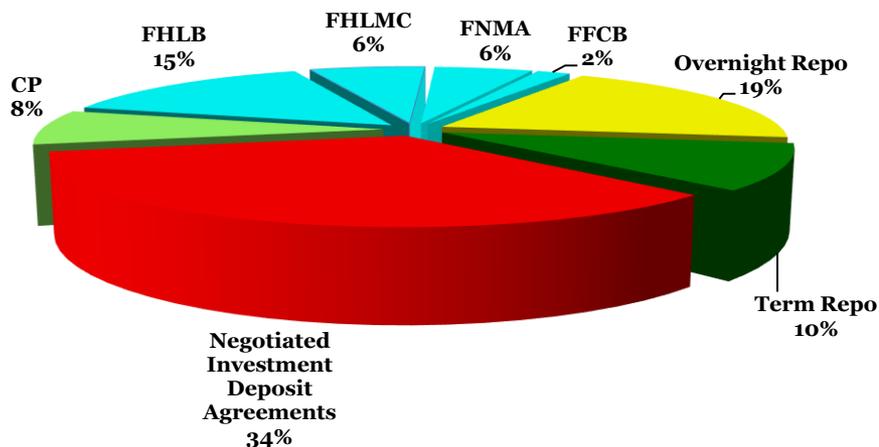


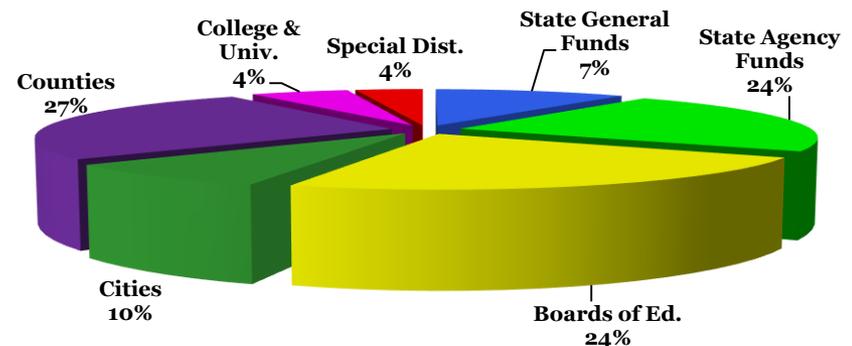
# Georgia Fund 1 (GF1)

- 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 January 2015, GF1 participants earned .14% (14 bp)\*.
- As of January 31, 2015, GF1 assets were \$11.4 billion.

## Portfolio Composition

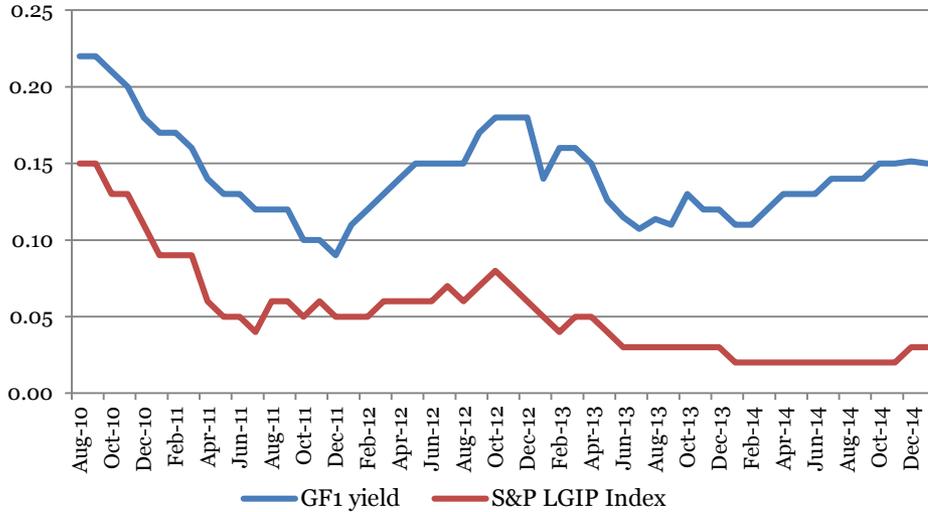


## Account Holder Distribution



\*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 58 days as of January 31, 2015. Repo rates averaged 8.9 bp for the month of January. The Federal Open Market Committee (FOMC) met at the end of January at which time the FOMC stated that information received since they met in December suggested economic activity “has been expanding at a solid pace. Labor market conditions have improved further, with strong job gains and a lower unemployment rate.” They also noted that recent declines in energy prices have boosted household spending power. The Fed has made it clear that its decisions will be data dependent. The employment report released the first Friday of February has led investors to believe the Fed will raise interest rates sooner. The probability of a hike by June rose to 27%. The odds of an increase by September rose to 59%. Sooner rather than later? 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 30<sup>th</sup> and December 31<sup>st</sup>) at fair value and participants will be informed of the fair valuation factor (1.0000 for both June 30, 2014 and December 31, 2014) that enables them to adjust their statement balances to fair value.

## Maturity Distribution

