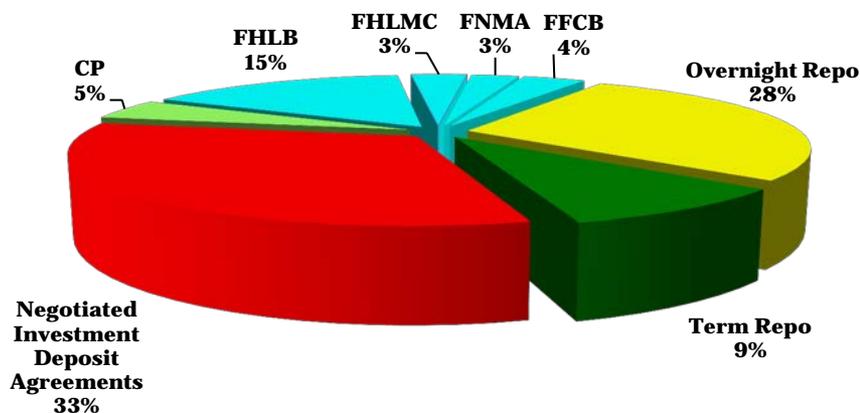


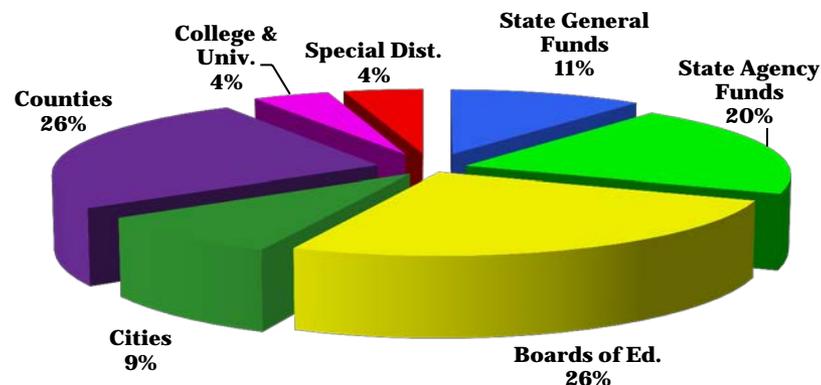
Georgia Fund 1 (GF1)

- 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 bp administrative fee.
- GF1 is currently rated AA Af* by Standard & Poor’s.
- For the month of January 2013, GF1 participants earned .14% (14 basis points).
- As of January 31st, GF1 assets were \$10.1 billion.

Portfolio Composition

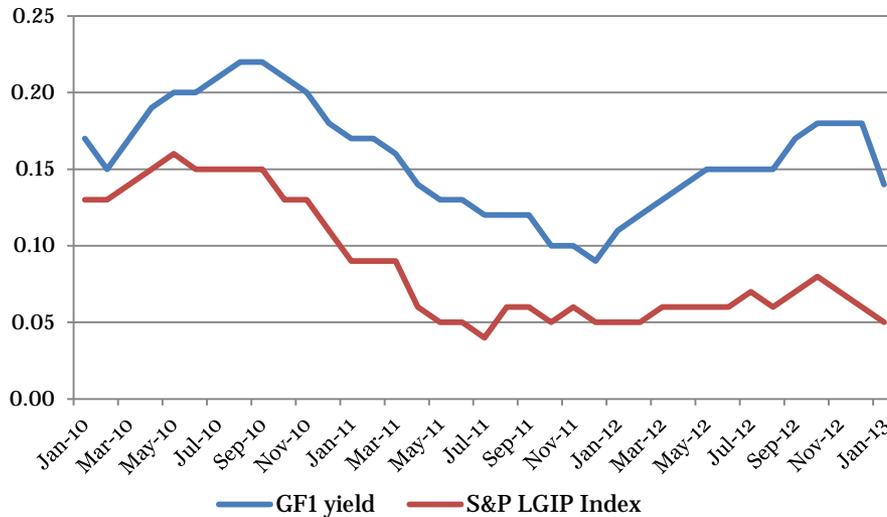


Account Holder Distribution



*See "In the news" on page 2 for information on the rating.

Monthly Yield



In The News:

Standard & Poor's (S&P) changed its ratings on GF1 to a 'AAAF' fund credit quality rating and a 'S1+' fund volatility rating from a 'AAAm' principal stability rating on December 18th. The change was made at OST's request to allow more flexibility to manage GF1 to less restrictive criteria given the sustained period of extremely low interest rates. Preservation of principal remains our primary investment objective and OST will continue to manage GF1 assets in a manner intended to preserve principal, provide liquidity and generate interest income which meets or exceeds the monthly net yield of the S&P Government Investment Pool Index.

Portfolio Strategy:

The GF1 weighted average maturity (WAM) was 49 days as of January 31, 2013. Repo rates declined in January with an average repo rate for GF1 of 12 basis points, down 8 basis points from the December average of 20 basis points. The rate to borrow and lend securities in the repo market fell as government debt may have served as an alternative to insured bank deposits after the expiration of the TAG insurance on noninterest-bearing transaction accounts at December 31, 2012. With approximately 30% of the fund invested in overnight repos, the decline in the repo rate dropped the rate paid to GF1 shareholders to .14% for January, down 4 basis points from December 2012.

Maturity Distribution

