October 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: 10/31/04

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	335,776,508.89	2.61	1.91	11%	
	Sub-total		335,776,508.89	2.61	1.91	11%	
Agencies		Notes	857,504,295.82	2.78	1.64	28%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		857,504,295.82	2.78	1.64	28%	
Municipals			199,227,334.42	2.41	1.18	7%	
Corporates			251,806,038.99	2.23	1.45	8%	25%
Mortgages		Pools	61,396,678.44	1.85	0.59	2%	
		CMO's	194,042,732.41	2.48	0.41	6%	
	Sub-total		255,439,410.85	2.33	0.45	8%	25%
Asset Backs			319,271,998.22	1.79	0.20	10%	20%
Repurchase Agreements							
		Overnight	597,091,831.63	2.35	0.00	20%	
		< 30 days	20,975,896.05	1.62	0.05	1%	
		< 60 days	6,001,475.00	2.91	0.16	0%	
		< 90 days	0.00	100.00	100.00	0%	
		< 1 year	2,544,394.37	1.87	0.94	0%	
		< 2 years	2,855,763.21	0.36	0.18	0%	
		> 2 years	7,771,178.76	2.55	3.74	0%	
		Flex Repos	253,494.27	11.27	4.93	0%	
	Sub-total		637,494,033.29	2.32	0.06	21%	
Money Market Securities							
		Commercial Paper	168,979,902.75	1.32	0.01	6%	A1-P1
		Money Mkt Fund	22,000,000.00	0.00	0.00	1%	
		Certificates of Deposit	1,021,942.78	2.30	4.13	0%	
	Sub-total		192,001,845.53	1.17	0.03	7%	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			3,048,521,466.01	2.35	0.94	100%	

Date: 10/31/04

PORTFOLIO SUMMARY
SHORT 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	10,084,543.01	1.95	0.09	2%	
	Sub-total		10,084,543.01	1.95	0.09	2%	
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%	
Corporates			18,562,089.25	1.70	0.17	4%	25%
Municipals			30,413,826.89	2.05	0.09	6%	
Mortgages		CMOs	62,981,694.37	2.28	0.05	13%	25%
ABS			57,683,772.90	2.13	0.04	12%	
Repurchase Agreements							
		Overnight	105,131,168.99	1.83	0.01	22%	
		< 30 days	0.00	0.00	0.00	0%	
		< 60 days	0.00	0.00	0.00	0%	
		< 90 days	0.00	0.00	0.00	0%	
		< 1 year	0.00	0.00	0.00	0%	
		< 2 years	0.00	0.00	0.00	0%	
		> 2 years	0.00	0.00	0.00	0%	
		Flex Repos	0.00	0.00	0.00	0%	
	Sub-total		105,131,168.99	1.83	0.01	22%	
Money Market Securities							
		Commercial Paper	168,979,902.75	1.77	0.01	36%	A1-P1
		Money Mkt Fund	22,000,000.00	1.59	0.01	5%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		190,979,902.75	1.75	0.01	41%	
TOTALS			475,836,998.16	1.91	0.03	100%	

Date: 10/31/04

PORTFOLIO SUMMARY
INTERMEDIATE 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	218,342,372.08	2.56	1.95	14%	
	Sub-total		218,342,372.08	2.56	1.95	14%	
Agencies		Notes	411,015,973.45	2.78	1.67	26%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		411,015,973.45	2.78	1.67	26%	
Municipals			118,897,616.40	3.00	1.77	8%	
Corporates			179,202,693.07	2.86	1.66	11%	25%
Mortgages		Pools	61,396,678.44	3.53	1.57	4%	
		CMO's	73,444,667.60	3.20	0.77	5%	
	Sub-total		134,841,346.04	3.35	1.13	9%	25%
Asset Backs			19,263,465.33	2.54	2.43	1%	20%
Repurchase Agreements							
		Overnight	456,351,185.98	1.83	0.01	29%	
		< 30 days	20,975,896.05	1.68	0.03	1%	
		< 60 days	6,001,475.00	1.73	0.09	0%	
		< 90 days	0.00	1.00	1.00	0%	
		< 1 year	2,544,394.37	1.87	0.86	0%	
		< 2 years	2,855,763.21	2.77	1.85	0%	
		> 2 years	7,771,178.76	2.53	3.62	1%	
		Flex Repos	253,494.27	11.27	4.88	0%	
	Sub-total		496,753,387.64	1.85	0.09	31%	
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	1,021,942.78	2.29	4.18	0%	
	Sub-total		1,021,942.78	2.29	4.18	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			1,579,338,796.79	2.53	1.18	100%	

Date: 10/31/04

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	107,349,593.80	2.50	1.74	23%	
	Sub-total		107,349,593.80	2.50	1.74	23%	
Agencies		Notes	345,852,938.67	2.74	1.56	72%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		345,852,938.67	2.74	1.56	72%	
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	0.00	0%	
Repurchase Agreements							
		Overnight	23,883,673.26	1.83	0.01	5%	
		< 30 days	0.00	0.00	0.00	0%	
		< 60 days	0.00	0.00	0.00	0%	
		< 90 days	0.00	0.00	0.00	0%	
		< 1 year	0.00	0.00	0.00	0%	
		< 2 years	0.00	0.00	0.00	0%	
		> 2 years	0.00	0.00	0.00	0%	
		Flex Repos	0.00	0.00	0.00	0%	
	Sub-total		23,883,673.26	1.83	0.01	5%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
		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			477,086,205.73	2.64	1.53	100%	

