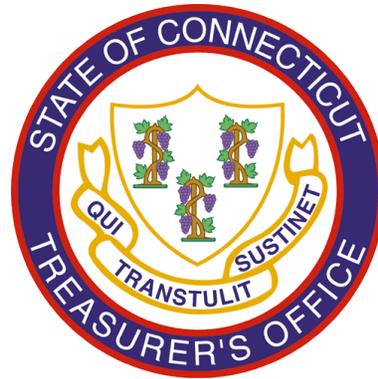


CONNECTICUT  
STATE TREASURER'S  
SHORT-TERM  
INVESTMENT FUND



Quarterly Report

Quarter Ending December 31, 2000

Denise L. Nappier  
State treasurer



## Message From the Treasurer

### **Dear Fellow Investor:**

Even as the economy has faced new challenges, the performance of the Connecticut Treasury's Short-Term Investment Fund continues to be strong.

At the end of the calendar year, Standard & Poor's, the leading rating agency of money market funds and local government investment pools, reaffirmed STIF's AAAM rating, the highest available. S&P monitors the fund on a weekly basis to ensure that we maintain the safety and liquidity you deserve. We are pleased that we have once again earned this superior rating.

During the second quarter of this new fiscal year, as this quarterly report indicates, STIF earned an effective yield of 6.92. Our benchmark, the *IBC First-Tier Institutions-Only Rated Money Fund Index of AA-AAA Funds* earned an effective yield of 6.48. Thus, STIF out-performed our benchmark by a strong 44 basis points (BP) during the quarter. In addition, our operating expenses and reserve transfers totaled approximately 13 BP, well below the national average of 39 BP. In the quarter, STIF earned \$4.3 million more for its participants than the IBC index.

We are pleased that the word is spreading about STIF. We currently have 235 municipalities and local entities investing in STIF, more than a 50 percent increase over the 151 municipalities and local entities investing in STIF in 1996. We intend to build on that growth throughout this year, and continue to work with state, regional and municipal agencies and authorities across Connecticut.

Thank you for your continued confidence in STIF. Please don't hesitate to share any comments or suggestions with us.

**Sincerely,**



**Denise L. Nappier**  
Treasurer, State of Connecticut

**February, 2001**

## Economic Update

The U.S. has experienced the longest peacetime economic expansion in its history. From March of 1991, when, according to the National Bureau of Economic Research (NBER), the last recession ended, to the third quarter of 2000, when the last data was available, the Gross Domestic Product (GDP) has grown over 70 percent, or 5.8 percent per year on a nominal basis. Inflation meanwhile has been low. Using the GDP deflator, as the broadest measure of inflation, the cost of living has increased by only 2 percent per annum during the same period. The increase in the Consumer Price Index was higher, at 2.7 percent annually from March 31, 1991 to the end of September 1992.

The financial wealth of Americans has also increased during this period. Using the S&P 500 Index as a proxy, equities have experienced price appreciation of almost, 283 percent, or 15.2 percent annually from March 31, 1991 to September 30, 2000. If dividends were reinvested in the index, the total return would be over 372 percent, or 17.7 percent per annum. Even taking into account the recent downturn in the stock market, the S&P 500 has had a total annual return of 16.3 percent from the end of March 1991, to December 29, 2000.

Employee compensation has also increased. Using the Employment Cost Index (ECI) as a broad measure of worker compensation, salaries and fringe benefits have increased at an annual rate of 3.4 percent from the second quarter of 1991 to September 30, 2000 the latest date for which data was available. Over the last year, with the tight labor market, employees have done even better, with compensation costs growing at an annual rate of 4.3 percent in the twelve months preceding the last reported period on September 30, 2000.

The GDP of the U.S. has increased from approximately 26 percent of the world GDP in 1992 to almost 30 percent today. Today, however many fear that the good times may be over. The increase in the Fed Funds rate by 175 basis points from May of 1999 to early January may have had more than the desired effect in slowing down the U.S. economy. The National Association of Purchasing Managers-Manufactures (NAPM) index fell to 43.7 percent in December, the fifth consecutive month below 50 percent and its lowest level since April 1991, at the end of the last recession. The NAPM is a diffusion index; numbers below 50 percent indicate a contraction.

