



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

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TREASURY'S SHORT-TERM INVESTMENT FUND CONTINUES TO OUTPERFORM BENCHMARKS, ATTRACT INVESTORS

*Sound Fiscal Management Yields Better Returns for
Connecticut's Municipalities, Local Authorities and their Taxpayers*

State Treasurer Denise Nappier announced today that during calendar year 2004, the Connecticut Short-Term Investment Fund (STIF) outperformed its benchmark, earning \$16.2 million in additional income for Connecticut's governments and their taxpayers.

During the year, STIF outperformed its benchmark, the *iMoneyNet First-Tier Institutions-Only Rated Money Fund Report™ (MFR) Index*, by an average of 41 basis points, the sixth consecutive year it has outperformed the benchmark by more than 30 basis points.

The number of participating towns, agencies and authorities in the Treasury's Short-Term Investment Fund (STIF) has increased by 32% in the past six years.

STIF is an investment vehicle for the liquid cash investments of the State Treasury, state agencies and authorities, municipalities, and other political subdivisions of the State.

"STIF has a solid investment track-record and that performance has made a real difference for municipalities and other investors – and ultimately for their taxpayers," said Treasurer Nappier. "The continuing confidence in STIF, even as the interest-rate environment has changed is evident in the growing number of towns, agencies and authorities investing their funds with STIF," Nappier said.

The total number of state, local and regional agencies and authorities has grown from 241 in January 1999 to 318 by the end of 2004, an increase of 32 percent. At the end of 2004, 135 of Connecticut's 169 towns were participating in STIF, including three municipalities added during the year.

In addition to providing superior investment performance, STIF is valued for having a high level of liquidity, allowing participating authorities to withdraw funds on the same day they request them. Including the \$16.2 million during 2004, during the past six years STIF has provided \$92 million in additional income, above its benchmark, to investing municipal, state and regional agencies and authorities.

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The municipalities and local authorities participating in the Short-Term Investment Fund have benefited from the prudent management by the Treasurer's office. Bill McIntire, Treasurer of Darien, said that STIF is an important part of his investment strategy, "it's very easy and absolutely safe," said McIntire, "I use it with great frequency because the yields are really quite competitive."

STIF also lowers risk by investing in high-quality, well-diversified securities with relatively short average maturities. When asked about the security of STIF investments, Treasurer Nappier said that STIF keeps a reserve of approximately one percent of fund assets to protect against losses in principal -- a reserve that has never been drawn upon during the 32-year history of the Fund.

At the end of 2004, STIF had more than \$3.7 billion in assets under management. The Short-Term Investment Fund is a Standard & Poor's AAAM rated investment pool of high-quality, short-term money market instruments. For more information about the Short-Term Investment Fund, visit the Connecticut Treasury Web site at:
<http://www.state.ct.us/ott/aboutstif.htm>.