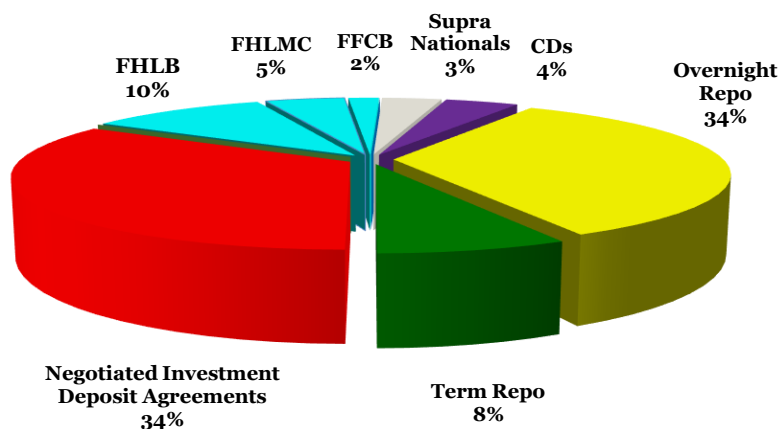


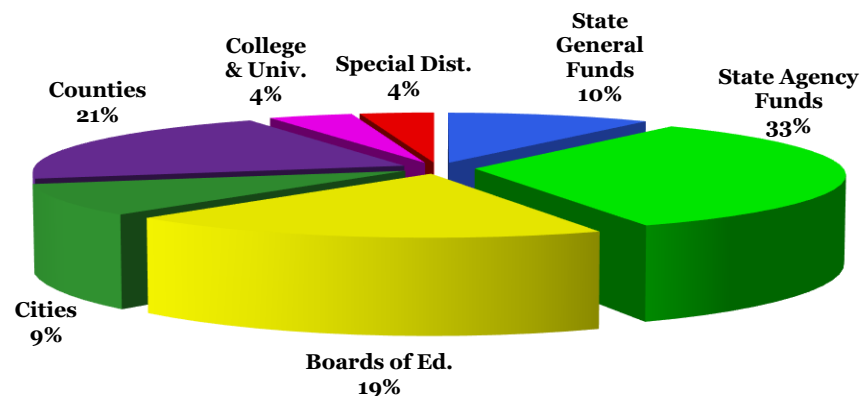
Georgia Fund 1 (GF1)

- 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 2017, GF1 participants earned 1.04%*.
- As of August 31, 2017, GF1 assets were \$11.1 billion. The weighted average maturity (WAM) was 16 days.

Portfolio Composition

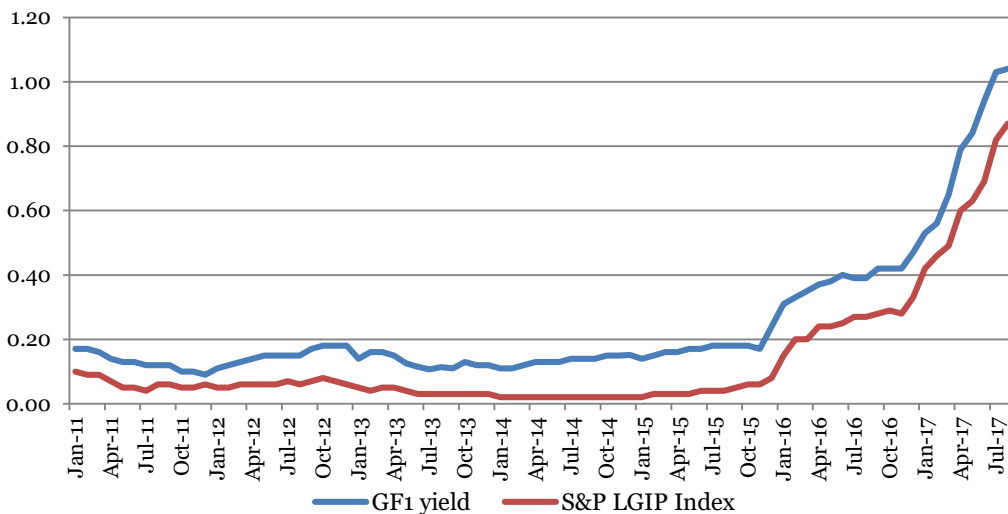


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

August was a relatively uneventful month in the market but that was certainly not the case with the weather impacting the United States. Hurricane Harvey dropped 40-52 inches of rainfall in southeast Texas and southwest Louisiana in late August. The Colonial pipeline carrying gasoline from Houston all the way to the Northeast was shut down at times impacting the price of gasoline across the country. The national average price of gasoline increased by 25 cents per gallon to \$2.64 per gallon, which is the largest weekly rise since 2005.

In terms of the portfolio, roughly \$1.8 billion of discount notes matured in August, rolling off at an average yield of 90 basis points. The \$1.8 billion was reinvested in overnight repo, commercial paper or agency discount notes at an average yield of 1.06%. This pushed the net yield paid out to participants to 1.04% for the month of August.

As we move towards the end of the third quarter, the chance of another Fed hike this year continues to decrease. The probability of a hike in interest rates at the December meeting based on Fed Funds futures was close to 94% at the beginning of June. The odds now stand at a mere 25%. We are finally at 1% but it looks like we may be at that level for awhile.

In The News:

Georgia Fund 1 is a Standard & Poor's AAAf rated investment pool which is managed by the Office of the State Treasurer (OST) to maintain a constant net asset value (NAV) of \$1.00. OST reports monthly to participants on an amortized cost basis. The interest income, as well as gains and losses, net of administrative fees of Georgia Fund 1, are allocated to participants based on each participant's average daily balance each month.

The primary objective for Georgia Fund 1 since the pool's inception is preservation of principal. OST continues to operate and report monthly to participants on an amortized cost basis. At fiscal year end (June 30th), investments are valued for financial reporting purposes at fair value. Participants will be informed of the fair valuation factor that enables them to adjust their statement balances to fair value. We will post the factor to our website (www.ost.Georgia.gov) as soon as it is available.

As always, we are here to serve. Please contact Mary (mballard@treasury.ga.gov) with any questions regarding Georgia Fund 1 resolutions or IPAS issues. For investment related questions, please direct inquiries to lglenn@treasury.ga.gov

Maturity Distribution

