# CONNECTICUT STATE TREASURER'S
## SHORT-TERM INVESTMENT FUND

# Quarterly Report

Quarter Ending September 30, 2018

Denise L. Nappier
State treasurer

# Message From the Treasurer

**Dear Investor:**

It is my pleasure to report to you that during the first quarter of the new fiscal year started with the Connecticut Short-Term Investment Fund (STIF) continuing to outperform similar money funds, earning an average annualized yield of 2.0 percent, 14 basis points above its iMoneyNet benchmark,* resulting in an additional $2.3 million in interest earnings for Connecticut's state and local governments and their taxpayers during the quarter, while adding $1.8 million to the designated surplus reserve.

For the twelve months ending September 30, 2018, STIF achieved an annual return of 1.63 percent, exceeding its primary benchmark by 13 basis points, thereby earning an additional $8.3 million in interest income for STIF investors while adding $5.4 million to the designated surplus reserve.

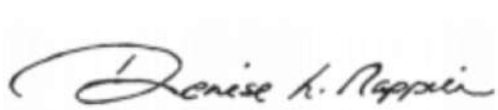
STIF continued to outperform its benchmark while maintaining its conservative investment practices of high liquidity, short portfolio maturity, and significant credit restrictions. Currently, STIF holds $2.4 billion, or 34 percent, of fund assets in overnight investments or investments that are available on a same-day basis. The weighted average maturity of the portfolio is 43 days. Forty-one 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.

In addition to our cautious investment practices, we build our reserves at the annual rate of 10 basis points whenever reserves are less than one percent of total assets. Currently, STIF's reserves total approximately $64.2 million, or 1.04 percent of total assets.

During this period of increasing interest rates across the yield curve, continued tightening of monetary policy and market volatility, STIF has continued to focus on its mandate of providing investors with safety, liquidity and yield. The portfolio continues to be positioned in a manner that allows the fund to benefit from future rate increases while maintaining a high current yield in order to provide a competitive rate without sacrificing liquidity. We are focused on helping our investors accomplish their objectives in this fiscally and financially challenging environment and believe the fund will continue to generate additional income versus many of the alternatives available to you.

Thank you for your continued confidence in STIF. We will continue to work vigilantly to protect the safety, liquidity, and performance of the fund for the benefit of all investors.

**Sincerely,**



**Denise L. Nappier**
**Treasurer, State of Connecticut** **December 13, 2018**

* iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report (MFR) Averages Index.

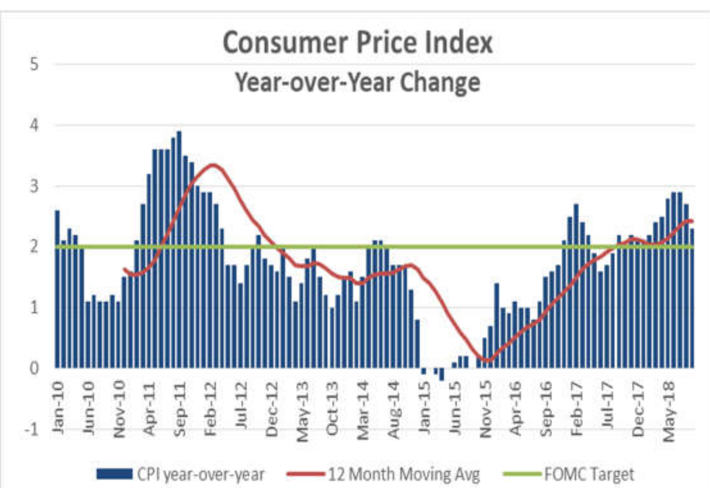
# Economic Review and Outlook

The table below summarizes recent and projected economic growth, inflation, and employment as of September 30, 2018. The Federal Reserve's Federal Open Market Committee (FOMC) raised rates 25 basis points during the quarter and another rate hike (25 basis points) is expected at the December 2018 FOMC meeting. The FOMC has forecasted - through individual member forecasts - three additional hikes during 2019. As a result of FOMC projections, as well as current market conditions, STIF has been active in both the floating-rate market as well as the fixed-rate market, investing in either coupon structure based upon the relative value presented. We have positioned the portfolio in a manner that affords investors an above market yield while accommodating the potential changes in interest rates.

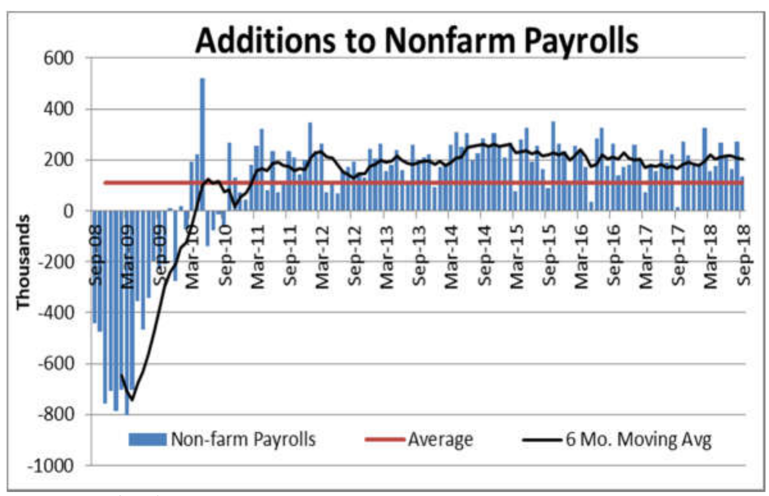
**ECONOMIC SNAPSHOT**

| | Recent Results | Future Expectations* |
|---|---|---|
| **Growth** | The U.S. economy grew at an annual rate of 3.5 percent during the quarter ended 9/30/2018 versus 4.1 percent in the fourth quarter of Fiscal Year 2018. | Economists expect that for all of CY 2018, the economy is projected to expand at an average rate of 2.9 percent. |
| **Inflation** | Major Inflation Indices – Year-over-Year<br>Core PCE 2.0 percent (Sept)<br>Core CPI 2.2 percent (Sept)<br>Core PPI 2.9 percent (Sept) | Economists expect core PCE, which is a reflection of personal consumption minus the food and energy components, to increase an average of 1.9 percent for CY 2018. Total CPI, which represents prices of all goods and services purchased for consumption by urban households, is expected to increase an average of 2.5 percent for CY 2018. |
| **Employment** | October 2018 non-farm payrolls (for Sept) added 134,000 jobs while the unemployment rate, at 3.7 percent, was lower than September 2017's 4.2 percent. | Economists expect the unemployment rate to average 3.9 percent during CY 2018. |