Investment Income

As of 10/31/04

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	4,046,172.99	3.40%	18,681,935.82	4.42%
Short Term	846,657.35	1.80%	3,013,603.89	1.52%
Bond Proceeds	1,733,623.00	4.20%	9,472,122.31	5.21%
Tran	46,473.11	0.11%	119,556.36	0.07%
Grand Total	**6,672,926.45**		**31,287,218.38**	

***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 10/31/04

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	1,399,731,883.26	1,253,229,214.18
Short Term	553,709,884.98	588,522,018.82
Bond Proceeds	485,487,946.38	539,483,586.27
Tran	506,409,901.82	505,474,919.17
	2,945,339,616.44	**2,886,709,738.44**

CASH DISTRIBUTION

October 2004

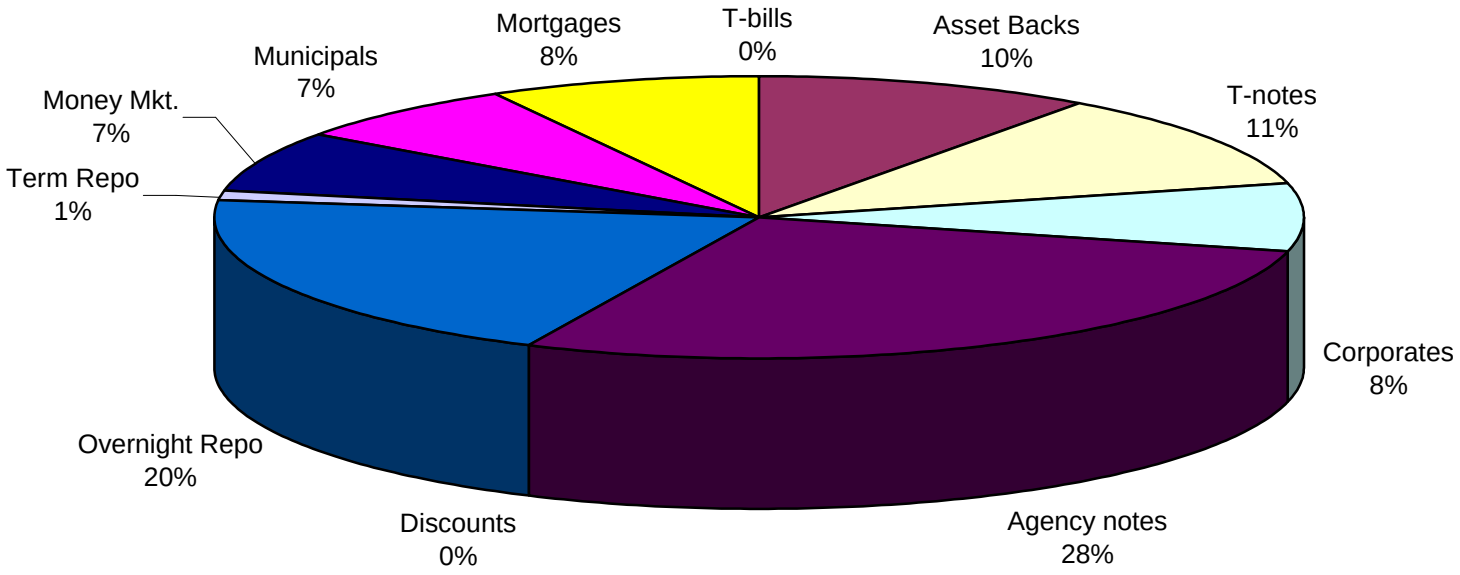
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0		0
Capital Con.	429,762	562,500	1,391,011	2,275,000
Agency	599,918	837,500	1,837,617	3,304,167
T&R	143,364	150,000	412,327	611,458