Retail sales were disappointing in the fourth quarter of calendar year 2000; retail sales fell by an annual rate of two percent, the steepest decline since the fourth quarter of 1990. In addition, energy costs were rising and profits were being squeezed. Though the economy is slowing down, some say it is not as weak as some forecasters have written. According to R.H.Wrightson & Associates December 2000 was the coldest December on record. The

cold weather, combined with rising energy costs, forced many industrial firms to curtail production. Wrightson reported that in the Pacific Northwest aluminum companies closed down their operations because they could make more money selling the electricity they contracted for to energy short California than by making aluminum. This would adversely affect industrial production statistics but would not necessarily reflect declining demand.

The stock market is considered a leading indicator of future economic performance and its performance in 2000 has not been reassuring. The Dow declined by over six percent in calendar 2000, the S&P 500 by over 10 percent and the NASDAQ declined by over 39 percent in the year. Increasing the market's concerns about the economy, the Fed, in a largely unexpected move, decreased the Fed Funds Rate and the largely symbolic Discount Rate by 50 BP in early January, between the Federal Open Market Committee (FOMC) meetings. The last time the Fed lowered interest rates between FOMC meetings was in October of 1998, in response to a global financial crisis. Market participants wondered if the Fed had more negative information about the economy than was presently public.

Though the odds of a recession have increased, and a minority of economists believe it is too late to prevent one, the odds still favor a soft landing for the U.S. economy. One event that could put the American economy into a recession is the energy shortage in California. California alone produces 1/8 of America's GDP.

The Fed lowered interest rates by 50 basis points on January 31 and left the door open for further cuts. The market expects more easings by the Fed with the Fed Funds rate ending up between 4.00 percent and 5.25 percent by the end of this year. In the short end, the yield curve is inverted, with shorter maturities earning higher yields than longer ones as the market expects interest rates to decline precipitously.

The new economy, which has performed so well for so long, has turned around faster and more severely than anyone expected. STIF's management is extending as long as it can while still earning close to a current market yield. As always, we appreciate your confidence and pledge our efforts to provide you with safety, liquidity, and strong investment returns.

**Short-Term Investment fund**  
Comparative Monthly Annualized Yields (%) (unaudited)

	<u>STIF</u>		<u>IBC Index (a)</u>	
	<u>Yield (b)</u>	<u>Effective Yield (c)</u>	<u>Yield (b)</u>	<u>Effective Yield (c)</u>
Oct-00	6.59	6.79	6.29	6.47
Nov-00	6.77	6.98	6.29	6.47
Dec-00	6.77	6.98	6.30	6.49
Average	6.71	6.92	6.29	6.48

- (a) IBC First-Tier Institutions-Only Rated Money Fund Index.  
 (b) Annualized simple interest yield less expenses.  
 (c) Annualized compounded yield less expenses.

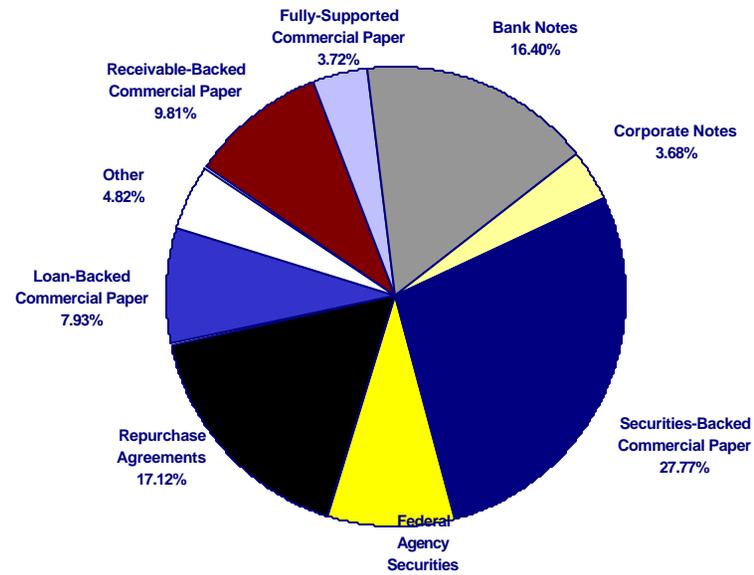
**Note:** Annualized returns are provided to allow comparisons to SEC-registered money market mutual funds, which report on that basis.

