JUNE 1999

MONTHLY INVESTMENT INCOME REPORT

Date: 7/31/99

PORTFOLIO SUMMARY
POOLS

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries							
		Bills	0.00	0.00	0.00	0.00	
		Treasury Notes	586,941,073.00	5.53	2.00	17.77	
	Sub-total		586,941,073.00	5.53	2.00	17.77	
Agencies		Notes	1,031,525,829.00	6.08	2.18	31.15	
		Discounts	14,925,000.00	4.94	0.07	0.45	
	Sub-total		1,046,450,829.00	6.06	2.14	31.60	
Municipals			132,789,990.00	6.33	2.23	4.01	
Corporates			377,945,125.00	6.15	1.81	11.40	25%
Mortgages		Pools	75,003,287.00	6.65	2.58	2.52	
		CMO's	245,106,202.00	6.38	2.00	7.43	
	Sub-total		320,109,489.00	6.44	2.13	9.95	25%
Asset Backs			125,190,190.00	6.17	1.31	3.35	20%
Repurchase Agreements							
		Overnight	567,000,000.00	5.01		17.12	
		< 30 days	64,993,176.00	4.87		1.96	
		< 60 days	344,930.00	4.50		0.01	
		< 90 days	33,203.00	4.39		0.00	
		< 1 year	5,108,163.00	4.26		0.15	
		< 2 years	5,500,000.00	5.71		0.17	
		> 2 years	109,296.00	4.25		0.00	
		Flex Repos					
	Sub-total		643,088,768.00	5.05		19.41	
Money Market Securities							
		Commercial Paper	62,250,000.00	4.92	0.12	1.88	A1-P1
		Bankers Acceptances	0.00	0.00	0.00	0.00	
		Certificates of Deposit	1,123,797.00	4.37	0.61	0.03	
	Sub-total		63,373,797.00	4.92	0.12	1.88	20%
TOTALS			3,295,889,261.00	5.79	1.60	100.00	

Date: 7/31/99

PORTFOLIO SUMMARY
SHORT TERM POOL

		TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTOI LIMIT
Treasuries							
		Bills	0.00	0.00	0	0.00	
		Treasury Notes	0.00	0.00	0	0.00	
	Sub-total		0.00	0.00	0	0.00	
Agencies		Notes	53,600,000.00	4.98	106	8.43	
		Discounts	10,000,000.00	4.79	15	1.57	
	Sub-total		63,600,000.00	4.95	91	10.01	
Corporates			26,640,000.00	5.18	164	4.19	
Municipals			0.00	0.00	0	0.00	
Repurchase Agreements							
		Overnight	483,118,000.00	5.01		76.01	
		< 30 days	0.00	0.00		0.00	
		< 60 days	0.00	0.00		0.00	
		< 90 days	0.00	0.00		0.00	
		< 1 year	0.00	0.00		0.00	
		< 2 years	0.00	0.00		0.00	
		> 2 years	0.00	0.00		0.00	
		Flex Repos					
	Sub-total		483,118,000.00	5.01	1	76.01	
Money Market Securities							
		Commercial Paper	62,250,000.00	4.92	44	9.79	A1-P1
		Bankers Acceptances	0.00	0.00	0	0.00	
		Certificates of Deposit	0.00	0.00	0	0.00	
	Sub-total		62,250,000.00	4.92	44	9.79	
TOTALS			635,608,000.00	5.00	21	100.00	

Date: 7/31/99

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	0.00	
		Treasury Notes	443,815,000.00	5.57	1.92	21.19	
	Sub-total		443,815,000.00	5.57	1.92	21.19	
Agencies		Notes	783,610,085.00	6.14	2.15	37.60	
		Discounts	0.00	0.00	0.00	0.00	
	Sub-total		783,610,085.00	6.14	2.15	37.60	
Municipals			108,904,767.00	6.31	2.15	5.23	
Corporates			316,849,125.00	6.21	1.80	15.19	25%
Mortgages		Pools	52,457,886.00	6.45	2.12	2.55	
		CMO's	191,359,853.00	6.33	1.79	9.24	
	Sub-total		243,817,739.00	6.36	1.86	11.79	25%
Asset Backs			105,190,190.00	6.22	1.30	4.37	20%
Repurchase Agreements							
		Overnight	0.00	0.00		0.00	
		< 30 days	64,993,176.00	4.87		3.12	
		< 60 days	344,930.00	4.50		0.02	
		< 90 days	33,203.00	4.39		0.00	
		< 1 year	5,108,163.00	4.26		0.25	
		< 2 years	5,500,000.00	5.71		0.26	
		> 2 years	109,296.00	4.25		0.01	
		Flex Repos					
	Sub-total		76,088,768.00	4.88		3.65	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0.00	A1-P1
		Bankers Acceptances	0.00	0.00	0.00	0.00	
		Certificates of Deposit	1,123,797.00	4.37	0.61	0.05	
	Sub-total		1,123,797.00	0.00	0.00	0.00	20%
TOTALS			2,079,399,471.00	6.01	1.90	100.00	

Date: 7/31/99

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		
		Treasury Notes	87,095,000.00	5.78	3.02	24.75	
	Sub-total		87,095,000.00	5.78	3.02	24.75	
Agencies		Notes	101,526,000.00	6.28	3.10	28.88	
		Discounts	0.00	0.00	0.00	0.00	
	Sub-total		101,526,000.00	6.28	3.10	28.88	
Municipals			23,885,223.00	6.40	3.26	6.76	
Corporates			34,456,000.00	6.36	2.84	9.81	25%
Mortgages		Pools	24,786,985.00	7.07	3.50	8.78	
		CMO's	58,485,000.00	6.51	2.64	15.22	
	Sub-total		83,271,985.00	6.68	2.90	24.00	25%
Asset Backs			20,000,000.00	5.87	1.38	5.69	20%
Repurchase Agreements							
		Overnight	808,000.00	5.01		0.23	
		< 30 days	0.00	0.00		0.00	
		< 60 days	0.00	0.00		0.00	
		< 90 days	0.00	0.00		0.00	
		< 1 year	0.00	0.00		0.00	
		< 2 years	0.00	0.00		0.00	
		> 2 years	0.00	0.00		0.00	
		Flex Repos					
	Sub-total		808,000.00	5.01		0.23	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0.00	A1-P1
		Bankers Acceptances	0.00	0.00	0.00	0.00	
		Certificates of Deposit	0.00	0.00	0.00	0.00	
	Sub-total		0.00	0.00	0.00	0.00	20%
TOTALS			351,042,208.00	6.24	2.87	100.00	

Date: 7/31/99

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		
		Treasury Notes	56,031,073.00	5.31	1.10	24.88	
	Sub-total		56,031,073.00	5.31	1.10	24.88	
Agencies		Notes	92,789,474.00	6.04	2.56	38.61	
		Discounts	4,952,000.00	5.25	0.13	2.07	
	Sub-total		97,741,474.00	5.95	2.40	40.68	
Municipals			0.00	0.00	0.00	0.00	
Mortgages		Pools	0.00	0.00	0.00	0.00	
		CMO's	0.00	0.00	0.00	0.00	
	Sub-total		0.00	0.00	0.00	0.00	
Asset Backs			0.00	0.00		0.00	
Repurchase Agreements							
		Overnight	83,074,000.00	5.01		34.44	
		< 30 days	0.00	0.00		0.00	
		< 60 days	0.00	0.00		0.00	
		< 90 days	0.00	0.00		0.00	
		< 1 year	0.00	0.00		0.00	
		< 2 years	0.00	0.00		0.00	
		> 2 years	0.00	0.00		0.00	
		Flex Repos					
	Sub-total		83,074,000.00	5.01		34.44	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0.00	NONE ALLOWED
		Bankers Acceptances	0.00	0.00	0.00	0.00	
		Certificates of Deposit	0.00	0.00	0.00	0.00	
	Sub-total		0.00	0.00	0.00	0.00	
TOTALS			236,846,547.00	5.49	1.27	100.00	

