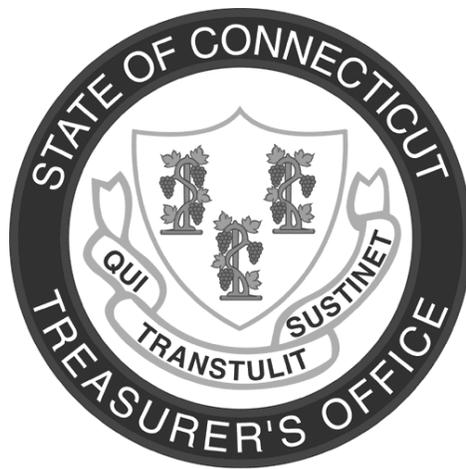


**CONNECTICUT
STATE TREASURER'S
SHORT-TERM INVESTMENT FUND**



QUARTERLY REPORT

QUARTER ENDING MARCH 31, 2009

**DENISE L. NAPIER
STATE TREASURER**

MESSAGE FROM THE TREASURER

Dear Investor:

During the quarter ending March 31, 2009, the Connecticut Short-Term Investment Fund (STIF) earned an average annualized yield of 1.07 percent, which was 37 basis points above its iMoneyNet benchmark* despite continuation of our more cautious investment strategy. This performance resulted in an additional \$3.9 million in interest earnings for our investors above the index.

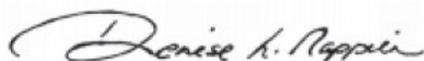
While there are scattered signs that some of the credit market displacements are gradually subsiding, we certainly are not ready to pronounce "all clear." Accordingly, we have maintained our conservative investment practices, which include a very high level of liquidity, a short average portfolio maturity, and significant restrictions on investments in corporate securities. STIF currently holds \$3.2 billion, or 78 percent of fund assets, in overnight investments or investments that are available on a same-day basis. Our weighted average maturity is 14 days.

Moreover, we continue to build our reserves, which allow us to absorb security value adjustments during these strained markets without affecting STIF's \$1 per share net asset value or the loss of principal to any STIF investor. The reserves now total \$33 million, or 0.8 percent of total assets.

We were quite pleased with the program and attendance at STIF's 14th annual meeting that was held during our Public Finance Outlook Conference on March 27. As always, we enjoyed the opportunity to discuss STIF with many of you, and to learn from presenters and investors on how to improve the fund.

Thank you for your continued confidence in STIF and for the opportunity to serve you and Connecticut's taxpayers during these difficult economic times.

Sincerely,



Denise L. Nappier
Treasurer, State of Connecticut

June 5, 2009

* iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report Averages Index

PERFORMANCE REPORT

The information contained within the Performance Report for the Short-Term Investment Fund (STIF), includes an update on the economy, a review of the direction of short-term interest rates, and a recap of the strategic and asset allocation positions of STIF.

ECONOMIC OUTLOOK

The chart below gives an assessment of economic growth, inflation, and the employment situation. All told, STIF is operating in an environment of negative economic growth and continuing job losses.

ECONOMIC SNAPSHOT

	Recent Results	Future Expectations*
Growth	The U.S. economy declined at an annual rate of 5.7 percent during the third quarter of Fiscal Year 2009.	The Bloomberg May 2009 survey of U.S. economic forecasts projects that the U.S. economy will decline at a rate of 1.9 percent for the fourth quarter of FY09. For all of CY09, the economy is projected to decline 2.8 percent.
Inflation	Major Inflation Indices – Year-over-Year as of June 1, 2009 <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Core PCE</div> <div style="width: 35%;">1.9 percent</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Core CPI</div> <div style="width: 35%;">1.9 percent</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Core PPI</div> <div style="width: 35%;">3.4 percent</div> </div>	Core inflation indicators will likely decline a modest 1.3 percent in the fourth quarter of FY09. Economists expect inflation to average -0.7 percent during the year.
Employment	In May, non-farm payrolls were down 345,000 and the unemployment rate jumped to 9.4 percent from 8.9 percent in April.	Economists expect the unemployment rate to average 9.1 percent in CY09.