**Short-Term Investment fund**  
Rate of Return (%)  
Period ended December 31, 2000 (unaudited)

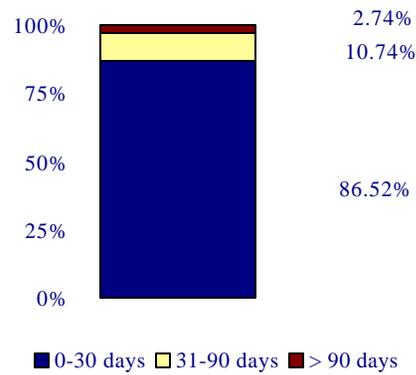
	<u>Three- Month (a)</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>10 Year</u>
STIF	1.70	6.64	5.91	5.83	5.68	5.49
IBC Index (b)	1.58	6.21	5.53	5.44	5.29	4.92

- (a) Three-month rate of return is not annualized.  
 (b) IBC First-Tier Institutions-Only Rated Money Fund Index.

Short-Term Investment fund  
Distribution by Investment Type at December 31, 2000



Short-Term Investment fund  
Distribution by Maturity\* at December 31, 2000



Weighted Average Maturity\* = 19.91 days  
\* Includes interest rate reset periods.



**Short-Term Investment fund**  
**List of Investments at December 31, 2000 (unaudited)**

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
<b>BANKERS' ACCEPTANCES (0.73%)</b>						
\$ 25,000,000	Fleet Bank 6.57, 01/08/01	6.58	\$ 24,968,063	\$ 24,968,063	A-1	3390H6001
2,000,000	Fleet Bank 6.55, 02/07/01	6.59	1,986,536	1,986,536	A-1	3390H6001
1,613,000	Fleet Bank 6.51, 03/01/01	6.58	1,595,791	1,595,791	A-1	3390H6001
<b>\$ 28,613,000</b>	<b>Total</b>		<b>\$ 28,550,389</b>	<b>\$ 28,550,389</b>		
<b>CERTIFICATES OF DEPOSIT (1.29%)</b>						
\$ 10,000,000	Commerzbank 6.53, 01/08/01	6.58	\$ 9,999,909	\$ 10,000,000	A-1+	20259V008
10,000,000	First Union 7.10, 05/15/01	7.10	10,000,000	10,000,000	A-1	33799J005
10,000,000	First Union 7.26, 06/01/01	7.26	10,000,000	10,000,000	A-1	33799M008
10,000,000	First Union 7.06, 06/05/01	7.06	10,000,000	10,000,000	A-1	3209959H8
10,000,000	Union Bank of Switzerland 6.45, 01/02/01	6.50	9,999,987	9,999,987	A-1+	9O261E005
<b>\$ 50,000,000</b>	<b>Total</b>		<b>\$ 49,999,896</b>	<b>\$ 49,999,987</b>		
<b>BANK NOTES (16.40%)</b>						