Investable Balances

For the Month of July 1999

Pool	Average Daily Balances Month	Fiscal Year to Date
Long Term	350,445,532	350,445,532
Short Term	662,467,059	662,467,059
Intermediate	2, 119,239,847	2, 119,239,847
Bond Proceeds	239,908,460	239,908,460
Previous Investments	151,289,324	151,289,324
Grand Total	**3,523,350,222**	**3,523,350,222**

Investment Income

Through July 1999

Pool	Month Amount	Month Yield *	Fiscal Year to Date Amount	Fiscal Year to Date Yield **
Long Term	696,106	2.35%	696, 106	2.35%
Short Term	2,780,997	4.96%	2,780,997	4.96%
Intermediate	5,219,213	2.91%	5,219,213	2.91%
Bond Proceeds	618,939	3.05%	618,939	3.05%
Grand Total	**9,315,254**	**3.26%**	**9,315,254**	**3.26%**

* 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 to market value. Total return, divided by average daily balance, divided by actual days, multiplied by actual number of 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 to market value. Total return (fiscal YTD), divided by the weighted average of the monthly average daily balances, divided by the actual days (fiscal YTD), multiplied by the actual number of days in the fiscal year.

CASH DISTRIBUTION

July 1999

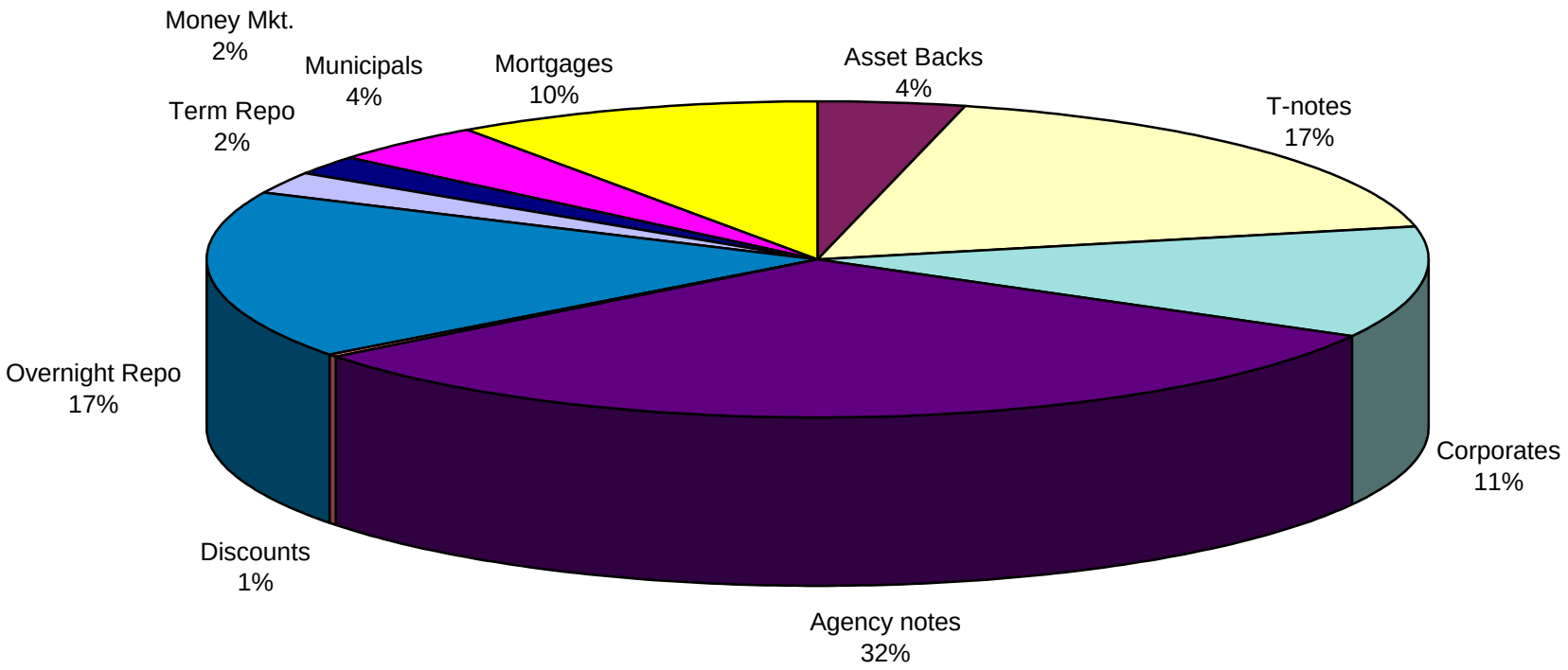
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	2,630,711	1,463,385	2,630,711	1,463,385
Capital Con.	1,426,575	743,750	1,426,575	743,750
Agency	390,956	350,000	390,956	350,000
T&R	209,413	65,625	209,413	65,625

ACCRUED EARNINGS

July 1999

	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	2,234,401	1,463,385	2,234,401	1,463,385
Capital Con.	1,159,736	743,750	1,159,736	743,750
Agency	476,066	350,000	476,066	350,000
T&R	186,249	65,625	186,249	65,625

DISTRIBUTION OF INVESTMENTS
JULY 1999



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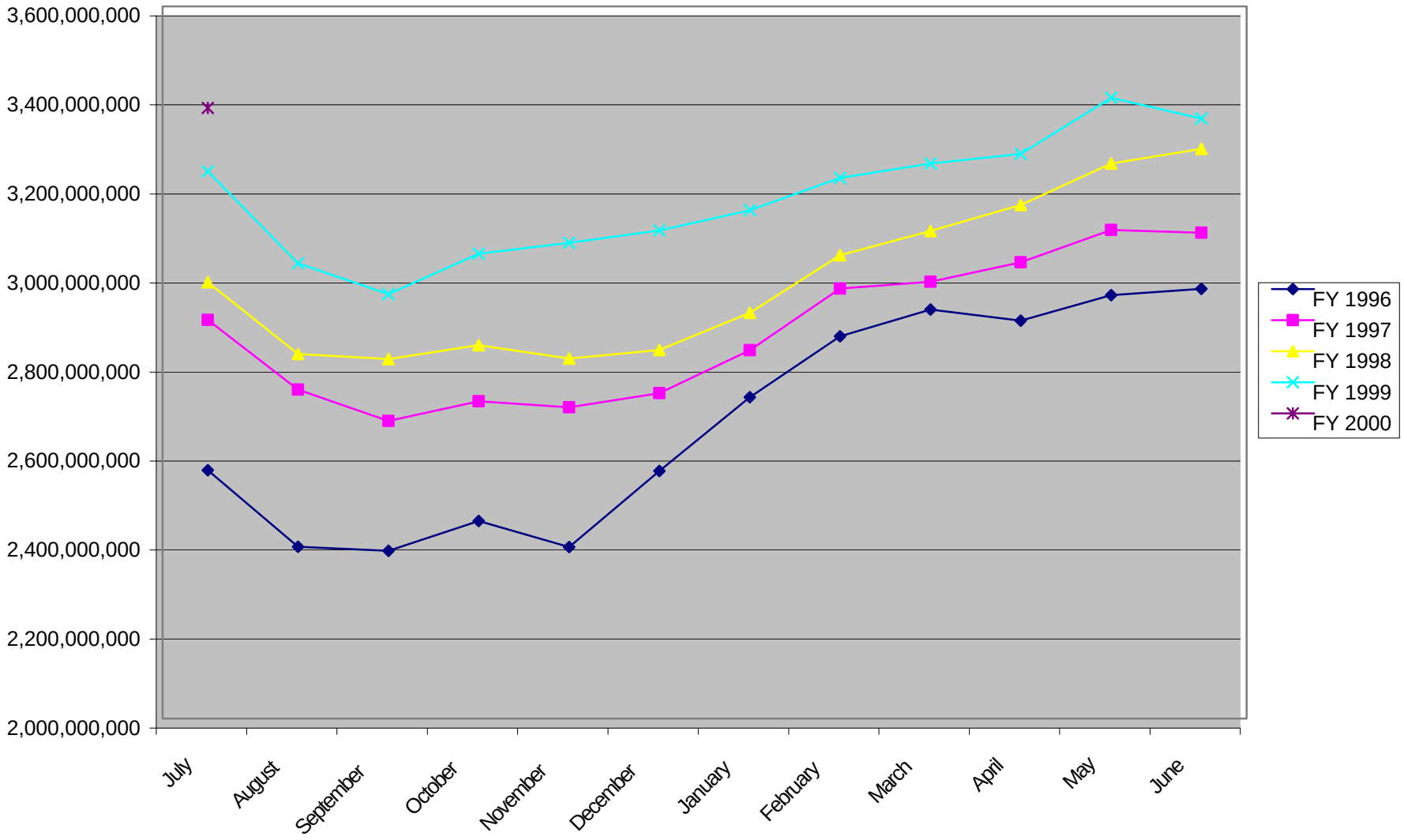
INVESTABLE BALANCES



