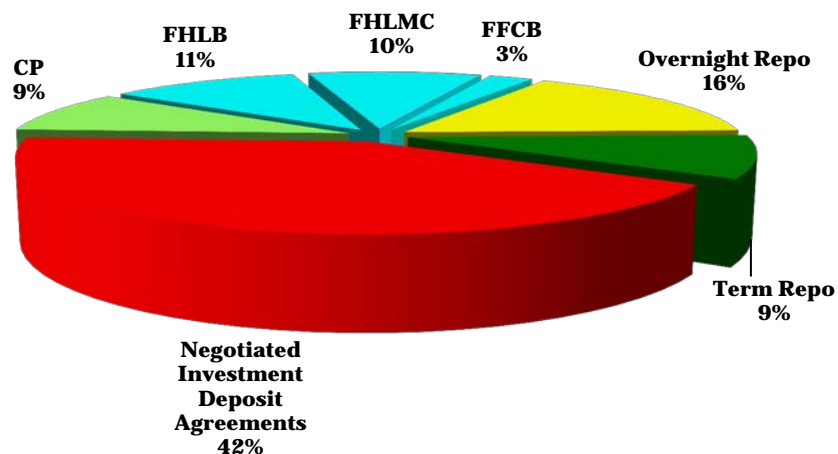


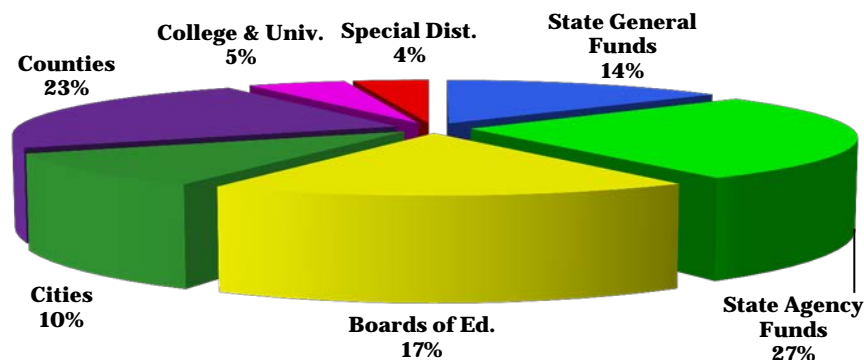
# Georgia Fund 1 (GF1)

- 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 September 2014, GF1 participants earned .14% (14 bp)\*.
- As of September 30, 2014, GF1 assets were \$9.6 billion.

**Portfolio Composition**

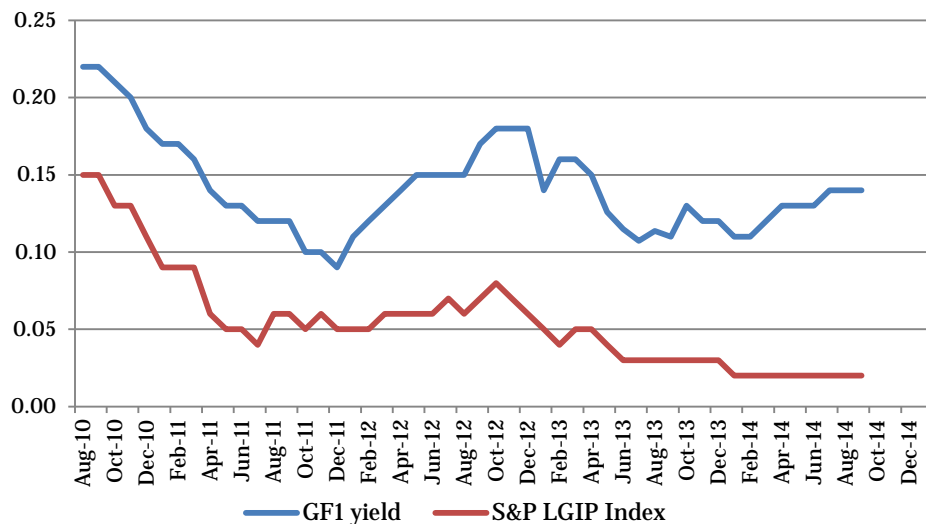


**Account Holder Distribution**



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

## Monthly Yield



## In The News:

On July 23<sup>rd</sup>, the SEC voted in favor of adopting amendments to Rule 2a7 that govern money market funds. The SEC does not regulate GF1 or other state-managed local government investment pools (LGIPs). How these amendments to Rule 2a7 will impact state-sponsored LGIPs has yet to be determined. The Office of the State Treasurer is working in concert with the National Association of State Treasurers (NAST); National Association of State Auditors, Comptrollers, and Treasurers (NASACT); and, the Governmental Accounting Standards Board (GASB) to determine whether operational changes will be required for GF1 and other stable NAV LGIPs. 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 66 days as of September 30, 2014. Repo rates averaged 5.7 bp for the month of September. In September, we continued to maintain a barbell strategy combining overnight repo positions and negotiated investment deposit agreements available upon demand at an average yield of 21 basis points with 6-month to 1-year agencies. More of the same as the Fed continues to keep the Fed Funds target between 0 to .25%.

## Maturity Distribution

