CONNECTICUT STATE TREASURER'S
SHORT-TERM INVESTMENT FUND

Quarterly Report

Quarter Ending March 31, 2007

Denise L. Nappier
State treasurer

Message From the Treasurer

Dear Investor:

I am pleased to report that the Connecticut Treasury's Short-Term Investment Fund (STIF) continues to deliver strong performance. As of March 31, 2007, STIF was once again ranked #1 in the country among similar government investment pools.* Moreover, during the third quarter of FY07, STIF outperformed its benchmark** by 36 basis points (5.39 percent average annualized yield for STIF vs. 5.03 percent average annualized yield for the benchmark), thereby providing an additional $4.6 million in interest earnings for our investors above the index.

This quarter marked the second Public Finance Outlook Conference, which included STIF's 12th Annual Meeting, at Southern Connecticut State University. We appreciate the attendance and participation of so many of our STIF investors, and thank those of you who shared constructive feedback.

In response to participant suggestions, we are pleased to announce another upgrade to your STIF service options. Now STIF will feature an email notification service for the "Debt Service Express" and "Clean Water Fund Express" programs. This service will generate email messages notifying pertinent parties of upcoming payments.

As always, we value your continued confidence in STIF, and thank you for giving us the opportunity to serve you with a safe, liquid, and high-performing investment fund.

Sincerely,

Denise L. Nappier

Denise L. Nappier

Treasurer, State of Connecticut June, 2007

*TRACS Financial Research

** iMoneyNet's Prime Institutional Rated Money Fund Report Averages Index

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 position of STIF.

ECONOMIC OUTLOOK

The chart below gives an assessment of economic growth, current levels of inflation, and the employment situation. All told, STIF is operating in an environment of low economic growth, moderate inflation, and a strong job market.

ECONOMIC SNAPSHOT

	Recent Results	Future Expectations
Growth	The U.S. economy grew at an annual rate of 0.6 percent during the third quarter of Fiscal Year 2007.	The Bloomberg monthly survey of U.S. economic forecasts projects that the U.S. economy will grow at a rate of 2.6 percent for the final quarter of FY07. For all of CY07, the economy is projected to grow 2.1 percent, the smallest gain in five years.
Inflation	Major Inflation Indices – Year-over-Year as of April 2007 Core PCE 2.0 percent Core CPI 2.6 percent Core PPI 3.2 percent	Core inflation indicators will likely remain above the one to two percent range for the immediate future.
Employment	Non-farm payrolls were up 157,000 in May. The unemployment rate is 4.5 percent.	Unemployment rates will remain low and job creation is growing modestly.

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

The strong growth in the economy over the past five years has brought credit spreads (the difference in yields between U.S. Treasury securities and/or LIBOR and all other market securities) to very narrow historic levels. With such strong credit trends in place, most money market issues now trade one on top of each other making it difficult to find value from spread. Recent headlines have focused on investment vehicles backed by sub prime mortgage collateral. While these occurrences have affected the credit spreads on the more risky investment vehicles collateralized by sub prime loans, the AAA-rated and short-term money market sub prime investment conduits have not been affected.

SHORT-TERM INTEREST RATE OUTLOOK

The Federal Open Market Committee (FOMC) at its last meeting on May 9, 2007, left the federal funds rate unchanged at 5.25 percent. The Fed also left its bias unchanged at “inflation risk,” and noted in its statement that “the Committee’s predominant policy concern remains the risk that inflation will fail to moderate as expected. Future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth.”

The chart below shows the FOMC meeting dates for calendar year 2007 and the actual or projected level of Federal Funds throughout this time horizon.

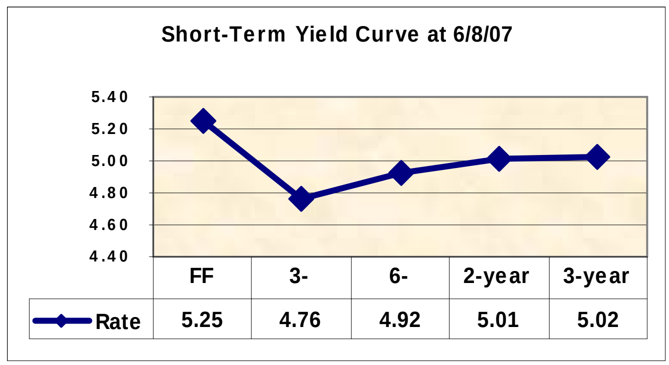
PERFORMANCE REPORT

FOMC Meeting Dates	Federal Funds Rate Level	
	Actual	Future Projection (a)
January 31, 2007	5.25%	
March 21, 2007	5.25%	
May 9, 2007	5.25%	
June 28, 2007		5.25%
August 7, 2007		5.24%
September 18, 2007		5.24%
October 31, 2007		5.22%
December 11, 2007		5.21%

a) Federal Funds and Eurodollar futures data, which projects the implied future federal funds rate

