July 2004

Monthly Investment Income Report

Commonwealth of Kentucky

Robert Rudolph, Secretary
Finance and Administration Cabinet

F. Thomas Howard, Acting Executive Director
Office of Financial Management

Date: 07/31/04

PORTFOLIO SUMMARY
POOLS

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0%	
		Treasury Notes	343,589,579.58	2.70	2.07	11%	
	Sub-total		343,589,579.58	2.70	2.07	11%	
Agencies		Notes	909,175,159.22	2.80	1.74	30%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		909,175,159.22	2.80	1.74	30%	
Municipals			209,505,625.65	2.49	1.27	7%	
Corporates			229,940,600.37	2.23	1.65	8%	25%
Mortgages		Pools	35,420,057.24	3.49	1.49	1%	
		CMO's	190,908,947.21	2.57	0.68	6%	
	Sub-total		226,329,004.45	2.72	0.80	7%	25%
Asset Backs			311,164,504.03	1.60	0.18	10%	20%
Repurchase Agreements							
		Overnight	556,042,294.99	1.37	0.01	18%	
		< 30 days	26,968,681.04	1.20	0.04	1%	
		< 60 days	5,014.44	2.00	0.11	0%	
		< 90 days	2,501,500.00	0.00	0.00	0%	
		< 1 year	36,317.14	3.03	0.72	0%	
		< 2 years	2,816,724.11	1.97	1.16	0%	
		> 2 years	8,186,441.56	2.52	3.85	0%	
		Flex Repos	253,494.27	10.92	5.16	0%	
	Sub-total		596,810,467.55	1.38	0.07	19%	
Money Market Securities							
		Commercial Paper	204,974,666.50	1.30	0.02	7%	A1-P1
		Money Mkt Fund	43,000,000.00	1.24	0.04	1%	
		Certificates of Deposit	1,030,677.36	2.28	4.25	0%	
	Sub-total		249,005,343.86	1.29	0.04	8%	20%
Derivatives							
		Interest Rate Swaps	0.00	0.00	0.00	0%	
		OTC Options	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
TOTALS			3,075,520,284.71	2.20	1.05	100%	

Date: 07/31/04

PORTFOLIO SUMMARY
TRAN POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0%	
		Treasury Notes	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
Agencies		Notes	100,611,891.32	1.42	0.06	20%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		100,611,891.32	1.42	0.06	20%	
Corporates			54,017,567.50	1.36	0.68	11%	25%
Municipals			49,943,049.76	1.55	0.07	10%	
Mortgages		CMOs	64,795,159.21	1.81	0.09	13%	25%
ABS			236,800,951.01	1.57	0.05	46%	
Repurchase Agreements							
		Overnight	4,044,307.62	1.37	0.01	1%	
		< 30 days	0.00	0.00		0%	
		< 60 days	0.00	0.00		0%	
		< 90 days	0.00	0.00		0%	
		< 1 year	0.00	0.00		0%	
		< 2 years	0.00	0.00		0%	
		> 2 years	0.00	0.00		0%	
		Flex Repos				0%	
	Sub-total		4,044,307.62	1.37	0.01	1%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	A1-P1
		Money Mkt Fund	0.00	0.00	0.00	0%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
TOTALS			510,212,926.42	1.54	0.13	100%	

Date: 07/31/04

PORTFOLIO SUMMARY
SHORT TERM POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION	PERCENT of TOTAL	STATUTOI LIMIT
Treasuries							
		Bills	0.00	0.00	0.0000	0%	
		Treasury Notes	15,085,151.00	1.50	0.3033	2%	
	Sub-total		15,085,151.00	1.50	0.3033	2%	
Agencies		Notes	20,532,222.50	2.43	0.05	3%	
		Discounts	0.00	0.00	0.0000	0%	
	Sub-total		20,532,222.50	2.43	0.0500	3%	
Corporates			18,559,671.16	1.62	1.15	3%	25%
Municipals			30,426,460.34	1.14	0.04	4%	
Mortgages		CMOs	44,838,131.08	1.79	0.21	6%	25%
ABS			62,729,700.04	1.45	0.0795	9%	
Repurchase Agreements							
		Overnight	275,666,968.43	1.37	0.01	38%	
		< 30 days	0.00	0.00		0%	
		< 60 days	0.00	0.00		0%	
		< 90 days	0.00	0.00		0%	
		< 1 year	0.00	0.00		0%	
		< 2 years	0.00	0.00		0%	
		> 2 years	0.00	0.00		0%	
		Flex Repos				0%	
	Sub-total		275,666,968.43	1.37	0.0100	38%	
Money Market Securities							
		Commercial Paper	204,974,666.50	1.30	0.02	29%	A1-P1
		Money Mkt Fund	43,000,000.00	1.24	0.0400	6%	
		Certificates of Deposit	0.00	0.00	0.0000	0%	
	Sub-total		247,974,666.50	1.29	0.0215	35%	
TOTALS			715,812,971.05	1.40	0.0705	100%	

