of this Code section. Accumulated income shall be credited to each participant account at least monthly – O.C.G.A. § 36-83-8 (f)



Interest Earnings Calculation

- Interest:
 - Calculated based on a 365 day year
 - Posted on the last day of the month
 - Based on the average daily balance of the account
 - Multiply the net earnings rate on the statement times the average daily balance
 - Divide the annual amount by 365 to get a daily rate
 - Multiply the daily rate by the number of days in the month



Current-Yield: 2.0317

Prior Earnings Accrued		Prior Balance	14,448,086.57
Current Earnings	31,849.01	Deposits	13,444,824.02
Subtotal	31,849.01	Withdrawals	13,297,643.92
Earnings Received	31,849.01	Earnings Reinvested	31,849.01
Current Earnings Accrued		New Balance	14,627,115.68

DATE	ACTIVITY	AMOUNT	BALANCE
9/01/18	Forward Balance		14,448,086.57
9/07/18	Deposit	2,877,132.40	17,325,218.97
9/14/18	Deposit	3,492,148.64	20,817,367.61
9/21/18	Deposit	4,142,123.67	24,959,491.28
9/28/18	Withdrawal	13,297,643.92	11,661,847.36
9/28/18	Deposit	2,933,419.31	14,595,266.67
9/30/18	Reinvestment	31,849.01	14,627,115.68
9/30/18	Ending Balance		14,627,115.68

Current period earnings received after close:
 Previous period earnings received after close:

Average daily invested balance during period: 19,072,962.15

Net management fee withheld from distribution: 783.82

Georgia Fund 1 (GF1) Instructions

(PLEASE READ CAREFULLY)

Thank you for your participation in Georgia Fund 1 (“GF1”), the combined state general fund and local government investment pool managed by the Office of the State Treasurer (“OST”).

Georgia Fund 1 is offered by the State of Georgia to counties, municipalities, public colleges and universities, boards of education, special districts, state agencies, and other authorized entities as a conservative, efficient, and liquid investment alternative. The primary investment objectives of Georgia Fund 1 are safety of capital, liquidity, yield, and diversification with primary emphasis on safety of capital and liquidity. Please be aware, however, that **GF1 deposits are not guaranteed or insured** by any bank, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any STATE agency.

The following instructions apply to any county, municipality, public college or university, board of education, special district, state agency, or other authorized entity that desires to **open or change a GF1 account**. Following the instructions pertaining to the resolutions, we have included instructions on how to execute GF1 transactions.

I. Resolutions:

A. If you currently have an existing GF1 account, fill in the account number in the blank provided. (If you do not, please leave the first space blank.) Indicate whether this resolution is for a new account or for a change to an existing account. If this is a change to an existing account, fill in the account number in the blank provided. We will make every effort to assign new account numbers in sequence with your existing accounts.

Note: You should submit a separate resolution for each GF1 account you wish to open or maintain.

B. Please **TYPE** the information requested in the spaces provided. Please note:

1. Each resolution **MUST** be signed by the **HEAD** of the governing authority with his/her name typed in the space below.
2. All resolutions **MUST** be **NOTARIZED**. The notary **CANNOT** be a person listed elsewhere on the resolution.
3. Additional pages may be attached to the resolution but each page must be signed by the **HEAD** of the governing authority and **NOTARIZED** as outlined above.
4. We are **prohibited from accepting and processing** resolutions that do not comply with the above requirements.

CONTINUED ON BACK

C. We can accept only **ORIGINAL** resolutions with **ORIGINAL** signatures to set up or change an account, including changing the mailing address for statements. We are **PROHIBITED** from accepting **facsimiles** or **photocopies**. You may, however, photocopy the blank resolution form as needed.

D. Please allow us at least three (3) business days after receipt for processing a resolution and creating or changing an account.

E. (For State Agencies) We have eliminated the abbreviated resolution form formerly used by state agencies in order to maintain consistent internal controls for all participants. If your **state agency** has no governing board, resolutions may be signed by the chief fiscal officer or agency head.

F. The following circumstances require submission of a new resolution:

1. Change of authorized individuals
2. Change of bank accounts
3. Change of statement mailing address
4. Change of correspondent bank, if applicable.

II. Deposits and Withdrawals:

A. In order to initiate a deposit or withdrawal from your GF1 account you must call our office or log on to the secure Internet Participant Access System (IPAS) **before 2:00pm** on the business day preceding the day you want the funds transferred to or from your account. Only person(s) named on the resolution may initiate a transaction. **We are strictly prohibited from executing transactions initiated by unauthorized individuals.**

Call request to: (404) 656-2993
 1-800-222-6748
 or <http://ost.georgia.gov>

B. Whenever you deposit funds in GF1 you must confirm the amount of the deposit and the length of time the deposit is expected to remain invested in GF1 by mail or facsimile. These confirmations are used for information purposes only and are non-binding.

