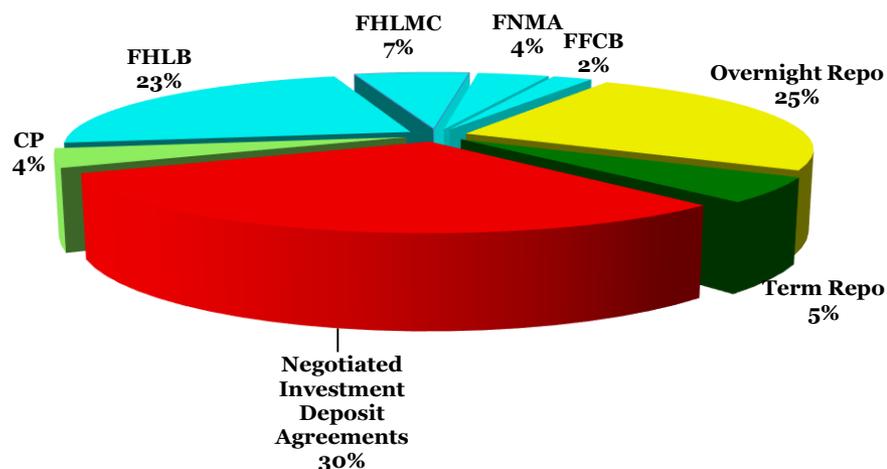


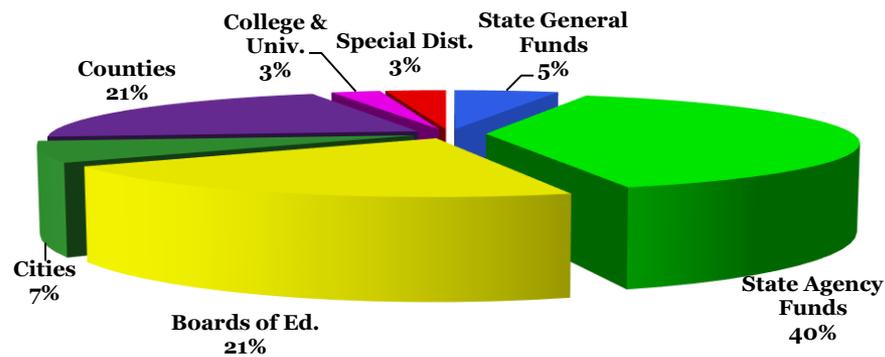
Georgia Fund 1 (GF1)

- 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 July 2016, GF1 participants earned .39% (39 bp)*.
- As of July 31, 2016, GF1 assets were \$12.2 billion. The weighted average maturity (WAM) was 42 days.

Portfolio Composition

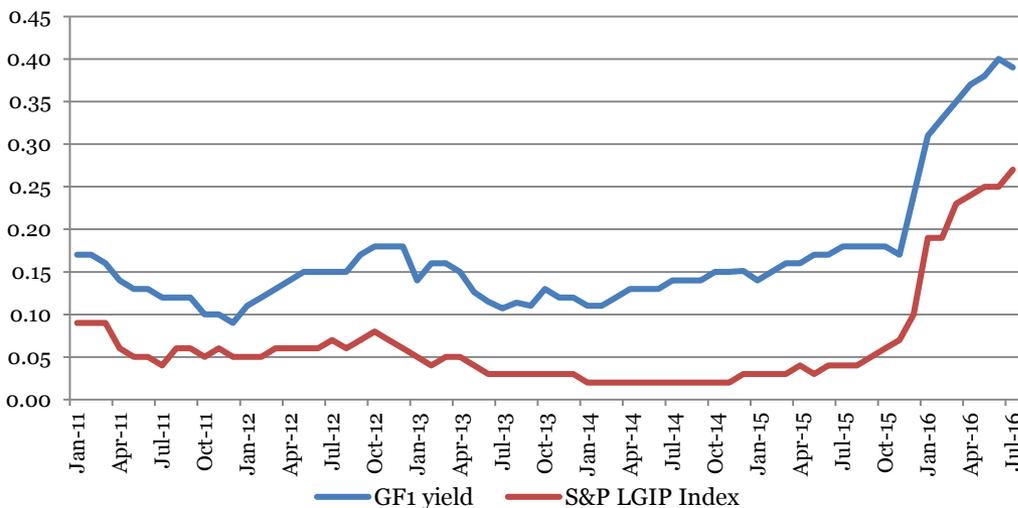


Account Holder Distribution



*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 42 days as of July 31, 2016. The annualized net rate paid to participants was 39 basis points in July.

The Fed met in mid June and then again in late July. From one meeting to the next, “the labor market strengthened and economic activity was expanding at a moderate rate. Job gains were strong in June.” More importantly, “near-term risks to the economic outlook have diminished.” This rhetoric put a Fed move back on the table for the end of 2016. The odds of a December hike, according to Fed Funds futures, now stands at 47.4%.

Summer is officially over for many children across the state of Georgia and with that brings the excitement of a new school year. I would like to think that something exciting is waiting for money market investors this Fall besides the changes due to money market fund reform. With that I leave you with this, “All human wisdom is summed up in two words; wait and hope.”- Alexandre Dumas

In The News:

For the last 15 years, the Office of the State Treasurer (OST) has held the administrative fee for Georgia Fund 1 (GF1) at 3.3 basis points. Administrative fees collected from LGIP participants are to be used to fund expenses related to carrying out the investment functions and operations of the OST. In the last year, the OST has seen increases in custody fees and other investment services utilized by the Investment Staff. In addition, we have seen a rise in costs for both investment technology and cyber security. In order to continue to provide the same level of service and adhere to best practices in safeguarding your assets, effective July 1, 2016, the administrative fee for GF1 will increase to 5 basis points.

As a reminder, the interest figure reported on your monthly statement and other Georgia Fund 1 literature is net of this fee. Monthly fees deducted from interest earnings can be calculated as follows:

Monthly fees = .0005 * (# of actual days in month/365) * average daily balance.

If you have any questions in regards to the administrative fee, please do not hesitate to contact to our office.

Maturity Distribution