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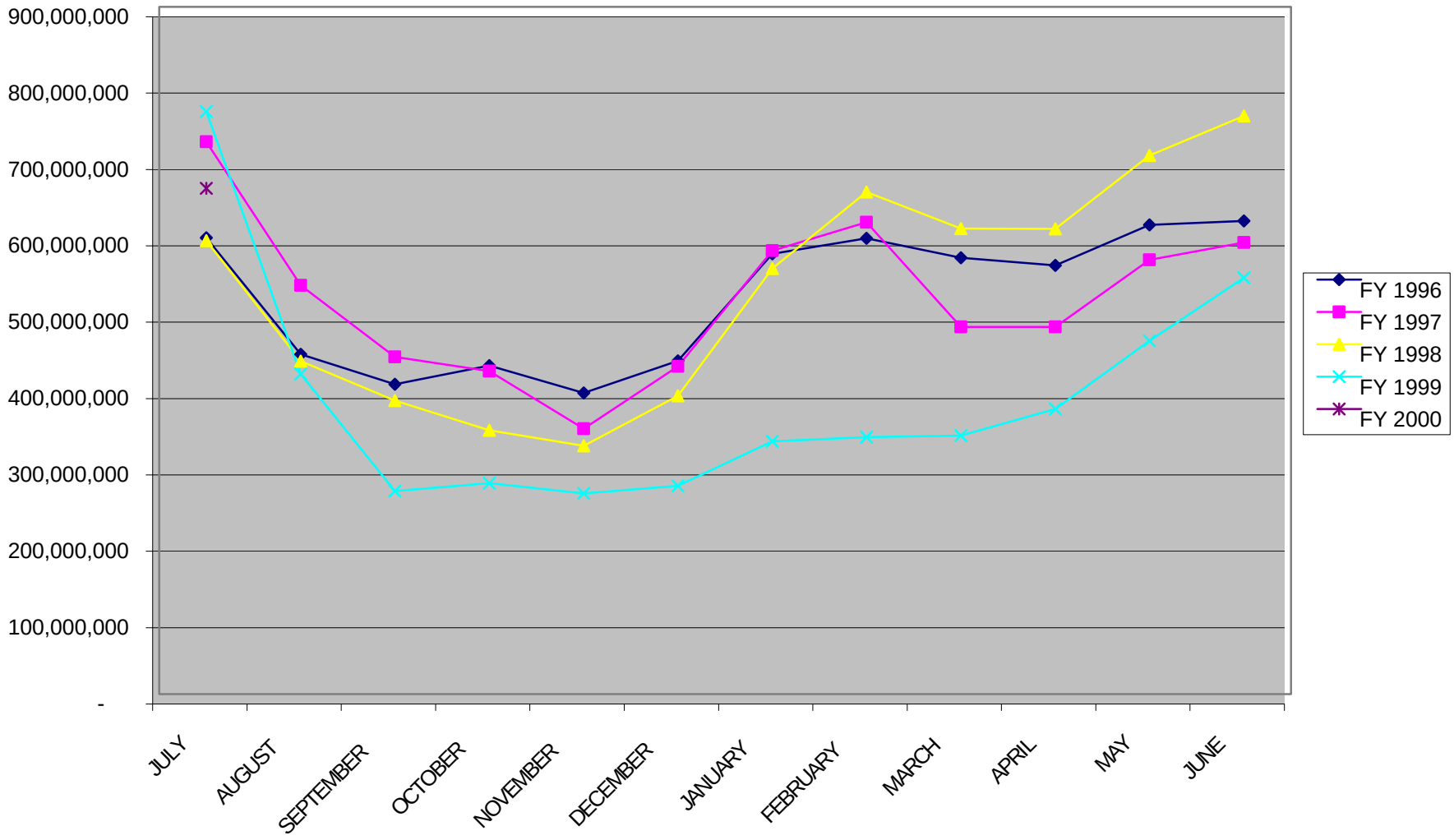
SHORT TERM POOL
INVESTABLE BALANCES



