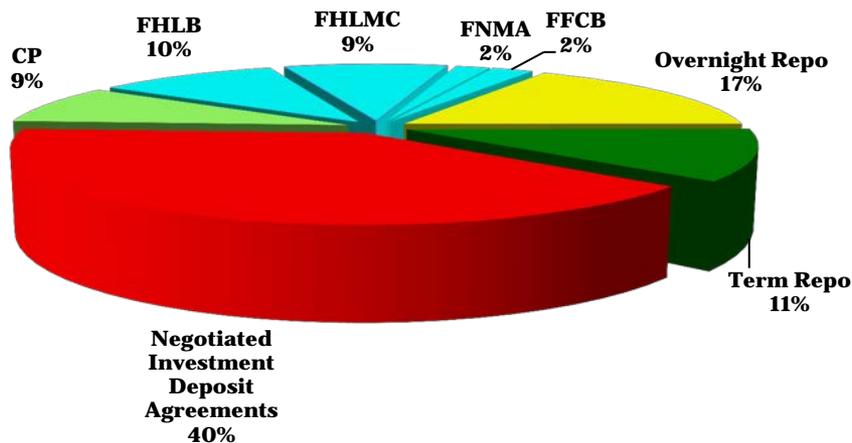


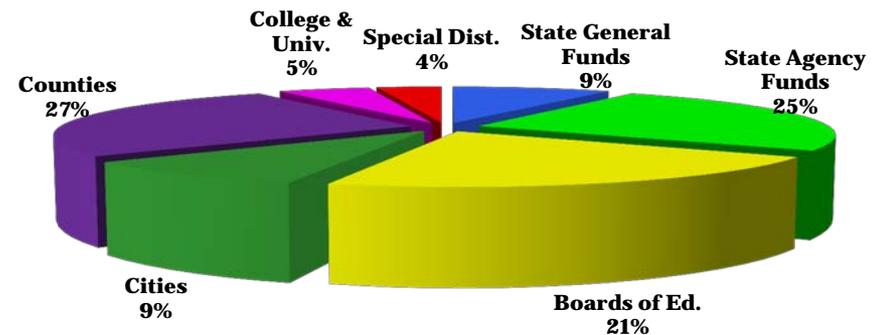
Georgia Fund 1 (GF1)

- 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 October 2014, GF1 participants earned .15% (15 bp)*.
- As of October 31, 2014, GF1 assets were \$10.2 billion.

Portfolio Composition

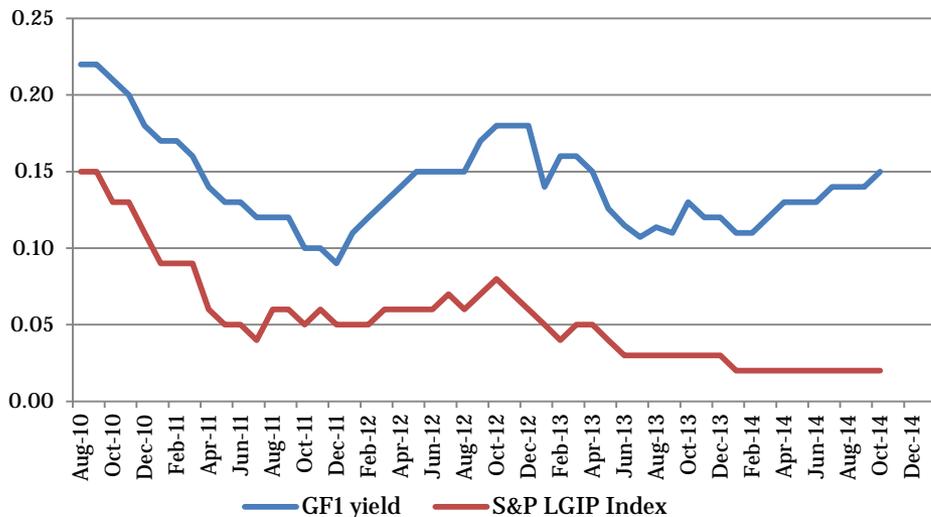


Account Holder Distribution



*Georgia Fund 1 yield is on an annualized basis.

Monthly Yield



In The News:

As we mentioned last month, the SEC voted in July in favor of adopting amendments to Rule 2a7 that govern money market funds to require institutional prime money market funds to adopt a floating net asset value (NAV). Although the SEC does not regulate LGIPs, our concern is that GASB 31 and 59 make reference to certain LGIPs being “2a7-like”. Our office coordinated a working group from the National Association of State Treasurers (NAST) and the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) in drafting a letter urging the Governmental Accounting Standards Board (GASB) to add the issue to its technical agenda and consider options allowing LGIPs to continue using amortized cost as a means of valuing a portfolio and continuing to operate with a stable NAV. Stay tuned.

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 64 days as of October 31, 2014. Repo rates averaged 8.3 bp for the month of October. In October, the Federal Open Market Committee (FOMC) announced it will phase out its bond-buying program, as expected. The Fed said it will continue to try to stimulate the economy by keeping interest rates low for a “considerable time” as it credits its historic intervention with improving the labor market. So for now it’s more of the same – Fed funds target at 0% to .25% for the foreseeable future.

Maturity Distribution

