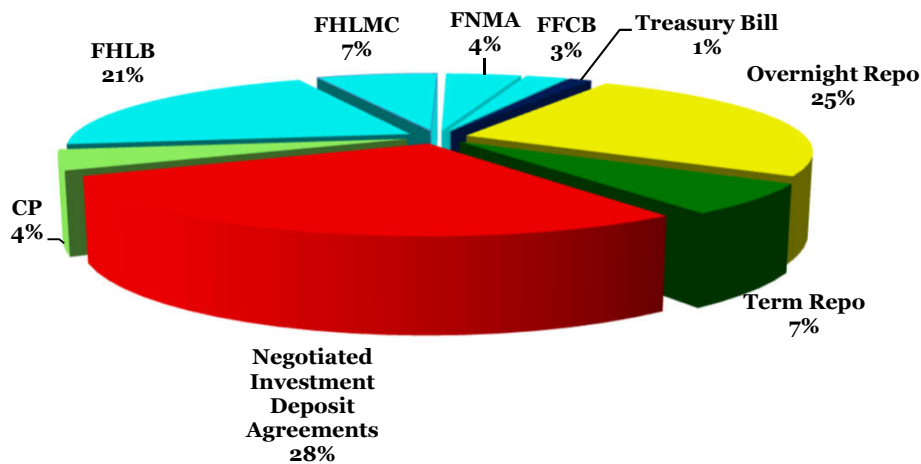


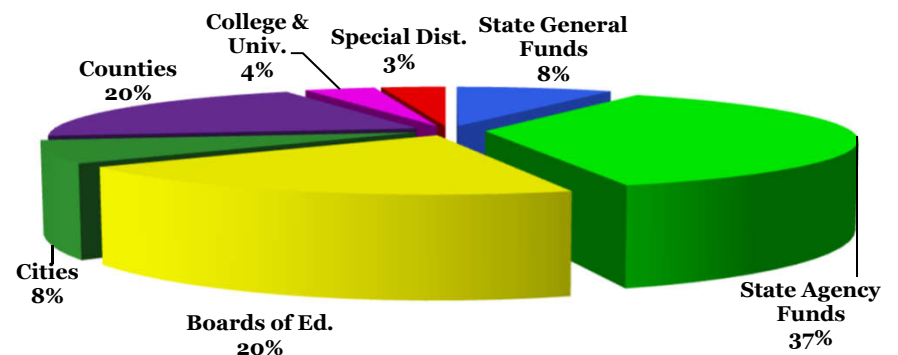
Georgia Fund 1 (GF1)

- 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 August 2016, GF1 participants earned .39% (39 bp)*.
- As of August 31, 2016, GF1 assets were \$11.5 billion. The weighted average maturity (WAM) was 38 days.

Portfolio Composition

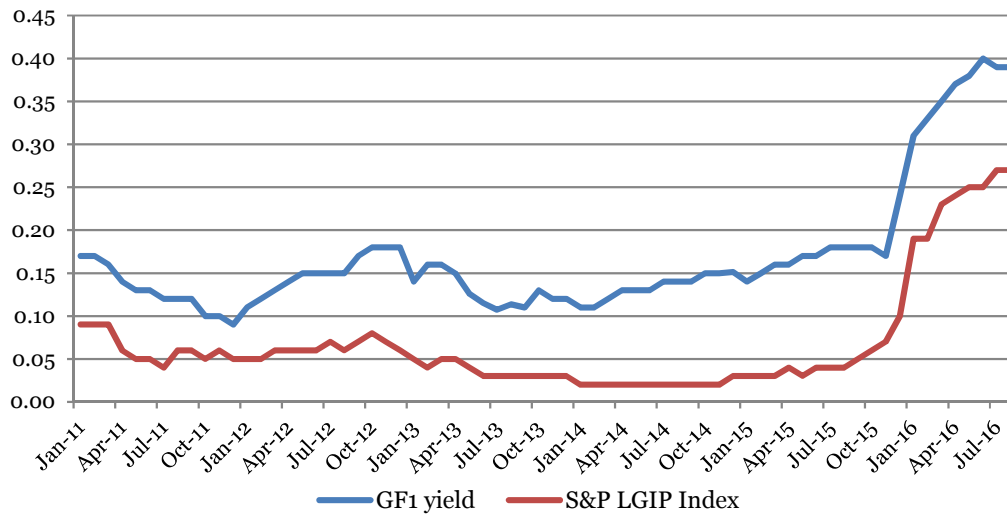


Account Holder Distribution



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

Nothing has changed. The Fed will raise rates in September; The Fed won't raise rates in September. The Fed will let us know on September 21st. And then there's the election and what the outcome will mean for U.S. markets. In just 11 of the past 30 trading days, U.S. share prices and bond yields moved in the same direction. Unusual behavior as stock prices and bond yields tend to rise and fall together. The Wall Street Journal notes that "the simplest explanation is that expectations of interest rates being lower for longer, pushes the price of everything up, and yields down."

Another summer has come and gone. Not without a bit of noise. The two year treasury saw a high of 92 basis points at the end of May to a low of 55 basis points on July 5th standing at a current yield of 75 basis points. And again we wait. Will it be September or another December move? One a year seems to be the Fed's current stance.

In The News:

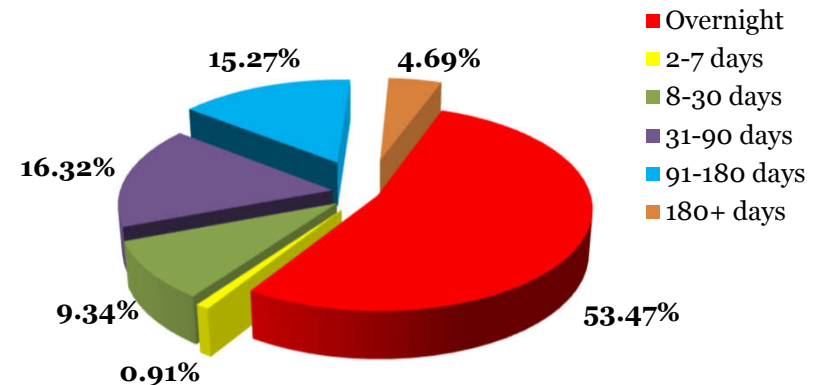
For the last 15 years, the Office of the State Treasurer (OST) has held the administrative fee for Georgia Fund 1 (GF1) at 3.3 basis points. Administrative fees collected from LGIP participants are to be used to fund expenses related to carrying out the investment functions and operations of the OST. 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



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.