



## State of Connecticut Office of the Treasurer

SHAWN T. WOODEN  
TREASURER

### Connecticut Short Term Investment Fund – Investment Policy Statement Changes

This letter serves as notification for changes being made to the Investment Policy Statement (“IPS”) for the Short Term Investment Fund (“STIF”). The IPS provides the investment guidelines for the team which manages the fund under the purview of State Treasurer Shawn T. Wooden.

The IPS was last updated in 2009 and contained multiple sections in which changes were deemed necessary in order to effectively manage STIF and to add a greater degree of clarity on permissible investments. The new IPS has also modified sections that include information deemed unnecessary and outdated.

This IPS document continues to be governed by Connecticut General Statutes, GASB guidelines and S&P AAAM rating guidelines and is designed to conform to the May 2016 NAST guidelines. The professional standard continues to be the “Prudent Expert” standard.

The following is a summary of substantive changes to the Investment Policy Statement:

1. Safety of Principal
  - a. Reserve determination made on assets net of reserves instead of total assets.
2. Investment Guidelines
  - a. Short and long-term ratings harmonized and made consistent with Standard & Poor’s.
  - b. Clarification on permissible investments on which the policy has historically been silent.

Importantly, the changes do not alter the risk profile of the fund and the guiding principles continue to be safety, liquidity and yield. The changes will also provide investors and potential investors with greater transparency regarding the fund’s investments.

The following website can be used to review the approved Investment Policy dated November 19, 2019:

<https://portal.ct.gov/OTT/Cash-Management/Investor-Communications>

**Any questions regarding the changes should be directed to:**

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