

# Georgia Extended Asset Pool

**Fund Credit Quality Ratings Definitions**

**AAAf** The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

**AAf** The fund's portfolio holdings provide very strong protection against losses from credit defaults.

**Af** The fund's portfolio holdings provide strong protection against losses from credit defaults.

**BBBf** The fund's portfolio holdings provide adequate protection against losses from credit defaults.

**BBf** The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

**Bf** The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

**CCCf** The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

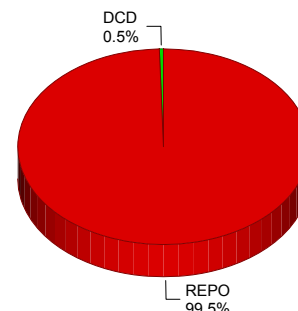
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

Fund Credit quality ratings, identified by the 'f' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

About the Pool

|                    |   |
|--------------------|---|
| Pool Rating        | <b>AA+f / S1</b>                        |
| Pool Type          | Variable NAV Government Investment Pool |
| Investment Adviser | Office of the State Treasurer           |
| Portfolio Manager  | Laura B. Glenn, CFA<br>Mark W. Jones    |
| Pool Rated Since   | November 2000                           |
| Custodian          | State Street Corp.                      |
| Distributor        | Office of the State Treasurer           |

Portfolio Composition as of March 31, 2017



REPO - Repurchase Agreement; DCD - Fixed Rate Certificate of Deposit

\*As assessed by S&P Global Ratings

**Pool Highlights**

- The Georgia Extended Asset Pool (GEAP) commenced operations on July 1, 2000, with \$700 million of funds from the state of Georgia.
- The pool has several investors, including cities, boards of education, state agency trust funds, and public universities.

**Management**

GEAP was established as a second investment option for municipalities within the state that have longer-term investment needs. GEAP is only available to those local governments and public entities that have core deposits or reserves available for investment periods of one year or longer and a minimum opening account balance of \$1 million or more. The Office of the State Treasurer (OST) assumes the daily responsibility of managing the assets of the pool. The state of Georgia has hired an independent third party, State Street Corporation, to perform custodial and evaluation services.

**Credit Quality**

GEAP invests in U.S. Treasury bills, U.S. Treasury notes, securities issued by federal agencies and instrumentalities, collateralized bank investment agreements and repurchase agreements with highly-rated counterparties. The maximum final maturity of any security purchased by the pool is limited to five years. The duration of the pool will be managed between six and 18 months. Because of the strong credit quality of the portfolio's assets and eligible investments, S&P Global rates GEAP 'AA+f'.

**Portfolio Assets**

GEAP holds a S&P Global's volatility rating of 'S1'. This rating, which demonstrates the pool's low

sensitivity to changing market conditions, is based on the fund's conservative investment policies, tight maturity restrictions, and profile of little historical risk. The rating, which is the result of a comprehensive analysis of the pool's investment holdings and strategies, historical return volatility, and management, signifies that the pool possesses an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years. The primary objective of GEAP is the prudent management of public funds on behalf of the state and local governments throughout Georgia. When compared to Georgia Fund 1--which is a stable net asset value (NAV) pool with a weighted average maturity to reset (WAM(R)) of 60 days or less--GEAP differs as it is a variable NAV pool comprised of longer-dated securities. The value of shares of GEAP will fluctuate with changes in market conditions. GEAP was designed for investors seeking income higher than income from money market rates and willing to accept price fluctuations. For more information on GEAP, please visit <http://ost.georgia.gov>.

