



OFFICE OF
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DENISE L. NAPIER

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TREASURY'S SHORT-TERM INVESTMENT FUND ASSETS HIT HISTORIC HIGH; FUND RANKED AMONG TOP IN NATION

Sound Fiscal Management Yields Better Returns for Connecticut's Municipalities; New Technologies Add Online Features

State Treasurer Denise Nappier announced today that the Connecticut Short-Term Investment Fund (STIF) reached an all-time high this month of \$6.29 billion in assets under management and continues to rank as one of the nation's top government investment pools, according to an independent firm that monitors the monthly performance of such investment pools. Also this month, Standard & Poor's has affirmed the Fund's AAAM rating, the highest available.

STIF is an investment fund 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 track-record of excellent performance, which has made a real difference for municipalities and other investors – and ultimately for their taxpayers."

In addition to its track-record of superior performance, STIF is valued for having a low risk profile, low expense ratio, and high level of liquidity, allowing participating authorities to withdraw funds on the same day they request them.

SOLID PERFORMANCE

The total number of state, local and regional agencies and authorities participating in STIF has grown from 241 in January 1999 to 320 as of April 2006, an increase of 33 percent. Currently, 137 of Connecticut's 169 towns participate in STIF.

"STIF has a solid track-record of excellent performance, which has made a real difference for municipalities and other investors – and ultimately for their taxpayers," said Treasurer Nappier. "The record level of participating municipalities is a vote of confidence in our work, and our status as one of the top-ranked funds affirms the success of our efforts."

During the past calendar year, STIF earned a rate of 3.38 percent, outperforming its iMoneyNet benchmarkⁱ, which averaged 2.97 percent, by 41 basis points. It also

ⁱ iMoneyNet's First-Tier Institutional-Only Rated Money Fund Report Averages™ Index

outperformed the S&P Rated Government Investment Pool Indexⁱⁱ, which averaged 2.88 percent, by 50 basis points. STIF's 2005 performance also ranked first in the country among 47 government investment pools reported on by TRACS Financial Researchⁱⁱⁱ, which monitors the performance of government investment pools on a monthly basis.

STIF's above-average performance during the past seven years has provided \$110 million in additional income, above its benchmark, to participating municipal, state and regional agencies and authorities. That includes \$17.9 million during calendar year 2005. STIF has outperformed its iMoneyNet benchmark by more than 30 basis points for seven consecutive years.

NEW TECHNOLOGY HELPS INVESTORS

The Treasurer's Office has also launched an online account access and transaction system for STIF investors, making the program even more accessible and efficient. By utilizing *STIF Express*, investors can monitor balances, confirm trades and income distributions, and access transaction histories. *STIF Express* also permits investors to use the online system to execute transactions for purchases and redemptions.



Development of *STIF Express* was aided by the participation of a number of communities during a pilot process last year. The towns of Middletown, Greenwich and Stamford tested the new system before it became fully operational, providing valuable feedback prior to implementation.

"We've approached these technological advances carefully, ensuring that appropriate safeguards were in place before moving forward," Nappier said.

PRUDENT MANAGEMENT

The municipalities and local authorities participating in STIF have benefited from prudent management by the Treasurer's Office. STIF also lowers risk by investing in high quality, well-diversified securities with relatively short average maturities. 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 since the Fund's inception in 1972.

The Short-Term Investment Fund is a Standard & Poor's (S&P) AAAM rated investment pool of high-quality, short-term money market instruments. The Fund has also been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for its 2005 annual financial report.

For more information about the Short-Term Investment Fund, visit the Treasury Web site at: <http://www.state.ct.us/ott/STIFhome.htm>.

ⁱⁱ The S&P Rated Government Investment Pool Index is comprised of government investment pools that are rated AAM or AAAM by Standard & Poor's and represent pools that strive to maintain a stable net asset value.

ⁱⁱⁱ "The Public Interest, An objective resource for state, county and local government investment pools," TRACS Financial Research, December 2005.