* *Bloomberg monthly survey of U.S. economic forecast*

SHORT-TERM INTEREST RATE OUTLOOK

Since July 1, 2008, the federal funds target rate has been cut from 2.0 percent to a range of 0.00 to 0.25 percent.

At its March 18th meeting, the Federal Reserve's Federal Open Market Committee (FOMC) maintained its range for the fed funds target rate of 0.00 to 0.25 percent. The FOMC stated that "although the near term economic outlook is weak, the Committee anticipates that policy actions to stabilize financial markets and institutions, together with fiscal and monetary stimulus, will contribute to a gradual resumption of sustainable economic growth."

Further, the committee in order "to provide greater support to mortgage lending and housing markets... decided to increase the size of the Federal Reserve's balance sheet further by purchasing additional agency mortgage-backed securities, agency debt, and longer-term Treasury securities."

At its April 29th meeting, the FOMC stated that "although the economic outlook has improved modestly since the March meeting, partly reflecting some easing of financial market conditions, economic activity is likely to remain weak for some time." Further, the FOMC added that "in light of the increasing economic slack here and abroad, the committee expects that inflation will remain subdued."

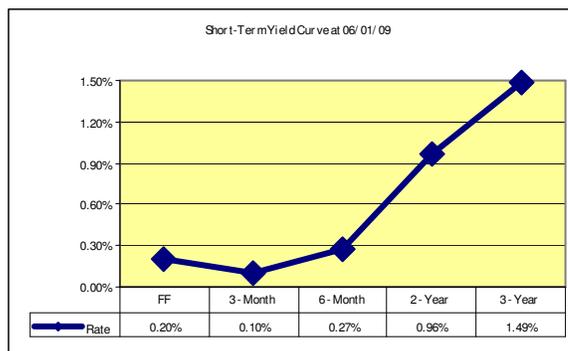
PERFORMANCE REPORT

The chart below shows the FOMC meeting dates for calendar year 2009 and the actual or projected level of the federal funds target rate throughout this time horizon.

FOMC Meeting Dates	Federal Funds Target Rate Level	
	Actual	Future Projection (a)
January 28, 2009	0.00 to 0.25%	
March 18, 2009	0.00 to 0.25%	
April 29, 2009	0.00 to 0.25%	
June 24, 2009		0.20%
August 12, 2009		0.23%
September 23, 2009		0.24%
November 4, 2009		0.30%
December 16, 2009		0.33%

a) Federal Funds and Eurodollar futures data, which project the implied future federal funds rate as of June 1, 2009.

The current yield curve is upward sloping.
(See chart at right.)



SHORT-TERM INVESTMENT FUND PERFORMANCE

Although the turbulence in the credit markets has stabilized somewhat and consumer confidence has rebounded from its record low, we have maintained our previous adjustments to STIF's investment strategy, including shortening maturities, increasing liquidity, increasing exposure to U.S. Treasury and agency securities, and eliminating exposure to asset-backed commercial paper programs.

At the end of the third quarter of FY09, STIF's weighted-average maturity was 20 days, and liquidity, represented by overnight investments and investments available on a same-day basis, totaled \$2.6 billion, or 63 percent of assets.

Bank deposit instruments accounted for 34.5 percent of STIF's assets, followed by U.S. agency securities at 28.6 percent, and repurchase agreements collateralized by U.S. agency securities at 18.1 percent. During the quarter, the daily annualized yield fluctuated from 0.61 percent to 1.43 percent and ended at the low of 0.61 percent. The average annualized yield for the quarter amounted to 1.07 percent, which exceeded the rate earned by similar funds by 37 basis points.

Despite recent signs of market stabilization, we will continue to maintain a more cautious strategy and will adjust our investment decisions should market conditions continue to strengthen.

Performance Report reflects the views of the management of the Office of the State Treasurer's Short-Term Investment Fund.

SHORT-TERM INVESTMENT FUND
COMPARATIVE MONTHLY ANNUALIZED YIELDS (%)
(UNAUDITED)

	<u>STIF</u>		<u>MFR Index (a)</u>	
	Yield (b)	Effective Yield (c)	Yield (b)	Effective Yield (c)
Jan-09	1.22	1.22	0.95	0.95
Feb-09	1.05	1.05	0.65	0.65
Mar-09	0.95	0.96	0.49	0.49
Average	1.07	1.08	0.70	0.70

(a) iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report Averages Index (MFR Index).