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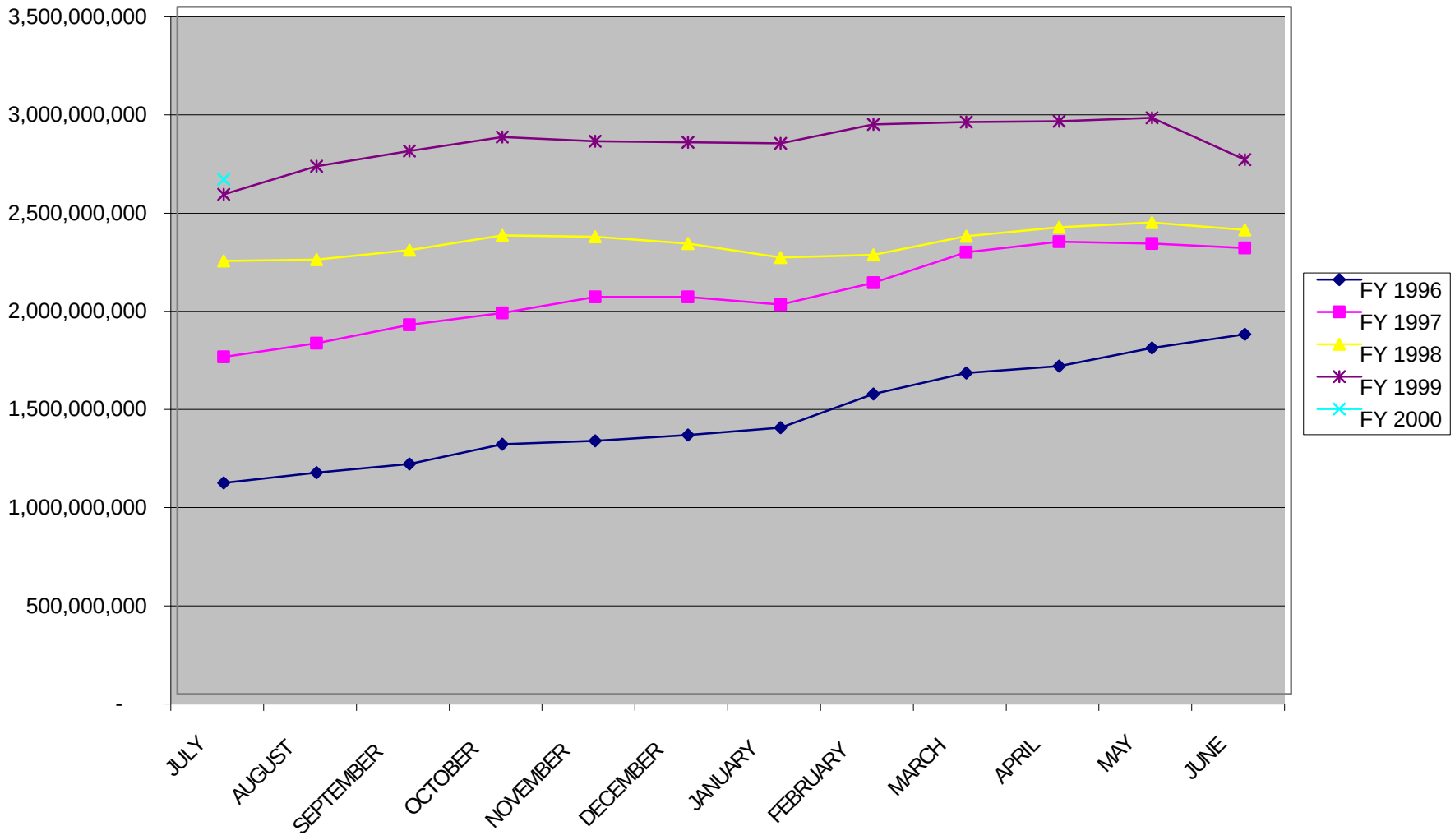
INTERMEDIATE - LONG TERM POOL
INVESTABLE BALANCES



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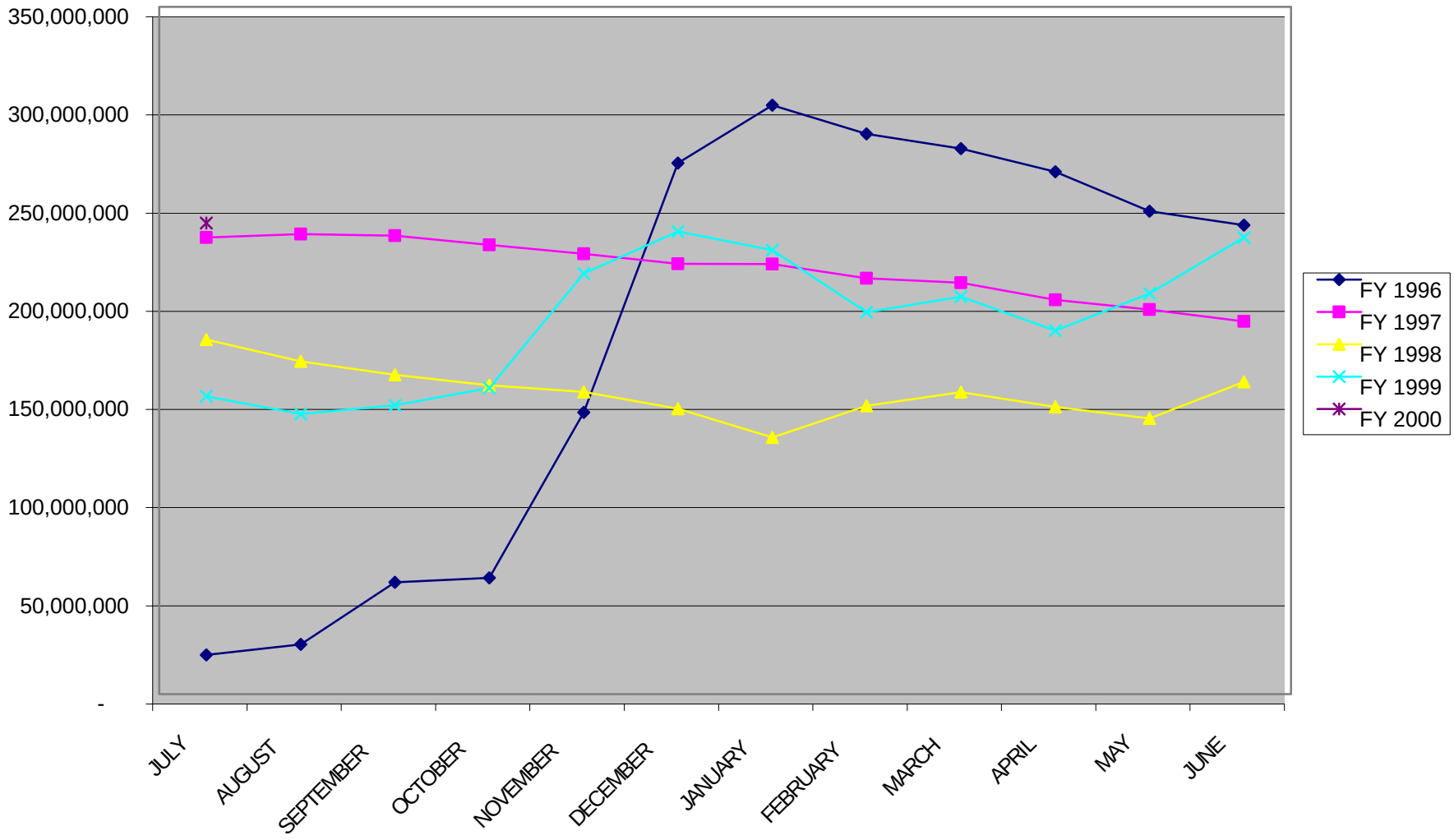
US TREASURY-AGENCY
INVESTABLE BALANCES