ACCRUED EARNINGS

October 2004

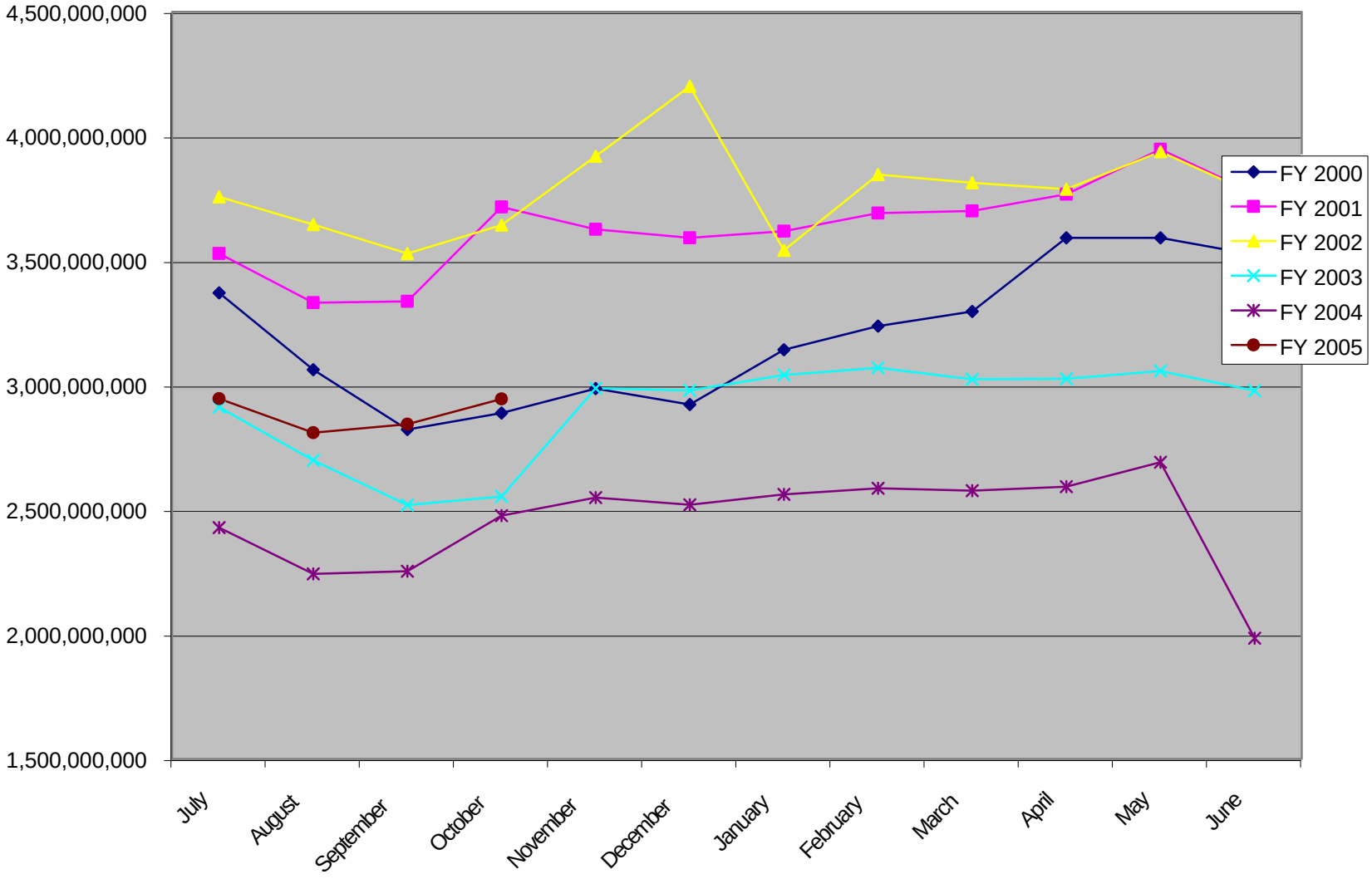
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	114,315	0	885,518	0
Capital Con.	703,415	562,500	3,900,696	2,275,000
Agency	630,081	837,500	3,915,161	3,304,167
T&R	272,137	150,000	934,142	611,458