Date: 07/31/04

PORTFOLIO SUMMARY
INTERMEDIATE TERM POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTOI LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0%	
		Treasury Notes	216,585,870.90	2.78	2.18	17%	
	Sub-total		216,585,870.90	2.78	2.18	17%	
Agencies		Notes	391,589,627.24	2.96	1.92	31%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		391,589,627.24	2.96	1.92	31%	
Municipals			129,136,115.55	3.17	2.02	10%	
Corporates			157,363,361.71	2.60	2.05	12%	25%
Mortgages		Pools	35,420,057.24	3.49	1.49	3%	
		CMO's	81,275,656.92	3.62	1.41	6%	
	Sub-total		116,695,714.16	3.58	1.43	9%	25%
Asset Backs			11,633,852.98	2.95	3.34	1%	20%
Repurchase Agreements							
		Overnight	218,281,603.45	1.37	0.01	17%	
		< 30 days	26,968,681.04	1.20	0.04	2%	
		< 60 days	5,014.44	2.00	0.11	0%	
		< 90 days	2,501,500.00	3.62	0.23	0%	
		< 1 year	36,317.14	3.03	0.72	0%	
		< 2 years	2,816,724.11	1.97	1.16	0%	
		> 2 years	8,186,441.56	2.52	3.85	1%	
		Flex Repos	253,494.27	10.92	5.16	0%	
	Sub-total		259,049,776.01	1.42	0.15	20%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	A1-P1
		Money Mkt Fund	0.00	0.00	0.00	0%	
		Certificates of Deposit	1,030,677.36	2.28	4.25	0%	
	Sub-total		1,030,677.36	2.28	4.25	0%	20%
Derivatives							
		Interest Rate Swaps	0.00	0.00	0.00	0%	
		OTC Options	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
TOTALS			1,283,084,995.91	2.65	1.60	100%	

Date: 07/31/04

PORTFOLIO SUMMARY
LONG TERM POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0%	
		Treasury Notes	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
Agencies		Notes	0.00	0.00	0.00	0%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
Municipals			0.00	0.00	0.00	0%	
Corporates			0.00	0.00	0.00	0%	25%
Mortgages		Pools	0.00	0.00	0.00	0%	
		CMO's	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	25%
Asset Backs			0.00	0.00	0.00	0%	20%
Repurchase Agreements							
		Overnight	0.00	0.00	0.0000	0%	
		< 30 days	0.00	0.00		0%	
		< 60 days	0.00	0.00		0%	
		< 90 days	0.00	0.00		0%	
		< 1 year	0.00	0.00		0%	
		< 2 years	0.00	0.00		0%	
		> 2 years	0.00	0.00		0%	
		Flex Repos				0%	
	Sub-total		0.00	0.00	0.00	0%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	A1-P1
		Money Mkt Fund	0.00	0.00	0.00	0%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	20%
TOTALS			0.00	0.00	0.00	0%	

Date: 07/31/04

PORTFOLIO SUMMARY
BOND PROCEEDS POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0%	
		Treasury Notes	111,918,557.68	2.71	2.10	20%	
	Sub-total		111,918,557.68	2.71	2.10	20%	
Agencies		Notes	396,441,418.16	3.01	2.62	70%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		396,441,418.16	3.01	2.62	70%	
Municipals			0.00	0.00	0.00	0%	
Mortgages		Pools	0.00	0.00	0.00	0%	
		CMO's	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
Asset Backs			0.00	0.00		0%	
Repurchase Agreements							
		Overnight	58,049,415.49	1.37	0.01	10%	
		< 30 days	0.00	0.00		0%	
		< 60 days	0.00	0.00		0%	
		< 90 days	0.00	0.00		0%	
		< 1 year	0.00	0.00		0%	
		< 2 years	0.00	0.00		0%	
		> 2 years	0.00	0.00		0%	
		Flex Repos				0%	
	Sub-total		58,049,415.49	1.37	0.01	10%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
		Money Mkt Fund	0.00	0.00	0.0000	0%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		0.00	0.00	0.00	0%	
TOTALS			566,409,391.33	2.78	2.25	100%	

Investment Income

As of 07/31/04

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	5,058,271.01	5.76%	5,058,271.01	5.76%
Short Term	986,011.89	1.40%	986,011.89	1.40%
Long Term	0.00	0.00%	0.00	0.00%
Bond Proceeds	2,669,221.33	5.43%	2,669,221.33	5.43%
Tran	30,246.88	0.00%	30246.88	0.07%
Grand Total	**8,743,751.11**		**8,743,751.11**	

***Yield is calculated on a total return basis. Total return consists of the accrual of interest and the gain or loss incurred from valuing the securities in market value. Total return, divided by average daily balance, divided by actual days, multiplied by actual days in the fiscal year.**

****Yield is calculated on a total return basis. Total return consists of the accrual of interest and the gain or loss incurred from valuing the securities in market value. Total return, (fiscal YTD) divided by the weighted average of the monthly average daily balances, divided by the actual days (fiscal YTD) mulitplied by the actual number of days in the fiscal year.**

Investable Balances

As of 07/31/04

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	1,034,451,435.37	1,034,451,435.37
Short Term	830,849,275.82	830,849,275.82
Long Term	0.00	0.00
Bond Proceeds	578,295,307.76	578,295,307.76
Tran	502,789,067.78	502,789,067.78
	2,946,385,086.73	**2,946,385,086.73**