\$ 50,000,000	Abbey National Treasury 6.45, 01/08/01	6.72	\$ 49,988,402	\$ 49,988,402	A-1+	00279UFE2
10,000,000	Bank of New York 7.22, 05/09/01	6.40	9,999,006	10,018,100	A-1+	06406KJA1
10,000,000	Bank One 6.73, 02/07/01	6.30	9,999,615	10,000,500	A-1	06423F003
2,500,000	Bank One 6.35, 03/19/01	6.40	2,497,927	2,499,125	A-1	06421VAC3
13,000,000	Bank One 6.35, 03/19/01	6.40	13,001,082	12,995,450	A-1	06421VAC3
50,000,000	BankAmerica 6.78, 09/06/01, weekly reset	6.65	50,000,000	50,040,500	A-1+	06050TCE0
10,000,000	FCC National Bank 6.79, 04/23/01, quarterly reset	6.73	9,997,407	10,007,000	A-1	30241NS71
25,000,000	First Union 6.85, 06/04/01, daily reset	6.65	25,000,000	25,021,500	A-1	33737XGS1
1,000,000	First USA Bank 6.13, 06/25/01	6.40	998,513	998,670	A-1	33744CAB1
5,000,000	First USA Bank 6.13, 06/25/01	6.40	4,993,692	4,993,350	A-1	33744CAB1
2,000,000	Fleet Bank 6.82, 04/09/01	6.40	2,000,845	2,001,720	A-1	338925AN0
50,000,000	Fleet Bank 6.81, 04/26/01, daily reset	5.61	49,996,972	50,014,500	A-1	3390IMMU3
25,000,000	Fleet Bank 6.79, 06/01/01, daily reset	6.65	24,999,019	25,014,500	A-1	33901MBB7
25,000,000	Fleet Bank 7.00, 08/10/01, daily reset	6.65	25,000,000	25,053,250	A-1	33901MHB1
25,000,000	Fleet Bank 7.00, 09/27/01, daily reset	5.61	25,000,000	25,047,500	A-1	33901MJV5
3,755,000	Fleet Bank 6.78, 07/31/02, monthly reset	6.66	3,752,411	3,759,994	A-1	3390IMMV1
10,000,000	Fleet Bank 7.01, 08/02/02, weekly reset	6.50	10,000,000	10,030,500	A-1	33901MEP3
15,000,000	Fleet Bank 7.01, 08/02/02, weekly reset	6.50	15,000,000	15,045,750	A-1	33901MEP3
25,000,000	Key Bank 6.82, 01/25/01, daily reset	5.56	24,999,646	25,002,000	A-1	49306BHK2
25,000,000	Key Bank 6.82, 01/25/01, daily reset	5.56	24,999,328	25,002,000	A-1	49306BHK2
50,000,000	Key Bank 6.78, 11/06/02, daily reset	6.75	49,990,227	50,026,500	A-1	49306BLM3

