# May 2007
# Monthly
# Investment Income Report

Commonwealth of Kentucky
John R. Farris, Secretary
FINANCE AND ADMINISTRATION CABINET

Kentucky
UNBRIDLED SPIRIT

Date: 05/31/07

# 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 | 272,120,972.09 | 4.93 | 1.34 | 7% | |
| | Sub-total | | 272,120,972.09 | 4.93 | 1.34 | 7% | |
| Agencies | | Notes | 790,177,994.55 | 5.30 | 1.12 | 19% | |
| | | Discounts | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 790,177,994.55 | 5.30 | 1.12 | 19% | |
| Municipals | | | 279,811,437.11 | 5.29 | 0.38 | 7% | |
| Corporates | | | 268,294,815.50 | 5.56 | 1.04 | 6% | 25% |
| Mortgages | | Pools | 91,133,262.33 | 5.63 | 1.49 | 2% | |
| | | CMO's | 216,177,451.73 | 5.56 | 1.75 | 5% | |
| | Sub-total | | 307,310,714.06 | 5.58 | 1.68 | 7% | 25% |
| Asset Backs | | | 330,919,472.25 | 5.42 | 0.18 | 8% | 20% |
| Repurchase Agreements | | | | | | | |
| | | Overnight | 811,118,039.45 | 5.37 | 0.00 | 20% | |
| | | < 30 days | 23,850,313.04 | 4.70 | 0.04 | 1% | |
| | | < 60 days | 5,601,126.04 | 0.00 | 0.00 | 0% | |
| | | < 90 days | 0.00 | 0.00 | 0.00 | 0% | |
| | | < 1 year | 219,668.97 | 4.05 | 0.43 | 0% | |
| | | < 2 years | 6,722,884.02 | 4.05 | 1.37 | 0% | |
| | | > 2 years | 6,903,290.15 | 3.15 | 4.85 | 0% | |
| | | Flex Repos | 35,562,527.03 | 11.65 | 3.66 | 1% | |
| | Sub-total | | 889,977,848.70 | 5.57 | 0.20 | 22% | |
| Money Market Securities | | | | | | | |
| | | Commercial Paper | 837,929,710.45 | 5.30 | 0.06 | 20% | A1-P1 |
| | | Money Mkt Fund | 153,000,000.00 | 5.22 | 0.00 | 4% | |
| | | Certificates of Deposit | 540,145.89 | 2.04 | 2.23 | 0% | |
| | Sub-total | | 991,469,856.34 | 5.28 | 0.05 | 24% | 20% |
| Derivatives | | | | | | | |
| | | Swaps | 166,713.29 | 1.00 | 8.26 | 0% | |
| | | OTC Options | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 166,713.29 | 0.00 | 0.00 | 0% | |
| TOTALS | | | 4,130,249,823.89 | 5.38 | 0.59 | 100% | |

Date: 05/31/07

# PORTFOLIO SUMMARY
# TRAN 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% | |
| Corporates | | | 0.00 | 0.00 | 0.00 | 0% | 25% |
| Municipals | | | 0.00 | 0.00 | 0.00 | 0% | |
| Mortgages | | CMOs | 17,623,616.25 | 5.62 | 0.06 | 11% | 25% |
| ABS | | | 101,297,691.35 | 5.30 | 0.04 | 64% | |
| Repurchase Agreements | | | | | | | |
| | | Overnight | 14,891,167.05 | 5.37 | 0.00 | 9% | |
| | | < 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 | | 14,891,167.05 | 0.00 | 0.00 | 9% | |
| Money Market Securities | | | | | | | |
| | | Commercial Paper | 24,922,125.00 | 5.23 | 0.07 | 16% | A1-P1 |
| | | Money Mkt Fund | 0.00 | 0.00 | 0.00 | 0% | |
| | | Certificates of Deposit | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 24,922,125.00 | 5.23 | 0.07 | 16% | |
| TOTALS | | | 158,734,599.65 | 5.33 | 0.05 | 100% | |

Date: 05/31/07

# 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 | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 0.00 | 0.00 | 0.00 | 0% | |
| Agencies | | Notes | 20,171,705.56 | 5.37 | 0.43 | 1% | |
| | | Discounts | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 20,171,705.56 | 5.37 | 0.43 | 1% | |
| Corporates | | | 93,325,764.64 | 5.49 | 0.13 | 5% | 25% |
| Municipals | | | 204,262,850.54 | 5.31 | 0.08 | 11% | |
| Mortgages | | CMOs | 55,606,199.89 | 5.60 | 0.10 | 3% | 25% |
| ABS | | | 201,804,824.81 | 5.46 | 0.15 | 11% | |
| Repurchase Agreements | | | | | | | |
| | | Overnight | 438,747,849.58 | 5.37 | 0.00 | 23% | |
| | | < 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 | | 438,747,849.58 | 5.37 | 0.00 | 23% | |
| Money Market Securities | | | | | | | |
| | | Commercial Paper | 713,555,335.45 | 5.30 | 0.06 | 38% | A1-P1 |
| | | Money Mkt Fund | 153,000,000.00 | 5.22 | 0.00 | 8% | |
| | | Certificates of Deposit | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 866,555,335.45 | 10.53 | 0.06 | 46% | |
| TOTALS | | | 1,880,474,530.47 | 5.35 | 0.06 | 100% | |