Note: FOMC dates for calendar year 2008 have not been scheduled. The data for the chart above is as of: June 6, 2007

With the current yield curve in a slightly upward sloping position (see chart at right), and the projected steady levels in short-term rates, the most attractive position for STIF is to extend maturities on an opportunistic basis.



SHORT-TERM INVESTMENT FUND PERFORMANCE

Since the last quarterly update, the investment strategy for the Short-Term Investment Fund was modified to shorten investment maturities so that we could position the portfolio to take advantage of the highest return on the yield curve. As a result, the weighted average maturity for STIF at quarter end was 47 days. We are permitted to extend the portfolio to a maximum of 60 days.

For the third quarter of FY07, the top three asset allocation sectors of the portfolio were asset-backed secured liquidity notes, liquid certificates of deposit, and securities-back commercial paper.

The asset allocation of the portfolio concentrated on short-dated investment vehicles to obtain the highest rate of return given the inverted yield curve. The portfolio held 23 percent of its investments in highly liquid bank certificates of deposit. Our investments in these certificates of deposit can be liquidated into cash within one business day. Secured liquidity notes totaled 32 percent, which were further diversified by allocation into different asset-backed programs. Finally, securities-backed commercial paper totaled 17 percent.

The Short-Term Investment Fund will continue to be managed within the confines of conservative investment guidelines. As always, we appreciate your confidence and pledge our efforts to provide you with the strongest market returns we can safely earn, while maintaining appropriate levels of liquidity.

Performance Report reflects the views of the management of the Office of the State Treasurer's Short-Term In-

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

	STIF		**MFR Index** (a)	
	Yield (b)	**Effective Yield** (c)	**Yield** (b)	**Effective Yield** (c)
Jan-07	5.42	5.55	5.03	5.15
Feb-07	5.36	5.50	5.03	5.15
Mar-07	5.38	5.51	5.03	5.15
Average	5.39	5.52	5.03	5.15

(a) iMoneyNet's Prime Institutional Rated Money Fund Report Averages Index (MFR 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 MARCH 31, 2007 (UNAUDITED)

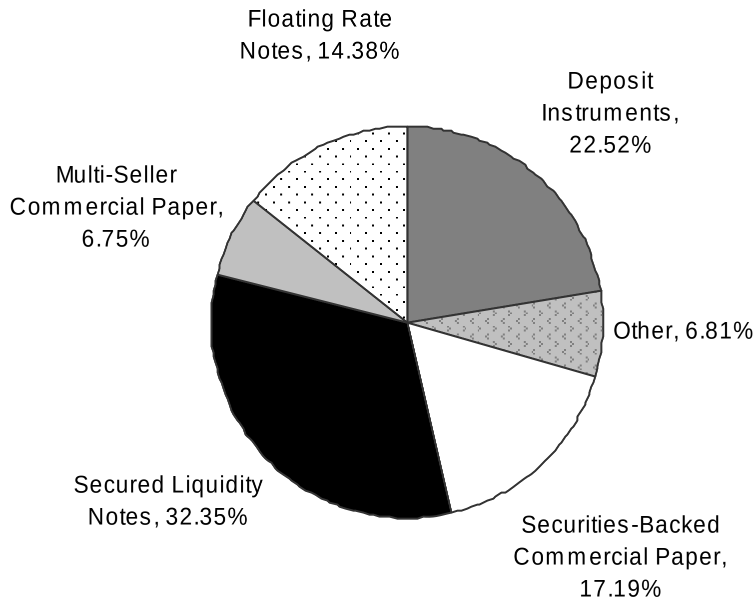
	Three-Month (a)	**1 Year**	**3 Year**	**5 Year**	**7 Year**	**10 Year**
STIF	1.33	5.43	3.70	2.82	3.41	4.08
MFR Index (b)	1.26	5.04	3.31	2.41	3.02	3.70

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

(b) iMoneyNet's Prime Institutional Rated Money Fund Report Averages Index (MFR Index).