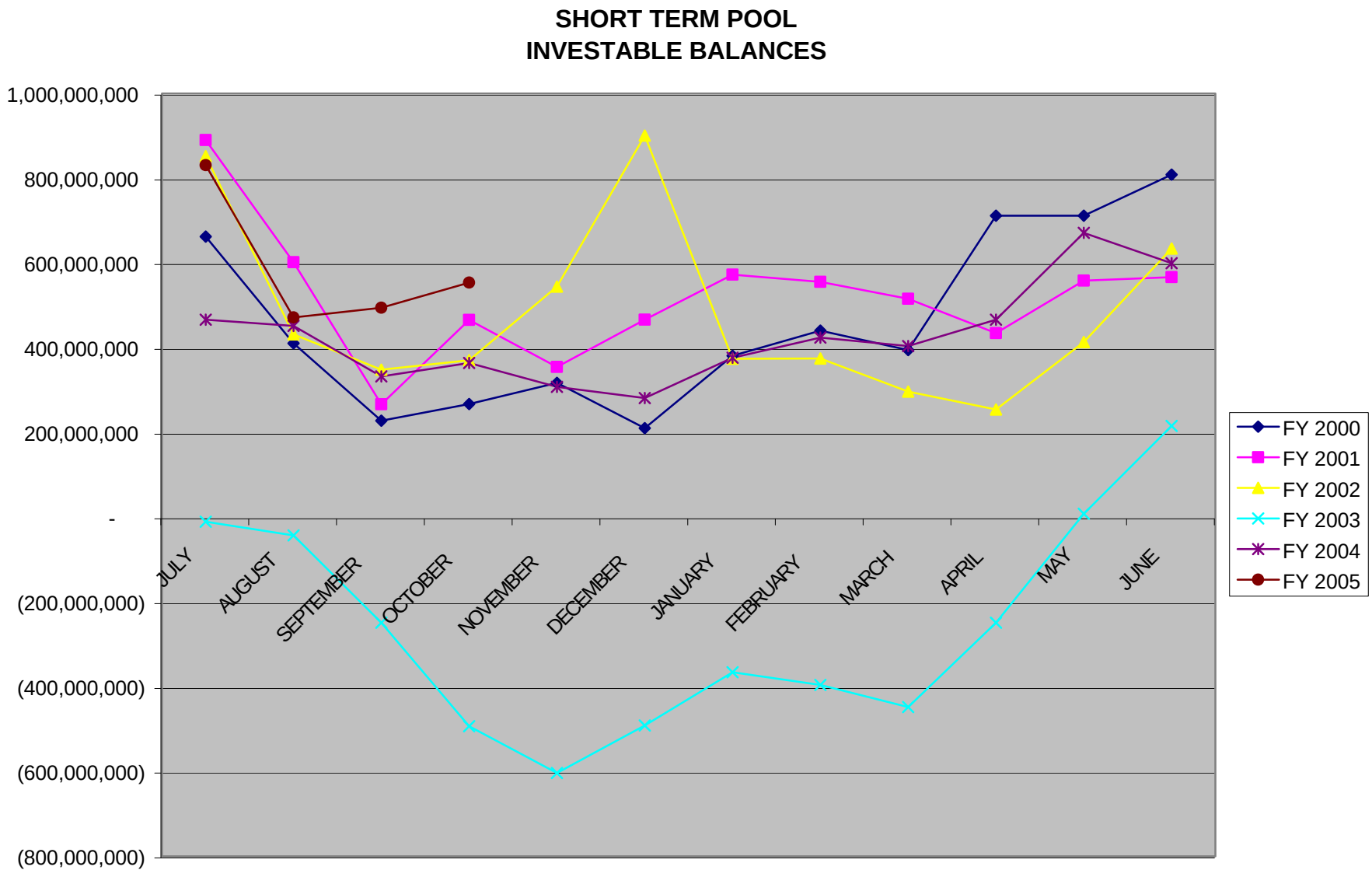
Distribution of Investments for October



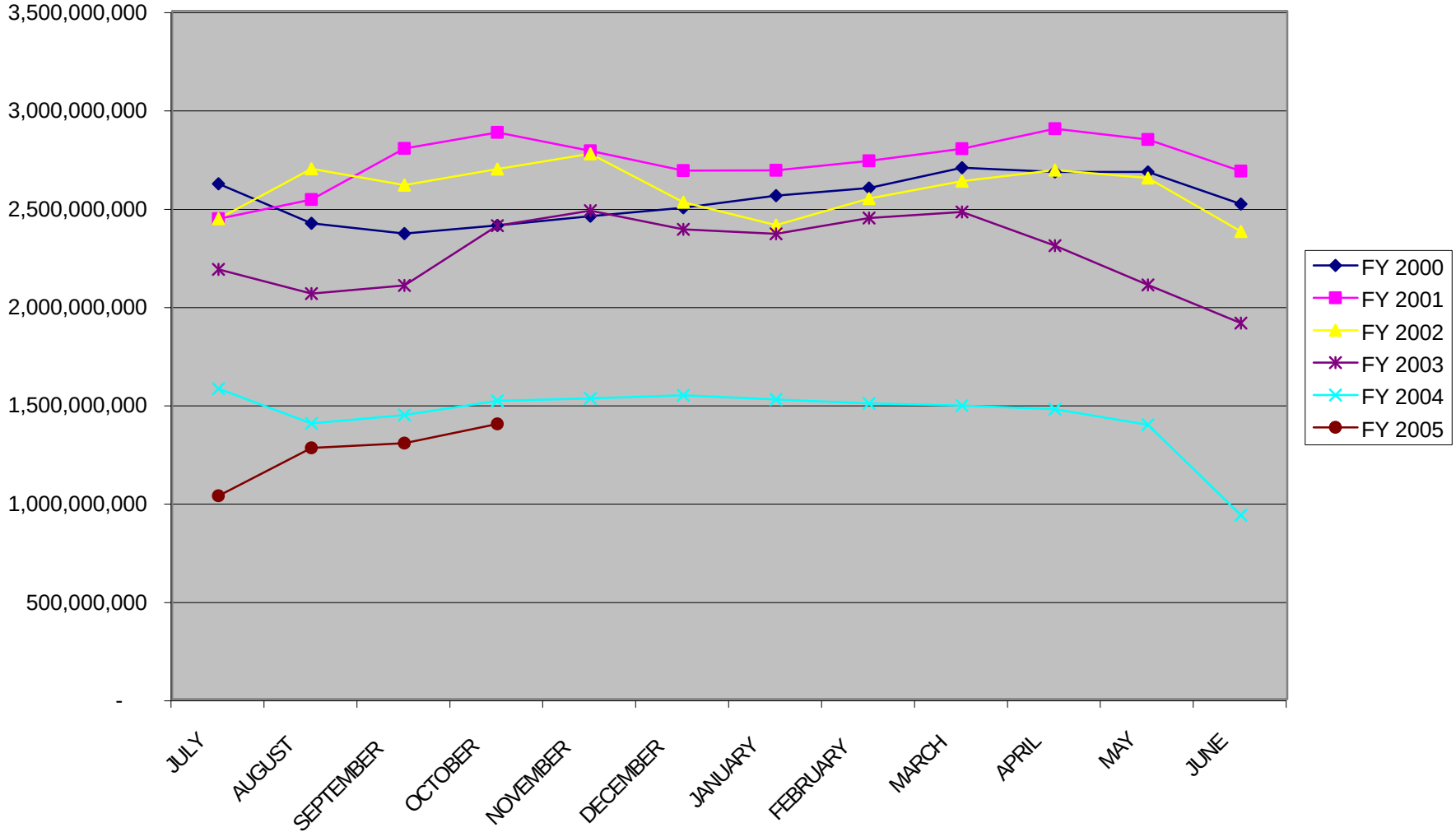
LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