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
75,000,000	Key Bank 6.79, 11/06/02, daily reset	6.70	75,000,000	75,053,250	A-1	49306BLL5
50,000,000	National City Bank 6.77, 11/07/02, daily reset	6.75	49,982,596	50,017,000	A-1	634902FP0
25,000,000	National City Bank 6.79, 11/13/02, daily reset	6.75	24,995,611	25,017,750	A-1	634902FU9
50,000,000	National City Bank 6.79, 11/13/02, daily reset	6.75	49,991,222	50,035,500	A-1	634902FU9
1,000,000	US Bank 6.70, 06/20/01, monthly reset	6.66	999,234	1,000,560	A-1	90332WAC3
4,000,000	Wachovia Bank 6.30, 03/15/01	6.30	4,000,000	3,999,600	A-1+	92976QFQ7
<b>\$ 637,255,000</b>	<b>Total</b>		<b>\$ 637,182,757</b>	<b>\$ 637,684,471</b>		
<b>FULLY-SUPPORTED COMMERCIAL PAPER (3.72%)</b>						
\$ 45,000,000	CXC Inc. 6.61, 01/08/01	6.61	\$ 44,942,206	\$ 44,942,206	A-1+	126999002
10,000,000	Enterprise Funding 6.65, 01/12/01	6.66	9,979,681	9,979,681	A-1+	293998001
1,598,000	Steamboat Funding 6.75, 01/16/01	6.77	1,593,506	1,593,506	A-1+	85788L003
27,772,000	Steamboat Funding 6.75, 01/16/01	6.77	27,693,891	27,693,891	A-1+	85788L003
15,100,000	Trident Capital Financing 6.80, 01/04/01	6.80	15,091,443	15,091,443	A-1+	8961J2000
25,000,000	Tulip Funding 6.63, 01/16/01	6.65	24,930,937	24,930,937	A-1+	89929T008
20,310,000	Ullswater Corp 6.62, 01/12/01	6.63	20,268,917	20,268,917	A-1	90374L003
<b>\$ 144,780,000</b>	<b>Total</b>		<b>\$ 144,500,582</b>	<b>\$ 144,500,582</b>		
<b>LOAN-BACKED COMMERCIAL PAPER (7.93%)</b>						
\$40,000,000	Citation Capital Inc 6.67, 01/12/01	6.68	\$39,918,478	\$39,918,478	A-1+	17288T004
25,000,000	Citation Capital Inc 6.67, 01/16/01	6.69	24,930,521	24,930,521	A-1+	17288T004
8,000,000	Citation Capital Inc 6.80, 01/19/01	6.82	7,972,800	7,972,800	A-1+	17288T004
20,000,000	Citation Capital Inc 6.65, 01/29/01	6.68	19,896,556	19,896,556	A-1+	17288T004
3,432,000	Fountain Square 6.65, 01/10/01	6.66	3,426,294	3,426,294	A-1+	35075R007
1,258,000	Fountain Square 6.77, 01/16/01	6.79	1,254,451	1,254,451	A-1+	35075R007
8,615,000	Fountain Square 6.61, 01/19/01	6.63	8,586,527	8,586,527	A-1+	35075R007
50,000,000	Spices Trust IV 6.70, 01/19/01	6.72	49,832,500	49,832,500	A-1+	8484E2009
50,000,000	Spices Trust IV 6.70, 01/19/01	6.72	49,832,500	49,832,500	A-1+	8484E2009
50,000,000	Spices Trust IV 6.70, 01/22/01	6.73	49,804,583	49,804,583	A-1+	8484E2009
50,000,000	Spices Trust IV 6.70, 01/22/01	6.73	49,804,583	49,804,583	A-1+	8484E2009
2,809,000	Sweetwater Capital 6.60, 02/13/01	6.65	2,786,856	2,786,856	A-1+	87047N002
<b>\$ 309,114,000</b>	<b>Total</b>		<b>\$ 308,046,650</b>	<b>\$ 308,046,650</b>		
<b>MULTI-BACKED COMMERCIAL PAPER (1.18%)</b>						
\$ 25,000,000	Four Winds Funding 6.65, 01/23/01	6.68	\$ 24,898,403	\$ 24,898,403	A-1+	35103L006

