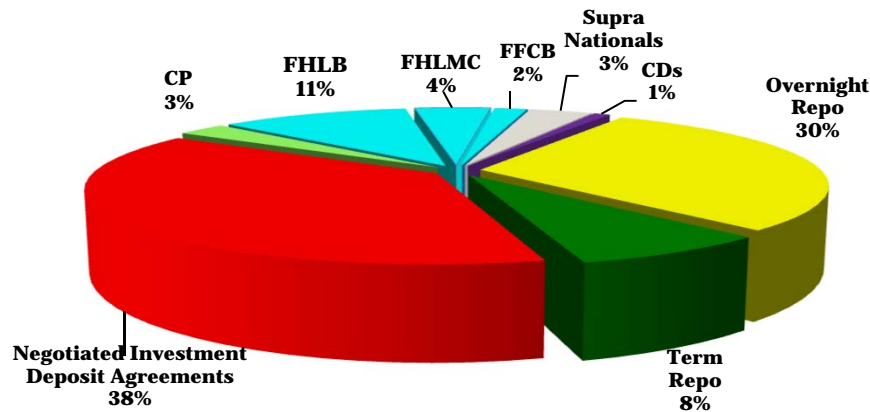


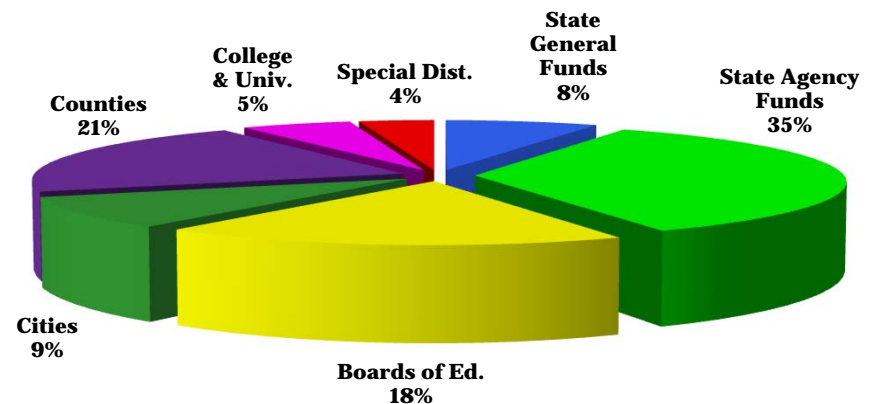
Georgia Fund 1 (GF1)

- 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 2017, GF1 participants earned 1.08%*.
- As of September 30, 2017, GF1 assets were \$10.8 billion. The weighted average maturity (WAM) was 13 days.

Portfolio Composition

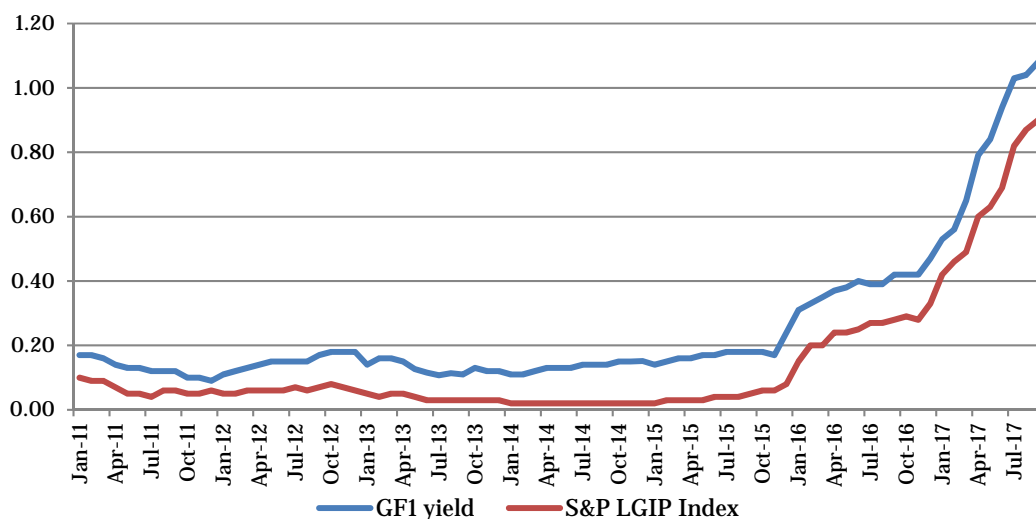


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



Portfolio Strategy:

August news was dominated by Hurricane Harvey and there was certainly no reprieve from weather talk in September. Hurricane Irma slammed Florida in mid September. Both hurricanes wiped out 33,000 jobs in the month of September. However, the unemployment rate fell to 4.2%. Wages showed a bit of inflationary pressure as the average hourly wage grew by .45% for the month of September, for a year-over-year gain of 2.9%.

The Fed met again in September and left rates unchanged. In the statement released by the FOMC, it was noted that in October the Committee will initiate the balance sheet normalization program. The Fed stopped adding to its holdings of Treasury and mortgage bonds in 2014 but has reinvested the principal from maturing assets to maintain the bond holdings. The wind-down plan calls for slowing those reinvestments by allowing up to \$6 billion in Treasuries and \$4 billion in mortgage bonds to mature every month.

The net yield paid out to participants continued to creep up – moving to 1.08% for the month of September from 1.04% for the month of August. The probability of a hike in interest rates at the December meeting based on Fed Funds futures now stands at 77%. More of the same for now.

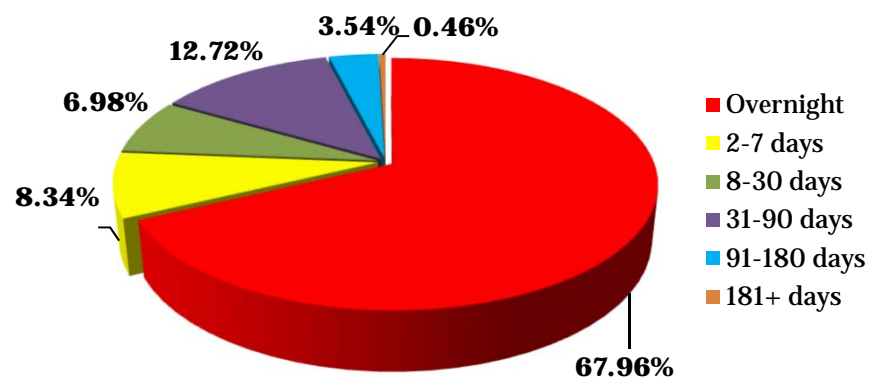
In The News:

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. The fair valuation factor that enables participants to adjust their statement balances to fair value is 1.0000 for June 30, 2017. Therefore, participants can use their statement balance as of June 30, 2017 as their fair value for reporting their investment in Georgia Fund 1.

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.