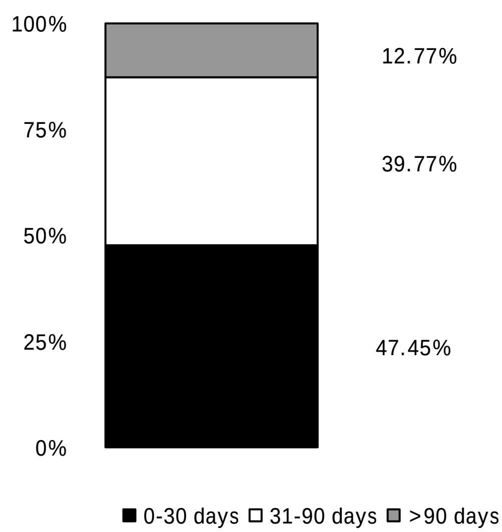
Short-Term Investment fund

Distribution by Investment Type at March 31, 2007



Short-Term Investment fund

Distribution by Maturity* at March 31, 2007



Weighted Average Maturity* = 46.68 days

* Includes extendable notes booked to their legal final maturity date.

Short-Term Investment fund

List of Investments at March 31, 2007 (unaudited)

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
COMMERCIAL PAPER (1.60%)						
$ 20,000,000	CITIGROUP 5.35, 4/20/07	5.37	$ 19,943,528	$ 19,943,528	A-1+	17307SRL8
20,000,000	CITIGROUP 5.35, 4/23/07	5.37	19,934,611	19,934,611	A-1+	17307SRP9
10,000,000	DORADA FINANCE 5.465	5.47	10,000,000	10,000,000	AAA	25810EMK9
15,000,000	MBIA GLOBAL FUNDING 5.41, 2/11/08	5.41	15,000,000	15,000,000	AAA	55266LFD3
5,000,000	MBIA GLOBAL FUNDING 5.41, 2/11/08	5.41	5,000,000	5,000,000	AAA	55266LFD3
10,000,000	SIGMA FINANCE 5.40, 10/18/07	5.40	10,000,000	10,000,000	AAA	8265QOTV4
$ 80,000,000			**$ 79,878,139**	**$ 79,878,139**		
DEPOSIT INSTRUMENTS (22.52%)						
$ 10,000,000	BARCLAYS BANK 5.20, 4/3/07	5.20	$ 10,000,000	$ 10,000,000	A-1+	0673P04M5
10,000,000	BARCLAYS BANK 5.265, 4/11/07	5.27	10,000,000	10,000,000	A-1+	0673P05K8
10,000,000	CITIBANK 5.40, 4/30/07	5.40	10,000,000	10,000,000	A-1+	17304T4B6
15,000,000	CREDIT SUISSE 5.71, 6/28/07	5.30	15,004,791	14,994,668	AA-	22550ASE6
10,000,000	CREDIT SUISSE 5.71, 6/28/07	5.30	10,003,199	9,996,446	AA-	22550ASE6
10,000,000	CREDIT SUISSE 5.40, 12/21/07	5.40	10,000,000	10,000,000	AA-	2254COLA3
10,900,000	CREDIT SUISSE 5.42, 2/15/08	5.21	10,900,000	10,916,178	AA-	22550AP66
490,000,000	JP MORGAN 5.47, 5/9/07	5.47	490,000,000	490,000,000	A-1+	N/A
50,000,000	TDBANKNORTH 5.50, 5/9/07	5.50	50,000,000	50,000,000	A-1	N/A
10,000,000	UBS 5.40, 11/28/07	5.40	10,000,000	10,000,000	A-1+	90261XCH3
10,000,000	UBS 5.415, 1/11/08	5.42	10,000,000	10,000,000	A-1+	N/A
490,000,000	WACHOVIA 5.47, 5/9/07	5.47	490,000,000	490,000,000	A-1+	N/A
$ 1,125,900,000			**$1,125,907,991**	**$1,125,907,292**		
FLOATING RATE NOTES (14.38%)						
$ 1,550,000	ALLSTATE LIFE GLOBAL 5.42, 5/25/07	5.31	$ 1,550,101	$ 1,550,202	AA	02003MAB0
50,000,000	BETA FINANCE 5.35, 7/28/08	5.34	49,987,129	49,999,500	AAA	08658AMD4
50,000,000	BETA FINANCE 5.33, 9/9/08	5.34	49,986,156	49,997,500	AAA	08658AMK8
50,000,000	CATAPULT PMX FUNDING 5.32, 11/30/07	5.35	49,981,966	49,991,000	A-1	14902LAE3
50,000,000	CHEYNE FINANCE 5.35, 10/15/08	5.37	49,977,816	49,983,500	AAA	16705ECU5
50,000,000	CHEYNE FINANCE 5.30, 2/25/09	5.34	49,972,641	49,963,000	AAA	16705EDZ3
33,000,000	CREDIT SUISSE 5.46, 6/2/08	5.32	33,036,797	33,052,140	AA-	22541LBA0

