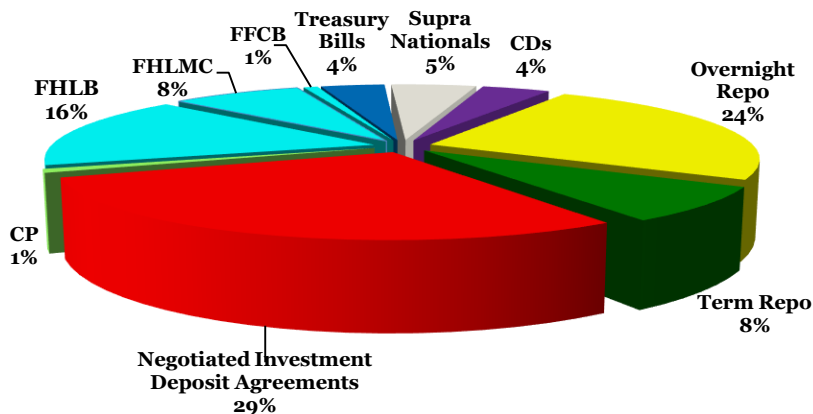


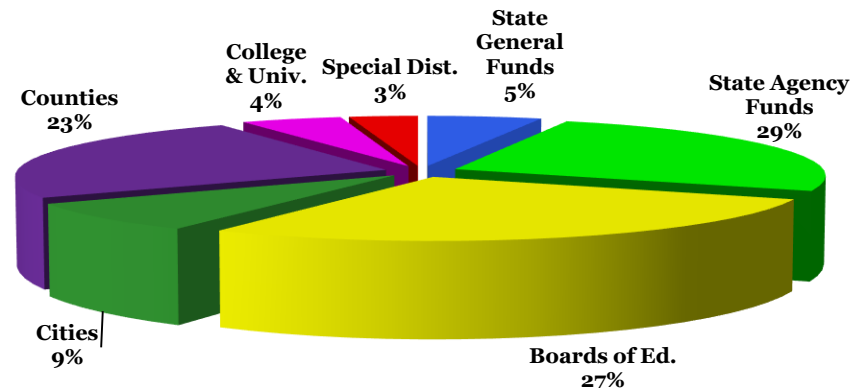
Georgia Fund 1 (GF1)

- 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 March 2017, GF1 participants earned .65% (65 bp)*.
- As of March 31, 2017, GF1 assets were \$11.8 billion. The weighted average maturity (WAM) was 31 days.

Portfolio Composition

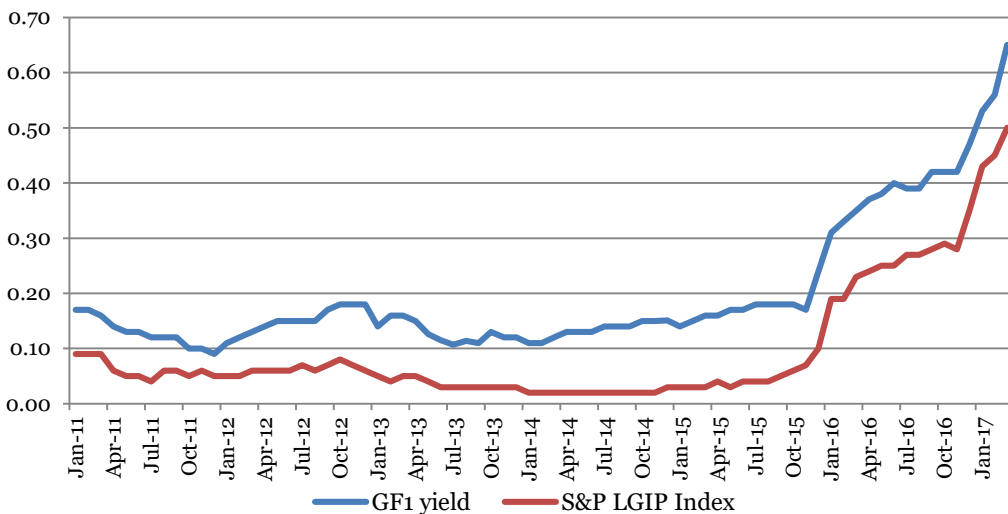


Account Holder Distribution



*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 31 days as of March 31, 2017. The annualized net rate paid to participants was 65 basis points in March.

As of the end of 2016, the Federal Reserve's dot plot, which the U.S. central bank uses to signal its outlook for the path of interest rates, had implied the Fed might hike the Fed Funds target three times in 2017, with most expecting the first move in June. And then rhetoric from Fed presidents began to emerge in late February 2017. On Friday, March 3rd, Fed Chair Janet Yellen signaled the central bank was on course to pick up the pace of interest rate increases, with the next rise coming as soon as March.

At its March 15th meeting, the Fed raised the Fed Funds target range to .75% - 1.00%. The Fed noted in its statement that the labor market had continued to strengthen and that economic activity had continued to expand at a moderate pace. Inflation increased in recent quarters and was moving close to the Fed's two percent longer-run objective. The odds of another move at the June meeting now stand at 67%.

With over 50% of Georgia Fund 1 in overnight investments, the 25 basis point increase in the Fed Funds rate at the March meeting led to a net yield for the month of March of 70 basis points, up 14 basis points from February.

Keep your eyes on the Fed. 2017 is going to be an active year for them.

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

