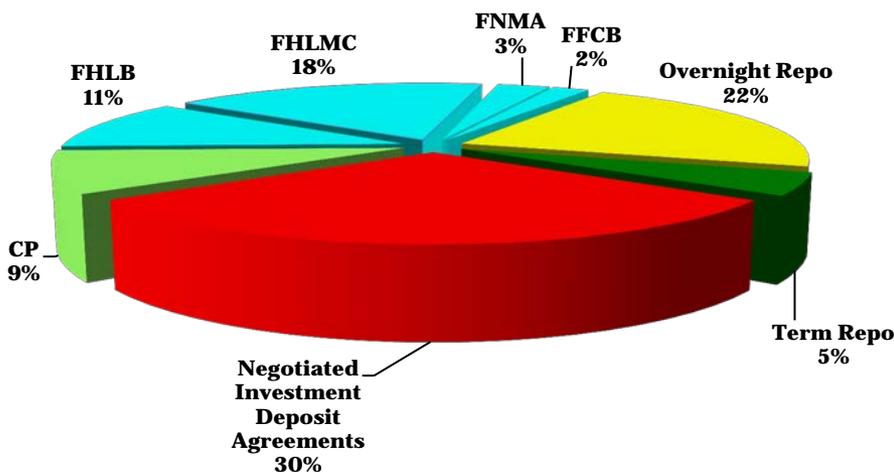


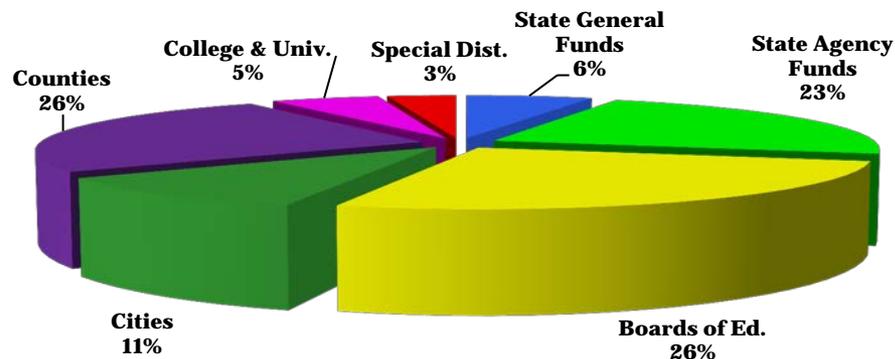
# Georgia Fund 1 (GF1)

- Georgia Code annotated 36-83-1 to 36-83-8 authorizes Georgia local governments and other authorized entities to invest funds through the local government investment pool, Georgia Fund 1 (“GF1”). GF1 is managed 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](http://www.ost.georgia.gov)
- GF1 is managed to maintain a constant net asset value (NAV) of \$1.00.
- The yield is calculated on an actual/365 day basis and is net of the 3.3 basis points (bp) administrative fee.
- GF1 is currently rated AA Af by Standard & Poor’s.
- For the month of February 2014, GF1 participants earned .11% (11 bp)\*.
- As of February 28th, GF1 assets were \$10.5 billion.

## Portfolio Composition

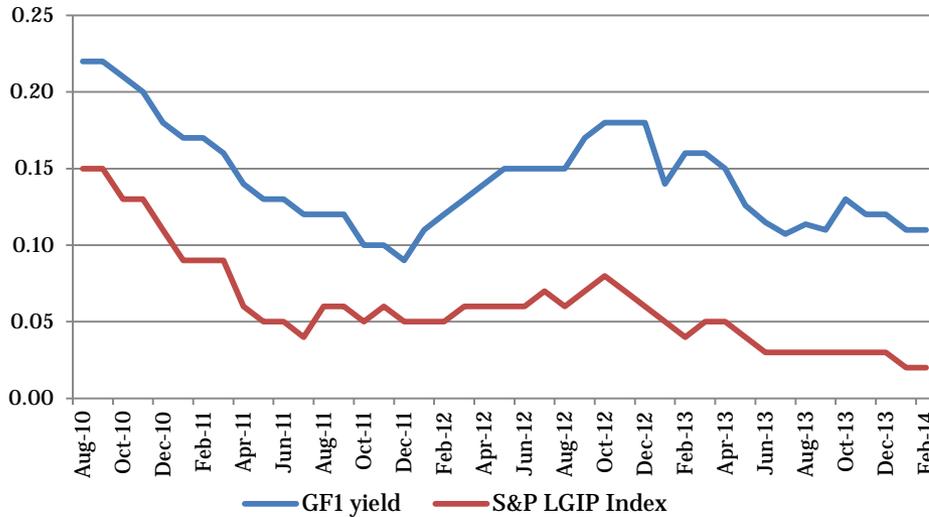


## Account Holder Distribution



\*Georgia Fund 1 yield is on annualized basis.

## Monthly Yield



## Portfolio Strategy:

GF1 is designed to maximize current income while preserving principal and providing daily liquidity. GF1 is managed to maintain a \$1.00 value and a weighted average maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. The GF1 weighted average maturity (WAM) was 52 days as of February 28, 2014. Repo rates averaged 3.2 bp for the month of February, up .3 bp from the month of January. In February, the Open Market Trading Desk at the Federal Reserve Bank of New York increased the fixed rate offered in its Reverse Repurchase Facility from three bp to four bp. The availability of the overnight repos at rates set by the Fed have helped to establish a floor for overnight repo rates. The repo facility is open to the Fed's 139 tri-party reverse repo counterparties, which includes 94 money-market mutual funds, 6 government-sponsored entities, 18 banks and the Fed's 21 primary dealers. The Fed recently held a call with state portfolio managers to vet out including the states as potential counterparties. Stay tuned.

## In The News:

The last few years have been challenging for the markets and ultimately for state and local governments. Throughout the market turmoil, Georgia Fund 1 has remained a safe and secure investment. Our primary objective in managing Georgia Fund 1 has been and always will be preservation of principal. Although the Fed funds target remains at 0% to .25% for the fifth straight year, the target and thus short-term interest rates will eventually rise. Georgia Fund 1 is an appealing investment in a rising rate environment. As in the past, we will position the portfolio to take advantage of any upward move in rates by reducing the portfolio's WAM.

## Maturity Distribution