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
25,000,000	CREDIT SUISSE 5.46, 6/2/08	5.32	25,026,995	25,039,500	AA-	22541LBA0
10,000,000	CREDIT SUISSE 5.44, 6/2/08	5.29	10,011,718	10,017,300	AA-	22541LBB8
40,000,000	CREDIT SUISSE 5.65, 6/3/08	5.50	40,048,836	40,070,000	AA-	22541LBD4
50,000,000	DORADA FINANCE 5.35, 10/10/08	5.36	49,985,134	49,985,000	AAA	25810EMN3
50,000,000	DORADA FINANCE 5.35, 2/11/09	5.37	49,984,585	49,984,000	AAA	25810EMZ6
50,000,000	FIVE FINANCE 5.33, 6/12/08	5.35	49,988,586	49,992,000	AAA	33828WCC2
50,000,000	FIVE FINANCE 5.34, 9/29/08	5.35	49,985,746	49,992,000	AAA	33828WCQ1
2,450,000	GOLDMAN SACHS 5.45, 11/10/08	5.37	2,452,644	2,452,646	AA-	38141EKJ7
30,000,000	GOLDMAN SACHS 5.39, 12/23/08	5.37	30,000,000	30,009,300	AA-	38141EKX6
1,100,000	MBIA GLOBAL FUNDING 5.39, 1/11/08	5.30	1,100,413	1,100,759	AAA	55266LCB0
50,000,000	MBIA GLOBAL FUNDING 5.32, 2/26/09	5.33	50,000,000	49,991,000	AAA	55266LFM3
20,000,000	MERRILL LYNCH 5.40, 10/23/08	5.37	20,005,885	20,005,800	AA-	59018YYN5
9,900,000	MERRILL LYNCH 5.445, 10/27/08	5.37	9,910,414	9,910,494	AA-	59018YWF4
5,000,000	MERRILL LYNCH 5.445, 10/27/08	5.37	5,005,256	5,005,300	AA-	59018YWF4
1,500,000	MERRILL LYNCH 5.445, 10/27/08	5.37	1,501,459	1,501,590	AA-	59018YWF4
25,000,000	NEW YORK LIFE GF 5.33, 3/28/09	5.34	25,000,000	24,995,250	AA	649486AA5
4,700,000	ROYAL BANK OF SCOTLAND 5.37, 4/11/08	5.34	4,700,271	4,701,410	AA	78010JCD2
10,000,000	ROYAL BANK OF SCOTLAND 5.31, 4/20/08	5.33	10,000,000	9,998,700	AA	78010JAB8
$ 719,200,000			**$719,200,550**	**$ 719,288,891**		
LIQUIDITY MANAGEMENT CONTROL SYSTEM (0.00%)						
$ 69	LIQUIDITY MANAGEMENT 4.50, 4/2/07	4.50	$ 69	$ 69	A-1+	N/A
$ 69			**$ 69**	**$ 69**		
MULTI-SELLER COMMERCIAL PAPER (6.75%)						
$ 40,544,000	BUNGEE ASSET 5.27, 5/8/07	5.30	$ 40,324,398	$ 40,324,398	A-1	N/A
125,800,000	CATAPULT PMX FUNDING 5.30, 4/12/07	5.31	125,596,274	125,596,274	A-1	14902KRC1
125,000,000	CATAPULT PMX FUNDING 5.30, 4/12/07	5.31	124,797,569	124,797,569	A-1	N/A
27,208,000	CLIPPER RECEIVABLES CORP 5.43, 4/2/07	5.43	27,203,896	27,203,896	A-1	N/A
20,000,000	LONG LANE MASTER TRUST IV 5.30, 6/14/07	5.26	19,782,111	19,783,591	AAA	5427X1TE1
$ 338,552,000			**$337,704,249**	**$ 337,705,729**		
REPURCHASE AGREEMENTS (5.21%)						
$ 200,000,000	BEAR STEARNS 5.42, 4/2/07	5.42	$ 200,000,000	$ 200,000,000	A-1	N/A
60,638,000	LEHMAN BROTHERS 5.34, 4/2/07	5.34	60,638,000	60,638,000	A-1	N/A
$ 260,638,000			**$260,638,000**	**$ 260,638,000**		

