

Introducing the Georgia Extended Asset Pool (GEAP)

The State of Georgia Sponsored Local Government Investment Pool

A primary objective of GEAP is the prudent management of public funds on behalf of state and local governments. GEAP was designed for those investors seeking taxable income higher than money market rates and willing to accept price fluctuations.

Since 1981, Georgia Fund 1 has been the primary pooled investment option for municipalities within the state. Georgia Fund 1 provides its shareholders a stable net asset value. The fund, 'AA+f /S1' rated by Standard & Poor's, maintains a weighted average maturity less than 60 days.

Georgia Fund 1 is an attractive investment option for municipalities in the State of Georgia due to its low management fees and competitive yield. To better serve our customers, the State of Georgia implemented GEAP with a duration band of 6 to 18 months to fulfill their longer-term investment needs. The portfolio, comprised of longer dated securities, is a variable NAV fund. The value of the shares will fluctuate with changes in the market.

GEAP is only available to those local governments and other public entities that have core deposits or reserves available for investment periods of 1 year or longer. GEAP investors must maintain a minimum account balance of \$1,000,000. This should ensure that only customers with appropriate investment objectives invest in GEAP.

The fund began operations on July 1, 2000 with \$700 million of state funds. GEAP invests its assets in U.S. Treasury bills, U.S. Treasury notes, securities issued by federal agencies and instrumentalities, bankers' acceptances, and repurchase agreements with highly rated counterparties. The maximum final maturity of any security purchased by the pool is limited to five years.

Because of the high credit quality of the portfolio's assets and eligible investments, the fund carries Standard & Poor's credit rating of 'AA+f'. The 'AA+f' credit rating indicates the pool's portfolio holdings and counterparties provide very strong protection against losses from credit defaults.

The State of Georgia has hired an independent third party bank, State Street Corporation, to perform custody and valuation services. The fund is marked-to-market daily to maintain an accurate NAV.