CASH DISTRIBUTION

July 2004

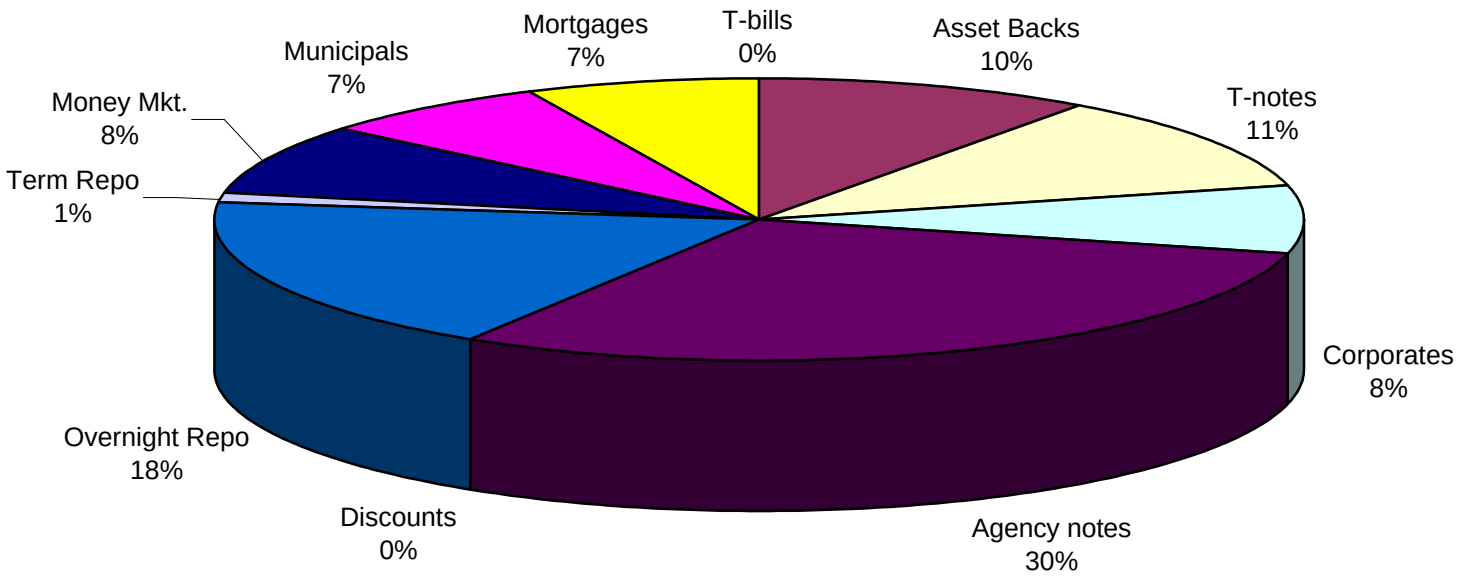
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0		0
Capital Con.	76,100	550,000	76,100	550,000
Agency	713,499	779,167	713,499	779,167
T&R	149,730	148,958	149,730	148,958

ACCRUED EARNINGS

July 2004

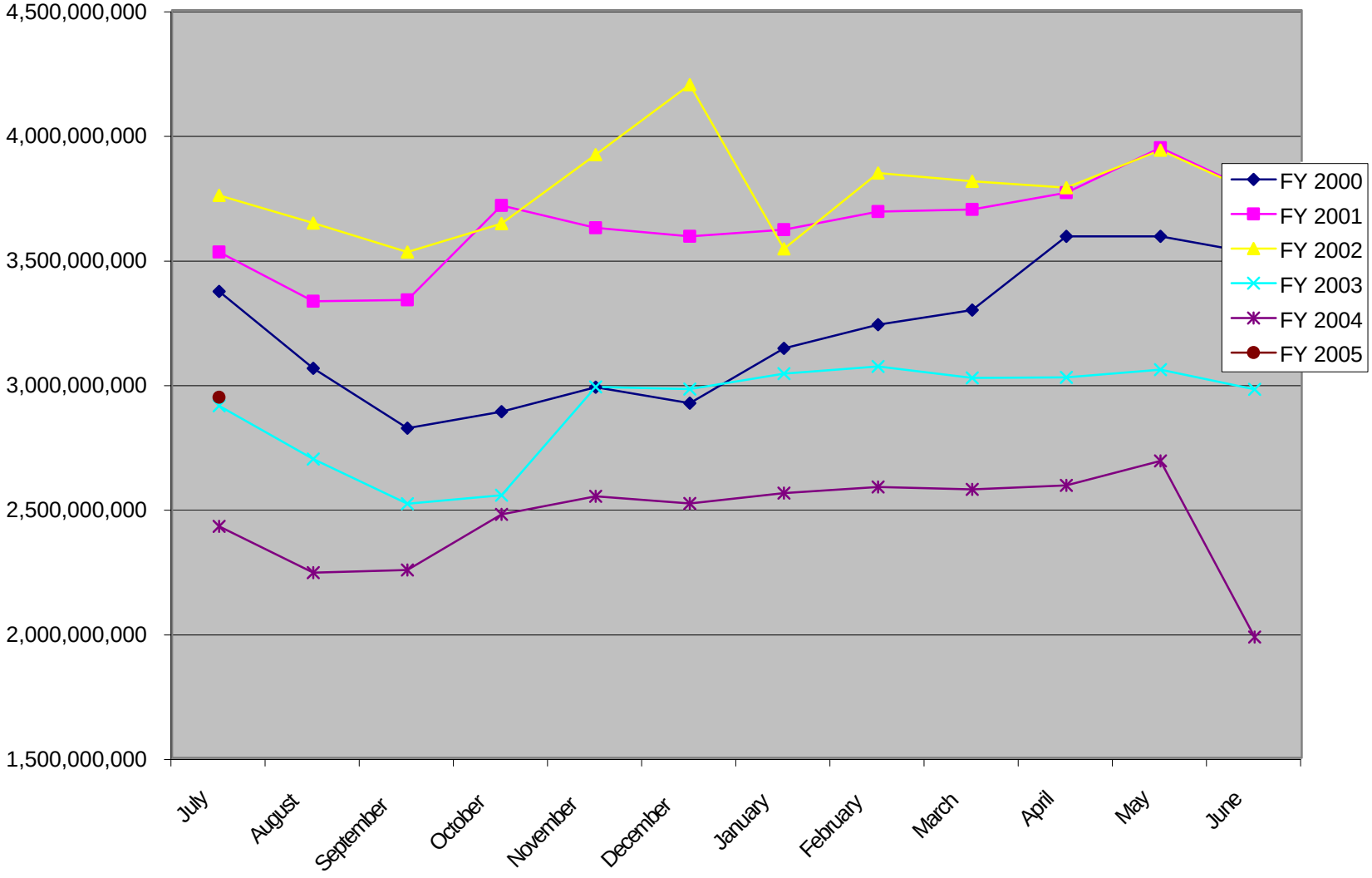
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	459,830	0	459,830	0
Capital Con.	1,144,819	550,000	1,144,819	550,000
Agency	984,010	779,167	984,010	779,167
T&R	224,524	148,958	224,524	148,958

