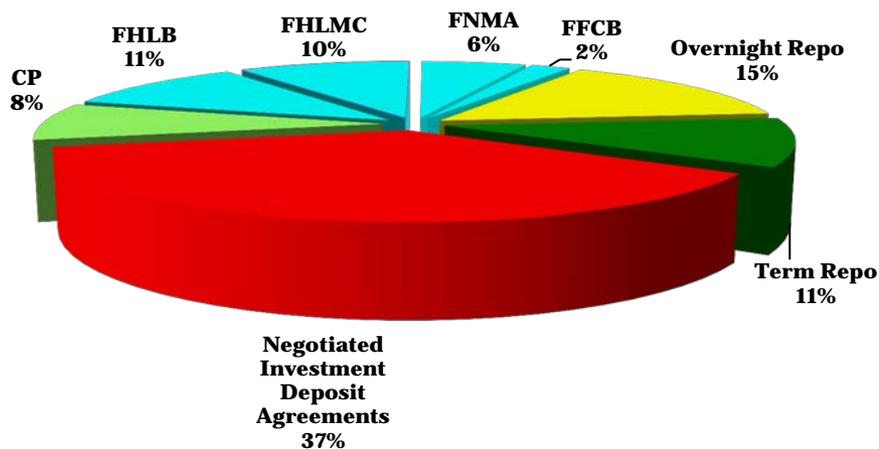


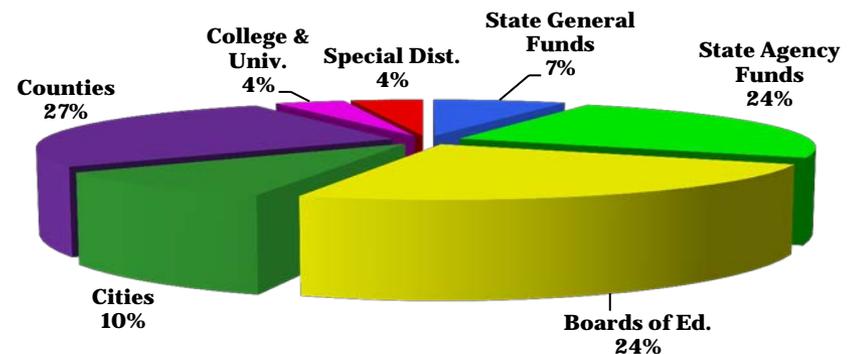
Georgia Fund 1 (GF1)

- 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
- 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 December 2014, GF1 participants earned .15% (15 bp)*.
- As of December 31, 2014, GF1 assets were \$10.7 billion.

Portfolio Composition

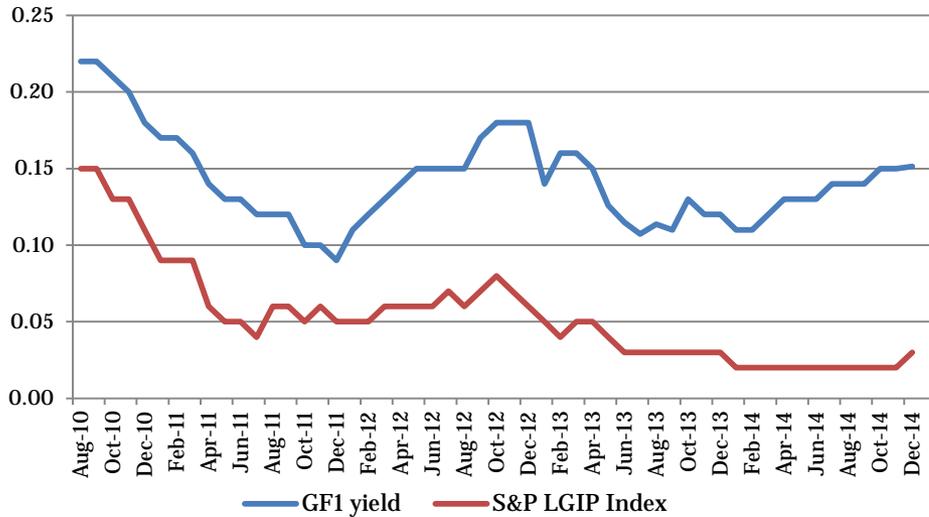


Account Holder Distribution



*Georgia Fund 1 yield is on an 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 51 days as of December 31, 2014. Repo rates averaged 11.8 bp for the month of December. In its final meeting of 2014, the Federal Open Market Committee (FOMC) altered the language of its policy statement. Based on its current assessment, the Committee judges “that it can be *patient* in beginning to normalize the stance of monetary policy.” Patient. We’ve all been patient for six years now. Could it finally happen in 2015? A weak employment report for December, slow retail sales and the continued decline in oil prices point to a more accommodative Fed for the rest of the year. Money markets have pushed out the timing of the first increase to the fourth quarter. Let’s hope so. Happy 2015!

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. Starting with fiscal year 2014, the investments will be valued for financial reporting purposes twice a year (June 30th and December 31st) at fair value and participants will be informed of the fair valuation factor (1.0000 for December 31, 2014) that enables them to adjust their statement balances to fair value.

Maturity Distribution

