



**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's.

**AAm** A fund rated 'AAm' has very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks.

**Am** A fund rated 'Am' has strong capacity to maintain principal stability but is somewhat more susceptible to principal losses due to adverse credit, market and/or liquidity risks than higher-rated funds.

**BBBm** A fund rated 'BBBm' has adequate capacity to maintain principal stability. However, adverse market conditions and/or higher levels of redemption activity are more likely to lead to a weakened capacity to limit exposure to principal loss as a result of higher exposure to credit, market and/or liquidity risks.

**BBm** A fund rated 'BBm' has uncertain capacity to maintain principal stability and is vulnerable to principal losses resulting from its exposures to credit, market and/or liquidity risks.

**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**G** The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.

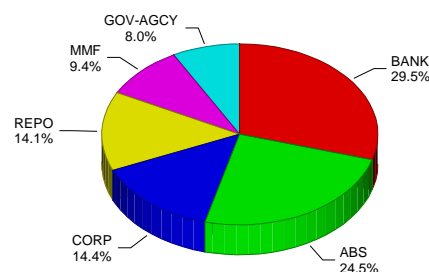
**Plus (+) or Minus (-)**  
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

# Connecticut State Treasurer's Short-Term Investment Fund

## About the Fund

|                      |  |
|----------------------|--|
| Fund Rating          | <b>AAAm</b>                                    |
| Fund Type            | Stable NAV Government Investment Pool          |
| Investment Adviser   | State of Connecticut - Office of the Treasurer |
| Portfolio Manager    | Lee Ann Palladino, CFA                         |
| Date Rating Assigned | January 1996                                   |
| Custodian            | State Street Bank and Trust Co., Boston, MA    |

**Portfolio Composition as of September 28, 2007**



BANK - Bank Deposits; ABS - Asset-backed security; CORP - Corporate; REPO - Repurchase Agreement; MMF - Money Market Fund; GOV-AGCY - Agency and Government

## Rationale

- Daily access to funds
- Serving public entities in Connecticut
- Invests in very liquid, high quality, short-term investments

## Overview

Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the Cash Management Division of the State Treasurer's Office and is comprised of high-quality, short-term money market instruments. The Fund began operations in 1972 and has over 300 participants. The Fund serves as an investment tool for the operating cash of the State Treasury, state agencies, authorities, municipalities, and other political subdivisions of the state. The Fund's investment objective is to seek as high a level of current income as is consistent with safety of principal and ample liquidity to meet participants' daily cash flow requirements.

## Management

The Fund is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office which has managed the Fund since inception. The portfolio manager, Lee Ann Palladino, has managed the STIF Fund since 2005. In 1995 the State Treasurer set up a cash management advisory board, comprised of Treasury managers and investment professionals to review the Fund's portfolio, performance, and investment policies and procedures. In addition to meeting with the advisory board on a quarterly basis, Lee Ann reports to the state's investment advisory council quarterly. State Street Bank & Trust Co. serves as the Fund's administrator and custodian.

## Portfolio Assets

The Fund invests in wide variety of money market securities, primarily consisting of CP, BA's, CD's, corporate notes, asset-backed securities, U.S.

agencies, and repurchase agreements. The Fund typically holds a sizable position in floating rate notes which are tied to standard short-term money market indices such as overnight Fed Funds, LIBOR and Treasury Bills. The advisor maintains the Fund's weighted average maturity (WAM) at 60 days or less which helps to ensure liquidity and principal preservation in the event of large redemptions. In addition, the Fund has a designated surplus account equal to approximately 1% of Fund assets which provides additional protection for shareholders against potential credit or market risks.