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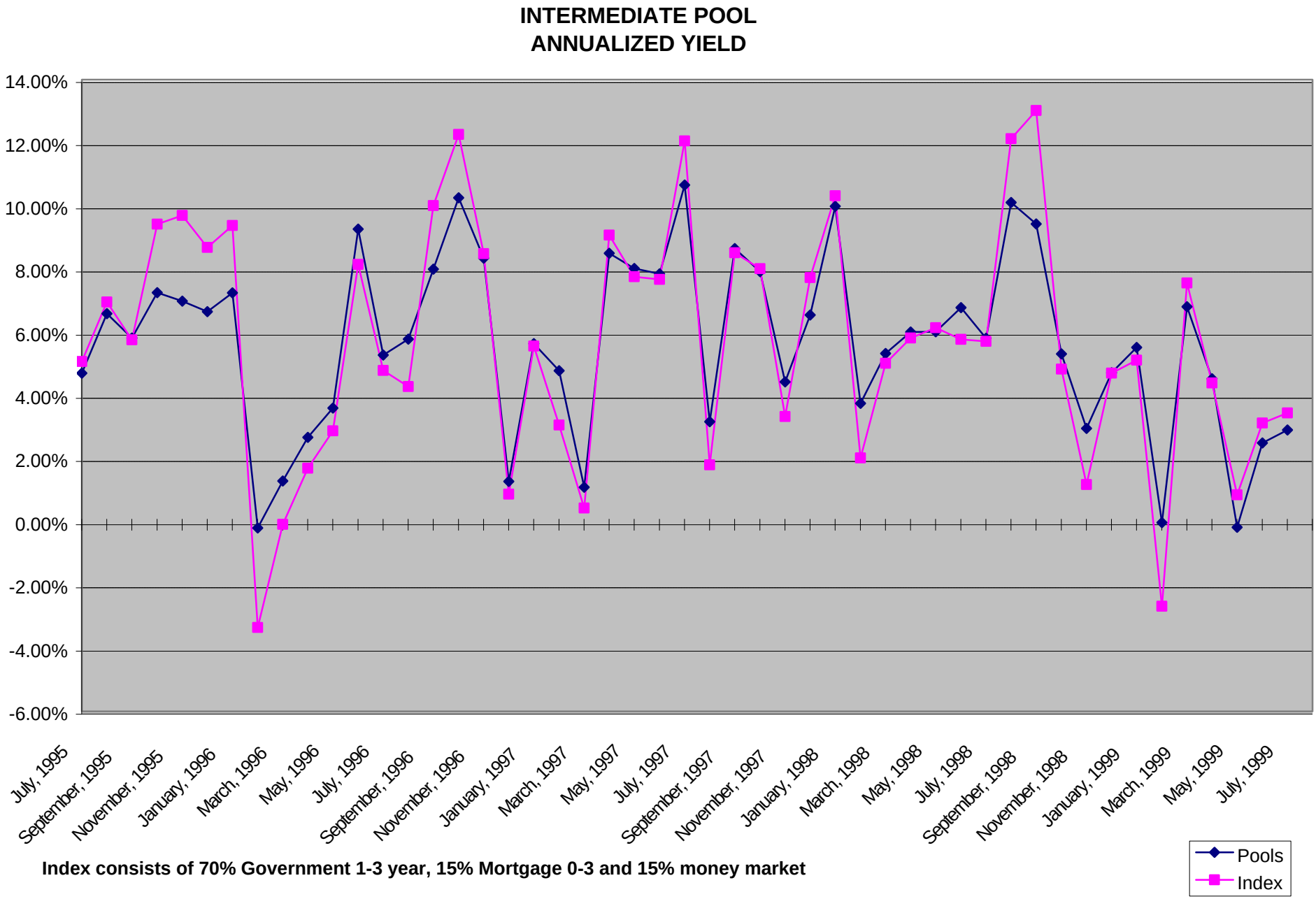
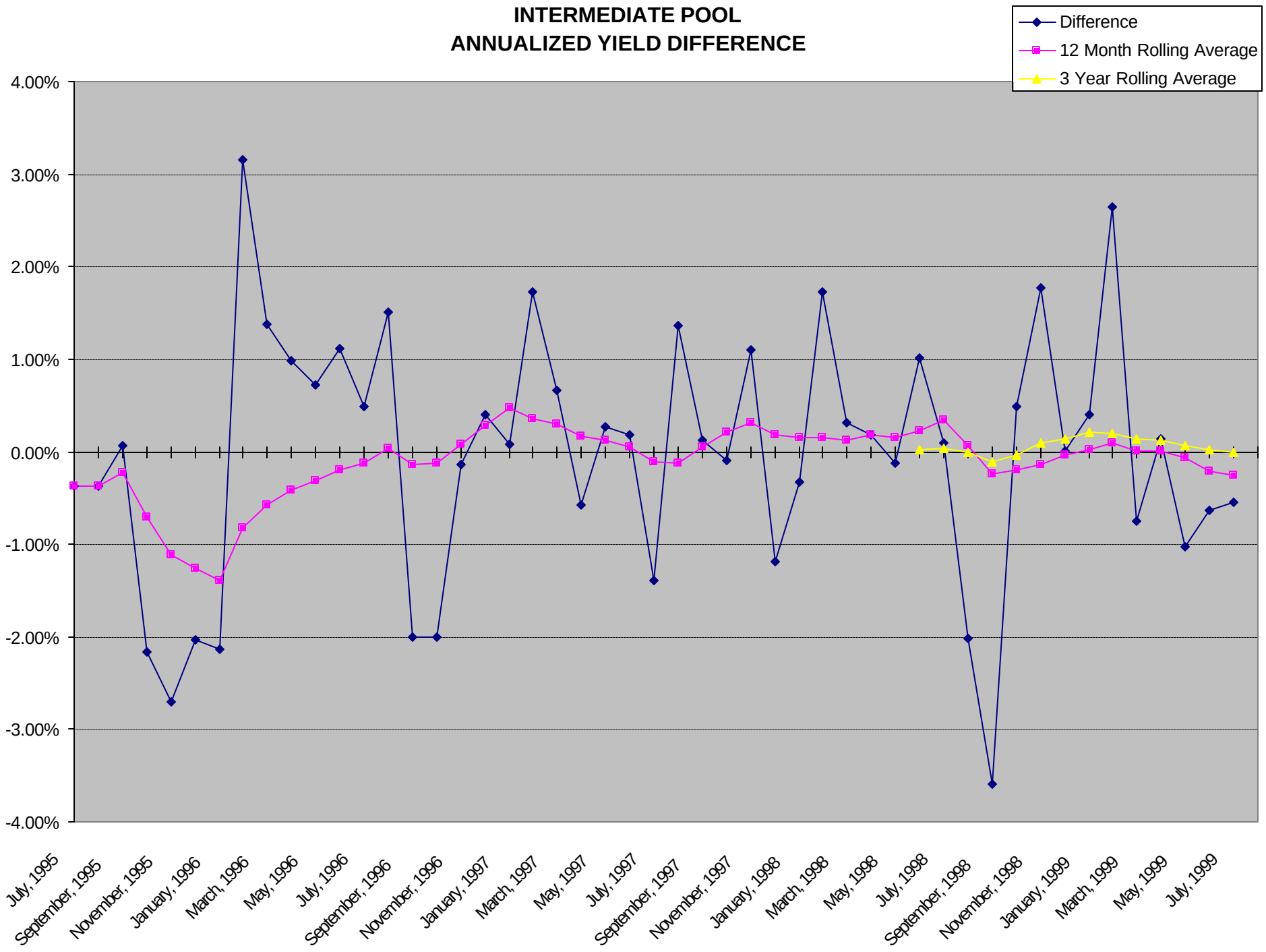