(b) Annualized simple interest yield less expenses and contributions to reserves.

(c) Annualized compounded yield less expenses and contributions to reserves.

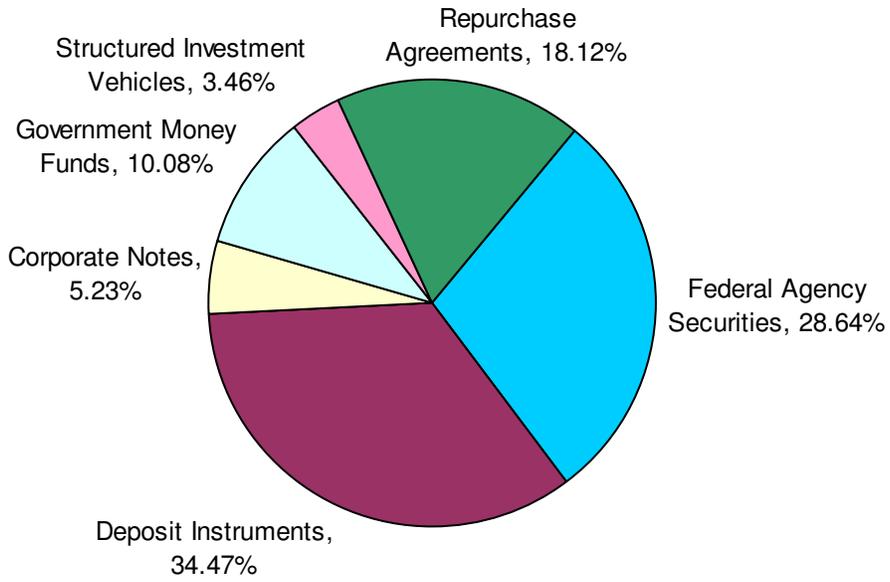
SHORT-TERM INVESTMENT FUND
RATE OF RETURN (%)
PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

	<u>Three- Month</u> ^(a)	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>10 Year</u>
STIF	0.26	1.92	4.08	3.59	2.99	3.63
MFR Index ^(b)	0.17	1.84	3.86	3.30	2.66	3.29

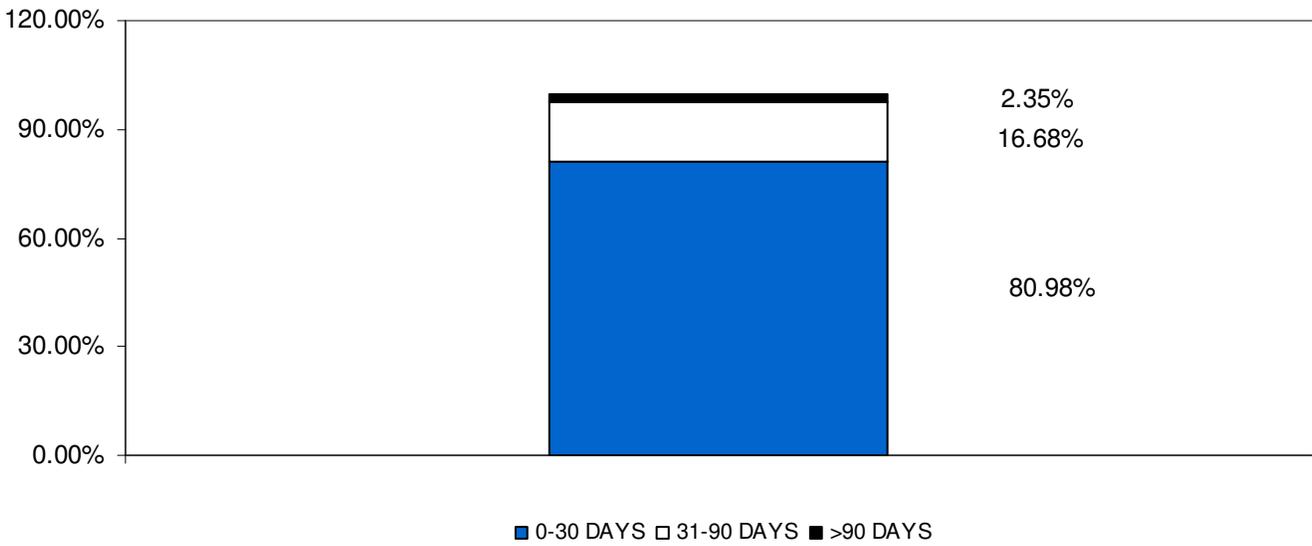
(a) Three-month rate of return is not annualized.

