

# Georgia Extended Asset Pool

**Fund Credit Quality Ratings Definitions**

**AAAf** The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

**AAf** The fund's portfolio holdings provide very strong protection against losses from credit defaults.

**Af** The fund's portfolio holdings provide strong protection against losses from credit defaults.

**BBBf** The fund's portfolio holdings provide adequate protection against losses from credit defaults.

**BBf** The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

**Bf** The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

**CCCf** The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

Fund Credit quality ratings, identified by the 'f' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

## About the Pool

Pool Rating	<b>AA+f / S1</b>
Pool Type	Variable NAV Government Investment Pool
Investment Adviser	Office of the State Treasurer
Portfolio Manager	Laura B. Glenn, CFA Mark W. Jones
Pool Rated Since	November 2000
Custodian	State Street Corp.
Distributor	Office of the State Treasurer

## Pool Highlights

- The Georgia Extended Asset Pool (GEAP) commenced operations on July 1, 2000, with \$700 million of funds from the state of Georgia.
- The pool has over 15 investors, including cities, boards of education, state agency trust funds, and public universities.

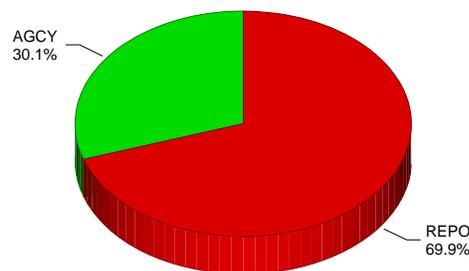
## Management

GEAP was established as a second investment option for municipalities within the state that have longer-term investment needs. GEAP is only available to those local governments and public entities that have core deposits or reserves available for investment periods of one year or longer and maintain minimum account balances of \$1,000,000 or more. The Office of the State Treasurer (OST) assumes the daily responsibility of managing the assets of the pool. The state of Georgia has hired an independent third party, State Street Corp., to perform custody and evaluation services. In addition, OST consults with its outside investment managers for externally-managed risk management portfolios regarding economic conditions.

## Credit Quality

GEAP invests in U.S. Treasury Bills, U.S. Treasury Notes, securities issued by federal agencies and instrumentalities, banker's acceptances, and repurchase agreements (REPOs) with highly rated counterparties. The maximum final maturity of any security purchased by the pool is limited to five years. The duration of the pool will be managed between six and 18 months. GEAP's credit quality is excellent, as its portfolio is composed of U.S. government and agency securities as well as bank securities rated in the highest category by Standard & Poor's. Because of the high credit quality of the portfolio's assets and eligible investments, the fund

Portfolio Composition as of March 30, 2012



REPO - Repurchase Agreement; AGCY - Agency Fixed Rate

\*As assessed by Standard & Poor's

carries Standard & Poor's credit rating of 'AA+f'.

## Portfolio Assets

Standard & Poor's has assigned GEAP a 'S1' volatility rating. The 'S1' rating indicates the pool's low sensitivity to changing market conditions and is based on the pool's conservative investment policies, tight maturity restrictions, and low historical risk profile. The rating, which is the result of a comprehensive analysis of the pool's investment holdings and strategies, historical return volatility, and management, signifies the fund possesses an aggregate level of risk that is less than or equal to that of a portfolio of government securities maturing within one to three years. The primary objective of GEAP is the prudent management of public funds on behalf of the state and local governments throughout Georgia. When compared to Georgia Fund 1, GEAP is a variable NAV fund comprised of longer-dated securities. The value of shares of GEAP will fluctuate with changes in market conditions. GEAP was designed for those investors seeking taxable income higher than money market rates who are willing to accept price fluctuations. For more information on GEAP, please visit <http://otfs.georgia.gov>

**Standard & Poor's Analyst:** Peter Rizzo - (1) 212-438-5059

[www.standardandpoors.com](http://www.standardandpoors.com)

*Participants should consider the investment objectives, risks, charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.*

**Volatility Ratings Definitions**

**S1** Low sensitivity to changing market conditions. Within this category of (S-1) certain funds may be designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions.

**S2** Low to moderate sensitivity to changing market conditions.

**S3** Moderate sensitivity to changing market conditions.

**S4** Moderate to high sensitivity to changing market conditions.

**S5** High sensitivity to changing market conditions.

**S6** Highest sensitivity to changing market conditions.

Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

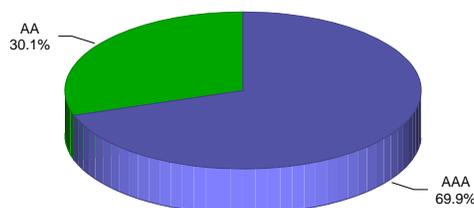
Not all bond funds have volatility ratings

**Data Bank as of March 30, 2012**

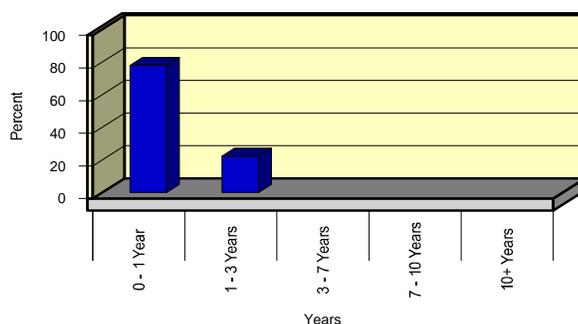
Ticker Symbol..... N/A  
 NAV..... \$2.00

Net Assets (millions)..... \$185.00  
 Inception Date..... July 2000

Portfolio Credit Quality as of March 30, 2012 \*



Portfolio Maturity Distribution as of March 30, 2012



Net Assets as of March 30, 2012



Top Ten Holdings as of March 30, 2012

Security	%	Security	%
BB+T	69.88	FEDERAL FARM CREDIT BANK	2.46
FEDERAL HOME LOAN BANK	9.27	FEDERAL FARM CREDIT BANK	2.21
FEDERAL HOME LOAN BANK	5.39		
FEDERAL HOME LOAN BANK	5.39		
FREDDIE MAC	5.39		

A Volatility Rating is not a credit rating. Standard & Poor's is neither associated nor affiliated with the fund.

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