



The Office Of State Treasurer  
Denise L. Nappier

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# News

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## **Connecticut's Short-Term Investment Fund Top Ranked in USA; Outperforms Benchmark - Earning Additional \$35.5 Million Over Five Years**

*Top-Tier Performance Helps Cities, Towns and Their Taxpayers  
During Slow Economic Recovery*

HARTFORD, CT -- State Treasurer Denise L. Nappier announced today that the return to investors from Connecticut's Short-Term Investment Fund (STIF), during the past five years for the period ending June 30, 2014, was more than triple that paid by similar money market funds.<sup>1</sup>

During this period, STIF earned an average of 20 basis points (.20 percent), while its benchmark of similar money market funds earned 6 basis points (.06 percent). This strong relative performance resulted in an additional \$35.5 million in interest payments over the past five years to STIF's participating state and local governments, and other investors.

STIF serves as a liquid investment vehicle for the cash balances of the State Treasury, state agencies and authorities, municipalities, and other political subdivisions of the State. As of June 30, 2014, the Treasury's Cash Management Division administered 874 active STIF accounts for 67 state agencies and authorities and 260 municipalities and local entities.

"We are pleased to have consistently exceeded the returns seen by comparable funds, particularly during these periods of extremely low interest rates and uncertainty," said Treasurer Nappier. "STIF's achievement is even more notable considering that it has a reserve cushion to protect investors against downside risk – an additional layer of safety not found in the vast majority of our peers' funds," she added.

STIF also had strong performance for Fiscal Year 2014, during which it earned 14 basis points (.14 percent) while its benchmark returned 2 basis points (.02 percent). Consequently, STIF investors earned an additional \$5.7 million in interest income.

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<sup>1</sup> STIF's performance is compared to similar money market funds as measured by the iMoneyNet First Tier Institutions-Only AAA-Rated Money Fund Report Averages Index.

STIF has outperformed its benchmark for every year of the Nappier administration. Additionally, STIF was ranked in the top five of similar government investment pools in the nation for the past fiscal year, and has been one of the top two such pools in the nation since the beginning of this calendar year.

Also during Fiscal Year 2014, STIF's rating of AAAm – 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.”<sup>2</sup>

“At the end of the day, the incremental revenue earned by STIF continues to help the State, as well as its cities and towns, provide some relief of budgetary pressure during this slow economic recovery following the Great Recession,” Treasurer Nappier said.

Since Nappier took office in 1999, STIF's outperformance has earned government investors an additional \$189 million. And, the total number of STIF investors has grown from 241 to 327, an increase of 36 percent. Currently 136 of Connecticut's 169 towns are participating in STIF.

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<sup>2</sup> See Standard & Poor's Ratings Definitions at: [S&P Principal Stability Fund Ratings Definitions](#)