C. To deposit funds into your GF1 account, instruct your bank to wire the funds to:

Wells Fargo Bank
ABA#: 121000248
Acct#: 2000179900314
Office of the State Treasurer
Ref# (LGIP #)

D. We may only transfer funds to bank accounts authorized by the resolution currently on file.

IF YOU HAVE ANY QUESTIONS OR COMMENTS CONCERNING THESE PROCEDURES OR YOUR ACCOUNT PLEASE CONTACT US BY PHONE OR EMAIL: (404) 656-2993 or 1-800-222-6748 - mballard@treasury.ga.gov

For Customer Use:

I have an existing Acct. # _____
 This resolution is for:
 _____ New Account
 _____ Change to Existing Acct. # _____

For OTIS Use Only:

_____ Acct Approved _____ Auth Entered
 _____ Audit _____ Wire Instructions
 _____ Addr Entered _____ Wire Templates
 Approval: _____
 _____ AD1 _____ AD2
 Res. form 2660A

GEORGIA FUND 1
(local government investment pool)
RESOLUTION TO AUTHORIZE INVESTMENT

WHEREAS, Ga. Code Ann. §§36-83-1 to 36-83-8 authorizes Georgia local governments and other authorized entities to invest funds through the local government investment pool, and
WHEREAS, from time to time it may be advantageous to the _____

_____ to deposit funds available for
 (Name of Local Government, Political Subdivision or State Agency)
 investment in Georgia Fund 1 (hereinafter referred to as the local government investment pool) as it may deem appropriate; and

WHEREAS, to provide for the safety of such funds deposited in the local government investment pool, investments are restricted to those enumerated by Ga. Code Ann. §36-83-8 under the direction of the State Depository Board, considering first the probable safety of capital and then the probable income to be derived; and *WHEREAS*, such deposits must first be duly authorized by the governing body of the local government or authorized entity and a certified copy of the resolution authorizing such investment filed with the Treasurer of the Office of the State Treasurer; and

WHEREAS, such resolution must name the official(s) authorized to make deposits or withdrawals of funds in the local government investment pool; and

WHEREAS, Ga. Code Ann. §36-83-8 requires a statement of the approximate cash flow requirements of the participating government pertaining to the funds to accompany the authorization to invest such funds at the time such deposits are duly authorized;

NOW, THEREFORE BE IT RESOLVED by the _____
 (Board, Council or other Governing Body)

that funds of the _____ may be deposited from time to
 (Local Government, Political Subdivision, or State Agency)
 time in the manner prescribed by law and the applicable policies and procedures for the local government investment pool.

BE IT FURTHER RESOLVED THAT:

- Any one of the following individuals shall be authorized to deposit and/or withdraw funds from the local government investment pool on behalf of such government or other authorized entity (if a listed individual is employed by an entity other than the depositor, indicate employer):

Name, Title, (Employer, if applicable)	(Area Code) Phone Number
Email: _____	_____
_____	_____
Email: _____	_____
_____	_____
Email: _____	_____
_____	_____
Email: _____	_____

All withdrawals from the local government investment pool shall be wired to the following participant's demand deposit account: *(Many banks have separate instructions for wires and ACH deposits. Please verify both sets of instructions with your bank and provide them below. This will ensure accurate delivery of your funds to the designated bank account).*

(For ACH) _____
 (Local Bank Name) (Account Title)

 (ABA Number) (Account Number) (City, State)

(For WIRE) _____
 (Local Bank Name) (Account Title)

 (ABA Number) (Account Number) (City, State)

(If applicable) Our local bank prefers to receive credit for wire transfers at the following Correspondent Bank:

(Bank Name) (City) (ABA Number) (Account Number)

Additional Bank Account (if applicable):

(For ACH) _____
(Local Bank Name) (Account Title)

(ABA Number) (Account Number) (City, State)

(For WIRE) _____
(Local Bank Name) (Account Title)

(ABA Number) (Account Number) (City, State)

Correspondent Bank (if applicable):

(Bank Name) (City) (ABA Number) (Account Number)

3. The local government investment pool monthly statements of account to:

(Attention)

(Address)

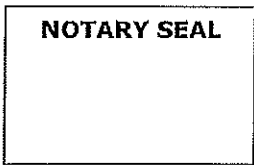
(City, State & Zip Code)

4. Changes in the above authorization shall be made by cancellation or replacement resolution delivered to the Office of the State Treasurer. Until such a replacement resolution is received by the Office of the State Treasurer, the above authorized individuals, local government demand account instructions and statement mailing address(es) shall remain in full force and effect.

5. The following schedule represents the period in which existing balances are currently expected to remain invested in the local government investment pool:

- _____ % 30 days or less;
- _____ % more than 30 days but less than 90 days;
- _____ % 90 days or longer.

Entered at _____, Georgia this _____ day of _____ 20____.



(Signature of Head of Governing Authority)

(Please Print or Type - Head of Governing Authority)

(Title)

Sworn to and subscribed before me this _____ day of _____ 20____.

(Notary Public)

Please complete and return an original copy to:

Georgia Fund I
Office of the State Treasurer
200 Piedmont Avenue
Suite 1204, West Tower
Atlanta, GA 30334-5527

Telephone: (404) 651-8964 or (404) 656-2993
Toll Free: (800) 222-6748
Fax: (404) 656-9048

Georgia Fund I (local government investment pool) deposits are not guaranteed or insured by any bank, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, the State of Georgia or any other agency.