Distribution of Investments for July

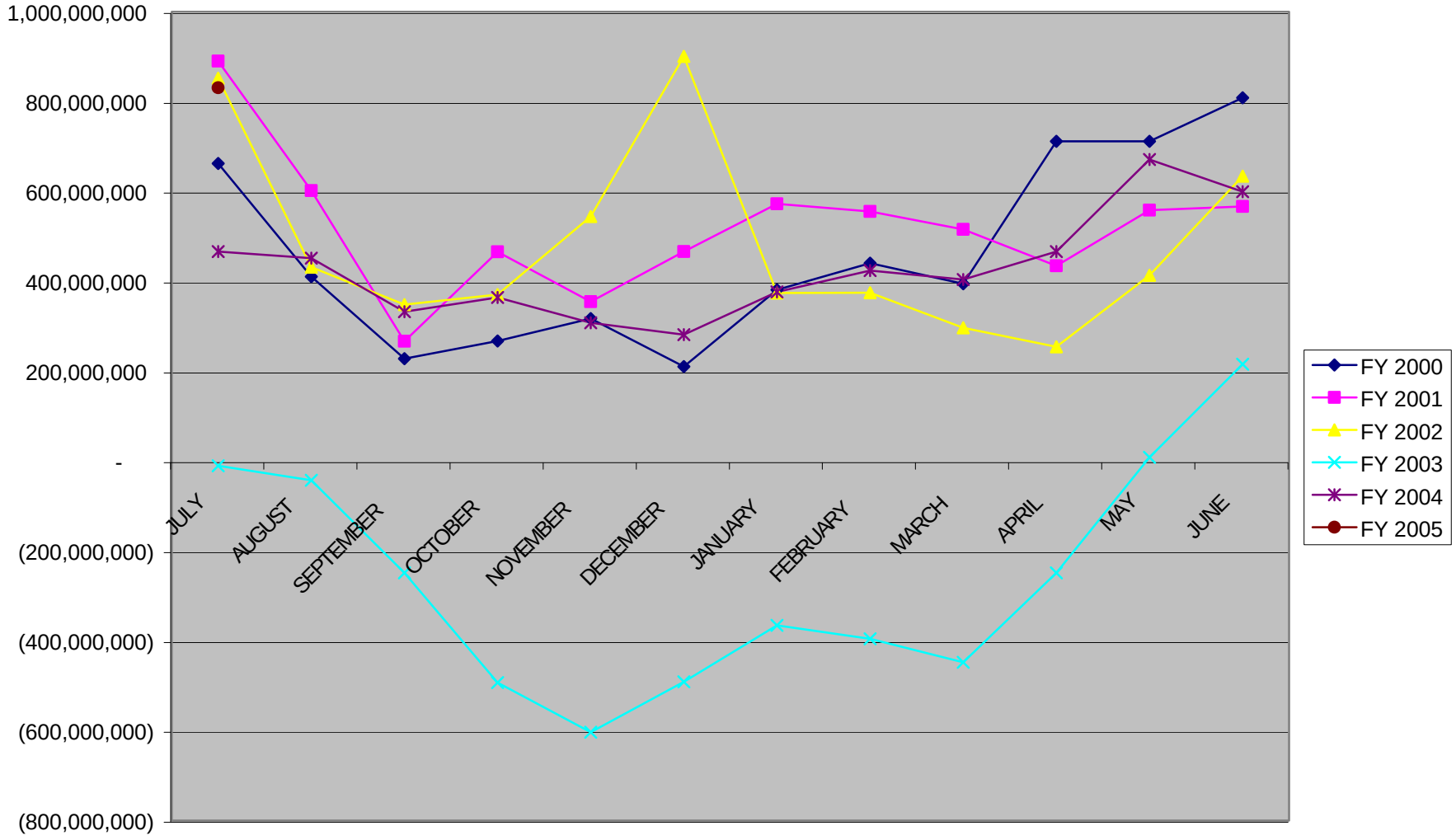


LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

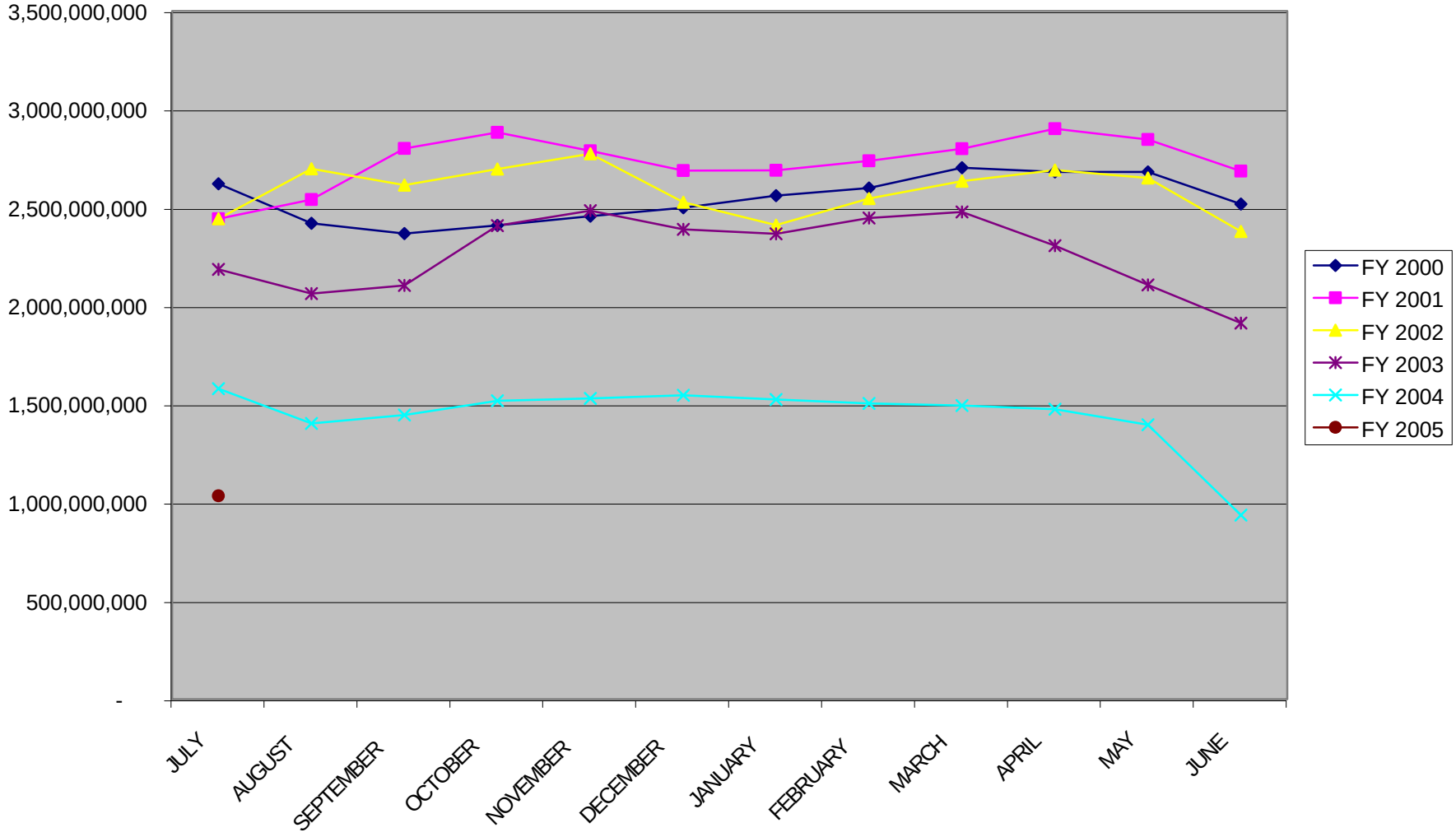