(b) iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report Averages Index (MFR Index).

**SHORT-TERM INVESTMENT FUND
DISTRIBUTION BY INVESTMENT TYPE AT MARCH 31, 2009**



**SHORT-TERM INVESTMENT FUND
DISTRIBUTION BY MATURITY AT MARCH 31, 2009**



Weighted Average Maturity = 20 days
Includes recognition of deposit instruments with daily put options.

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT MARCH 31, 2009 (UNAUDITED)

Par Value *	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost*	Market Value*	Quality Rating	Cusip or Issuer ID
FEDERAL AGENCY SECURITIES (28.64%)						
\$ 1,900,000	FANNIE MAE 4.875, 4/15/09	0.66	\$ 1,903,330	\$ 1,903,330	AAA	31359MK69
1,500,000	FANNIE MAE 4.875, 4/15/09	0.66	1,502,664	1,502,664	AAA	31359MK69
8,400,000	FANNIE MAE 0.31, 4/20/09	0.05	8,398,626	8,398,626	AAA	313589EP4
38,000,000	FANNIE MAE 0.375, 4/22/09	0.05	37,991,688	37,991,688	AAA	313589ERO
30,000,000	FANNIE MAE 0.385, 5/13/09	0.17	29,986,525	29,986,525	AAA	313589FN8
26,205,000	FANNIE MAE 4.25, 5/15/09	0.64	26,329,097	26,329,097	AAA	31359MVE0
4,000,000	FANNIE MAE 4.25, 5/15/09	0.64	4,019,002	4,019,002	AAA	31359MVE0
8,736,000	FANNIE MAE 0.40, 5/18/09	0.17	8,731,438	8,731,438	AAA	313589FT5
25,000,000	FANNIE MAE-FLT 1.24, 7/13/10	1.10	24,992,967	24,998,925	AAA	31398AUW0
25,000,000	FANNIE MAE-FLT 1.24, 7/13/10	1.10	24,988,909	24,998,925	AAA	31398AUW0
25,000,000	FANNIE MAE-FLT 1.18, 8/5/10	1.12	24,997,733	25,011,100	AAA	31398AVE9
1,000,000	FARM CREDIT-FLT 0.36, 9/14/09	0.80	996,903	997,931	AAA	31331YZD5
25,000,000	FARM CREDIT-FLT 0.36, 3/12/10	0.89	24,908,289	24,876,000	AAA	31331YXY1
25,000,000	FHLB 0.20, 4/6/09	0.05	24,999,306	24,999,306	AAA	313385DZ6
25,000,000	FHLB 0.20, 4/6/09	0.05	24,999,306	24,999,306	AAA	313385DZ6
42,000,000	FHLB 3.20, 4/14/09	0.50	42,043,644	42,043,644	AAA	3133XSGE2
50,000,000	FHLB 0.26, 4/17/09	0.05	49,994,222	49,994,222	AAA	313385EL6
25,000,000	FHLB 0.21, 4/17/09	0.05	24,997,667	24,997,667	AAA	313385EL6
50,000,000	FHLB 0.31, 4/21/09	0.05	49,991,389	49,991,389	AAA	313385EQ5
14,180,000	FHLB 5.79, 4/27/09	0.50	14,235,085	14,235,085	AAA	3133M8JE5
34,390,000	FHLB 0.40, 4/28/09	0.05	34,379,683	34,379,683	AAA	313385EX0
5,420,000	FHLB-FLT 1.29, 4/30/09	0.42	5,425,983	5,425,983	AAA	3133XSKF4
3,600,000	FHLB-FLT 1.06, 5/5/09	0.43	3,602,506	3,602,506	AAA	3133XMUX7
3,000,000	FHLB-FLT 1.06, 5/5/09	0.43	3,002,854	3,002,854	AAA	3133XMUX7
3,125,000	FHLB 5.375, 5/15/09	0.53	3,144,008	3,144,008	AAA	3133MNZF1
1,325,000	FHLB 5.25, 6/12/09	0.52	1,337,493	1,337,326	AAA	3133XFLG9
50,000,000	FHLB 0.22, 6/26/09	0.19	49,973,722	49,977,300	AAA	313385HJ8
3,000,000	FHLB 6.795, 6/30/09	0.50	3,048,195	3,046,566	AAA	3133M9CP5
50,000,000	FHLB 0.22, 7/1/09	0.21	49,972,194	49,973,450	AAA	313385HP4