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
20,000,000	Scaldis Capital 6.62, 02/08/01	6.67	19,860,244	19,860,244	A-1+	80584T003
1,000,000	Silver Tower Funding 6.70, 03/01/01	6.77	989,019	989,019	A-1+	82831M005
<b>\$ 46,000,000</b>	<b>Total</b>		<b>\$ 45,747,667</b>	<b>\$ 45,747,667</b>		
<b>RECEIVABLE-BACKED COMMERCIAL PAPER (9.81%)</b>						
\$ 49,619,000	ABSC Capital Corp 6.60, 01/12/01	6.61	\$ 49,518,935	\$ 49,518,935	A-1+	0007T2000
25,000,000	ABSC Capital Corp 6.50, 03/07/01	6.35	24,706,597	24,700,139	A-1+	0007T2000
50,000,000	ABSC Capital Corp 6.50, 03/07/01	6.35	49,413,194	49,400,278	A-1+	0007T2000
26,284,000	Asset Portfolio Funding 6.65, 01/12/01	6.66	26,230,592	26,230,592	A-1+	04542T004
25,000,000	Barton Capital Corp 6.65, 01/12/01	6.66	24,949,201	24,949,201	A-1+	06945F002
50,000,000	Frigate Funding 6.70, 01/02/01	6.70	49,990,694	49,990,694	A-1	35862L007
25,000,000	Liberty Street 6.62, 01/05/01	6.62	24,981,611	24,981,611	A-1	53127T004
15,344,000	Quincy Capital Corp 6.65, 01/12/01	6.66	15,312,822	15,312,822	A-1+	74838U007
25,000,000	Quincy Capital Corp 6.63, 01/12/01	6.64	24,949,354	24,949,354	A-1+	74838U007
27,411,000	Twin Towers 6.72, 01/12/01	6.73	27,354,716	27,354,716	A-1+	901993006
31,280,000	Twin Towers 6.75, 01/19/01	6.77	31,174,430	31,174,430	A-1+	901993006
32,589,000	Twin Towers 6.70, 01/22/01	6.73	32,461,631	32,461,631	A-1+	901993006
<b>\$ 382,527,000</b>	<b>Total</b>		<b>\$ 381,043,779</b>	<b>\$ 381,024,404</b>		
<b>SECURITIES-BACKED COMMERCIAL PAPER (27.77%)</b>						
\$ 7,185,000	Aeltus CBO V 6.63, 01/18/01	6.65	\$ 7,162,505	\$ 7,162,505	A-1+	0076A3003
19,500,000	Aeltus CBO V 6.63, 01/19/01	6.65	19,435,358	19,435,358	A-1+	0076A3003
25,000,000	Amstel Funding 6.61, 01/02/01	6.61	24,995,410	24,995,410	A-1+	03218R003
25,000,000	Amstel Funding 6.62, 01/05/01	6.63	24,981,611	24,981,611	A-1+	03218R003
25,000,000	Amstel Funding 6.61, 01/08/01	6.62	24,967,868	24,967,868	A-1+	03218R003
20,500,000	Amstel Funding 6.60, 01/09/01	6.61	20,469,933	20,469,933	A-1+	03218R003
25,000,000	Amstel Funding 6.62, 01/12/01	6.63	24,949,431	24,949,431	A-1+	03218R003
25,000,000	Amstel Funding 6.63, 01/12/01	6.64	24,949,354	24,949,354	A-1+	03218R003
25,024,000	Amstel Funding 6.62, 01/12/01	6.63	24,973,382	24,973,382	A-1+	03218R003
25,813,000	Amstel Funding 6.60, 01/12/01	6.61	25,760,944	25,760,944	A-1+	03218R003
25,000,000	Amstel Funding 6.61, 02/09/01	6.66	24,820,979	24,820,979	A-1+	03218R003
38,500,000	Amstel Funding 6.61, 02/09/01	6.66	38,224,308	38,224,308	A-1+	03218R003
100,000,000	Amstel Funding 6.60, 02/14/01	6.65	99,193,333	99,193,333	A-1+	03218R003
11,050,000	Grand Funding 6.60, 01/05/01	6.60	11,041,897	11,041,897	A-1+	38551L007
19,000,000	Grand Funding 6.62, 01/09/01	6.63	18,972,049	18,972,049	A-1+	38551L007