Index consists of 70% Government 1-3 year, 15% Mortgage 0-3 and 15% money market


INTERMEDIATE POOL
ANNUALIZED YIELD DIFFERENCE
Difference
12 Month Rolling Average
3 Year Rolling Average
4.00%
3.00%
2.00%
1.00%
0.00%
-1.00%
-2.00%
-3.00%
-4.00%
July, 1995
September, 1995
November, 1995
January, 1996
March, 1996
May, 1996
July, 1996
September, 1996
November, 1996
January, 1997
March, 1997
May, 1997
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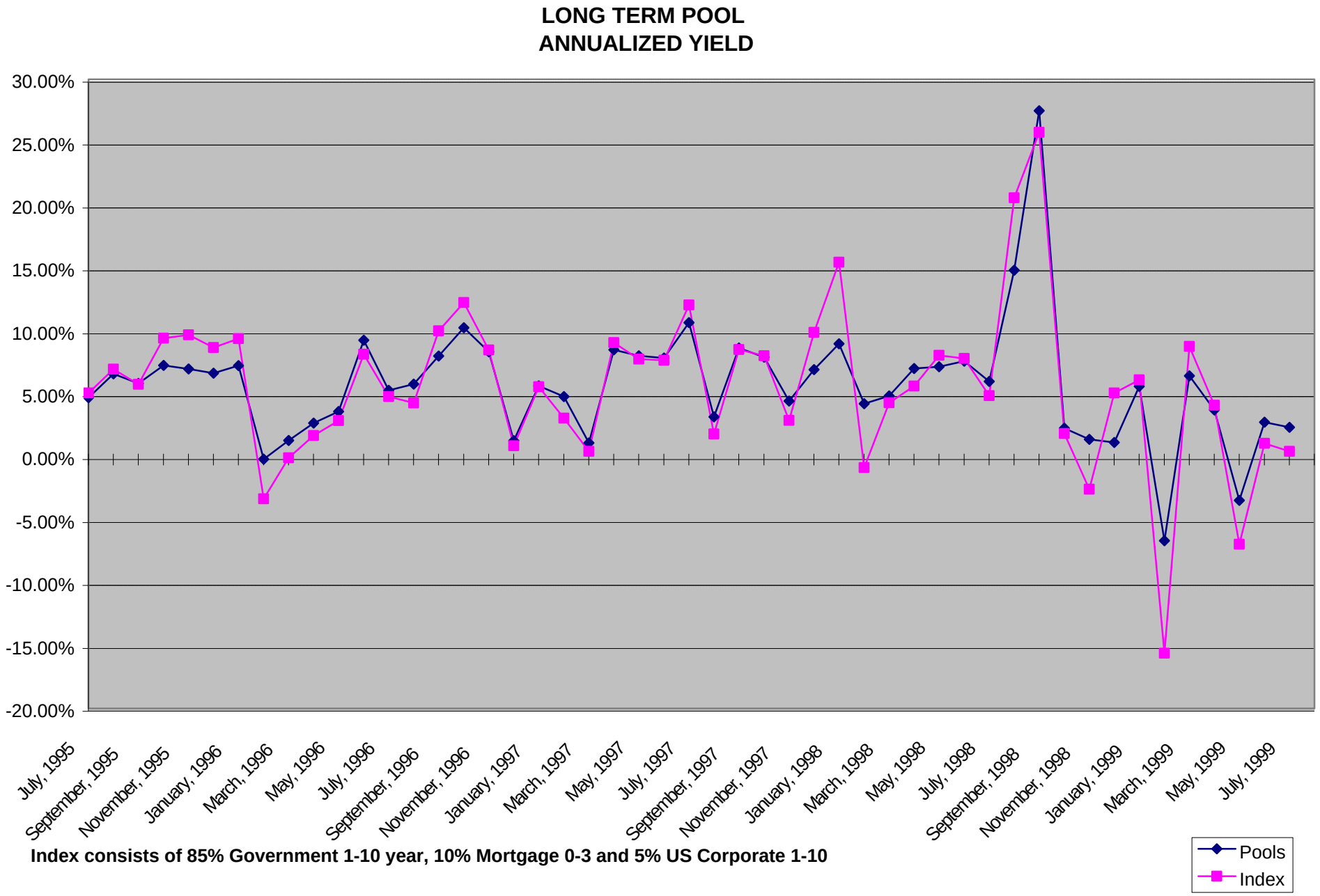
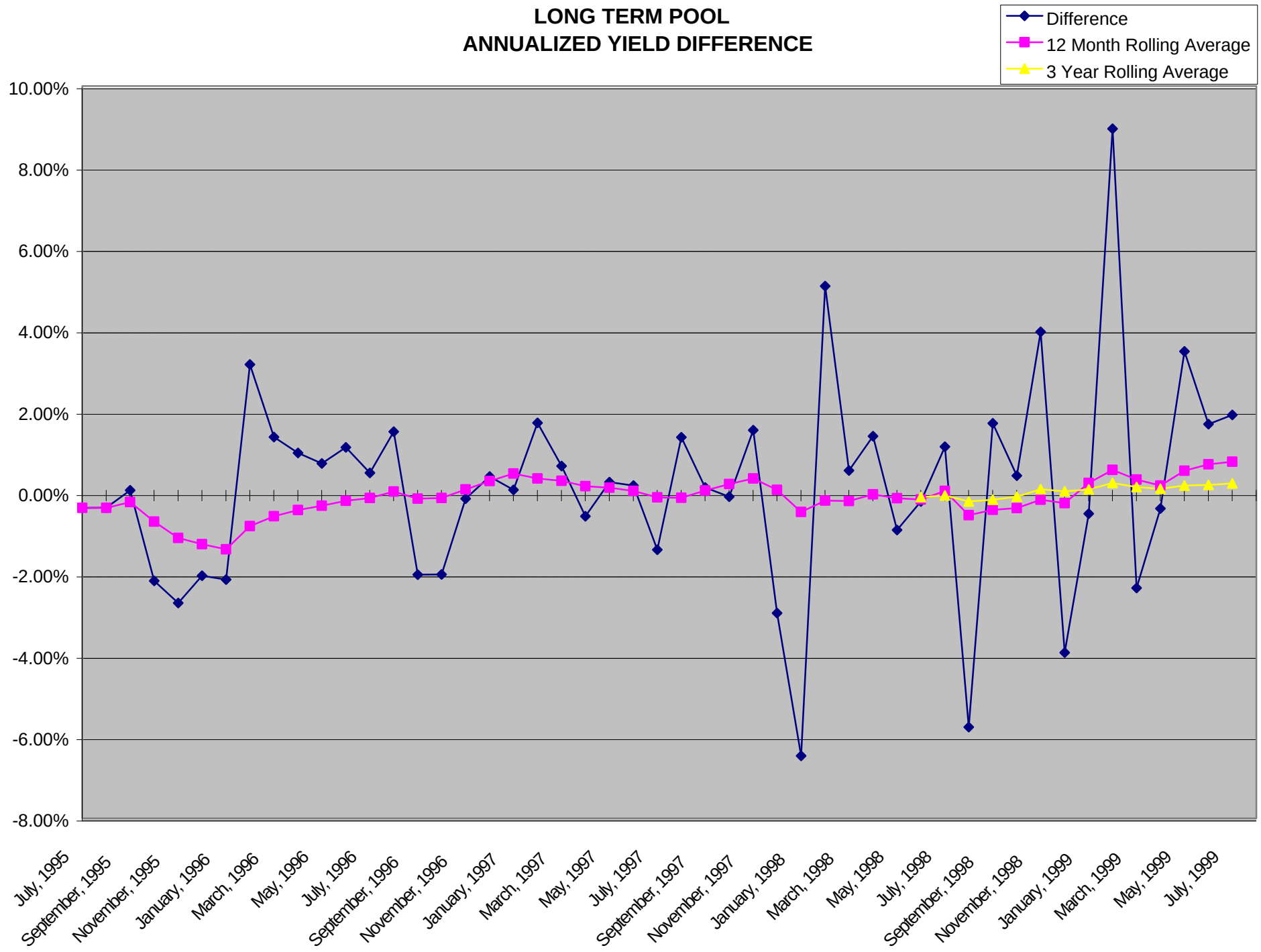
January, 1999
March, 1999
May, 1999
July, 1999



Index consists of 85% Government 1-10 year, 10% Mortgage 0-3 and 5% US Corporate 1-10


