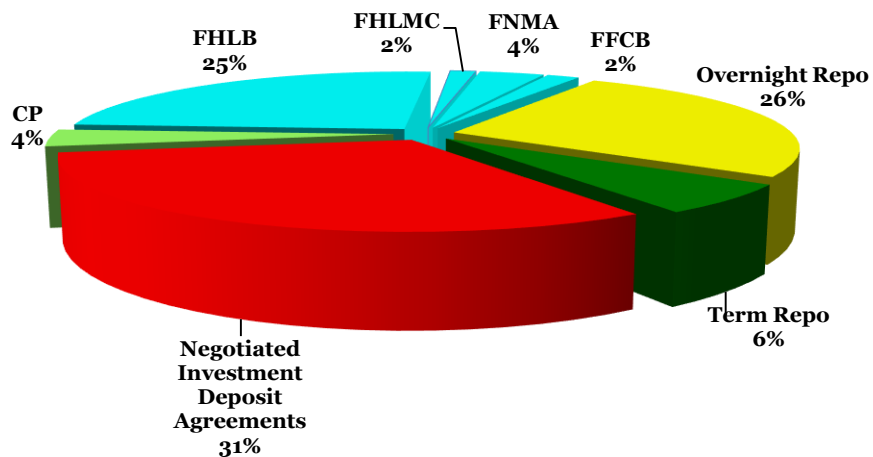


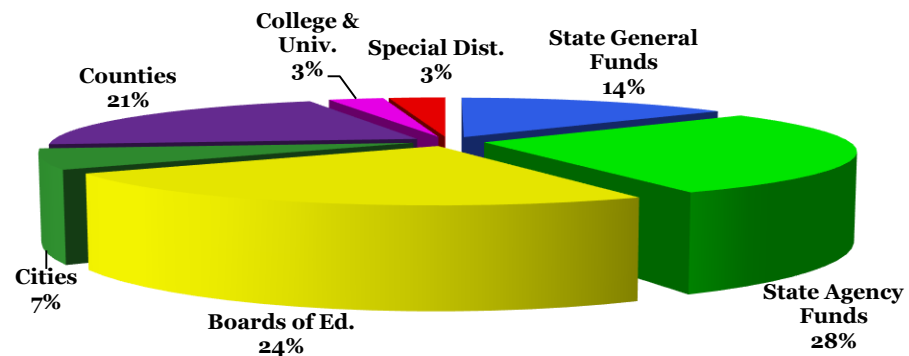
# Georgia Fund 1 (GF1)

- 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 in trust 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 Af by Standard & Poor’s.
- For the month of May 2016, GF1 participants earned .38% (38 bp)\*.
- As of May 31, 2016, GF1 assets were \$13.5 billion. The weighted average maturity (WAM) was 42 days.

## Portfolio Composition

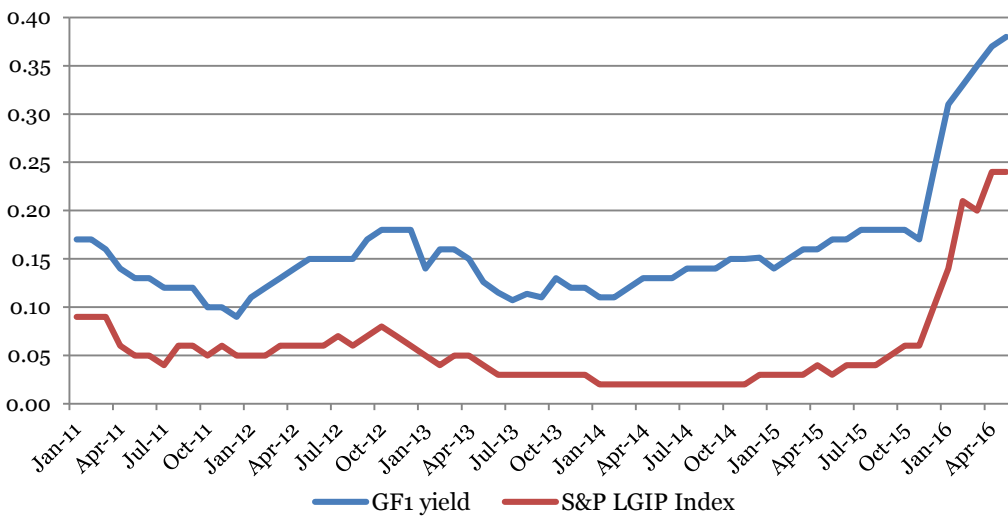


## Account Holder Distribution



\*Georgia Fund 1 yield is on an annualized basis.

## Monthly Yield



## Portfolio Strategy:

The primary objectives in managing GF1 are preservation of principal, liquidity, investment income and diversification. 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 42 days as of May 31, 2016. The annualized net rate paid to participants was 38 basis points in May.

The statement released after the Fed's April meeting stated that information received since the FOMC met in March indicated labor market conditions had improved further even as growth in economic activity appeared to have slowed. And just when market sentiment leaned towards a June increase in the Fed Funds rate, a weak May employment report led investors to believe that move was off the table. The economy added a mere 38,000 net new jobs in May, well below analysts' forecasts. This pushed the probability of a June hike to 4% from 22% and the odds of a July hike to 31% from 55%. This swing in sentiment happened within 24 hours and pushed the yield on the two-year treasury down 10 basis points to 0.78%.

Borrowing a line from the tune "Here It Goes Again", I guess there's gotta be a break in the monotony. The answer is simply when?

## In The News:

The Governmental Accounting Standards Board (GASB) issued guidance addressing how certain state and local government external investment pools and participants in external investment pools may measure and report their investments. GASB Statement No. 79, "Certain External Investment Pools and Pool Participants" permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes. Statement 79 replaces the reference in existing GASB literature to Rule 2a7 with criteria that are similar in many respects to those in Rule 2a7. The Statement also establishes additional note disclosure requirements for qualifying pools and for governments that participate in those pools. These required disclosures include information about limitations or restrictions on participant withdrawals.

The full text of GASB Statement 79 is available at [www.gasb.org](http://www.gasb.org)

Source: Governmental Accounting Standards Board

## Maturity Distribution