* *Bloomberg monthly survey of U.S. economic forecast as of July 2018.*




Source: Bloomberg

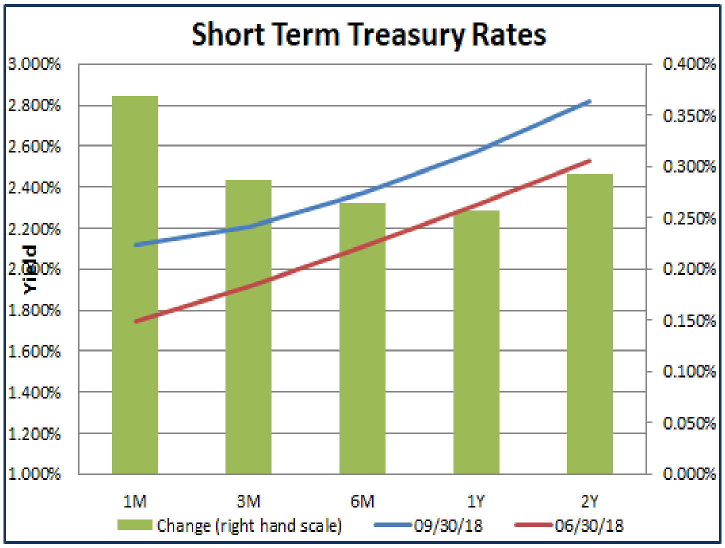



Source: Bloomberg

Inflation, as measured by the Consumer Price Index year-over-year change, has continued to be greater than the FOMC's two percent target, with a September rate of 2.42%. As inflation continues to exceed the FOMC target, the FOMC should continue its gradual rate increases.

Monthly payroll growth averaged 189,000 during the quarter (28,000 lower than last quarter's average) and 569,000 jobs were added during the period. While the most recent number was weaker than the prior month, it is still above the ten-year average of 111,000 and has helped drive the unemployment rate to a low of 3.7 percent.

During the first quarter of Fiscal Year 2019, interest rates across the maturity spectrum (but particularly in the three year and less segment of the curve) increased from the prior quarter due to continued monetary policy normalization and increasing inflation. The short-term yield curve (three years and shorter) has flattened versus the prior quarter based on the anticipated Federal Funds rate trajectory. We expect the short-term curve to steepen in the near-term as the market adjusts to forward Fed guidance and have been investing fund assets accordingly.



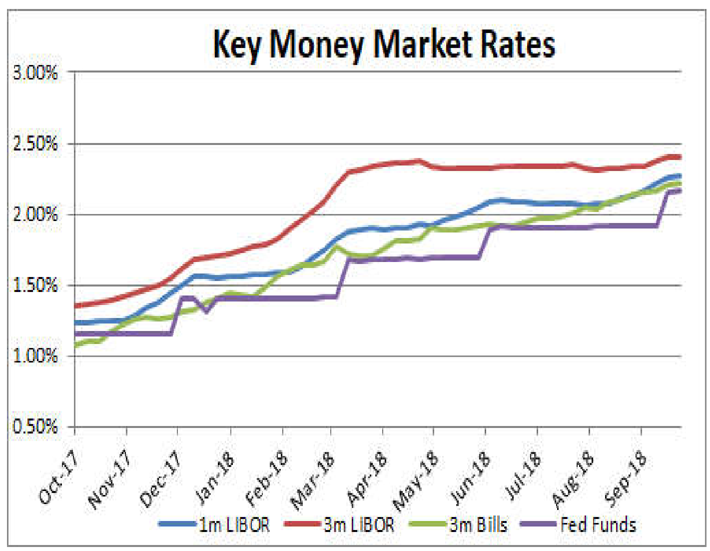

| Tenor | 09/30/18 | 06/30/18 | Change |
|---|---|---|---|
| 1M | 2.117% | 1.748% | 0.369% |
| 3M | 2.204% | 1.917% | 0.287% |
| 6M | 2.374% | 2.109% | 0.265% |
| 1Y | 2.571% | 2.314% | 0.257% |
| 2Y | 2.823% | 2.530% | 0.293% |
| 3Y | 2.886% | 2.623% | 0.263% |
| 5Y | 2.955% | 2.739% | 0.216% |
| 7Y | 3.025% | 2.823% | 0.202% |
| 10Y | 3.063% | 2.861% | 0.202% |
| 30Y | 3.207% | 2.990% | 0.217% |

Treasury Curve and Quarterly Change

**Federal Funds Futures Implied Rate Hike Probability**

| Meeting | Prob Of Hike | 2.25 - 2.50 | 2.50-2.75 | 2.75-3.00 | 3.00-3.25 | 3.25-3.50 |
|---|---|---|---|---|---|---|
| 11/8/2018 | 6.10% | 6.10% | 0.00% | 0.00% | 0.00% | 0.00% |
| 12/19/2018 | **74.40%** | 69.90% | 4.50% | 0.00% | 0.00% | 0.00% |
| 1/30/2019 | 75.90% | 67.40% | **8.20%** | 0.30% | 0.00% | 0.00% |
| 3/20/2019 | 91.10% | 40.20% | 45.50% | 5.20% | 0.20% | 0.00% |
| 5/1/2019 | 91.90% | 37.60% | 45.10% | 8.60% | 0.60% | 0.00% |
| 6/19/2019 | 95.80% | 23.50% | 41.50% | 26.10% | 4.40% | 0.30% |
| | | 1 Hike | 2 Hikes | 3 Hikes | 4 Hikes | 5 Hikes |

Bloomberg: Federal Funds futures implied probabilities 8/21/18




Source: Bloomberg– as of 10/5/18

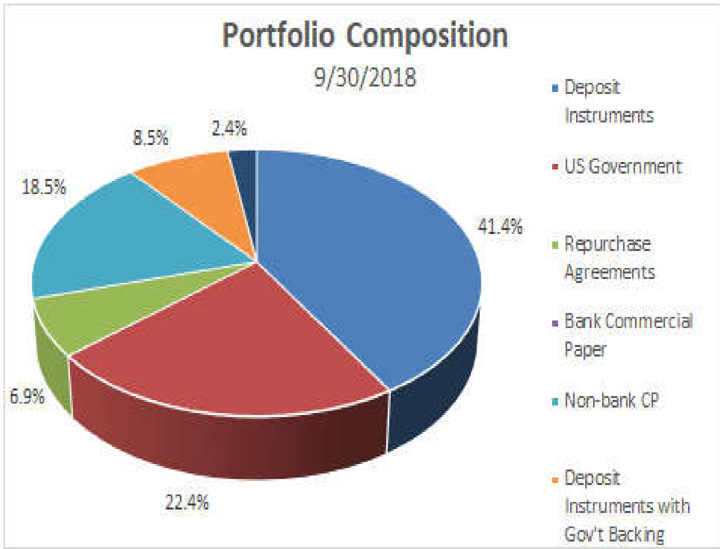
During the first fiscal quarter, the FOMC raised the Fed Funds rate by 25 basis points and investors shifted their focus to the next rate hike and further tightening during 2019. Based on the futures market, the next rate hike (of 25 basis points) is expected to take place in December 2018.

