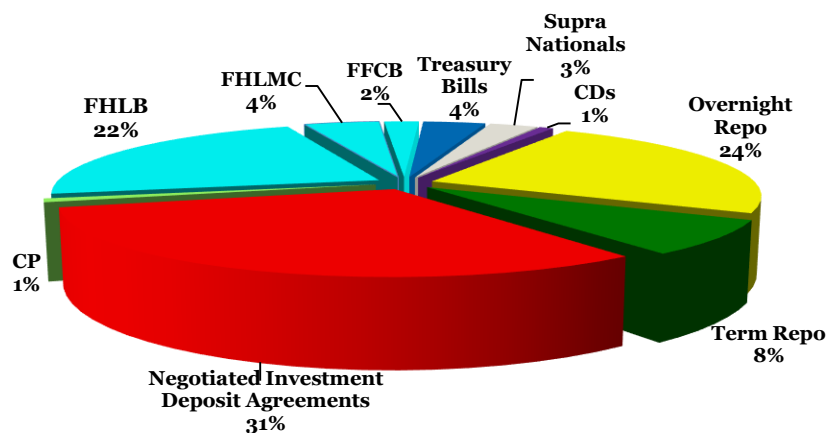


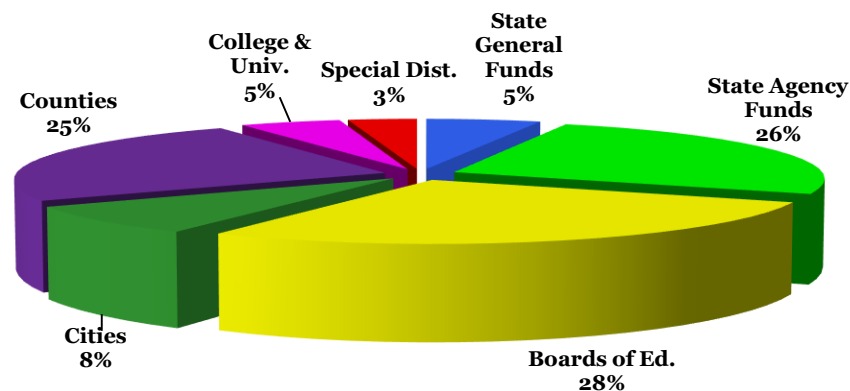
Georgia Fund 1 (GF1)

- 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 February 2017, GF1 participants earned .56% (56 bp)*.
- As of February 28, 2017, GF1 assets were \$12.1 billion. The weighted average maturity (WAM) was 23 days.

Portfolio Composition

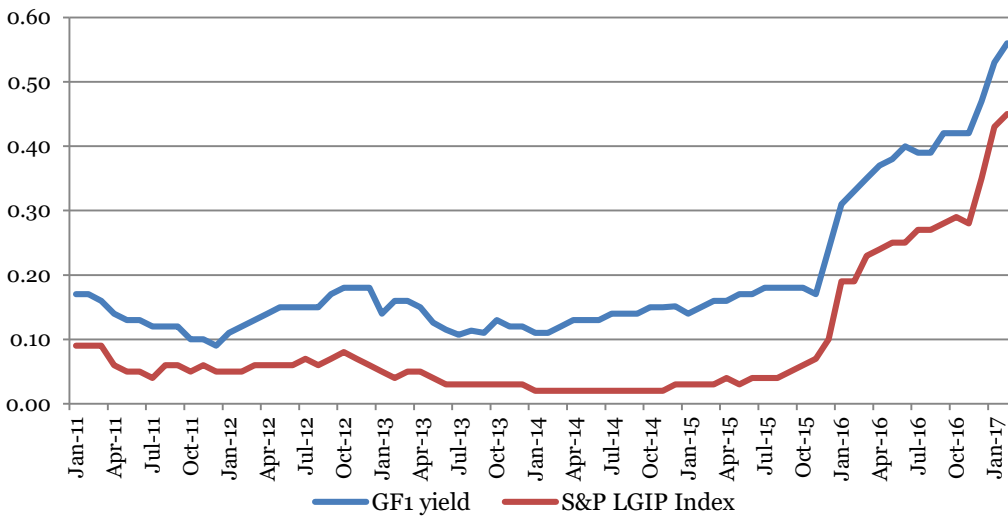


Account Holder Distribution



*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 23 days as of February 28, 2017. The annualized net rate paid to participants was 56 basis points in February.

What a difference a month makes. In last month's disclosure statement, we mentioned the odds of a 25 basis point hike in rates at the March Fed meeting stood at 24%. Flash forward to Friday, March 3rd and the odds now stand at 92%. These expectations pushed short-term U.S. interest rates to their highest level since the financial crisis. In just four days, the yield on the six-month U.S. Treasury bill rose from 68 basis points to 83 basis points, a level not seen since November 2008.

Investors have become more optimistic that the Fed will raise interest rates at the March 14-15 meeting after upbeat comments from several central bank officials. Federal Reserve Bank of New York President William Dudley said a case for raising rates in March has become "a lot more compelling" due to the strength of U.S. economic data. Fed governor Lael Brainard, typically seen as dovish, said the Fed is closing in on its employment and inflation goals.

With 55% of Georgia Fund 1 in overnight investments, a 25 basis point increase in the Fed Funds rate at the March meeting would have an immediate impact on the fund, lifting the raid paid out to participants. A move that would be welcomed by all!

In The News:

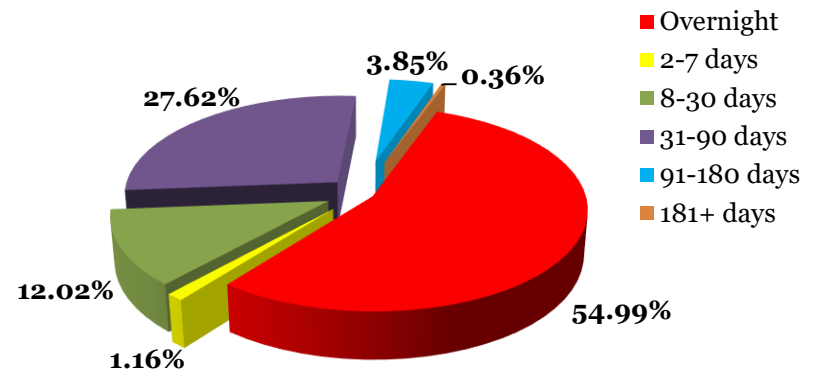
The Office of the State Treasurer is expanding. The Investment Team now includes two Investment and Credit Analysts. Bradley Floore is a graduate of the University of Southern Mississippi with a Bachelor of Science in Business Administration with a double major in Finance and Accounting. Dylan Lightle is a graduate of the University of Georgia with a Bachelor of Business Administration in Finance.

The Investment Team is managed by two seasoned portfolio managers, Laura Glenn and Mark Jones. In addition, Ryan Rothgeb serves as the Senior Investment and Credit Analyst, assisting the two portfolio managers with investment management and fund operations.

Angela Roberts continues to handle daily trade operations and serves as a backup to the Fund Administrator, Mary Ballard.

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



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.