



# QUARTERLY UPDATE

## Georgia Fund 1 Prime

3/31/25



### INTRODUCTION

#### Investor Goals

The primary objective of GF1 Prime is to provide eligible state and local entities the potential of a higher return for strategic cash investments, over GF1, by adding credit oriented investments.

#### Portfolio Managers

Paige Wilhelm  
Mark Weiss, CFA  
Deborah A. Cunningham, CFA

#### Product Highlights

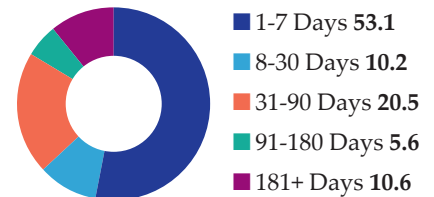
- Offers participation in a diversified portfolio of high credit quality money market instruments that seek to obtain the highest possible level of current income consistent with preservation of capital and liquidity.
- Robust oversight by the Georgia Office of the State Treasurer and managed in strict compliance with state investment policies and portfolio guidelines.
- Aims to maintain sufficient liquidity to meet reasonably foreseeable participant redemption activity.

**Credit Rating** AAmmf Fitch

#### Portfolio Profile

Weighted Average Maturity	47 Days
Weighted Average Life	80 Days
Pool Assets	\$794.9 million

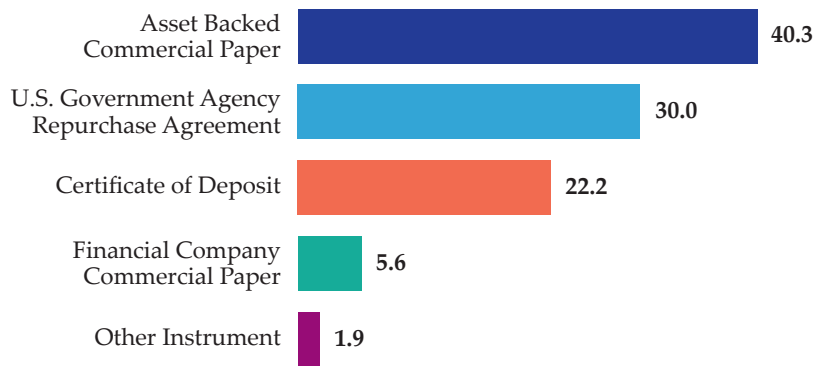
#### Effective Maturity Schedule (%)



#### Liquidity (%)

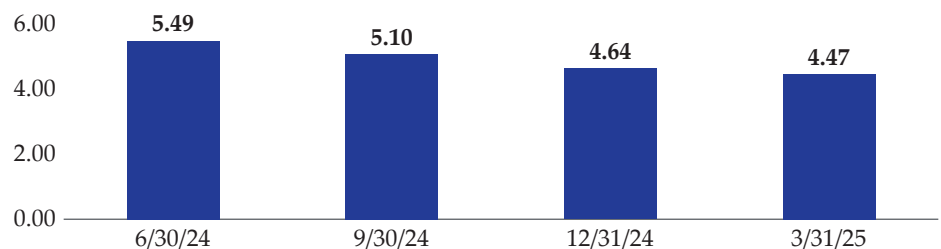
Daily	29.86
Weekly	36.12

#### Portfolio Composition (%)



Totals may not add up to 100% due to rounding.

#### Annualized 7-Day Effective Yields (%)



Performance data quoted represents past performance which is no guarantee of future results. Investment return will vary. The value of an investment, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated.

## PORTFOLIO MANAGER COMMENTARY

The growth of liquidity products since the Federal Reserve first hiked rates in 2022 has been something to behold, and that trend continued in the first quarter. Total US money market assets under management (AUM) topped \$7 trillion for the first time in March and those of global money funds have also reached record highs, according to the Investment Company Institute. One popular reason for the increase is investors are placing cash in liquidity products to weather the storm in the equity market and the uncertainty created by the Trump administration. But that theory is belied by the nature of the inflows, which we see as growing at a rate consistent with the migration to money funds seen over the last several quarters. We can't pinpoint from where those assets came. But the steady nature of the inflows supports the hypothesis that people are fed up with low interest rates of other products rather than hiding from the stock market correction.

Fed Chair Powell resurrected the term "transitory" at the March policy-setting meeting. We thought that radioactive word was long buried after he repeatedly used it to describe pandemic-related inflation in 2021. His point was that the potential impacts of Trump's whipsaw approach to tariffs might be inflationary in the short term but not in the long term, as they might lead to lower productivity. We and some of his colleagues are not so sure. During the quarter, the Fed kept rates in a target range of 4.25-4.5% but projected that easing won't return until the second half of this year. It reduced the monthly pace of quantitative easing from \$25 billion to \$5 billion, while keeping the number of mortgage-backed securities rolling off the Fed balance sheet at \$35 billion. Powell was right about one point: policymakers' decisions were based on data that didn't reflect the tariff turmoil. That impact will be messy, and he emphasized they do not alter policy due to "what-ifs."

At the end of the month, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.30%, 4.30%, 4.23% and 4.03%, respectively.

**Bloomberg Short-Term Bank Yield Index:** The Bloomberg Short Term Bank Yield Index (BSBY) is a proprietary index calculated daily and published at 7:00 am (EST) on each U.S. business day. The index has been developed to address the needs of the market by providing a series of credit sensitive reference rates that incorporate bank credit spreads and defines a forward term structure. BSBY seeks to measure the average yields at which large global banks access USD senior unsecured marginal wholesale funding.

Portfolio composition is subject to change.

**Weighted average life (WAL)** is defined as the average time a dollar of principal is outstanding at an assumed prepayment rate.

**Weighted average maturity (WAM)** is the average time to maturity of debt securities held in the fund.

**7-day effective net yield** is calculated by taking an average of the past 7 days' net yields less any short-term capital gains.

An investment in the Georgia Fund 1 Prime is not a deposit of a bank and is neither insured nor guaranteed by the State of Georgia or the U.S. government, the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Georgia Fund 1 Prime seeks to preserve the value of your investment at \$1.00 per unit, it is possible to lose money by investing in the Pool. The Pool's yield will vary from day to day based on changes in interest rates and market changes.

The securities in which the Pool invests will be rated in one of the two highest short-term rating categories by one or more Nationally Recognized Statistical Rating Organization or deemed by the Adviser to be of comparable quality to securities having such ratings. Credit ratings do not provide assurance against default or other loss of money.

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.

**For more complete information, visit GeorgiaPrime.com. You should consider the investment's objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the Investment Circular, which you should read carefully before investing.**