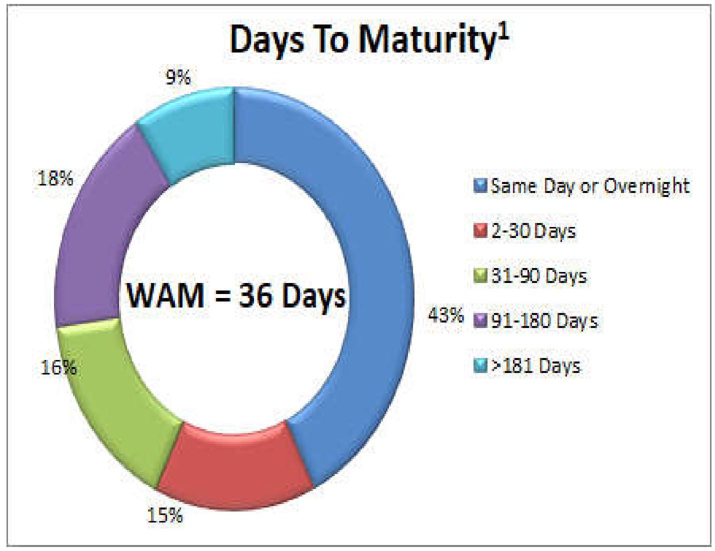
Money market rates ended the quarter higher than the prior quarter due to the FOMC rate hike on September 26, 2018. We expect rates to continue to gradually climb as the market prices in additional anticipated rate hikes by the FOMC.

# Short-Term Investment fund

## Portfolio Characteristics at September 30, 2018

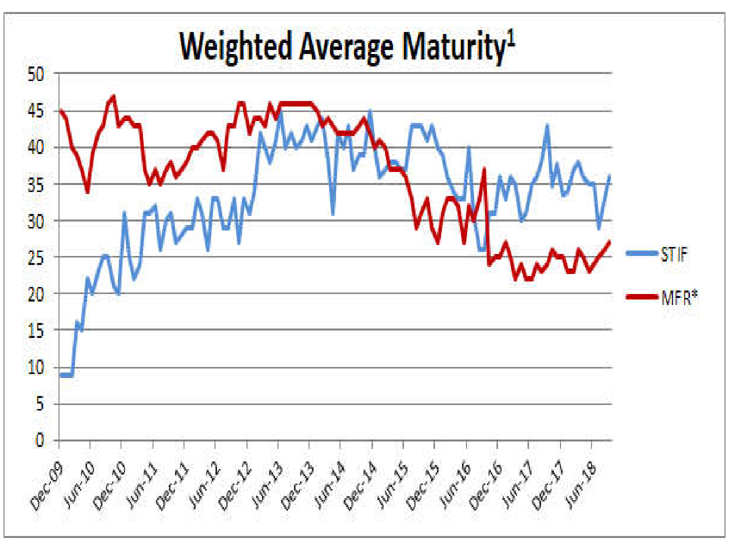
At the end of the first quarter of fiscal 2019, STIF had a weighted-average maturity of 36 days, and daily liquidity, represented by overnight investments and investments available on a same-day basis, totaled $3.1 billion, or approximately 43 percent of assets. Deposit instruments (including those backed by FHLB letters of credit) continued to represent the fund's largest exposure at 50 percent, followed by government agencies at 22 percent, non-financial commercial paper and corporate securities at 19 percent, and repurchase agreements at seven percent. In total, approximately 40 percent of STIF's assets were invested in securities issued, insured or guaranteed by the U.S. government or federal agencies, repurchase agreements backed by such securities, or deposit instruments with FHLB letters of credit.

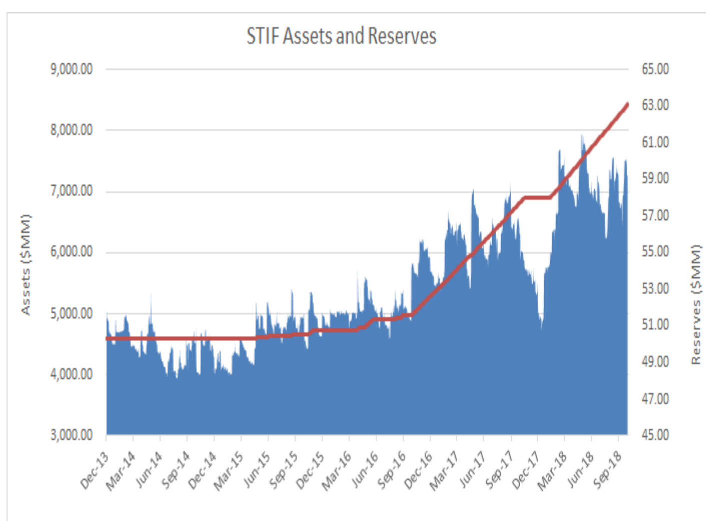



As of June 30, 2018, STIF's WAM was 36 days, one day longer than June 30, 2018. The WAM ranged between 27 and 37 days during the quarter and averaged 32 days.

The fund was in a reserve contributing position during the entire quarter ($1.8 million contributed) and reserves stood at approximately $63.1 million as of September 30, 2018. At the end of the quarter, reserves were equal to approximately 0.87% of assets.




* iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report (MFR) Averages Index.