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
20,000,000	Grand Funding 6.61, 01/09/01	6.62	19,970,622	19,970,622	A-1+	38551L007
20,000,000	Grand Funding 6.61, 01/10/01	6.62	19,966,950	19,966,950	A-1+	38551L007
7,000,000	Grand Funding 6.61, 01/12/01	6.62	6,985,862	6,985,862	A-1+	38551L007
60,110,000	Sunflowers Funding 6.61, 01/10/01	6.62	60,010,668	60,010,668	A-1+	8673P2005
23,000,000	Sunflowers Funding 6.54, 02/09/01	6.59	22,837,045	22,837,045	A-1+	8673P2005
25,000,000	Sunflowers Funding 6.66, 02/15/01	6.72	24,791,875	24,791,875	A-1+	8673P2005
50,000,000	Sunflowers Funding 6.72, 02/15/01	6.78	49,580,000	49,580,000	A-1+	8673P2005
8,300,000	Superior Funding 6.80, 01/05/01	6.81	8,293,729	8,293,729	A-1+	86816K009
40,000,000	Trainer Wortham 6.62, 01/02/01	6.62	39,992,644	39,992,644	A-1+	89288L000
50,000,000	Trainer Wortham 6.61, 01/09/01	6.62	49,926,556	49,926,556	A-1+	89288L000
22,000,000	Trainer Wortham 6.61, 01/12/01	6.62	21,955,566	21,955,566	A-1+	89288L000
30,315,000	Trainer Wortham 6.70, 01/16/01	6.72	30,230,371	30,230,371	A-1+	89288L000
25,000,000	Trainer Wortham 6.60, 01/25/01	6.63	24,890,000	24,890,000	A-1+	89288L000
23,500,000	Trainer Wortham 6.66, 01/31/01	6.70	23,369,575	23,369,575	A-1+	89288L000
36,242,000	Westway Funding IV 6.64, 01/11/01	6.65	36,175,154	36,175,154	A-1	9616R3009
32,336,000	Westway Funding IV 6.63, 01/12/01	6.64	32,270,493	32,270,493	A-1	9616R3009
60,445,000	Westway Funding IV 6.65, 01/19/01	6.67	60,244,020	60,244,020	A-1	9616R3009
47,315,000	Westway Funding IV 6.66, 01/30/01	6.70	47,061,155	47,061,155	A-1	9616R3009
46,140,000	Westway Funding V 6.64, 01/11/01	6.65	46,054,897	46,054,897	A-1	9616X3002
10,125,000	Westway Funding V 6.63, 01/16/01	6.65	10,097,030	10,097,030	A-1	9616X3002
29,651,000	Westway Funding V 6.66, 01/30/01	6.70	29,491,922	29,491,922	A-1	9616X3002
<b>\$1,083,051,000</b>	<b>Total</b>		<b>\$1,079,094,495</b>	<b>\$1,079,094,495</b>		
<b>CORPORATE NOTES (3.68%)</b>						
\$ 25,000,000	ASAP Funding 6.95, 01/05/01	6.96	\$ 24,980,694	\$ 24,980,694	A-1+	O4341E000
47,000,000	ASAP Funding 6.95, 01/05/01	6.96	46,963,706	46,963,706	A-1+	O4341E000
50,000,000	ASAP Funding 6.90, 01/05/01	6.91	49,961,667	49,961,667	A-1+	O4341E000
1,000,000	General Electric Capital Corp 5.92, 04/03/01	6.30	1,000,000	998,980	A-1+	36962GME1
6,000,000	General Electric Capital Corp 6.02, 05/04/01	6.30	5,983,740	5,993,160	A-1+	36962GNC4
10,000,000	General Electric Capital Corp 6.02, 05/04/01	6.30	9,975,427	9,988,600	A-1+	36962GNC4
1,500,000	General Electric Capital Corp 5.89, 05/11/01	6.30	1,501,743	1,497,810	A-1+	36962GNP5
2,750,000	General Electric Capital Corp 5.96, 05/14/01	6.30	2,749,491	2,746,618	A-1+	36962GNQ3
<b>\$ 143,250,000</b>	<b>Total</b>		<b>\$143,116,467</b>	<b>\$143,131,234</b>		
<b>FEDERAL AGENCY SECURITIES (8.75%)</b>						
\$ 5,000,000	Federal Farm Credit Bank 5.75, 08/20/01	6.50	\$ 5,000,000	\$ 4,976,500	AAA	31331RYQ2