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
SECURITIES-BACKED COMMERCIAL PAPER (17.19%)						
$ 50,000,000	ALTIUS FUNDING 5.27, 4/18/07	5.28	$ 49,875,569	$ 49,875,569	A-1+	N/A
20,000,000	BELLE HAVEN 5.295, 4/17/07	5.31	19,952,933	19,952,933	A-1+	N/A
55,300,000	BELLE HAVEN 5.29, 4/19/07	5.30	55,153,732	55,153,732	A-1+	N/A
77,400,000	BELLE HAVEN 5.29, 4/23/07	5.32	77,149,783	77,149,783	A-1+	N/A
35,000,000	BELLE HAVEN 5.29, 5/8/07	5.32	34,809,707	34,809,707	A-1+	N/A
43,200,000	BELLE HAVEN 5.28, 5/18/07	5.32	42,902,208	42,902,208	A-1+	N/A
200,000,000	CHESHAM FINANCE 5.45, 4/2/07	5.45	199,969,722	199,969,722	A-1+	N/A
45,000,000	CHESHAM FINANCE 5.44, 4/2/07	5.44	44,993,200	44,993,200	A-1+	N/A
25,000,000	CHESHAM FINANCE 5.175, 5/30/07	5.22	24,787,969	24,787,969	A-1+	N/A
50,000,000	EBURY FINANCE 5.28, 4/3/07	5.28	49,985,333	49,985,333	A-1	N/A
12,300,000	EBURY FINANCE 5.25, 7/5/07	5.28	12,129,594	12,128,685	A-1	N/A
25,000,000	EBURY FINANCE 5.22, 7/25/07	5.27	24,583,125	24,579,052	A-1	N/A
40,000,000	LAGUNA 5.29, 4/10/07	5.30	39,947,100	39,947,100	A-1+	N/A
50,000,000	LAGUNA 5.30, 4/27/07	5.32	49,808,611	49,808,611	A-1+	N/A
50,000,000	LAGUNA 5.29, 4/30/07	5.31	49,786,931	49,786,931	A-1+	N/A
34,000,000	LAGUNA 5.275, 6/4/07	5.27	33,681,156	33,681,216	A-1+	N/A
50,000,000	LAKESIDE FUNDING 5.33, 4/10/07	5.33	50,000,000	50,000,000	A-1+	51215MBV6
$ 862,200,000			**$ 859,516,672**	**$ 859,511,751**		
SECURED LIQUIDITY NOTES (32.35%)						
$ 58,000,000	ALBIS CAPITAL CORP 5.30, 4/3/07	5.30	$ 57,982,922	$ 57,982,922	A-1+	N/A
15,000,000	ALBIS CAPITAL CORP 5.30, 4/5/07	5.30	14,991,167	14,991,167	A-1+	N/A
3,955,000	ALBIS CAPITAL CORP 5.33, 4/10/07	5.34	3,949,730	3,949,730	A-1+	N/A
15,000,000	ALBIS CAPITAL CORP 5.31, 4/12/07	5.32	14,975,663	14,975,663	A-1+	N/A
50,000,000	ALBIS CAPITAL CORP 5.31, 4/19/07	5.32	49,867,250	49,867,250	A-1+	N/A
30,000,000	ALBIS CAPITAL CORP 5.30, 4/30/07	5.32	29,871,917	29,871,917	A-1+	N/A
50,000,000	ALBIS CAPITAL CORP 5.30, 5/23/07	5.34	49,617,222	49,617,222	A-1+	N/A
24,000,000	ALBIS CAPITAL CORP 5.30, 5/23/07	5.34	23,816,267	23,816,267	A-1+	N/A
50,000,000	ALBIS CAPITAL CORP 5.32, 5/25/07	5.36	49,601,000	49,601,000	A-1+	N/A
20,000,000	ALBIS CAPITAL CORP 5.32, 5/31/07	5.28	19,822,667	19,824,067	A-1+	N/A
10,000,000	ALBIS CAPITAL CORP 5.30, 6/13/07	5.27	9,892,528	9,893,238	A-1+	N/A