1. Measures deposit instruments / securities until put date and floating rate securities until reset date.

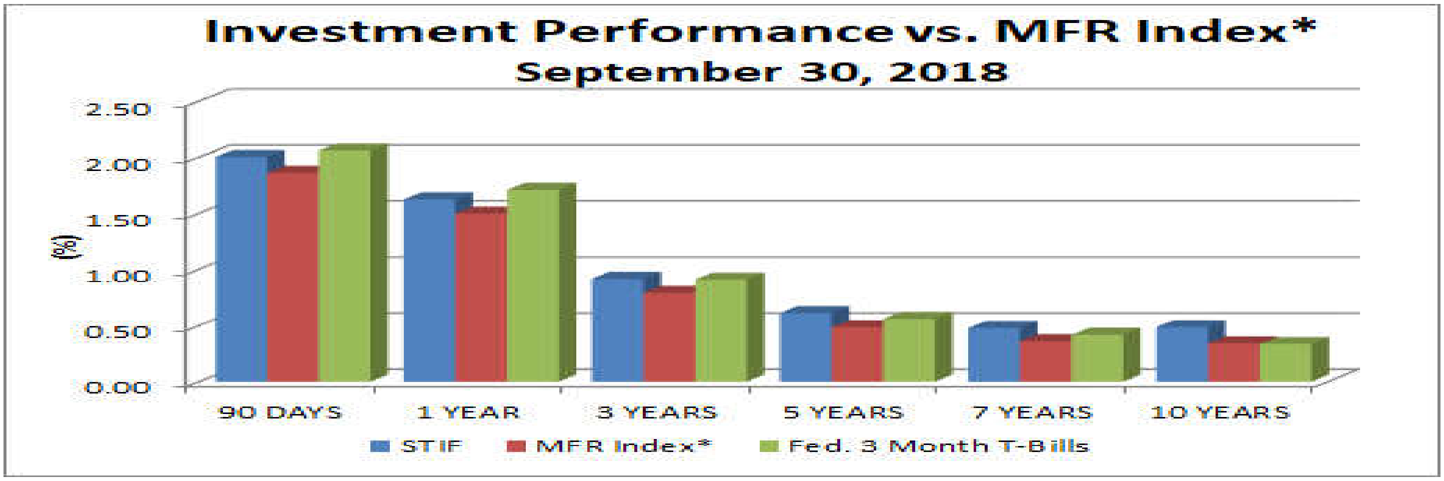
# Short-Term Investment Fund

## Performance For Period Ended 09/30/2018

### Annualized Yields (Unaudited)

The Treasurer's Short-Term Investment Fund outperformed the MFR Index* by 14 basis points for the three months ending September 30, 2018, while it underperformed three-month T-Bills by six basis points due to the quicker response of Treasury bills to rate increases in the marketplace.

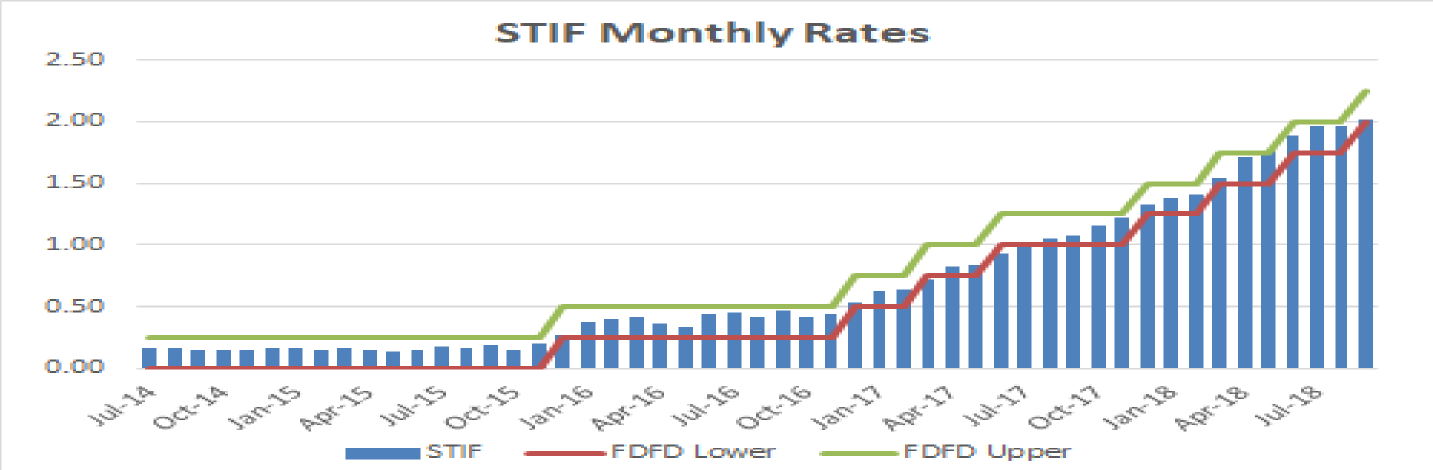
Over the 12 months ending September 30, 2018, the fund had a seven basis point advantage versus the MFR Index and lagged the three-month T-Bill by eight basis points. Over longer term periods, the fund has consistently outperformed both benchmarks.




**STIF Historical Performance**

| Total Return | 90 DAYS | 1 YEAR | 3 YEARS | 5 YEARS | 7 YEARS | 10 YEARS |
|---|---|---|---|---|---|---|
| STIF | 2.00 | 1.63 | 0.92 | 0.61 | 0.48 | 0.49 |
| MFR Index* | 1.86 | 1.50 | 0.79 | 0.48 | 0.36 | 0.34 |
| Fed. 3 Month T-Bills | 2.06 | 1.71 | 0.91 | 0.56 | 0.42 | 0.34 |

STIF's monthly rate increased 13 basis points from the fourth fiscal quarter of 2018 and ended the first fiscal quarter of 2019 at 2.01 percent. STIF's rate continues to fall within the Federal Funds target area.




* iMoneyNet's First Tier Institutions-Only AAA-Rated Money Fund Report (MFR) Averages Index.