INVESTABLE BALANCES

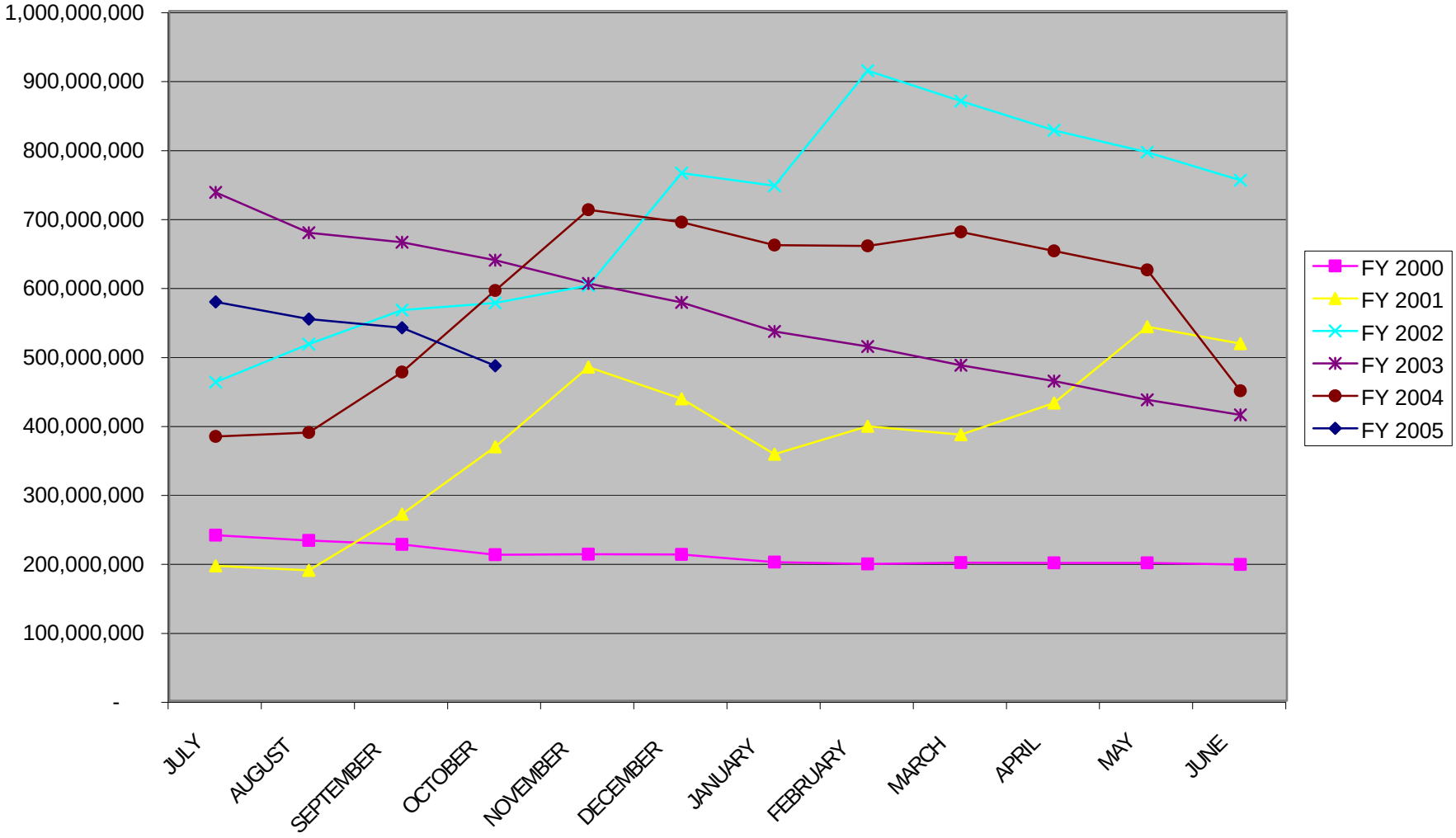



SHORT TERM POOL
INVESTABLE BALANCES
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
-
(200,000,000)
(400,000,000)
(600,000,000)
(800,000,000)
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005

