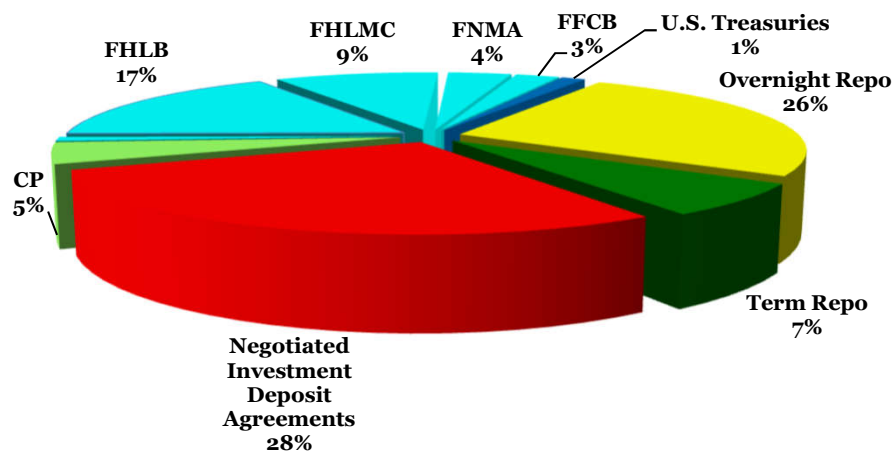


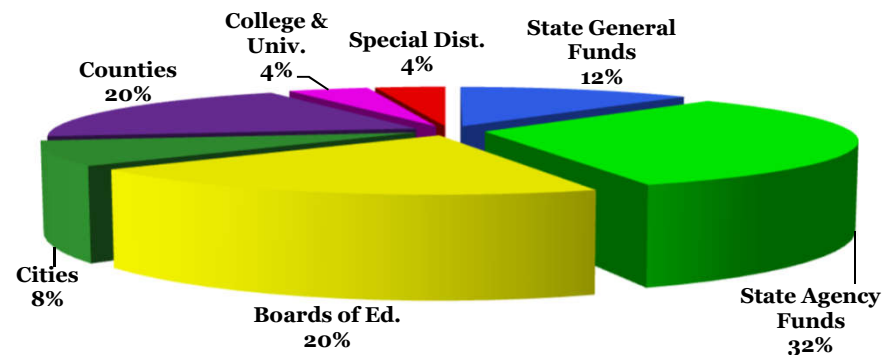
Georgia Fund 1 (GF1)

- 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+ by Standard & Poor’s.
- For the month of September 2016, GF1 participants earned .42% (42 bp)*.
- As of September 30, 2016, GF1 assets were \$10.9 billion. The weighted average maturity (WAM) was 35 days.

Portfolio Composition

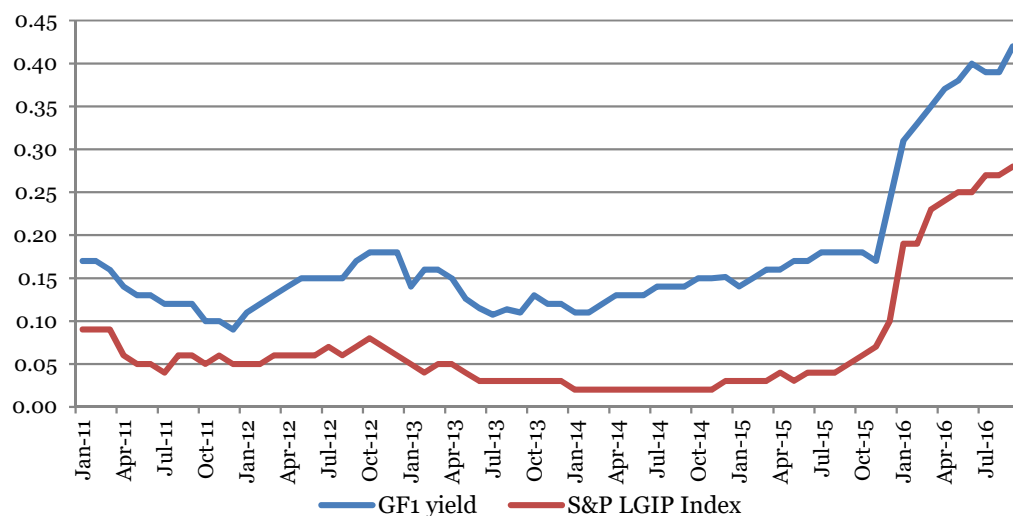


Account Holder Distribution



*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 35 days as of September 30, 2016. The annualized net rate paid to participants was 42 basis points in September.

No surprise. The Fed met in September and kept rates unchanged. Information received after the Fed met in July indicated that the labor market continued to strengthen and growth of economic activity has picked up from the modest pace seen in the first half of the year. It was also noted that “the Committee judges that the case for an increase in the federal funds rate has strengthened but decided, for the time being, to wait for further evidence of continued progress toward its objectives.”

Concern over impending regulatory changes to U.S. money market funds has led to a rise in LIBOR rates. This is good news for Georgia Fund 1 as several investments held in the pool are tied to LIBOR. Three-month and six-month LIBOR stand at 0.85% and 1.24%, respectively. This increase continues to benefit the bottom line as the monthly rate paid out to GF1 participants hit 0.42%.

The odds for a December rate hike based on Fed Funds Futures stands at 64%. Perhaps a year later we will have another quarter point hike in the Fed Funds rate? We will continue to wait and see.

In The News:

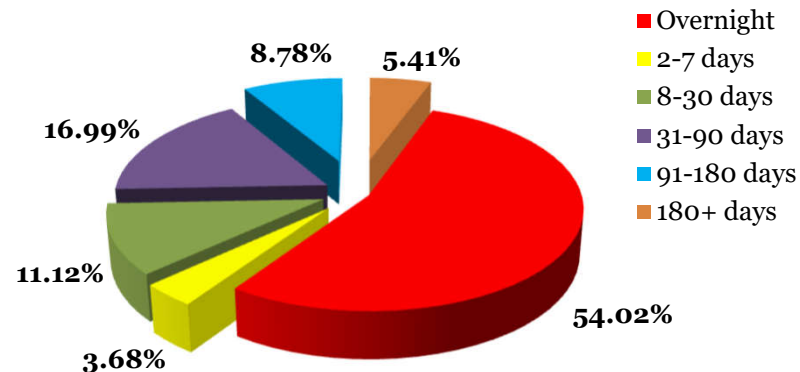
For the last 15 years, the Office of the State Treasurer (OST) has held the administrative fee for Georgia Fund 1 (GF1) at 3.3 basis points. Administrative fees collected from LGIP participants are to be used to fund expenses related to carrying out the investment functions and operations of the OST.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