INVESTABLE BALANCES

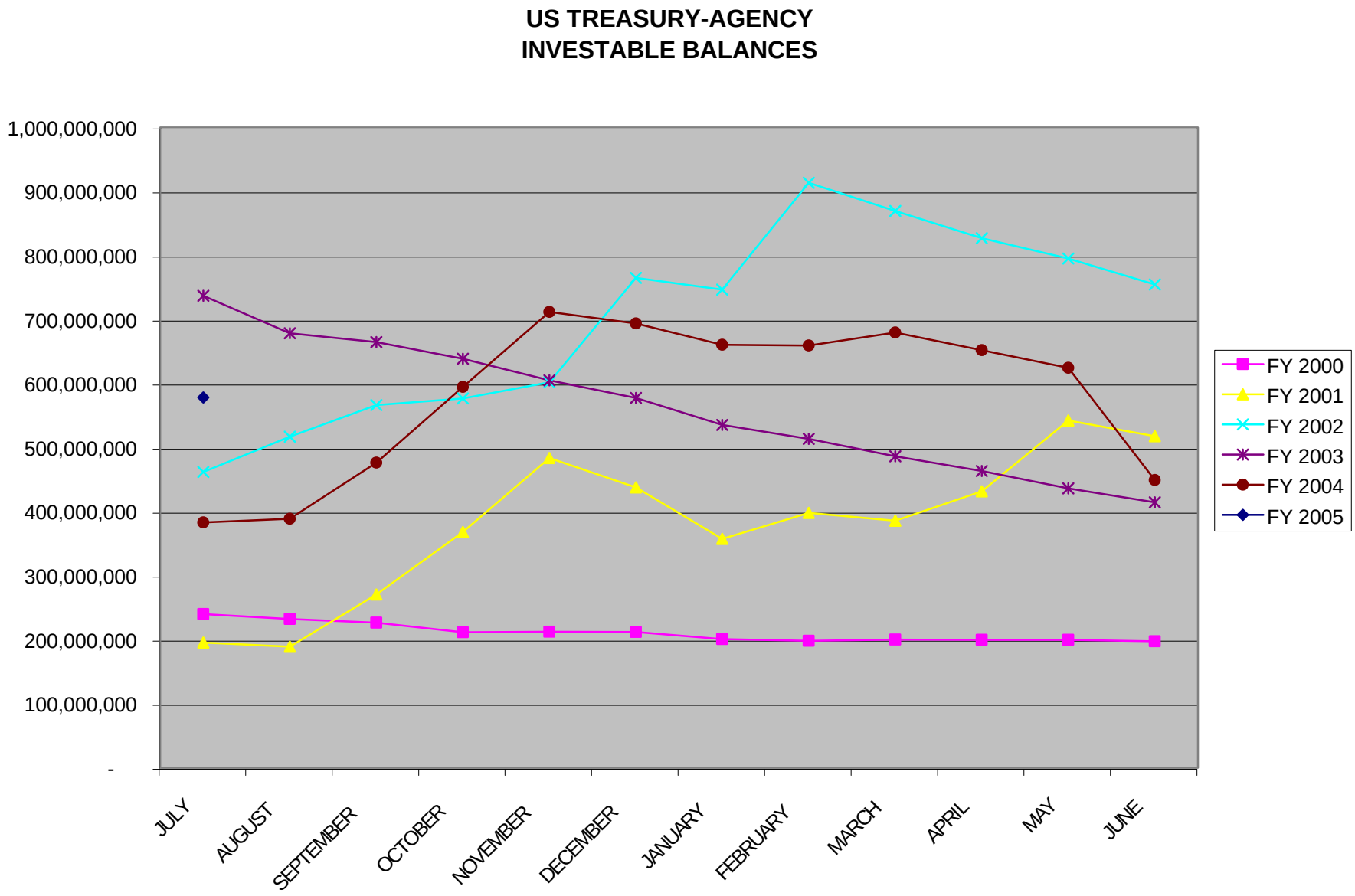


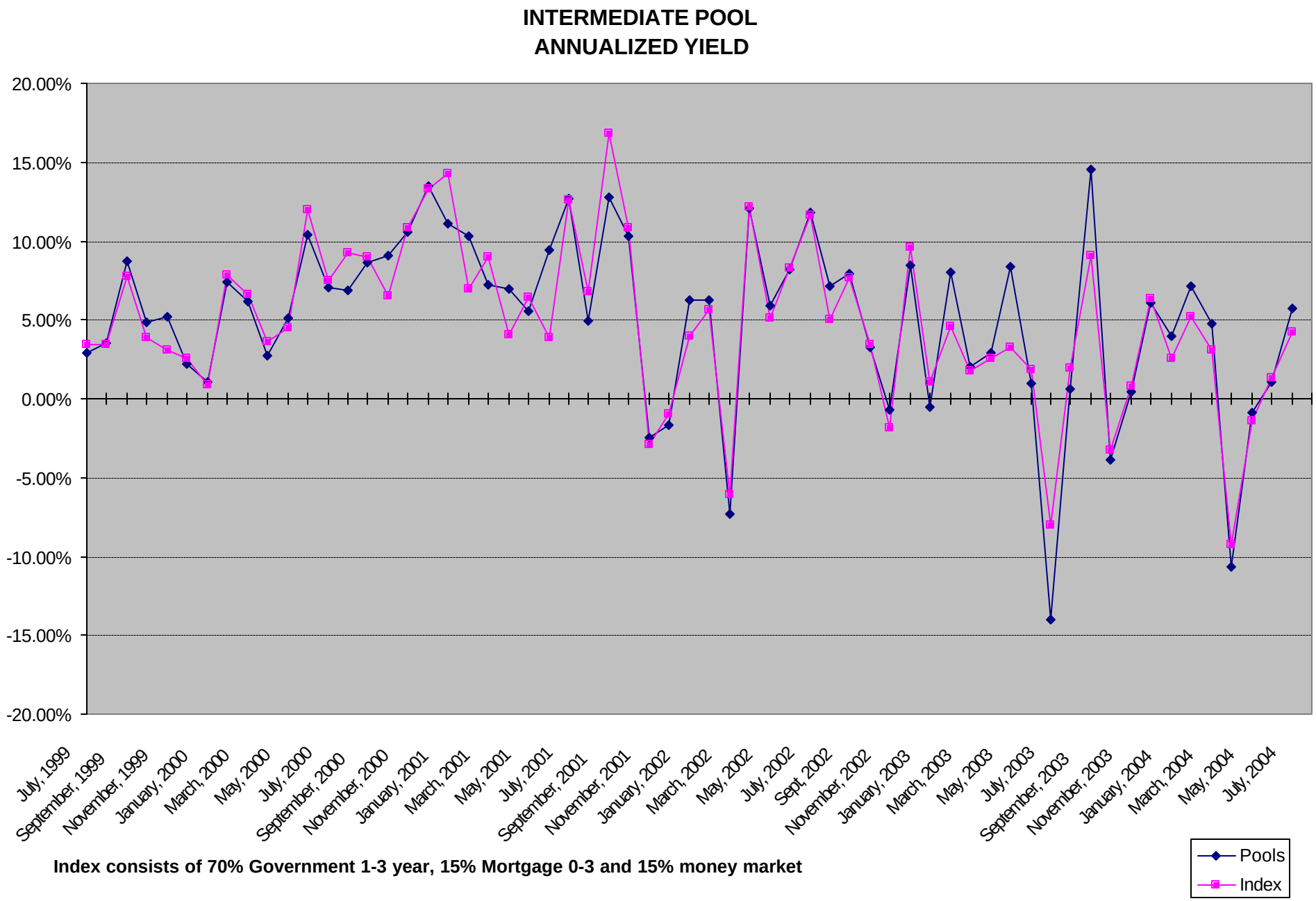
SHORT TERM POOL
INVESTABLE BALANCES



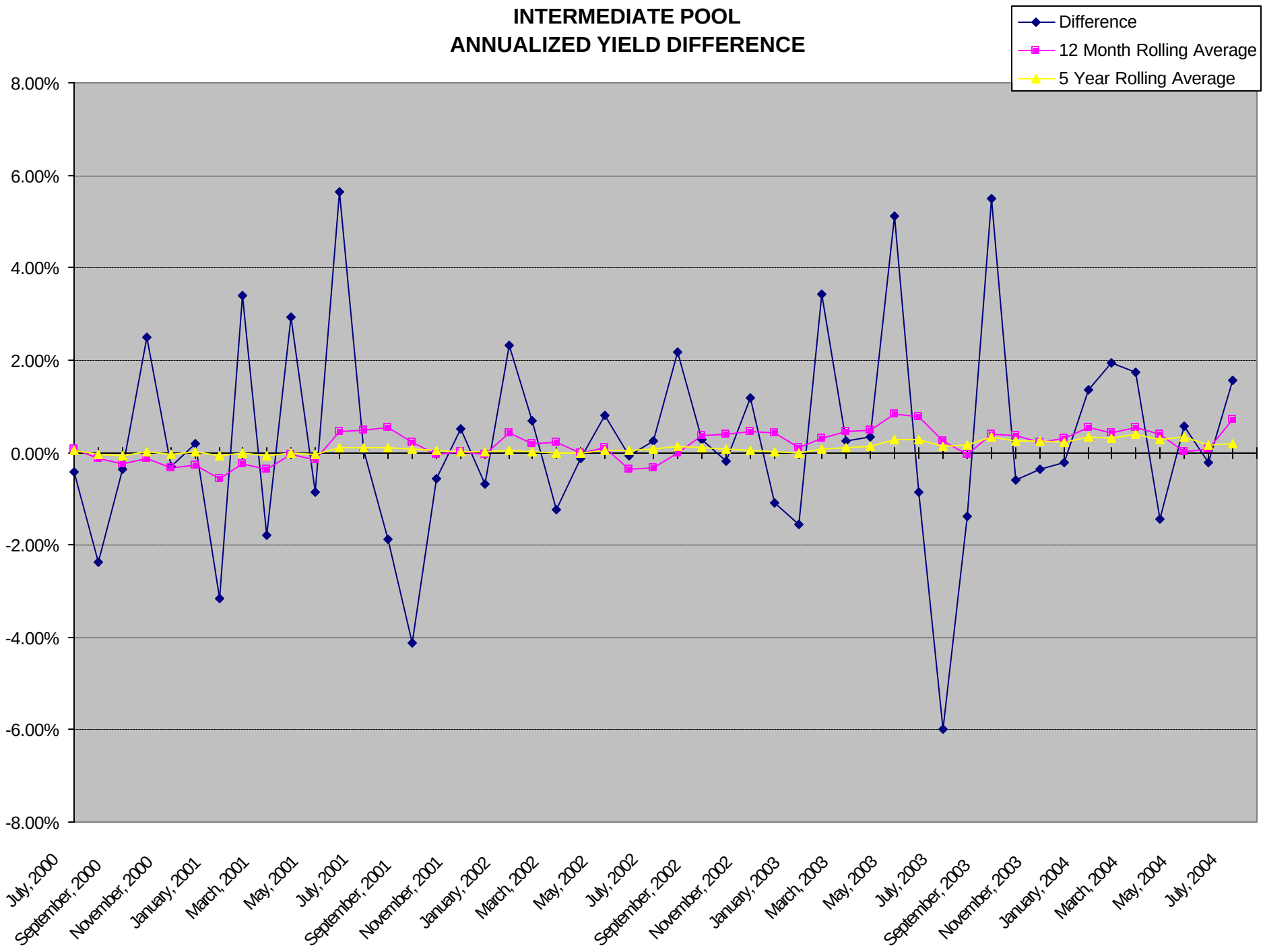
INTERMEDIATE - LONG TERM POOL
INVESTABLE BALANCES




US TREASURY-AGENCY
INVESTABLE BALANCES
1,000,000,000
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005



