

Complying with ACT 1088, the State Board of Finance established a benchmark rate of return for the Treasury portfolio. Several factors that play a role in setting an appropriate expectation for return as investments are made within the primary mission of the Treasury in mind, to provide adequate liquidity for the State's business. Once that need is met, the available funds are invested balancing future needs with opportunities available in the marketplace.

The analysis of cash flows to more accurately assess liquidity is an ongoing process and we continue to appreciate the collective effort of all state agencies.

We, as the Treasury, have a fiduciary responsibility to all tax payers. Our updated investment policy remains a conservative approach to portfolio management. New management analysis software and information services have allowed the Treasury to increase overall return while the rates in the marketplace have actually declined.

Essentially, while we expect improved performance in terms of dollars returned to the State, this will be accomplished by putting more investment dollars to work via improved management. Therefore the rate of return for as denoted by an interest rate will still best be stated as a range from .80 to 1.10%