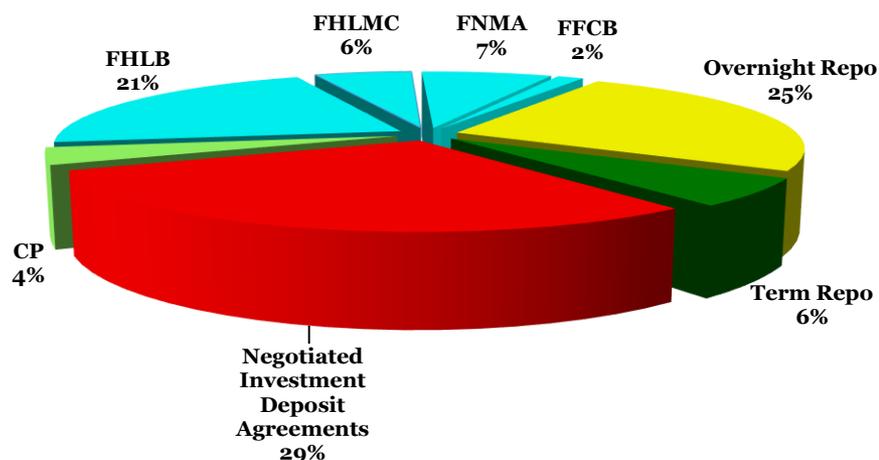


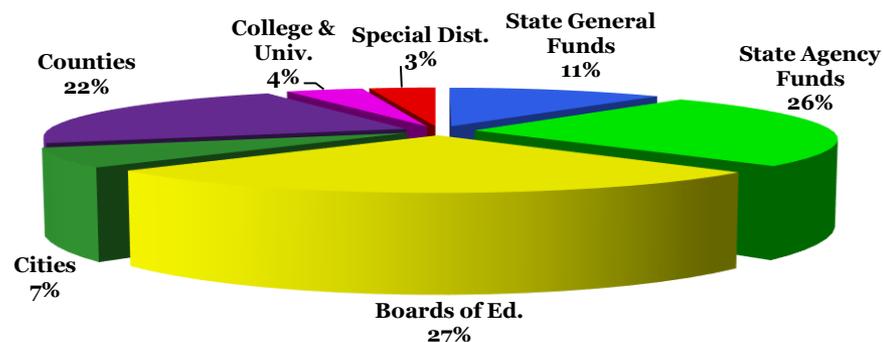
Georgia Fund 1 (GF1)

- 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 3.3 basis points (bp) administrative fee.
- GF1 is rated AA Af by Standard & Poor’s.
- For the month of February 2016, GF1 participants earned .33% (33 bp)*.
- As of February 29, 2016, GF1 assets were \$13.4 billion. The weighted average maturity (WAM) was 29 days.

Portfolio Composition

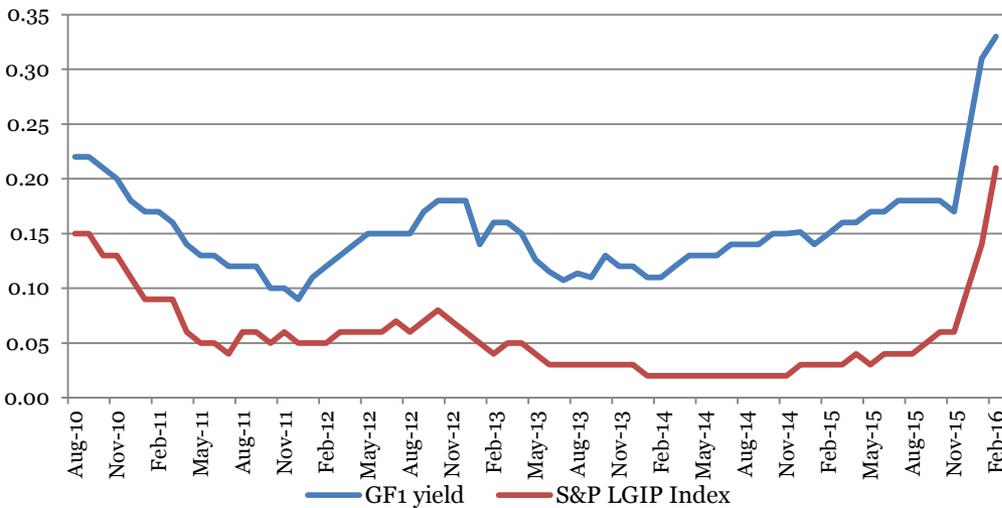


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

The primary objectives in managing GF1 are preservation of principal, liquidity, investment income and diversification. GF1 is managed to maintain a \$1.00 value and a weighted average maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. The GF1 weighted average maturity (WAM) was 29 days as of February 29, 2016. The annualized net rate paid to participants was 33 bp in February.

Just like our weather, the market has been hot and cold on the future of interest rates. The month of February brought about a change in sentiment as to just how many times the Fed would raise rates in 2016. Prior sentiment was for 4 rate moves in 2016 – one occurring every other meeting. Poor global economic data led many economists to reduce their forecasts to three hikes in 2016 and Fed rhetoric supported the notion that any future moves would continue to be global data dependent. The probability for a move at the March 16th meeting is a mere 6% based on Fed Funds futures and it's not until the September meeting that futures project a 50% chance of another 25 basis point move.

As for now, we will continue to utilize the negotiated investment deposits to provide incremental yield while reducing the interest rate risk of the portfolio. Looks like it will be more of the same for awhile.

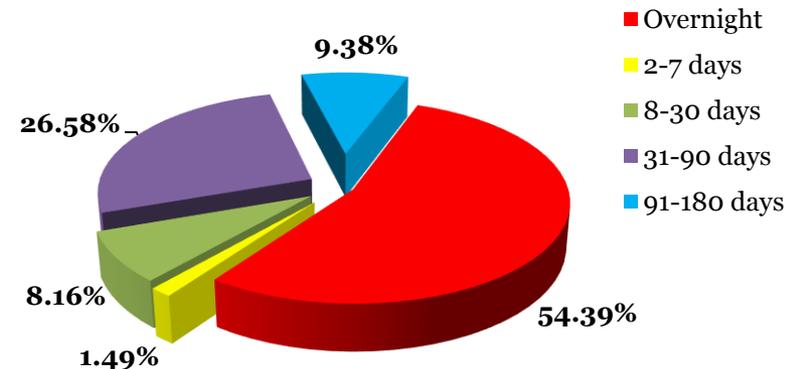
In The News:

The Governmental Accounting Standards Board (GASB) issued guidance addressing how certain state and local government external investment pools and participants in external investment pools may measure and report their investments. GASB Statement No. 79, "Certain External Investment Pools and Pool Participants" permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. Statement 79 replaces the reference in existing GASB literature to Rule 2a7 with criteria that are similar in many respects to those in Rule 2a7. The Statement also establishes additional note disclosure requirements for qualifying pools and for governments that participate in those pools. These required disclosures include information about limitations or restrictions on participant withdrawals.

The full text of GASB Statement 79 is available at www.gasb.org

Source: Governmental Accounting Standards Board

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.