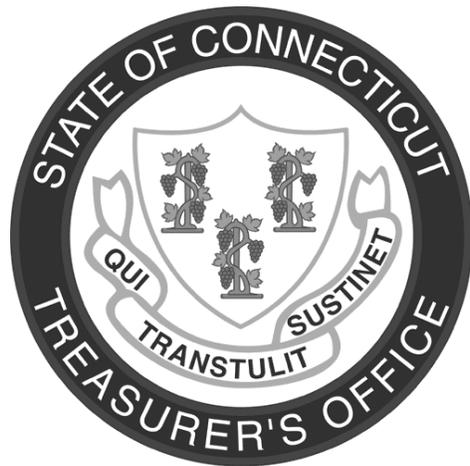
Par Value *	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost*	Market Value*	Quality Rating	Cusip or Issuer ID
25,000,000	FHLB-FLT 1.133, 12/11/09	0.81	24,988,098	25,042,400	AAA	3133XNMS5
25,000,000	FHLB-FLT 0.509, 1/13/09	1.20	24,992,971	24,959,975	AAA	3133XRTJ9
25,000,000	FHLB-FLT 0.509, 1/13/09	1.20	24,996,881	24,959,975	AAA	3133XRTJ9
25,000,000	FHLB-FLT 0.96, 1/13/09	0.87	24,987,217	25,007,200	AAA	3133XSUY2
25,000,000	FHLB-FLT 0.96, 1/13/09	0.87	24,989,691	25,007,200	AAA	3133XSUY2
25,000,000	FHLB-FLT 1.089, 7/27/10	1.12	24,993,903	25,005,850	AAA	3133XSXF0
5,000,000	FREDDIE MAC 2.45, 4/9/09	0.70	5,002,344	5,002,344	AAA	3128X7HD9
2,000,000	FREDDIE MAC 3.375, 4/15/09	0.70	2,002,307	2,002,307	AAA	3134A4UQ5
50,000,000	FREDDIE MAC 0.35, 4/20/09	0.05	49,990,764	49,990,764	AAA	313397EP2
26,500,000	FREDDIE MAC 0.38, 4/22/09	0.05	26,494,126	26,494,126	AAA	313397ER8
3,000,000	FREDDIE MAC 0.40, 4/24/09	0.05	2,999,233	2,999,233	AAA	313397ET4
50,000,000	FREDDIE MAC 0.37, 4/27/09	0.05	49,986,639	49,986,639	AAA	313397EW7
45,000,000	FREDDIE MAC 0.38, 4/27/09	0.05	44,987,650	44,987,650	AAA	313397EW7
37,327,000	FREDDIE MAC 0.37, 4/27/09	0.05	37,317,025	37,317,025	AAA	313397EW7
22,778,000	FREDDIE MAC 0.39, 5/11/09	0.17	22,768,130	22,768,130	AAA	313397FL0
25,000,000	FREDDIE MAC 0.40, 5/18/09	0.17	24,986,944	24,986,944	AAA	313397FT3
25,000,000	FREDDIE MAC 0.40, 5/21/09	0.17	24,986,111	24,986,111	AAA	313397FW6
4,155,000	FREDDIE MAC 5.25, 5/21/09	0.70	4,183,184	4,183,184	AAA	3137EAAE9
3,900,000	FREDDIE MAC 5.25, 5/21/09	0.70	3,926,488	3,926,488	AAA	3137EAAE9
28,145,000	FREDDIE MAC 5.00, 6/11/09	0.56	28,394,292	28,387,244	AAA	3137EAAE9
50,000,000	FREDDIE MAC 0.22, 6/29/09	0.19	49,972,806	49,976,500	AAA	313397HM6
25,000,000	FREDDIE MAC-FLT 1.229, 8/24/10	1.14	25,000,000	25,016,775	AAA	3128X8MB5
25,000,000	FREDDIE MAC-FLT 1.193, 9/24/10	1.17	24,992,609	25,002,825	AAA	3128X8TD4
25,000,000	FREDDIE MAC-FLT 1.063, 1/14/11	1.28	24,971,079	24,960,650	AAA	3128X8FR8
\$1,207,586,000			\$1,207,804,916	\$1,207,853,082		
DEPOSIT INSTRUMENTS *** (34.47%)						
\$450,000,000	JP MORGAN 0.48, 4/29/09	0.48	\$450,000,000	\$450,000,000	A-1+	43499K004
100,000,000	RBS CITIZENS NA 2.97, 6/1/09 (a)	2.97	100,000,000	100,000,000	A-2	75299Y008
100,000,000	RBS CITIZENS NA 2.84, 6/1/09 (a)	2.84	100,000,000	100,000,000	A-2	75299Y008
50,000,000	SOCIETE GENERALE 0.50, 4/22/09	0.50	50,000,000	50,000,000	A-1+	8336P2T32
250,000,000	SOCIETE GENERALE 2.97, 4/30/09	2.97	250,000,000	250,000,000	A-1+	8336P2G51
50,000,000	SOCIETE GENERALE 0.50, 4/30/09	0.50	50,000,000	50,000,000	A-1+	8336P2TK4
50,000,000	SOCIETE GENERALE 0.60, 8/5/09	0.60	50,000,000	50,000,000	A-1+	8336P2TY4
3,500,000	SUNTRUST BANK 1.381, 6/2/09 (b)	1.46	3,500,569	3,500,000	A-1	86787ALA1