# Short-Term Investment fund

## List of Investments at September 30, 2018 (unaudited)

| Par | Issuer | YTM | Reset / Maturity | Amortized Cost | Fair Market Value | Rating |
|---|---|---|---|---|---|---|
| **Bank Deposit Instruments** | | | | | | **41.4%** |
| 190,000,000 | ANZ Bank | 2.17% | 10/1/2018 | 190,000,000 | 190,000,000 | A-1+ |
| 50,000,000 | ANZ Bank | 2.32% | 11/19/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 15,000,000 | ANZ Bank | 2.32% | 11/27/2018 | 15,000,000 | 15,000,000 | A-1+ |
| 50,000,000 | ANZ Bank | 2.36% | 12/20/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 15,000,000 | ANZ Bank | 2.35% | 12/27/2018 | 15,000,000 | 15,000,000 | A-1+ |
| 15,000,000 | ANZ Bank | 2.39% | 1/28/2019 | 15,000,000 | 15,000,000 | A-1+ |
| 15,000,000 | ANZ Bank | 2.42% | 2/22/2019 | 15,000,000 | 15,000,000 | A-1+ |
| 797 | BANK OF NEW YORK | 0.01% | 10/1/2018 | 797 | 797 | A-1+ |
| 125,000,000 | BB&T CO. (2) | 2.36% | 10/1/2018 | 125,000,000 | 125,000,000 | A-1 |
| 100,000,000 | BB&T CO. (2) | 2.36% | 10/1/2018 | 100,000,000 | 100,000,000 | A-1 |
| 10,000,000 | DEXIA CREDIT LOCAL SA NY | 2.31% | 10/1/2018 | 10,000,000 | 10,000,100 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.41% | 10/9/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.30% | 11/9/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.34% | 11/9/2018 | 25,000,000 | 25,004,000 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.40% | 1/2/2019 | 25,000,000 | 25,004,500 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.40% | 1/14/2019 | 25,000,000 | 25,004,000 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.40% | 1/16/2019 | 25,000,000 | 25,004,000 | A-1+ |
| 50,000,000 | DEXIA CREDIT LOCAL SA NY | 2.40% | 1/18/2019 | 50,000,000 | 50,008,000 | A-1+ |
| 25,000,000 | DEXIA CREDIT LOCAL SA NY | 2.48% | 3/19/2019 | 25,000,000 | 24,999,250 | A-1+ |
| 350,000,000 | DZ BANK | 2.15% | 10/1/2018 | 350,000,000 | 350,000,000 | A-1+ |
| 250,000,000 | MUFG BANK LTD/NY | 2.17% | 10/4/2018 | 250,000,000 | 250,000,000 | A-1 |
| 28,473,000 | NORDEA BANK | 2.14% | 10/1/2018 | 28,473,000 | 28,473,000 | A-1+ |
| 25,000,000 | NORDEA BANK | 2.37% | 12/17/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 50,000,000 | NORDEA BANK | 2.40% | 2/19/2019 | 50,000,000 | 50,000,000 | A-1+ |
| 25,000,000 | NORDEA BANK | 2.44% | 3/18/2019 | 25,000,000 | 25,000,000 | A-1+ |
| 12,342,000 | ROYAL BANK OF CANADA NY | 2.46% | 12/10/2018 | 12,331,310 | 12,330,733 | A-1+ |
| 25,000,000 | ROYAL BANK OF CANADA NY | 2.50% | 10/2/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 8,300,000 | ROYAL BANK OF CANADA NY | 2.41% | 10/4/2018 | 8,299,526 | 8,299,336 | A-1+ |
| 25,000,000 | ROYAL BANK OF CANADA NY | 2.51% | 10/5/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 50,000,000 | ROYAL BANK OF CANADA NY | 2.31% | 10/15/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 21,900,000 | ROYAL BANK OF CANADA NY | 2.48% | 12/6/2018 | 21,905,816 | 21,909,833 | A-1+ |
| 25,000,000 | ROYAL BANK OF CANADA NY | 2.40% | 12/24/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | ROYAL BANK OF CANADA NY | 2.42% | 2/1/2019 | 25,000,000 | 24,998,250 | A-1+ |
| 25,000,000 | ROYAL BANK OF CANADA NY | 2.55% | 3/22/2019 | 25,000,000 | 24,999,250 | A-1+ |
| 250,000,000 | SCOTIA BANK (2) | 2.29% | 10/1/2018 | 250,000,000 | 250,000,000 | A-1 |
| 50,000,000 | SCOTIA BANK (2) | 2.29% | 10/1/2018 | 50,000,000 | 50,000,000 | A-1 |
| 100,000,000 | SUMITOMO MITSUI BANK (2) | 2.25% | 10/1/2018 | 100,000,000 | 100,000,000 | A-1 |
| 25,000,000 | SUMITOMO MITSUI BANK (2) | 2.25% | 10/1/2018 | 25,000,000 | 25,000,000 | A-1 |
| 50,000,000 | SUMITOMO MITSUI BANK (2) | 2.25% | 10/1/2018 | 50,000,000 | 50,000,000 | A-1 |
| 25,000,000 | SUMITOMO MITSUI BANK (2) | 2.25% | 10/1/2018 | 25,000,000 | 25,000,000 | A-1 |
| 100,000,000 | SUMITOMO MITSUI BANK (2) | 2.25% | 10/1/2018 | 100,000,000 | 100,000,000 | A-1 |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.35% | 10/24/2018 | 25,000,000 | 25,003,250 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.40% | 11/5/2018 | 25,000,000 | 25,005,500 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.40% | 12/21/2018 | 25,000,000 | 25,005,000 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.43% | 1/4/2019 | 25,000,000 | 25,005,750 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.42% | 1/22/2019 | 25,000,000 | 25,004,250 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.40% | 2/11/2019 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.45% | 3/4/2019 | 25,000,000 | 25,000,500 | A-1+ |
| 25,000,000 | SVENSKA HANDELSBANKEN NY | 2.38% | 11/20/2018 | 25,000,000 | 25,007,350 | A-1+ |
| 50,000,000 | SVENSKA HANDELSBANKEN NY | 2.38% | 12/21/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 100,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 100,000,000 | 100,000,000 | A-1+ |
| 25,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 50,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 50,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 50,000,000 | 50,000,000 | A-1+ |
| 25,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | TORONTO DOMINION BANK (2) | 2.27% | 10/1/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | US BANK | 2.35% | 1/18/2019 | 25,000,000 | 25,002,000 | A-1+ |
| 25,000,000 | US BANK | 2.24% | 2/8/2019 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | US BANK | 2.40% | 2/8/2019 | 25,000,000 | 25,001,000 | A-1+ |
| 50,000,000 | US BANK | 2.40% | 2/22/2019 | 50,000,000 | 49,998,000 | A-1+ |
| 3,006,015,797 | | | | 3,006,010,448 | 3,006,067,649 | |