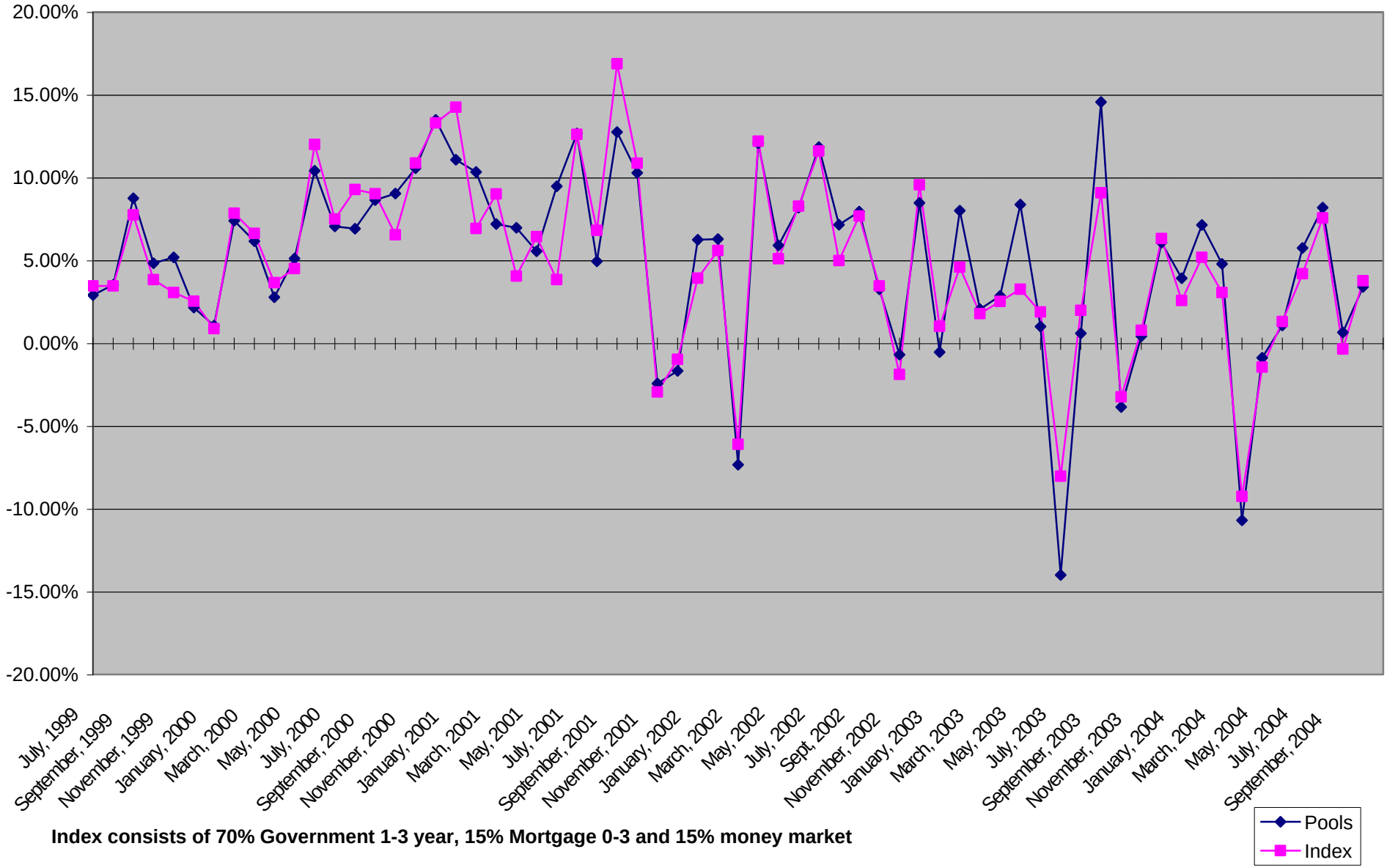
INTERMEDIATE POOL
INVESTABLE BALANCES



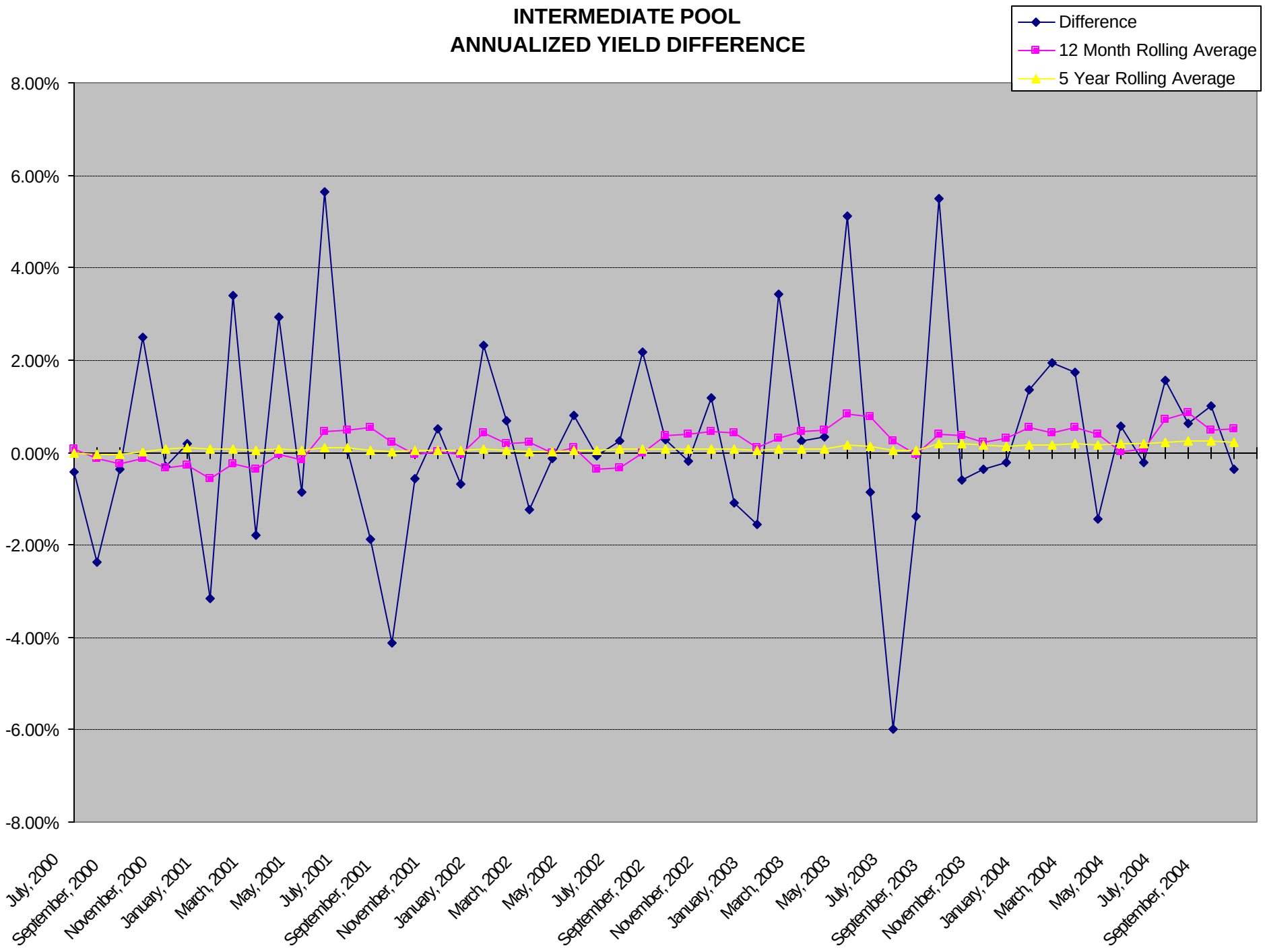
BOND PROCEEDS
INVESTABLE BALANCES



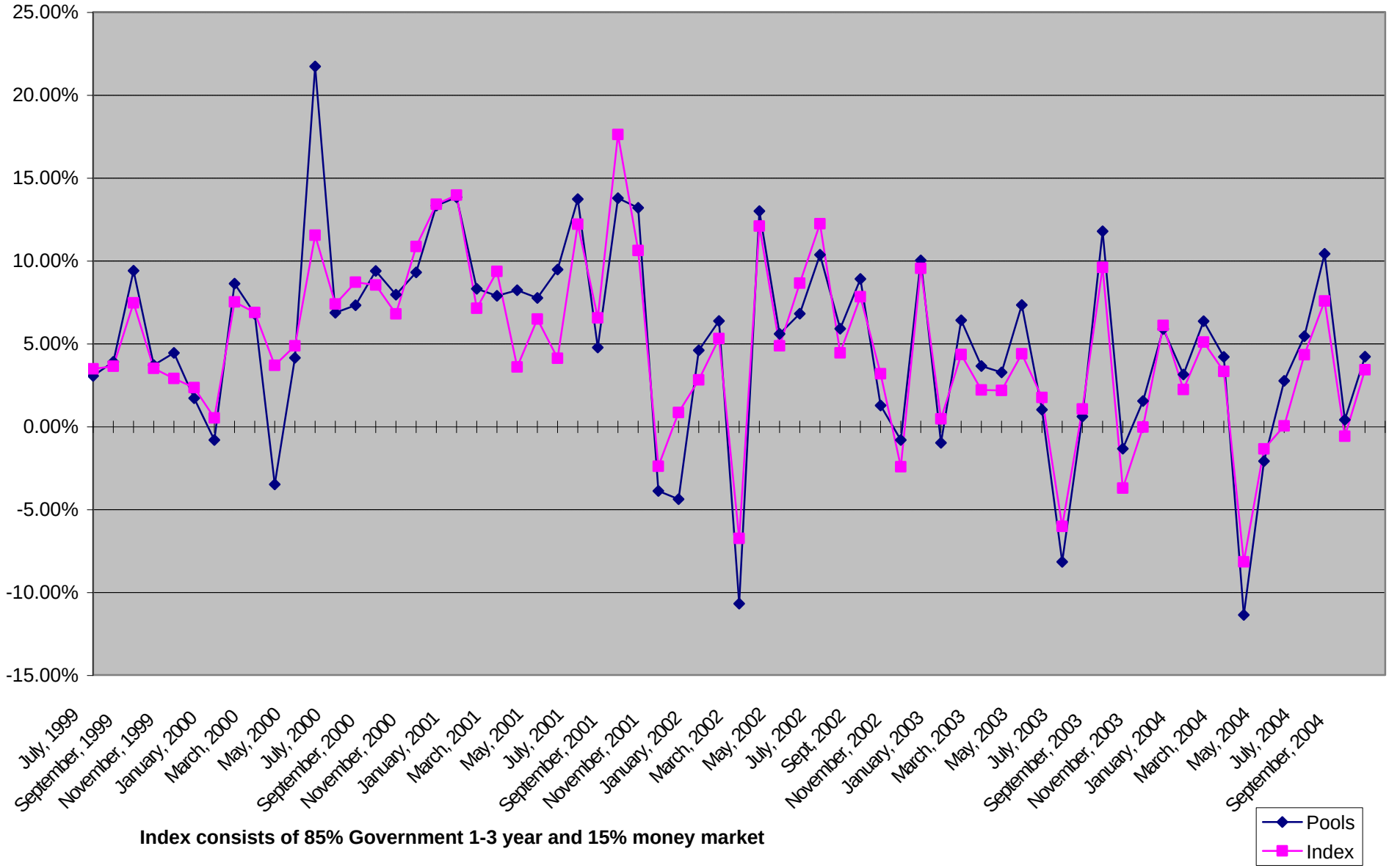
INTERMEDIATE POOL
ANNUALIZED YIELD



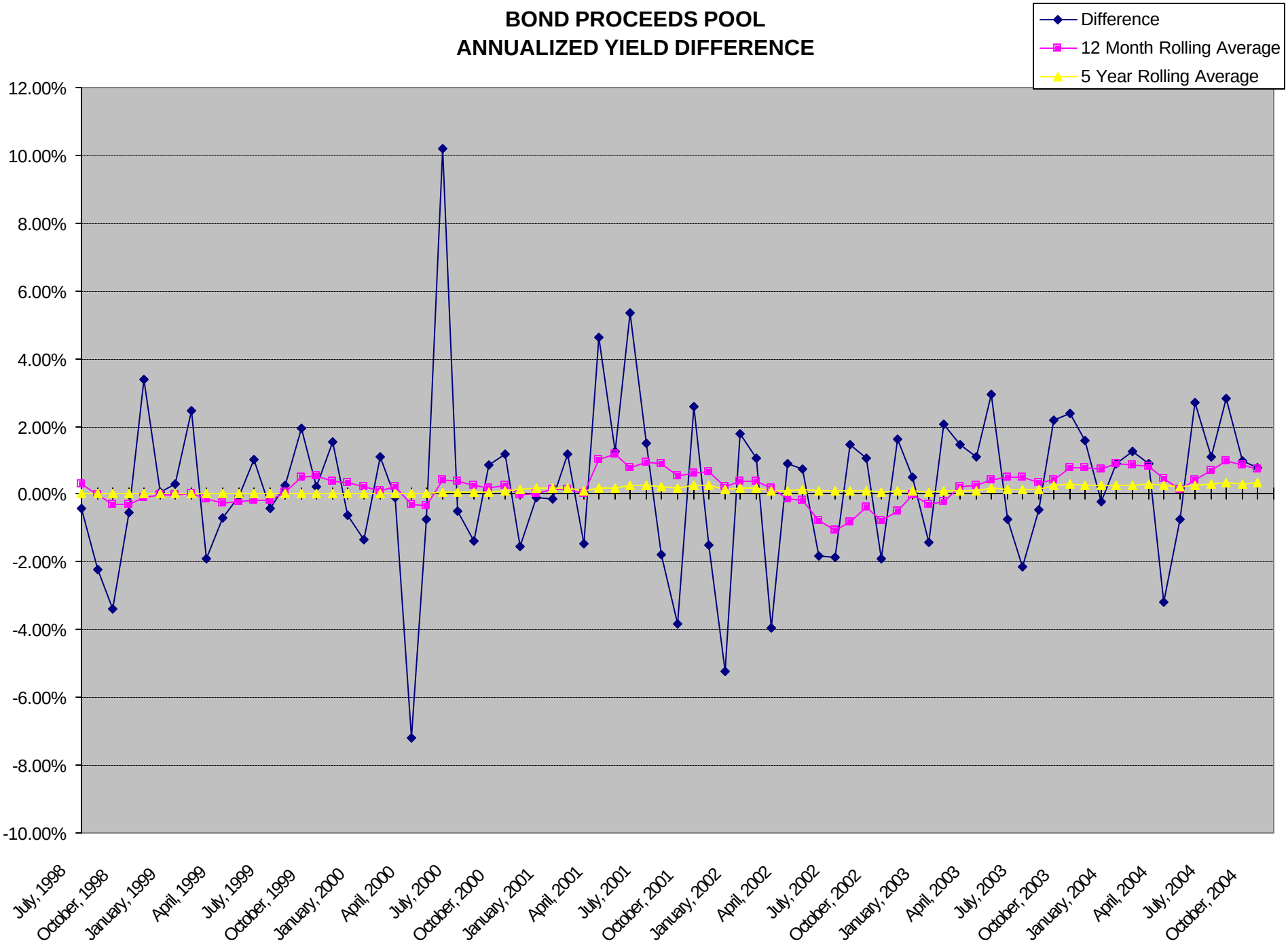
Index consists of 70% Government 1-3 year, 15% Mortgage 0-3 and 15% money market


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
November, 2002
January, 2003
March, 2003
May, 2003
July, 2003
September, 2003
November, 2003
January, 2004
March, 2004
May, 2004
July, 2004
September, 2004

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
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
April, 2002
July, 2002
October, 2002
January, 2003
April, 2003
July, 2003
October, 2003
January, 2004
April, 2004
July, 2004
October, 2004