**S&P Global Ratings Analyst:** Peter Gargiulo - (1) 212-438-5423

[www.spratings.com](http://www.spratings.com)

*Participants should consider the investment objectives, risks, charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.*

**Volatility Ratings Definitions**

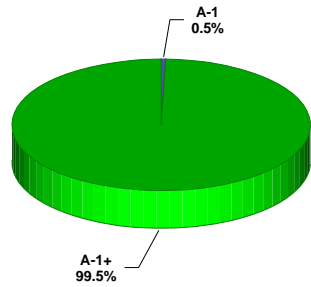
- S1** Low sensitivity to changing market conditions. Within this category of (S-1) certain funds may be designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions.
  - S2** Low to moderate sensitivity to changing market conditions.
  - S3** Moderate sensitivity to changing market conditions.
  - S4** Moderate to high sensitivity to changing market conditions.
  - S5** High sensitivity to changing market conditions.
  - S6** Highest sensitivity to changing market conditions.
- Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

Not all bond funds have volatility ratings

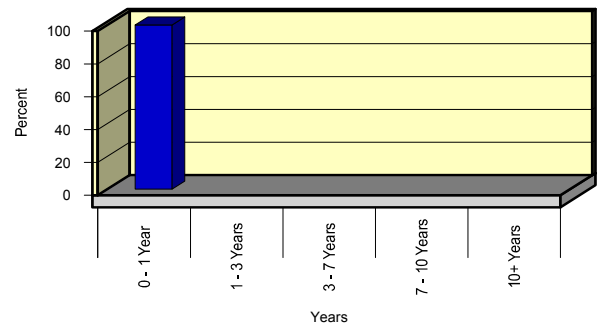
**Data Bank as of March 31, 2017**

|                    |        |                            |           |
|--------------------|--------|----------------------------|-----------|
| Ticker Symbol..... | N/A    | Net Assets (millions)..... | \$175.00  |
| NAV.....           | \$1.99 | Inception Date.....        | July 2000 |

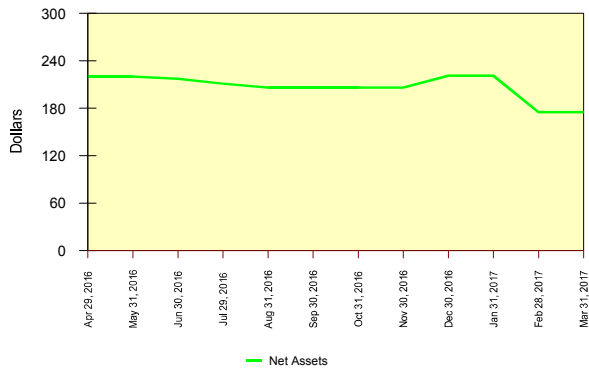
Portfolio Credit Quality as of March 31, 2017 \*



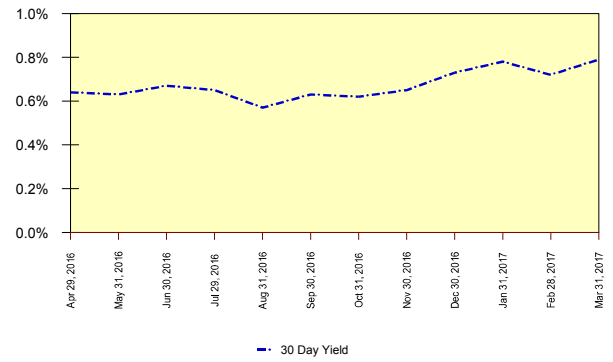
Portfolio Maturity Distribution as of March 31, 2017



Net Assets as of March 31, 2017



Portfolio 30 Day Yield as of March 31, 2017



**Top Ten Holdings as of March 31, 2017**

|                        | <u>Security</u> | %     |  | <u>Security</u> | % |
|------------------------|-----------------|-------|--|-----------------|---|
| HSBC REPO              |                 | 53.92 |  |                 |   |
| RBC CAPITAL MARKETS    |                 | 28.49 |  |                 |   |
| HSBC REPO              |                 | 17.12 |  |                 |   |
| BRANCH BANKING + TRUST |                 | 0.47  |  |                 |   |

A Volatility Rating is not a credit rating. S&P Global Ratings is neither associated nor affiliated with the fund.  
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