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
1,000,000	Federal Home Loan Bank 5.76, 08/20/01	6.50	1,000,000	995,400	AAA	3133M5AK6
7,035,000	Federal Home Loan Mortgage Corp. 6.00, 01/06/03	6.70	7,035,000	6,944,249	AAA	3134A2L22
18,000,000	Fannie Mae 6.53, 03/07/01, weekly reset	6.40	17,999,786	18,004,320	AAA	31364KPS3
25,000,000	Fannie Mae 6.53, 03/07/01, weekly reset	6.40	25,000,000	25,006,000	AAA	31364KPS3
14,394,000	Fannie Mae 6.50, 07/29/02	6.70	14,394,000	14,392,561	AAA	31359MCP6
30,000,000	Sallie Mae 6.69, 02/07/02, weekly reset	6.48	29,993,072	30,006,000	AAA	86387R5Y4
45,000,000	Sallie Mae 6.59, 02/26/02, weekly reset	6.48	44,990,058	45,009,900	AAA	86387R6Q0
40,000,000	Sallie Mae 6.38, 03/20/02, weekly reset	6.48	39,985,426	39,996,800	AAA	86387R7A4
50,000,000	Sallie Mae 6.74, 10/10/02, weekly reset	6.50	49,975,015	50,015,000	AAA	86387R7G1
50,000,000	Sallie Mae 6.75, 10/18/02, weekly reset	6.50	49,974,706	50,029,500	AAA	86387R7J5
50,000,000	Sallie Mae 6.75, 10/18/02, weekly reset	6.50	49,974,706	50,029,500	AAA	86387R7J5
4,800,000	Sallie Mae 6.26, 03/07/01, weekly reset	6.40	4,791,984	4,798,800	AAA	263871SD2
<b>\$ 340,229,000</b>	<b>Total</b>		<b>\$340,113,753</b>	<b>\$340,204,530</b>		
<b>REPURCHASE AGREEMENTS (17.12%)</b>						
\$ 470,000,000	First Boston 6.60, 01/02/01	6.60	\$470,000,000	\$470,000,000	A-1+	319333001
55,000,000	Lehman Brothers 6.55, 01/02/01	6.55	55,000,000	55,000,000	A-1	524995008
140,000,000	Lehman Brothers 6.60, 01/02/01	6.60	140,000,000	140,000,000	A-1	524995008
<b>\$ 665,000,000</b>	<b>Total</b>		<b>\$665,000,000</b>	<b>\$665,000,000</b>		
<b>MONEY FUNDS (1.58%)</b>						
\$ 61,480,000	Milestone Fund 6.20, 01/02/01	6.20	\$ 61,480,000	\$ 61,480,000	AAAm	599990959
<b>\$61,480,000</b>	<b>Total</b>		<b>\$ 61,480,000</b>	<b>\$ 61,480,000</b>		
<b>STATE OF ISRAEL BONDS (0.04%)</b>						
\$ 1,500,000	State of Israel 9.00, 5/1/01	9.00	\$ 1,500,000	\$ 1,500,000	A-1	465137Q91
<b>\$ 1,500,000</b>	<b>Total</b>		<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>		
<b>CASH AND EQUIVALENTS (0.00%)</b>						
\$ 470	LMCS 5.25, 01/02/01	5.25	\$ 470	\$ 470	A-1	536991003
<b>\$ 470</b>	<b>Total</b>		<b>\$ 470</b>	<b>\$ 470</b>		
<b>\$3,892,799,470</b>	<b>TOTAL INVESTMENTS</b>		<b>\$3,885,376,906</b>	<b>\$3,885,964,879</b>		

## Short-Term Investment fund

**Market Value / Participant Units Outstanding = Ratio of Market Value per Unit\***

**\$3,885,964,879\* / 3,869,895,785 = 1.004 per Unit**

\* Includes designated surplus reserve which is not available for distribution to individual shareholders.

\*\* Securities rounded to the nearest dollar.



## SHORT-TERM INVESTMENT FUND

### ORGANIZATION STRUCTURE

<b>Treasurer State of Connecticut</b>	Denise L. Nappier (860) 702-3000
<b>Assistant Treasurer Cash Management</b>	Lawrence A. Wilson, CCM (860) 702-3126
<b>STIF Investment Management</b>	Principal Investment Officer Harold W. Johnson, JR. CFA (860) 702-3255
	Investment Accounting Analyst Marc R. Gagnon (860) 702-3158
<b>STIF Investor Services</b>	Accountant Barbara Szuba (860) 702-3118
<b>Investment Transactions</b>	1-800-754-8430
<b>Voice Response System</b>	1-800-882-8211 (Fund 136)



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