

STATE INVESTMENT FUND

Description: The State Investment Fund (SIF) is the investment vehicle for cash and short-term investments of various state and local government funds, including that portion of the Core Fund and the Variable Fund.

Investment Objectives: In order of importance:

1. Safety of principal
2. Liquidity
3. Competitive money market returns as defined by a benchmark of 80% 3-month T-Bills/20% One-Month CD yield.

Investment Guidelines (maturity, issuer and credit quality exposure limits are to be applied at the time of purchase):

ASSET ALLOCATION (Percent of Portfolio at Par Value)

Treasuries, Agencies, Repurchase Agreements (Gov't/Agency Collateral), and FDIC Insured Bank Deposits	50-100%
Commercial Paper and Corporate Notes	0-30%
Certificates of Deposit/Time Deposits	0-30%
Yankee/Euro Certificates of Deposit/Time Deposits (U.S. Dollars)	0-10%

MATURITY GUIDELINES (Maximum)

The portfolio weighted average maturity will not exceed one year, consistent with portfolio purpose and objectives. Maturity of floating rate securities shall be based on interest rate reset dates except as specified below.

The following maturity limits shall apply to each instrument.

Repurchase Agreement Gov't/Agency Collateral	10 years
Treasuries and Agencies	5 years
Commercial Paper	270 days
Corporate Notes	1 year
Certificates of Deposit/Time Deposits	
Wisconsin Certificate of Deposit Program	3 years
Marketable Certificates of Deposit/Time Deposits	1 year
Yankee/Euro Certificates of Deposit/Time Deposits	1 year
Reverse Repurchase Agreements	1 day

CREDIT QUALITY / ISSUER EXPOSURE
(Maximum Size at Par Value)

The maximum exposure for each issuer/guarantor shall be in the aggregate (unless specified as per issue) as follows and the minimum credit ratings for each issuer/guarantor/counterparty are as specified. The minimum rating shall be the lowest in the event of a split rating.

Repurchase Agreements (Gov't/Agency Collateral) when the counterparty has at least a BBB rating	No limit
U.S. Treasury Bills and U.S. Agency Discount Notes	No limit
U.S. Treasury Notes (per issue)	\$500 million
U.S. Agency Notes (per issue)	\$250 million
A1+, P1 Rated Commercial Paper with Long-Term Rating of AAA by S&P or Aaa by Moody's	\$100 million
A1+, P1 Rated Commercial Paper with Long-Term Rating of AA by S&P or Aa by Moody's	\$75 million
Commercial Paper with at least 2 of the following 3 ratings: A1+ or P1 or F1+	\$ 50 million
Commercial Paper with at least 2 of the following 3 ratings: A1 or P1 or F1	\$ 25 million
AAA Rated Corporate Notes with maturity of 180 days or less	\$100 million
AAA Rated Corporate Notes with maturity of greater than 180 days	\$ 50 million
AA Rated Corporate Notes with maturity of 180 days or less	\$ 50 million
AA Rated Corporate Notes with maturity of greater than 180 days	\$ 25 million
Bank Instruments Rated aaa by Fitch, AAA by S&P or Aaa by Moody's	\$100 million
Bank Instruments Rated aa by Fitch, AA by S&P or Aa by Moody's	\$ 50 million
Bank Instruments Rated a by Fitch, A by S&P or A by Moody's	\$ 25 million
Wisconsin Certificate of Deposit Program – individual bank (unless a higher limit from another category applies)	\$ 10 million or 3% of assets, whichever is less
Bank Deposits	Up to the amount guaranteed by the FDIC
Reverse Repurchase Agreements	\$200 million

Make any other legal investment that is specifically approved by the Trustees.

SIF WISCONSIN CERTIFICATE OF DEPOSIT (CD) PROGRAM

Up to \$500 million may be invested in Wisconsin banks subject to the following guidelines:

1. The bank qualifies for FDIC “pass-through” insurance.
2. The total dollar amount invested by SWIB in the CD’s of any individual bank shall not exceed the lesser of \$10,000,000 or three (3%) percent of reported assets of the individual bank.
3. The maturity limit for a CD in the program shall be not greater than 3 years.