# Short-Term Investment Fund

## List of Investments at September 30, 2018 (Unaudited)

| Par | Issuer | YTM | Reset / Maturity | Amortized Cost | Fair Market Value | Rating |
|---|---|---|---|---|---|---|
| **Bank Deposit Instruments with Government Backing and Insured** | | | | | | **8.5%** |
| 75,000,000 | CITIZENS BANK (2,3) | 2.00% | 10/1/2018 | 75,000,000 | 75,000,000 | A-2 |
| 50,000,000 | CITIZENS BANK (2,3) | 2.00% | 10/1/2018 | 50,000,000 | 50,000,000 | A-2 |
| 100,000,000 | CITIZENS BANK (2,3) | 2.00% | 10/1/2018 | 100,000,000 | 100,000,000 | A-2 |
| 25,000,000 | CITIZENS BANK (2,3) | 2.00% | 10/1/2018 | 25,000,000 | 25,000,000 | A-2 |
| 35,000,000 | FICA C/D (2) | 1.95% | 10/1/2018 | 35,000,000 | 35,000,000 | N/A |
| 35,000,000 | FICA C/D (2) | 1.95% | 10/1/2018 | 35,000,000 | 35,000,000 | N/A |
| 200,000,000 | FIRST REPUBLIC BANK (2,3) | 2.03% | 10/1/2018 | 200,000,000 | 200,000,000 | A-2 |
| 50,000,000 | UNITED BANK (2,3) | 2.10% | 10/1/2018 | 50,000,000 | 50,000,000 | N/A |
| 50,000,000 | UNITED BANK (2,3) | 2.10% | 10/1/2018 | 50,000,000 | 50,000,000 | N/A |
| 620,000,000 | | | | 620,000,000 | 620,000,000 | |
| **Commercial Paper and Corporate Notes** | | | | | | **18.5%** |
| 25,000,000 | APPLE INC | 2.34% | 12/3/2018 | 24,900,250 | 24,898,000 | A-1+ |
| 25,000,000 | APPLE INC | 2.34% | 12/3/2018 | 24,900,250 | 24,898,000 | A-1+ |
| 25,000,000 | APPLE INC | 2.34% | 12/4/2018 | 24,898,667 | 24,896,250 | A-1+ |
| 50,000,000 | APPLE INC | 2.26% | 1/3/2019 | 49,710,167 | 49,689,500 | A-1+ |
| 25,000,000 | APPLE INC | 2.27% | 1/4/2019 | 24,853,542 | 24,842,750 | A-1+ |
| 50,000,000 | APPLE INC | 2.28% | 1/9/2019 | 49,690,278 | 49,668,000 | A-1+ |
| 25,000,000 | APPLE INC | 2.37% | 2/1/2019 | 24,802,688 | 24,792,250 | A-1+ |
| 7,500,000 | APPLE INC | 2.45% | 3/18/2019 | 7,416,350 | 7,411,425 | A-1+ |
| 50,000,000 | APPLE INC | 2.45% | 3/18/2019 | 49,442,333 | 49,409,500 | A-1+ |
| 75,000,000 | EXXON MOBIL CORP | 2.06% | 10/5/2018 | 74,983,083 | 74,969,250 | A-1+ |
| 40,000,000 | EXXON MOBIL CORP | 2.25% | 10/9/2018 | 39,980,267 | 39,972,867 | A-1+ |
| 50,000,000 | EXXON MOBIL CORP | 2.21% | 12/12/2018 | 49,783,000 | 49,769,500 | A-1+ |
| 100,000,000 | EXXON MOBIL CORP | 2.31% | 1/2/2019 | 99,416,167 | 99,397,000 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.20% | 10/1/2018 | 25,000,000 | 24,995,500 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.24% | 10/1/2018 | 25,000,000 | 24,995,500 | A-1+ |
| 75,000,000 | NATL SEC CLEARING CORP | 2.08% | 10/1/2018 | 75,000,000 | 74,986,500 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.25% | 10/2/2018 | 24,998,472 | 24,994,000 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.24% | 10/5/2018 | 24,993,889 | 24,989,500 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.21% | 11/5/2018 | 24,947,257 | 24,942,000 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.31% | 11/28/2018 | 24,909,375 | 24,905,750 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.41% | 12/4/2018 | 24,895,556 | 24,895,750 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.42% | 12/13/2018 | 24,880,361 | 24,880,500 | A-1+ |
| 25,000,000 | NATL SEC CLEARING CORP | 2.41% | 1/2/2019 | 24,848,229 | 24,845,750 | A-1+ |
| 50,000,000 | PROCTER & GAMBLE CO | 2.24% | 12/3/2018 | 49,807,500 | 49,796,000 | A-1+ |
| 100,000,000 | PROCTER & GAMBLE CO | 2.24% | 12/7/2018 | 99,590,556 | 99,565,000 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.31% | 12/21/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.36% | 12/21/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.37% | 10/5/2018 | 24,993,556 | 24,989,500 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.36% | 12/11/2018 | 24,886,104 | 24,883,750 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.35% | 12/27/2018 | 25,000,000 | 25,000,000 | A-1+ |
| 10,000,000 | TOYOTA MOTOR CREDIT CORP | 2.46% | 1/4/2019 | 9,936,667 | 9,936,400 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.48% | 1/10/2019 | 24,830,264 | 24,829,750 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.46% | 1/18/2019 | 24,818,333 | 24,814,750 | A-1+ |
| 25,000,000 | TOYOTA MOTOR CREDIT CORP | 2.50% | 3/14/2019 | 24,722,111 | 24,712,000 | A-1+ |
| 50,000,000 | TOYOTA MOTOR CREDIT CORP | 2.55% | 3/20/2019 | 49,414,444 | 49,400,500 | A-1+ |
| 40,000,000 | TOYOTA MOTOR CREDIT CORP | 2.55% | 3/21/2019 | 39,528,800 | 39,517,200 | A-1+ |
| 50,000,000 | WALMART INC | 2.13% | 10/15/2018 | 49,959,167 | 49,948,000 | A-1+ |
| 1,347,500,000 | | | | 1,341,737,681 | 1,341,437,892 | |

