



**The Office Of
State Treasurer
Denise L. Nappier**

Press Release

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**SHORT-TERM INVESTMENT FUND RETURNS
\$11.3 MILLION TO INVESTORS AND MUNICIPALITIES
*Outperforms Benchmark for Fiscal Year 2011***

Hartford, Connecticut -- State Treasurer Denise L. Nappier announced today that the Connecticut Short-Term Investment Fund's (STIF) return to investors for Fiscal Year 2011 was nearly triple that paid by similar money market funds. For the year, STIF earned 0.23 percent, while similar money market funds earned .08 percent. This strong relative performance resulted in \$11.3 million in interest income distributed to STIF's state and local government investors for the fiscal year ending June 30, 2011. Of this amount, \$7.4 million reflects additional interest associated with exceeding the benchmark.

"While market interest rates are historically low, we continue to outperform other funds by a significant margin, thereby providing valuable incremental revenue to Connecticut governments and their taxpayers," Treasurer Nappier stated.

Also during the fiscal year, STIF's AAAm rating - the highest available - was affirmed by Standard & Poor's. In S&P's view, "a fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk."¹

During the past 12-plus years of the Nappier administration, STIF's superior performance has earned government investors an additional \$173 million in investment income.

STIF's conservative investment practices have included a very high level of liquidity, a short average portfolio maturity, and significant restrictions on investments in corporate securities. STIF currently holds \$3.1 billion, or 67 percent of fund assets, in overnight investments or investments that are available on a same-day basis. Its weighted average maturity is 29 days. Forty-five percent of STIF's assets are invested in securities issued, insured or guaranteed by the U.S. government or federal agencies or

in repurchase agreements backed by such securities. STIF's reserves now total \$44.6 million, or nearly one percent of total assets.

STIF is an AAAM rated government investment pool of high-quality, short-term money market instruments. Created in 1972, it serves as an investment vehicle for the operating cash of the State Treasury, State agencies and authorities, municipalities, and other political subdivisions of the State. STIF's objective is to provide as high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity to meet participants' daily cash flow requirements. During the 2011 fiscal year, STIF's portfolio averaged \$4.9 billion for 1,129 active STIF accounts for 68 state agencies and authorities and 269 municipalities and local entities.

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¹ See Standard & Poor's Ratings Definitions at www.standardandpoors.com/ratings/articles/en/us/?assetID=1245303711350