Par Value *	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost*	Market Value*	Quality Rating	Cusip or Issuer ID
100,000,000	TDBANKNORTH 3.00, 6/12/09	3.00	100,000,000	100,000,000	A-1+	89189A004
250,000,000	TDBANKNORTH 1.15, 6/26/09	1.15	250,000,000	250,000,000	A-1+	89189A004
50,000,000	TDBANKNORTH 3.30, 8/4/09	3.30	50,000,000	50,000,000	A-1+	89189A004
\$1,453,500,000			\$1,453,500,569	\$1,453,500,000		
<p>(a) STIF received an irrevocable standby letter of credit provided by the Federal Home Loan Bank of Boston guaranteeing both principal and interest. This security matured on June 1, 2009.</p> <p>(b) On April 28, 2009, Standard & Poor's cut its short term rating on our \$3.5 million Suntrust Bank investment to A-2 from A-1. This security matured on June 2, 2009.</p>						
CORPORATE NOTES (6.40%)						
\$30,000,000	BANK AMERICA 1.65, 6/1/09	0.91	\$30,055,722	\$30,036,180	A-1	06050YXU0
25,000,000	BANK AMERICA 0.52, 6/3/09	0.27	25,000,000	25,010,775	A-1	06051KCB4
25,000,000	BANK AMERICA 0.50, 6/4/09	0.26	25,000,000	25,010,150	A-1	06051KCD0
5,000,000	BANK AMERICA 1.356, 11/6/09	3.61	4,994,823	4,933,700	A-1	060505CT9
5,195,000	GE CAPITAL 1.42, 6/15/09	2.25	5,195,967	5,186,376	A-1+	36962GR22
11,590,000	GOLDMAN SACHS 1.455, 7/23/09	4.32	11,599,195	11,492,366	A-1	38141EJQ3
53,500,000	HSBC FINANCE 1.389, 6/19/09	5.46	53,506,614	53,044,127	A-1	40429JAR8
50,000,000	MERRILL LYNCH 0.41, 5/8/09	0.41	50,000,000	50,000,000	A-1	59018YD32
10,000,000	MERRILL LYNCH 0.61, 6/26/09	5.29	10,001,125	9,904,880	A-1	59018YXS5
5,000,000	WELLS FARGO 1.42, 9/15/09	3.51	4,999,573	4,952,160	A-1+	949746JD4
\$220,285,000			\$220,353,019	\$219,570,714		
REPURCHASE AGREEMENTS (18.12%)						
\$763,995,000	BANK OF AMERICA	0.11	\$763,995,000	\$763,995,000	A-1	07399S003
\$763,995,000			\$763,995,000	\$763,995,000		