# Short-Term Investment fund

## List of Investments at September 30, 2018 (unaudited)

| Par | Issuer | YTM | Reset / Maturity | Amortized Cost | Fair Market Value | Rating |
|---|---|---|---|---|---|---|
| **Government Securities** | | | | | | **22.4%** |
| 20,000,000 | FANNIE MAE | 2.24% | 1/30/2019 | 20,000,000 | 19,984,507 | AA+ |
| 20,000,000 | FANNIE MAE | 2.28% | 7/30/2019 | 20,000,000 | 19,963,403 | AA+ |
| 1,972,000 | FANNIE MAE | 1.76% | 10/19/2018 | 1,971,390 | 1,970,963 | AA+ |
| 10,000,000 | FANNIE MAE | 1.92% | 10/19/2018 | 9,996,128 | 9,994,740 | AA+ |
| 15,000,000 | FANNIE MAE | 1.89% | 10/19/2018 | 14,994,387 | 14,992,110 | AA+ |
| 14,516,000 | FANNIE MAE | 1.90% | 11/27/2018 | 14,509,803 | 14,502,311 | AA+ |
| 7,536,000 | FANNIE MAE | 2.02% | 2/26/2019 | 7,505,414 | 7,496,293 | AA+ |
| 11,714,000 | FANNIE MAE | 2.12% | 2/26/2019 | 11,661,830 | 11,652,279 | AA+ |
| 15,000,000 | FANNIE MAE | 2.24% | 2/26/2019 | 14,926,079 | 14,920,965 | AA+ |
| 20,000,000 | FANNIE MAE | 2.59% | 7/5/2019 | 19,783,308 | 19,785,740 | AA+ |
| 2,500,000 | FANNIE MAE | 2.50% | 8/2/2019 | 2,485,769 | 2,472,105 | AA+ |
| 1,964,000 | FANNIE MAE | 2.51% | 8/28/2019 | 1,937,677 | 1,935,693 | AA+ |
| 10,000,000 | FEDERAL FARM CREDIT BANK | 2.26% | 2/28/2020 | 9,987,361 | 9,992,239 | AA+ |
| 15,000,000 | FEDERAL FARM CREDIT BANK | 2.29% | 3/13/2020 | 14,991,362 | 14,991,182 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.32% | 8/27/2020 | 24,995,278 | 25,000,312 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.29% | 3/13/2020 | 24,996,390 | 24,985,303 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.18% | 11/4/2019 | 24,996,579 | 24,953,366 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.36% | 6/18/2020 | 24,997,859 | 25,009,055 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.17% | 9/13/2019 | 24,998,185 | 24,971,243 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.20% | 1/9/2020 | 24,998,408 | 24,946,677 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.19% | 12/26/2019 | 24,998,455 | 24,944,690 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.18% | 9/5/2019 | 24,998,839 | 24,972,755 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.18% | 9/5/2019 | 24,998,839 | 24,972,755 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.28% | 3/6/2019 | 24,999,626 | 25,006,830 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.28% | 3/6/2019 | 25,000,000 | 25,006,830 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.19% | 6/5/2019 | 25,000,000 | 24,978,600 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.17% | 8/16/2019 | 25,000,000 | 24,975,014 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.19% | 6/5/2019 | 25,000,423 | 24,978,600 | AA+ |
| 30,000,000 | FEDERAL FARM CREDIT BANK | 2.19% | 12/18/2019 | 29,936,452 | 29,933,787 | AA+ |
| 30,000,000 | FEDERAL FARM CREDIT BANK | 2.17% | 7/17/2019 | 29,997,625 | 29,975,862 | AA+ |
| 50,000,000 | FEDERAL FARM CREDIT BANK | 2.26% | 2/28/2020 | 50,000,000 | 49,961,197 | AA+ |
| 7,275,000 | FEDERAL FARM CREDIT BANK | 2.18% | 2/10/2020 | 7,284,961 | 7,283,818 | AA+ |
| 15,790,000 | FEDERAL FARM CREDIT BANK | 2.18% | 2/10/2020 | 15,812,783 | 15,809,139 | AA+ |
| 9,000,000 | FEDERAL FARM CREDIT BANK | 1.95% | 10/11/2018 | 9,000,133 | 8,999,955 | AA+ |
| 4,150,000 | FEDERAL FARM CREDIT BANK | 1.70% | 10/15/2018 | 4,149,053 | 4,148,099 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.11% | 10/19/2018 | 24,985,612 | 24,997,157 | AA+ |
| 3,000,000 | FEDERAL FARM CREDIT BANK | 2.28% | 10/22/2018 | 3,000,001 | 3,000,408 | AA+ |
| 3,000,000 | FEDERAL FARM CREDIT BANK | 1.76% | 10/24/2018 | 3,000,440 | 3,000,027 | AA+ |
| 1,500,000 | FEDERAL FARM CREDIT BANK | 2.38% | 10/25/2018 | 1,501,637 | 1,501,631 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.18% | 10/27/2018 | 24,999,839 | 24,994,709 | AA+ |
| 5,000,000 | FEDERAL FARM CREDIT BANK | 1.60% | 11/1/2018 | 4,997,370 | 4,994,920 | AA+ |
| 8,795,000 | FEDERAL FARM CREDIT BANK | 1.62% | 11/1/2018 | 8,790,225 | 8,786,064 | AA+ |
| 15,000,000 | FEDERAL FARM CREDIT BANK | 2.00% | 11/1/2018 | 15,000,000 | 14,999,731 | AA+ |
| 25,000,000 | FEDERAL FARM CREDIT BANK | 2.15% | 11/3/2018 | 25,000,158 | 25,013,012 | AA+ |
| 3,000,000 | FEDERAL FARM CREDIT BANK | 2.06% | 11/9/2018 | 2,996,860 | 2,995,503 | AA+ |
| 2,000,000 | FEDERAL FARM CREDIT BANK | 2.10% | 12/19/2018 | 1,995,826 | 1,994,604 | AA+ |
| 15,000,000 | FEDERAL FARM CREDIT BANK | 2.19% | 1/8/2019 | 14,960,498 | 14,955,795 | AA+ |
| 2,340,000 | FEDERAL FARM CREDIT BANK | 2.21% | 1/25/2019 | 2,332,795 | 2,331,967 | AA+ |
| 6,539,000 | FEDERAL FARM CREDIT BANK | 2.08% | 2/11/2019 | 6,518,388 | 6,505,344 | AA+ |
| 2,540,000 | FEDERAL HOME LOAN BANK | 1.65% | 10/1/2018 | 2,540,000 | 2,540,000 | AA+ |
| 5,000,000 | FEDERAL HOME LOAN BANK | 1.50% | 10/1/2018 | 5,000,000 | 5,000,000 | AA+ |
| 6,915,000 | FEDERAL HOME LOAN BANK | 1.53% | 10/1/2018 | 6,915,000 | 6,915,000 | AA+ |
| 8,495,000 | FEDERAL HOME LOAN BANK | 1.77% | 10/1/2018 | 8,495,000 | 8,495,000 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 1.74% | 10/1/2018 | 25,000,000 | 25,000,000 | AA+ |
| 76,000,000 | FEDERAL HOME LOAN BANK | 2.00% | 10/1/2018 | 76,000,000 | 75,987,333 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.06% | 10/7/2018 | 25,000,520 | 25,001,317 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.07% | 10/13/2018 | 24,999,179 | 24,992,119 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.04% | 10/14/2018 | 25,000,354 | 25,001,322 | AA+ |
| 4,000,000 | FEDERAL HOME LOAN BANK | 1.75% | 10/16/2018 | 3,999,387 | 3,998,724 | AA+ |
| 5,555,000 | FEDERAL HOME LOAN BANK | 1.78% | 10/16/2018 | 5,554,079 | 5,553,228 | AA+ |
| 39,000,000 | FEDERAL HOME LOAN BANK | 2.13% | 10/18/2018 | 39,002,887 | 39,009,962 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.10% | 10/19/2018 | 15,000,064 | 15,001,020 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.15% | 10/22/2018 | 25,000,000 | 24,991,007 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.15% | 10/25/2018 | 25,000,094 | 25,002,481 | AA+ |
| 2,000,000 | FEDERAL HOME LOAN BANK | 1.49% | 10/30/2018 | 1,999,818 | 1,998,736 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.03% | 11/1/2018 | 25,000,000 | 25,001,480 | AA+ |
| 5,000,000 | FEDERAL HOME LOAN BANK | 1.51% | 11/6/2018 | 4,999,951 | 4,996,740 | AA+ |
| 6,200,000 | FEDERAL HOME LOAN BANK | 2.16% | 11/10/2018 | 6,198,447 | 6,201,872 | AA+ |
| 22,000,000 | FEDERAL HOME LOAN BANK | 2.15% | 11/24/2018 | 21,996,452 | 22,010,269 | AA+ |