Par Value **	Security (Coupon, Maturity or Next Reset)	Yield (%)	Amortized Cost**	Market Value**	Quality Rating	Cusip or Issuer ID
140,000,000	BROADHOLLOW FUNDING 5.32, 4/13/07	5.33	139,751,733	139,751,733	A-1+	N/A
200,000,000	FENWAY FUNDING 5.48, 4/2/07	5.48	199,969,556	199,969,556	A-1	N/A
27,904,000	FENWAY FUNDING 5.50, 4/2/07	5.50	27,899,737	27,899,737	A-1	N/A
24,750,000	FENWAY FUNDING 5.32, 6/8/07	5.30	24,501,290	24,502,225	A-1	N/A
29,894,000	FREEDOM PARK 5.315, 4/4/07	5.32	29,880,759	29,880,759	A-1+	N/A
18,018,000	FREEDOM PARK 5.34, 4/11/07	5.35	17,991,273	17,991,273	A-1+	N/A
45,000,000	FREEDOM PARK 5.32, 4/12/07	5.33	44,926,850	44,926,850	A-1+	N/A
28,731,000	FREEDOM PARK 5.315, 4/13/07	5.32	28,680,098	28,680,098	A-1+	N/A
21,489,000	FREEDOM PARK 5.35, 4/25/07	5.37	21,412,356	21,412,356	A-1+	N/A
30,767,000	FREEDOM PARK 5.31, 5/4/07	5.34	30,617,242	30,617,242	A-1+	N/A
26,000,000	FREEDOM PARK 5.35, 5/24/07	5.39	25,795,214	25,795,214	A-1+	N/A
30,526,000	FREEDOM PARK 5.31, 5/25/07	5.35	30,282,860	30,282,860	A-1+	N/A
40,864,000	FREEDOM PARK 5.30, 6/1/07	5.28	40,497,019	40,498,611	A-1+	N/A
50,000,000	HARWOOD STREET I 5.33, 4/30/07	5.35	49,785,319	49,785,319	A-1+	N/A
50,000,000	HARWOOD STREET I 5.33, 4/30/07	5.35	49,785,319	49,785,319	A-1+	N/A
41,076,000	LUMINENT STAR 5.32, 4/12/07	5.33	41,009,229	41,009,229	A-1+	N/A
46,011,000	LUMINENT STAR 5.32, 5/18/07	5.36	45,691,428	45,691,428	A-1+	N/A
66,770,000	LUMINENT STAR 5.32, 5/22/07	5.36	66,266,777	66,266,777	A-1+	N/A
25,000,000	LUMINENT STAR 5.36, 5/25/07	5.40	24,799,000	24,799,000	A-1+	N/A
25,742,000	LUMINENT STAR 5.36, 5/31/07	5.41	25,512,038	25,509,850	A-1+	N/A
95,000,000	NORTH LAKE FUNDING 5.42, 4/16/07	5.43	94,785,458	94,785,319	A-1+	N/A
50,000,000	OCALA FUNDING 5.28, 4/23/07	5.30	49,838,667	49,838,667	A-1+	N/A
20,378,000	OCALA FUNDING 5.29, 5/18/07	5.33	20,237,262	20,237,262	A-1+	N/A
20,000,000	OCALA FUNDING 5.24, 5/18/07	5.28	19,863,178	19,863,178	A-1+	N/A
50,000,000	OCALA FUNDING 5.26, 6/4/07	5.27	49,532,444	49,531,200	A-1+	N/A
25,000,000	OCALA FUNDING 5.32, 6/4/07	5.27	24,763,556	24,765,600	A-1+	N/A
20,000,000	OCALA FUNDING 5.32, 6/4/07	5.27	19,810,844	19,812,480	A-1+	N/A
50,000,000	OCALA FUNDING 5.30, 6/13/07	5.27	49,462,639	49,466,188	A-1+	N/A
$1,624,875,000			**$1,617,737,477**	**$1,617,745,771**		
$5,011,365,069	**TOTAL**		**$5,000,583,147**	**$5,000,675,641**		

Market Value / Participant Units Outstanding = Ratio of Market Value per Unit***
$5,000,675,641* / 4,939,454,517 = $1.01 per unit

* Security is booked to its legal final.
** Securities rounded to the nearest dollar.
*** Includes designated surplus reserve which is not available for distribution to individual shareholders.

SHORT-TERM INVESTMENT FUND

ORGANIZATION STRUCTURE

Treasurer **State of Connecticut**	Denise L. Nappier (860) 702-3000
Assistant Treasurer **Cash Management**	Lawrence A. Wilson, CTP (860) 702-3126
STIF Investment Management	Principal Investment Officer Lee Ann Palladino, CFA
	Investment Officer Paul A. Coudert
	Securities Analyst Marc R. Gagnon
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

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