LONG TERM POOL
ANNUALIZED YIELD DIFFERENCE
Difference
12 Month Rolling Average
3 Year Rolling Average
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
-4.00%
-6.00%
-8.00%
July, 1995
September, 1995
November, 1995
January, 1996
March, 1996
May, 1996
July, 1996
September, 1996
November, 1996
January, 1997
March, 1997
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July, 1997
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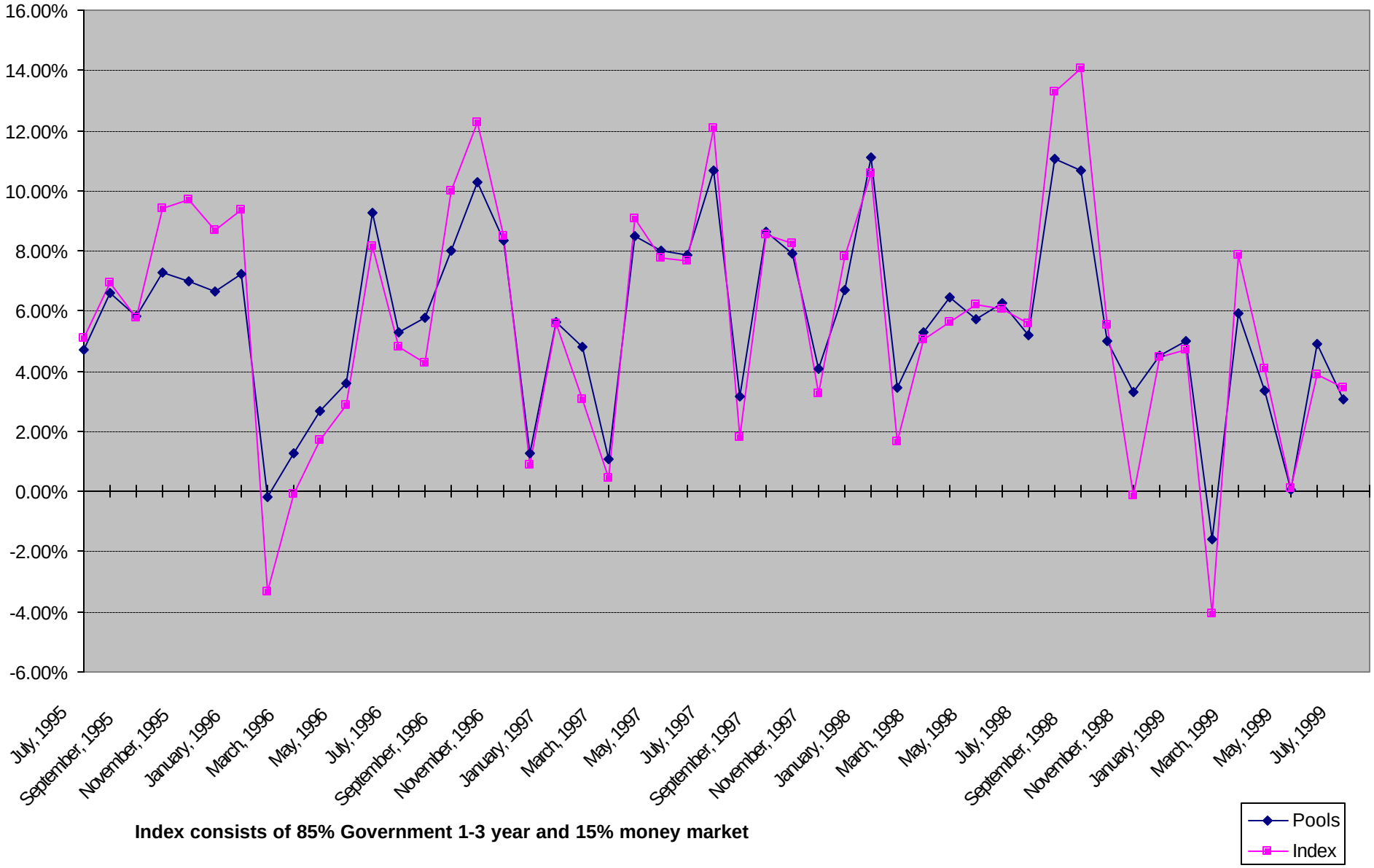
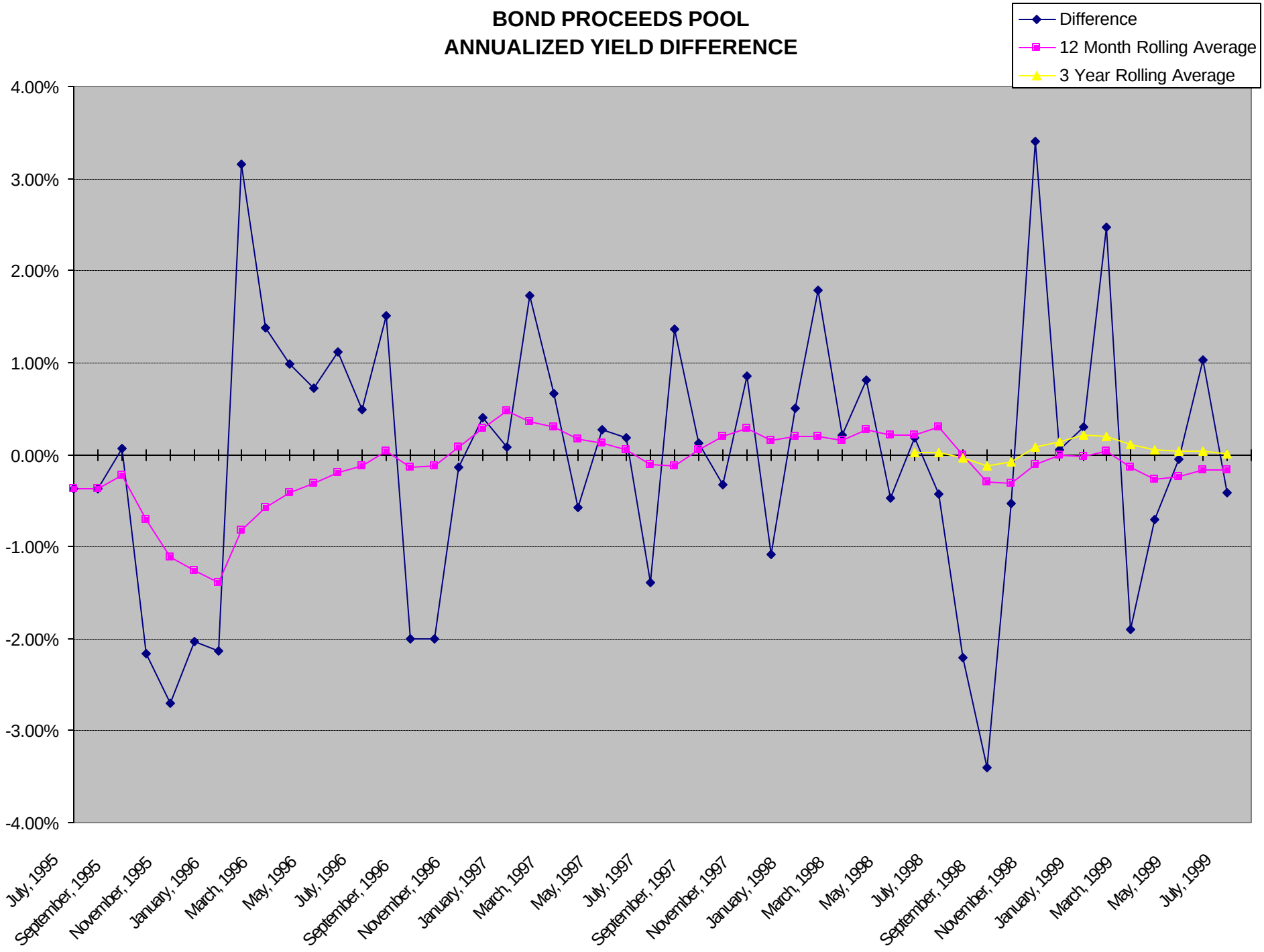
BOND PROCEEDS POOL
ANNUALIZED YIELD