# Short-Term Investment fund

## List of Investments at September 30, 2018 (unaudited)

| Par | Issuer | YTM | Reset / Maturity | Amortized Cost | Fair Market Value | Rating |
|---|---|---|---|---|---|---|
| **Government Securities** | | | | | | **22.4%** |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.15% | 11/24/2018 | 25,000,000 | 25,003,963 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 1.80% | 11/30/2018 | 9,998,374 | 9,991,700 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 1.77% | 12/4/2018 | 9,997,537 | 9,989,740 | AA+ |
| 4,000,000 | FEDERAL HOME LOAN BANK | 2.09% | 12/6/2018 | 3,998,936 | 4,000,186 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 2.09% | 12/6/2018 | 24,993,609 | 25,001,162 | AA+ |
| 4,100,000 | FEDERAL HOME LOAN BANK | 2.17% | 12/12/2018 | 4,099,573 | 4,099,997 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 1.81% | 12/14/2018 | 9,998,713 | 9,990,340 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 1.65% | 12/14/2018 | 10,001,931 | 9,990,340 | AA+ |
| 8,400,000 | FEDERAL HOME LOAN BANK | 1.82% | 12/18/2018 | 8,398,676 | 8,391,348 | AA+ |
| 11,900,000 | FEDERAL HOME LOAN BANK | 1.82% | 12/26/2018 | 11,898,151 | 11,886,160 | AA+ |
| 25,000,000 | FEDERAL HOME LOAN BANK | 1.93% | 12/28/2018 | 25,000,000 | 24,938,400 | AA+ |
| 11,475,000 | FEDERAL HOME LOAN BANK | 1.87% | 1/16/2019 | 11,454,369 | 11,441,000 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.02% | 1/16/2019 | 14,966,731 | 14,955,555 | AA+ |
| 4,575,000 | FEDERAL HOME LOAN BANK | 1.95% | 1/18/2019 | 4,570,690 | 4,566,193 | AA+ |
| 13,000,000 | FEDERAL HOME LOAN BANK | 1.92% | 1/18/2019 | 12,988,879 | 12,974,975 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 1.88% | 1/18/2019 | 14,994,161 | 14,976,645 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.00% | 2/12/2019 | 14,993,337 | 14,976,075 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.13% | 2/26/2019 | 14,872,967 | 14,858,790 | AA+ |
| 10,250,000 | FEDERAL HOME LOAN BANK | 2.14% | 3/5/2019 | 10,244,053 | 10,234,810 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.28% | 3/8/2019 | 14,950,051 | 14,944,695 | AA+ |
| 1,200,000 | FEDERAL HOME LOAN BANK | 2.27% | 3/18/2019 | 1,195,136 | 1,194,532 | AA+ |
| 20,000,000 | FEDERAL HOME LOAN BANK | 2.24% | 3/18/2019 | 19,921,713 | 19,908,860 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.33% | 5/15/2019 | 15,278,309 | 15,265,740 | AA+ |
| 15,000,000 | FEDERAL HOME LOAN BANK | 2.36% | 5/28/2019 | 14,905,436 | 14,889,450 | AA+ |
| 8,000,000 | FEDERAL HOME LOAN BANK | 2.50% | 8/9/2019 | 7,991,657 | 7,983,584 | AA+ |
| 16,600,000 | FEDERAL HOME LOAN BANK | 2.49% | 8/20/2019 | 16,242,547 | 16,229,139 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 2.49% | 8/27/2019 | 9,780,000 | 9,771,750 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 2.69% | 9/26/2019 | 9,742,000 | 9,748,000 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 2.40% | 10/11/2019 | 10,000,000 | 9,996,610 | AA+ |
| 10,000,000 | FEDERAL HOME LOAN BANK | 2.40% | 10/15/2019 | 10,000,000 | 10,000,000 | AA+ |
| 4,540,000 | FREDDIE MAC | 1.98% | 1/2/2019 | 4,517,540 | 4,510,370 | AA+ |
| 10,000,000 | FREDDIE MAC | 2.47% | 7/26/2019 | 9,901,687 | 9,894,450 | AA+ |
| 10,000,000 | FREDDIE MAC | 2.47% | 7/26/2019 | 9,901,714 | 9,894,450 | AA+ |
| 30,000,000 | FREDDIE MAC | 2.60% | 8/15/2019 | 29,685,267 | 29,687,280 | AA+ |
| 25,000,000 | US TREASURY N/B | 2.46% | 7/31/2019 | 24,829,979 | 24,801,758 | A-1+ |
| 1,627,336,000 | | | | 1,625,004,997 | 1,624,224,940 | |
| **Money Market Funds** | | | | | | **2.4%** |
| 175,000,000 | WESTERN ASSET MANAGEMENT | 1.99% | 10/4/2018 | 175,000,000 | 175,000,000 | AAAm |
| 175,000,000 | | | | 175,000,000 | 175,000,000 | |
| **Repurchase Agreements** | | | | | | **6.9%** |
| 125,000,000 | MERRILL LYNCH | 2.24% | 10/1/2018 | 125,000,000 | 125,000,000 | A-1 |
| 375,000,000 | RBC SECURITIES | 2.20% | 10/1/2018 | 375,000,000 | 375,000,000 | A-1+ |
| 500,000,000 | | | | 500,000,000 | 500,000,000 | |
| **7,275,851,797** | | | | **7,267,753,126** | **7,266,730,481** | |

### Fund Summary Statistics and Notes

| | | |
|---|---|---|
| Amortized Cost | $7,267,753,126 | |
| Fair market value | $7,266,730,481 | |
| Shares Outstanding | $7,203,862,270 | |
| Fund Net Asset Value (4) | $1.01 | |
| Effective 7-Day Net Yield (5) | 2.08% | |
| Effective 7-Day Gross Yield (5) | 2.18% | |
| WAM(R) (6) | 36 | Days |
| WAM(F) (7) | 81 | Days |
| Ratio of Amortized Cost to Fair Market Value | 0.9999 | |

(1) Securities rounded to the nearest dollar.

(2) Issues have a daily put option, and thus is calculated as 1 day for WAL and WAM purposes.

(3) Citizens Bank PA, First Republic Bank and United Bank deposits are backed by irrevocable standby letter of credit provided by the Federal Home Loan Bank of Pittsburgh, Boston and San Francisco guaranteeing principal amount.

(4) Includes designated surplus reserve. NAV is calculated as the total amortized cost / participant shares.

(5) Includes approximately 2-4 basis points of expenses and a 10 basis point contribution to the designated surplus reserve each day the size of the reserve is less than one percent of the size of the Short-Term Investment Fund. Gross Yield is prior to reserve transfers, after operating expenses.

(6) Weighted average maturity to the next reset date.

(7) Weighted average maturity to final maturity date.

STATE OF CONNECTICUT

QUI TRANSTULIT SUSTINET

TREASURER'S OFFICE

# SHORT-TERM INVESTMENT FUND

| | |
|---|---|
| **Treasurer**<br>**State of Connecticut** | Denise L. Nappier<br>(860) 702-3000 |
| **Assistant Treasurer**<br>**Cash Management** | Lawrence A. Wilson, CTP<br>(860) 702-3126 |
| **STIF Investment Management** | Principal Investment Officer<br>Michael M. Terry, CFA<br><br>Investment Officer<br>Paul A. Coudert<br><br>Securities Analyst<br>Marc R. Gagnon<br><br>Investment Technician<br>Leonora Gjonbalaj |
| **STIF Investor Services** | Phone: (860) 702-3118<br>E-mail: STIFadministration@ct.gov |
| **Investment Transactions** | 1-800-754-8430 |
| **STIF Express Online Account Access** | http://www.ott.ct.gov |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