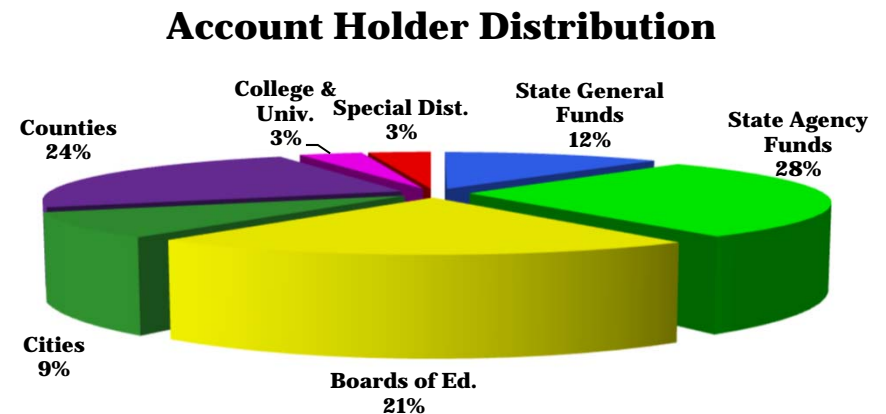
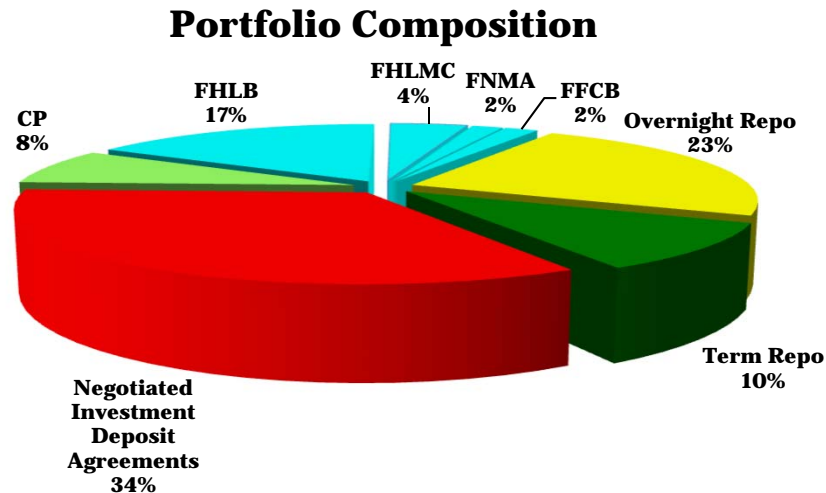


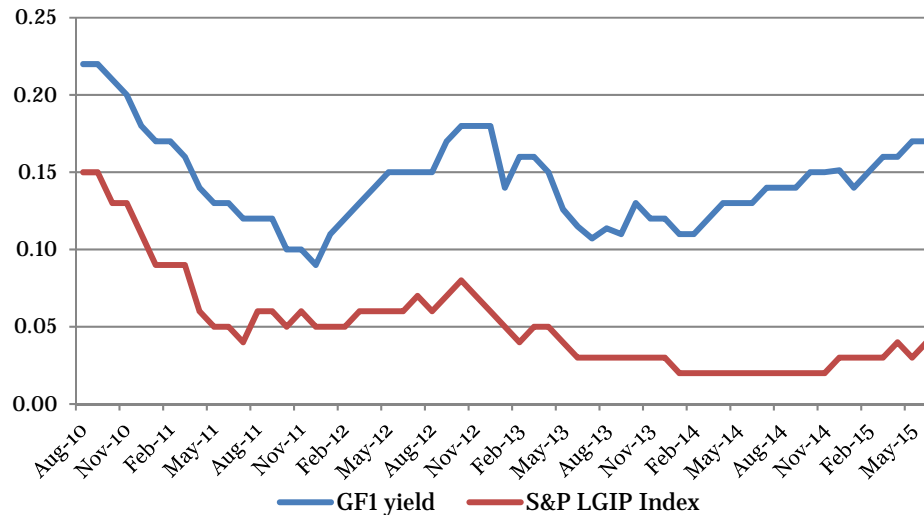
# Georgia Fund 1 (GF1)

- O.C.C.G § 36-83-1 to 36-83-8 authorizes Georgia local governments and other authorized entities to invest funds in 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.
- Yield calculated on an actual/365 day basis net of 3.3 basis points (bp) administrative fee.
- GF1 is rated AA+ by Standard & Poor’s.
- For the month of June 2015, GF1 participants earned .17% (17 bp)\*.
- As of June 30, 2015, GF1 assets were \$11.2 billion. The weighted average maturity (WAM) was 56 days.



\*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 90 days or less, with the maximum maturity of any investment limited to 397 days. The GF1 weighted average maturity (WAM) was 56 days as of June 30, 2015. Repo rates averaged 13.1 bp for the month of June. The net rate paid to participants continues to hold at 17 bp in June. As mentioned before, GF1 has negotiated investment agreements with several banks that provide overnight liquidity at rates significantly higher than overnight repos. As can be seen by the maturity distribution pie chart to the right, more than half of the portfolio is in overnight investments. These agreements continue to provide added yield to GF1 participants while reducing interest rate sensitivity if the Fed ever decides to raise interest rates. As summer comes to a close and football is just around the corner, so is the September FOMC meeting where the Fed is expected to finally raise interest rates. Will they or won't they? Seems like we've been in this situation before. Stay tuned.

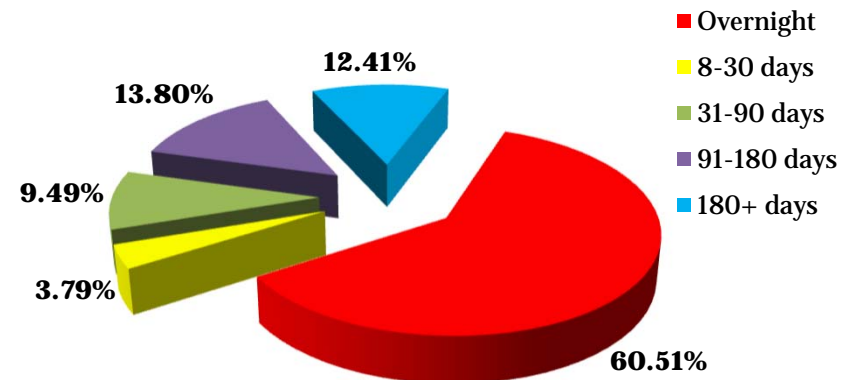
## In The News:

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, investments are valued for financial reporting purposes twice a year (June 30<sup>th</sup> and December 31<sup>st</sup>) at fair value. Participants will be informed of the fair valuation factor that enables them to adjust their statement balances to fair value.

At June 30, 2015, the fair valuation factor for Georgia Fund 1 was 1.0000.

## Maturity Distribution



**Georgia Fund 1 deposits are not guaranteed or insured by any bank, the FDIC, the Federal Reserve Board, the State of Georgia or any other agency.**