Par Value *	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost*	Market Value*	Quality Rating	Cusip or Issuer ID
STRUCTURED INVESTMENT VEHICLES (3.46%)						
\$50,000,000	BETA FINANCE 1.405, 7/6/09 (c)	7.91	\$49,996,864	\$49,149,950	A-1	08658AQB4
50,000,000	FIVE FINANCE 1.264, 6/9/09 (c)	7.91	49,997,751	49,399,900	A-1	33828WEB2
84,099,830	GRYPHON FUNDING (d)	0.01	46,022,221	42,049,915	N/R	40052TAA7
\$184,099,830			\$146,016,836	\$140,599,765		
(c) On November 19, 2008, Citibank N.A. purchased the assets of the SIVs and agreed to ensure the payment of the senior debt.						
(d) The Gryphon note was received as a result of the Cheyne Finance restructuring in July 2008. Cash distributions through June 2009 have totaled \$31.6 million. We transferred \$24 million of the reserves to cover a reduction in value effective June 30, 2008. As discussed in the fiscal year 2008 annual report, the realization of the value reduction and the transfer of reserves occurred on December 5, 2008. The valuation shown represents an estimate of total recovery value.						
MONEY MARKET FUNDS (10.08%)						
\$100,000,000	FEDERATED GOVT FUND 0.38, 4/1/09	0.38	\$100,000,000	\$100,000,000	AAAm	03199S004
225,000,000	GOLDMAN SACHS FINANCIAL SQUARE GOVT FUND 0.53, 4/1/09	0.53	225,000,000	225,000,000	AAAm	03799C003
268	LMCS 0.01, 4/1/09	0.01	268	268	A-1	
100,000,000	ML GOVT FUND 0.33, 4/1/09	0.33	100,000,000	100,000,000	AAAm	45599X000
\$425,000,268			\$425,000,268	\$425,000,268		
\$4,254,466,098			\$4,216,670,608	\$4,210,518,829		

Market Value / Participant Units Outstanding = Ratio of Market Value per Unit
\$4,210,518,829 / 4,203,304,929 = \$1.002 per unit**

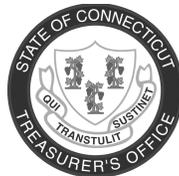
* Securities rounded to the nearest dollar.
** Includes designated surplus reserve. Does not include accrued interest of approximately \$19 million.
*** Deposit instruments have a daily put option.



**SHORT-TERM INVESTMENT
FUND**

ORGANIZATION STRUCTURE

Treasurer	Denise L. Nappier
State of Connecticut	(860) 702-3000
Assistant Treasurer	Lawrence A. Wilson, CTP
Cash Management	(860) 702-3126
STIF Investment Management	Principal Investment Officer Lee Ann Palladino, CFA
	Investment Officer Paul A. Coudert
	Securities Analyst Marc R. Gagnon
	Securities Analyst Peter A. Gajowiak
STIF Investor Services	Accountant Barbara Szuba
Investment Transactions	1-800-754-8430
Voice Response System	1-800-882-8211 (Fund 136)
STIF Express Online Account Access	www.state.ct.us/ott/STIFHome.htm



Office of the State Treasurer
Short-Term Investment Fund

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Hartford, Connecticut 06106-2773

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<http://www.state.ct.us/ott/STIFHome.htm>