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


BOND PROCEEDS POOL
ANNUALIZED YIELD DIFFERENCE
Difference
12 Month Rolling Average
3 Year Rolling Average
4.00%
3.00%
2.00%
1.00%
0.00%
-1.00%
-2.00%
-3.00%
-4.00%
July, 1995
September, 1995
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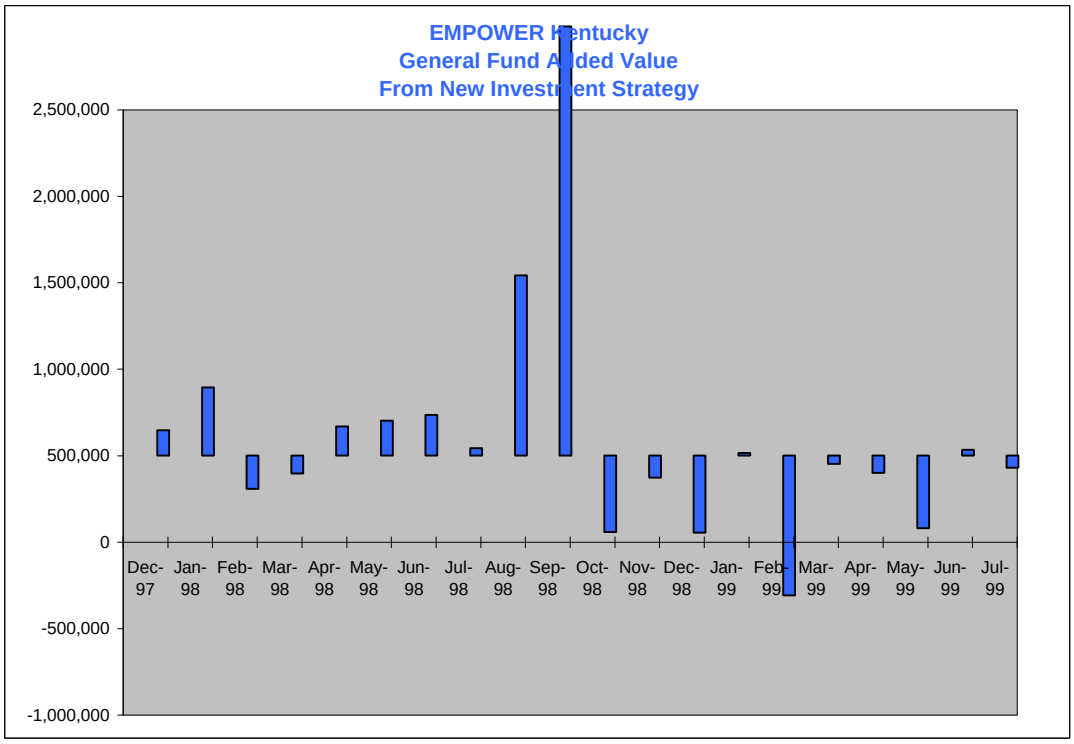
March, 1999
May, 1999
July, 1999

EMPOWER Kentucky
Added Value from New Investment Strategy
Total Return Basis

	BRTF Long-term Pool	General Fund Share of Added-Value
FYE 6/30/98:	**844,071**	**664,615**
Jul-98	42,050	25,913
Aug-98	1,040,624	640,596
Sep-98	3,986,448	2,480,615
Oct-98	-696,294	-442,960
Nov-98	-194,794	-128,580
Dec-98	-697,724	-446,891
Jan-99	24,856	14,432
Feb-99	-1,786,031	-809,580
Mar-99	-112,994	-48,446
Apr-99	-236,251	-101,251
May-99	-971,228	-421,228
Jun-99	76,002	32,669
FYE 6/30/99:	**474,664**	**795,289**
Jul-99	-163,541	-70,208
FYE 6/30/00 YTD:	**-163,541**	**-70,208**



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EMPOWER Kentucky
Added Value from Additional Security Types
Cash Basis

	MBS/CMO/ABS	Corporates	Total Added-Value	General Fund Share of Added-Value
FYE 6/30/98:	**1,014,606**	**318,534**	**1,333,140**	**261,195**
Jul-98	127,020	26,430	153,450	34,469
Aug-98	129,029	77,567	206,596	27,436
Sep-98	124,924	78,099	203,023	27,022
Oct-98	128,644	86,754	215,398	28,246
Nov-98	163,960	95,811	259,771	28,449
Dec-98	158,649	101,977	260,626	28,133
Jan-99	156,147	102,424	258,571	25,503
Feb-99	271,156	115,822	386,978	115,078
Mar-99	308,874	111,706	420,580	116,144
Apr-99	256,583	118,073	437,498	118,110
May-99	323,705	194,360	518,065	166,653
Jun-99	297,933	164,218	462,151	147,667
FYE 6/30/99:	**2,446,624**	**1,273,240**	**3,782,706**	**862,910**
Jul-99	287,709	151,269	438,978	152,958
FYE 6/30/00 YTD:	**287,709**	**151,269**	**438,978**	**152,958**

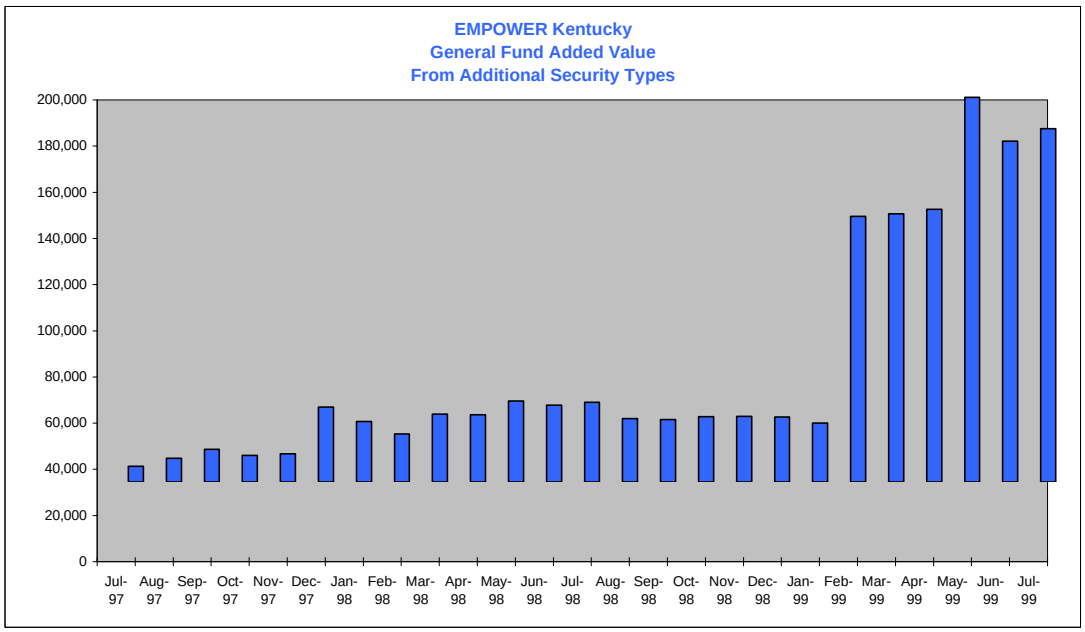

EXHIBIT II