Index consists of 70% Government 1-3 year, 15% Mortgage 0-3 and 15% money market


INTERMEDIATE POOL
ANNUALIZED YIELD DIFFERENCE
Difference
12 Month Rolling Average
5 Year Rolling Average
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
-4.00%
-6.00%
-8.00%
July, 2000
September, 2000
November, 2000
January, 2001
March, 2001
May, 2001
July, 2001
September, 2001
November, 2001
January, 2002
March, 2002
May, 2002
July, 2002
September, 2002
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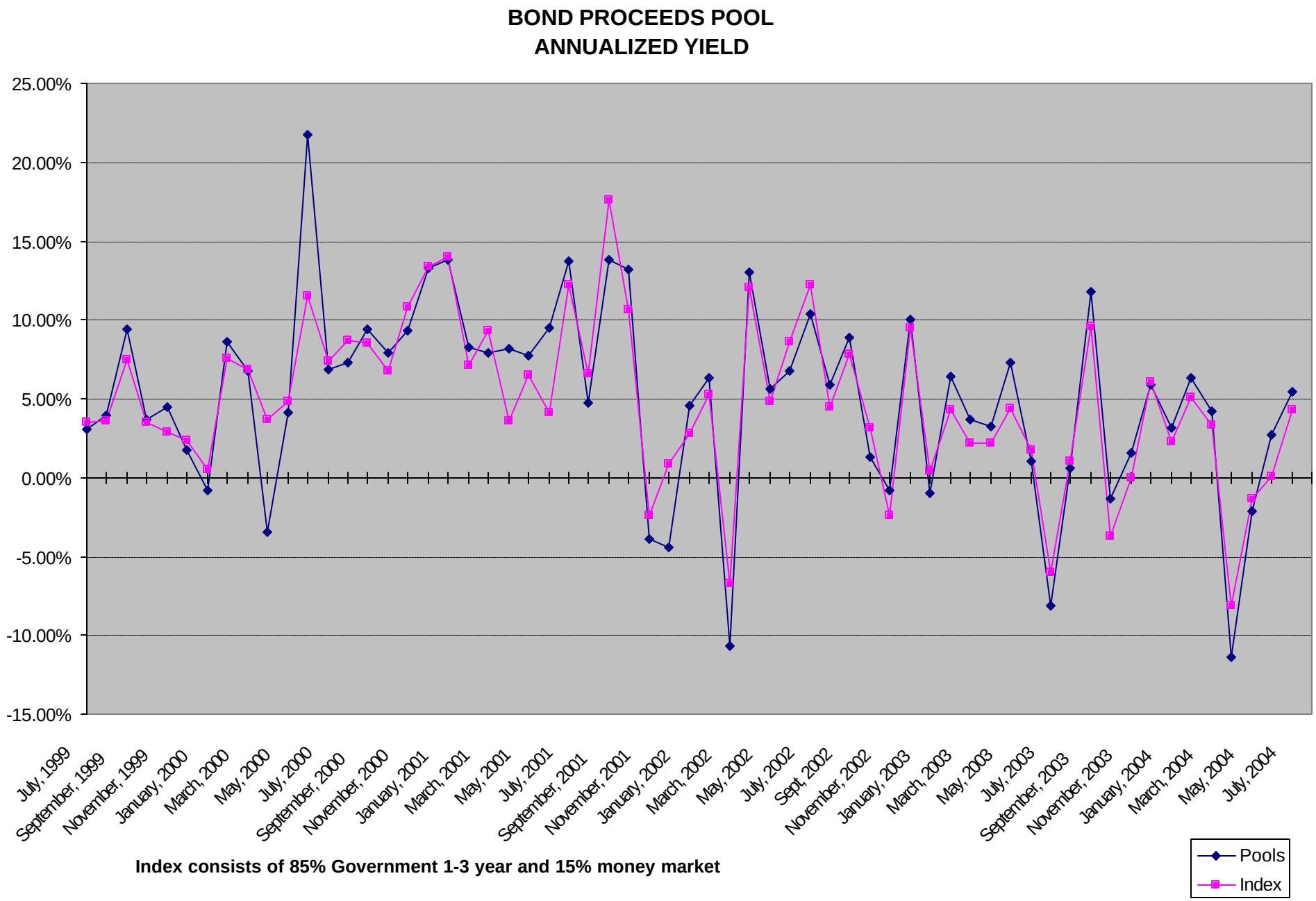
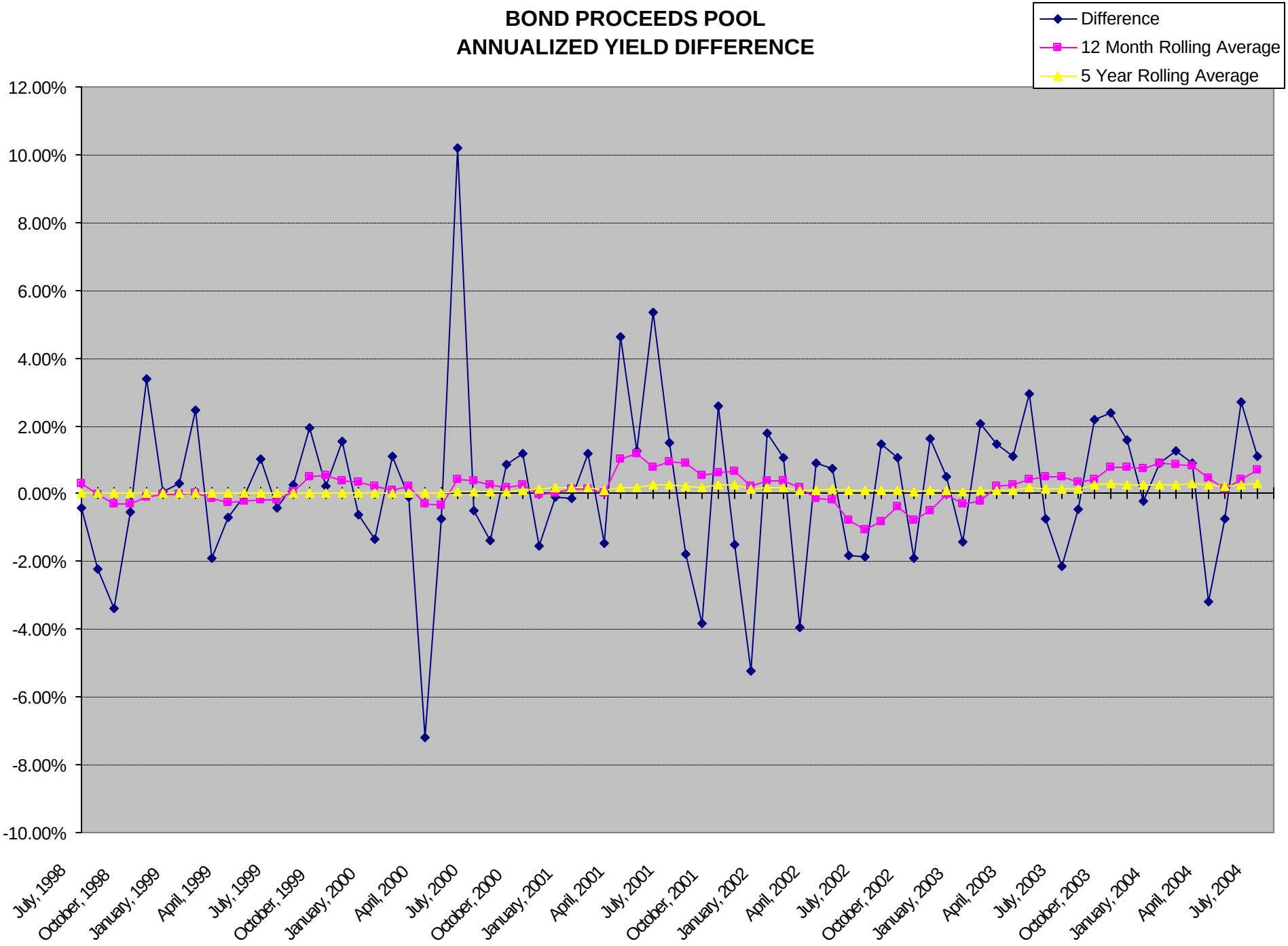
May, 2003
July, 2003
September, 2003
November, 2003
January, 2004
March, 2004
May, 2004
July, 2004



Index consists of 85% Government 1-3 year and 15% money market


BOND PROCEEDS POOL
ANNUALIZED YIELD DIFFERENCE
Difference
12 Month Rolling Average
5 Year Rolling Average
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
-4.00%
-6.00%
-8.00%
-10.00%
July, 1998
October, 1998
January, 1999
April, 1999
July, 1999
October, 1999
January, 2000
April, 2000
July, 2000
October, 2000
January, 2001
April, 2001
July, 2001
October, 2001
January, 2002
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January, 2003
April, 2003
July, 2003
October, 2003
January, 2004
April, 2004
July, 2004