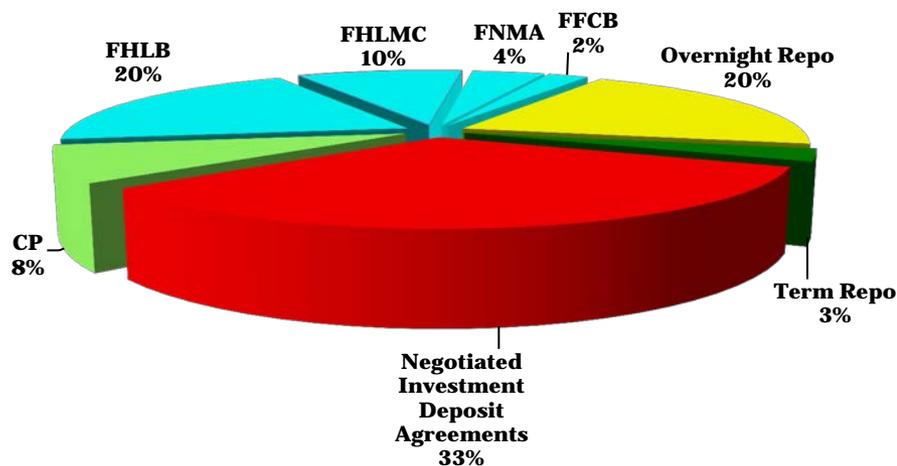


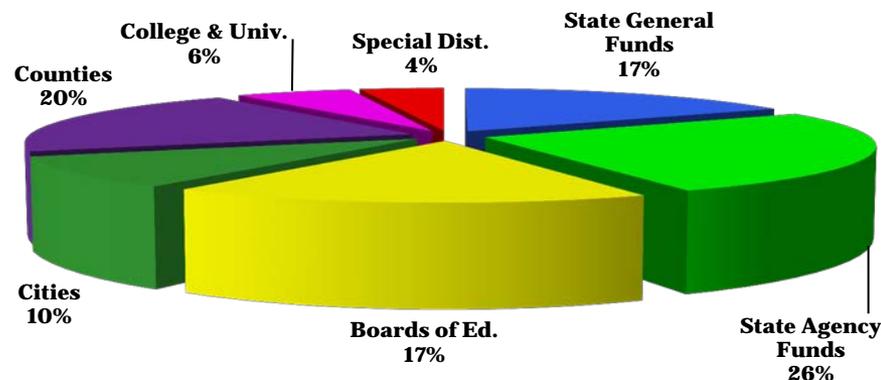
Georgia Fund 1 (GF1)

- 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 September 2013, GF1 participants earned .11% (11 bp).
- As of September 30th, GF1 assets were \$9.6 billion.

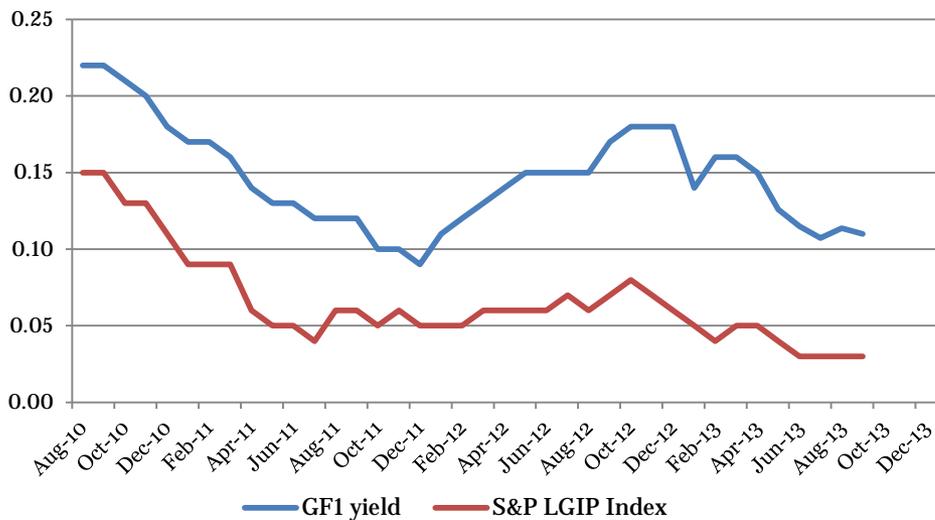
Portfolio Composition



Account Holder Distribution



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:

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 56 days as of September 30, 2013. Repo rates averaged 4.9 basis points for the month of September, down .4 basis point from the month of August. The target range for the federal funds rate remains at zero to ¼ percent and the market's perception based on fed funds futures is the Fed is on hold through mid 2014. We continued to implement a barbell strategy by combining overnight repo positions at 4.9 basis points and overnight CP at 10 basis points with 1-year agencies at an average yield of 16 basis points.

Maturity Distribution