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*Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.*

**Principal Stability Rating Approach and Criteria**

Principal Stability Fund Rating, also known as a Money Market Rating, is a current opinion of a fund's capacity to maintain stable principal or net asset value. When assigning a Principal Stability rating to a fund, Standard & Poor's focuses on the creditworthiness of a fund's investments and counterparties, the market price exposure of its investments, sufficiency of the fund's portfolio liquidity, and management's ability and policies to maintain the fund's stable net asset value by limiting exposure to loss. A money market fund rating evaluates:

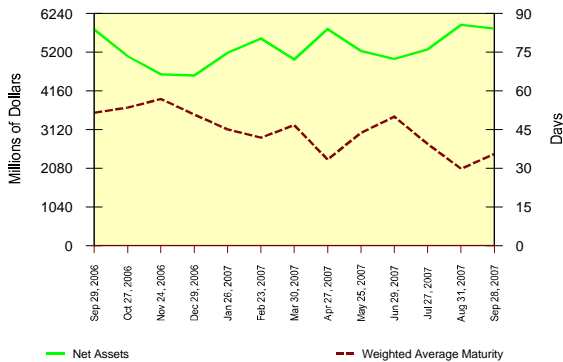
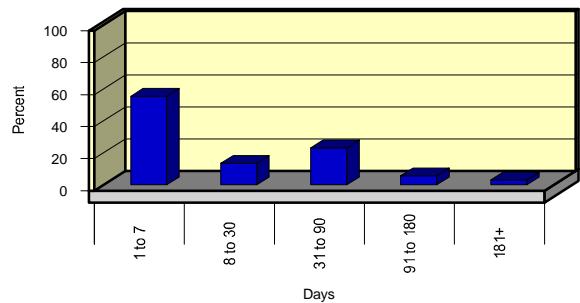
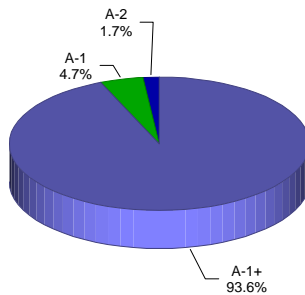
**Credit risk:** credit quality, types, and diversity of portfolio investment;

**Market price exposure:** degree of liquidity of investments, distribution and average length of maturities, and volatility of portfolio cash flows;

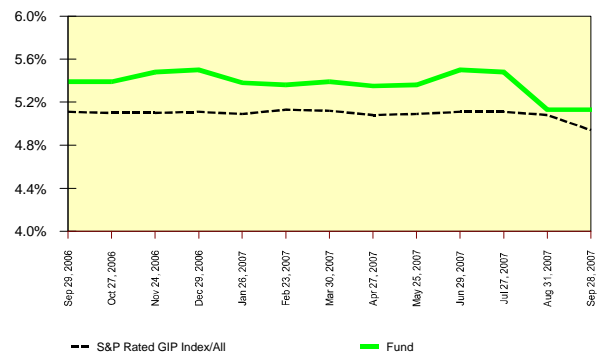
**Management:** philosophy, operating policies and procedures.

**Data Bank as of September 28, 2007**

Net Asset Value per Share.....\$1.00      Net Assets (millions)..... \$5,831.00      Inception Date..... January 1972  
 Weighted Average Maturity....36 days      7 Day Yield..... 5.13%

**Net Assets and Weighted Average Maturity (WAM)****Portfolio Maturity Distribution as of September 28, 2007****Portfolio Credit Quality as of September 28, 2007 \***

\*As assessed by Standard & Poor's

**Portfolio 7 Day Yield Comparison \***

\*S&P Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated GIP Indices are calculated weekly by S&P and are comprised of 'AAAm' and 'AAm' government investment pools.

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted. Performance data current to the most recent month-end may be available by calling the Fund at the phone number listed in the "About the Fund" section on page 1.

Fund portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior fund executives and public information.

The Principal Stability Fund Rating for this fund issued by Standard & Poor's can be found in the 'About the Fund' section on page 1. The rating is current as of the date of this profile report. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same rating or perform in the future as rated. Not all money market funds have principal stability fund ratings and those that do may have paid for them. The fact that a fund has a rating is not an indication that it is more or less risky or volatile than a fund that does not. The fund or a third party participating in the marketing of fund shares paid Standard & Poor's for this rating. Standard & Poor's receives no payment for disseminating ratings, except for subscriptions to its publications.

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