Date: 05/31/07

# 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 | 186,627,694.35 | 4.94 | 1.51 | 11% | |
| | Sub-total | | 186,627,694.35 | 4.94 | 1.51 | 11% | |
| Agencies | | Notes | 607,121,287.39 | 5.30 | 1.00 | 35% | |
| | | Discounts | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 607,121,287.39 | 5.30 | 1.00 | 35% | |
| Municipals | | | 75,548,586.57 | 5.25 | 1.21 | 4% | |
| Corporates | | | 174,969,050.86 | 5.59 | 1.53 | 10% | 25% |
| Mortgages | | Pools | 91,133,262.33 | 5.63 | 1.49 | 5% | |
| | | CMO's | 142,947,635.59 | 5.53 | 2.60 | 9% | |
| | Sub-total | | 234,080,897.92 | 11.16 | 4.10 | 14% | 25% |
| Asset Backs | | | 27,816,956.09 | 5.63 | 0.93 | 2% | 20% |
| Repurchase Agreements | | | | | | | |
| | | Overnight | 235,680,297.81 | 5.37 | 0.00 | 14% | |
| | | < 30 days | 23,850,313.04 | 4.70 | 0.04 | 2% | |
| | | < 60 days | 5,601,126.04 | 4.82 | 0.09 | 0% | |
| | | < 90 days | 0.00 | 0.00 | 0.00 | 0% | |
| | | < 1 year | 219,668.97 | 4.05 | 0.43 | 0% | |
| | | < 2 years | 6,722,884.02 | 4.05 | 1.37 | 0% | |
| | | > 2 years | 6,903,290.15 | 3.15 | 4.85 | 0% | |
| | | Flex Repos | 35,562,527.03 | 11.65 | 3.66 | 2% | |
| | Sub-total | | 314,540,107.06 | 37.80 | 10.43 | 18% | |
| Money Market Securities | | | | | | | |
| | | Commercial Paper | 99,452,250.00 | 5.27 | 0.12 | 6% | A1-P1 |
| | | Money Mkt Fund | 0.00 | 0.00 | 0.00 | 0% | |
| | | Certificates of Deposit | 540,145.89 | 2.04 | 2.23 | 0% | |
| | Sub-total | | 99,992,395.89 | 7.31 | 2.35 | 6% | 20% |
| Derivatives | | | | | | | |
| | | Swaps | 166,713.29 | 1.00 | 8.26 | 0% | |
| | | OTC Options | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 166,713.29 | 0.00 | 0.00 | 0% | |
| TOTALS | | | 1,720,863,689.42 | 5.45 | 1.14 | 100% | |

Date: 05/31/07

# PORTFOLIO SUMMARY
# UK HOSPITAL

| | | 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 | 10,191,164.32 | 5.37 | 0.02 | 0% | |
| | | Discounts | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 10,191,164.32 | 5.37 | 0.02 | 22% | |
| 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 | 36,523,315.13 | 5.37 | 0.00 | 0% | |
| | | < 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 | | 36,523,315.13 | 5.37 | 0.00 | 78% | |
| 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 | | | 46,714,479.45 | 5.37 | 0.00 | 100% | |

Date: 05/31/07

# 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 | 85,493,277.74 | 4.91 | 0.97 | 27% | |
| | Sub-total | | 85,493,277.74 | 4.91 | 0.97 | 27% | |
| Agencies | | Notes | 152,693,837.28 | 5.29 | 1.76 | 47% | |
| | | Discounts | 0.00 | 0.00 | 0.00 | 0% | |
| | Sub-total | | 152,693,837.28 | 5.29 | 1.76 | 47% | |
| 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 | 85,275,409.88 | 5.37 | 0.00 | 26% | |
| | | < 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 | | 85,275,409.88 | 5.37 | 0.00 | 26% | |
| 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 | | | 323,462,524.90 | 5.21 | 1.09 | 100% | |

# Investment Balances and Income

May 2007

| Portfolio | Average Daily Balance | Monthly Income | Yield |
|---|---|---|---|
| Bond Proceeds | 225,657,745.95 | 272,594.61 | 1.08% |
| Intermediate | 1,767,809,082.80 | 3,374,558.37 | 2.24% |
| PHASE II | 65,161,030.34 | 213,812.03 | 3.86% |
| Short Term | 1,717,413,899.22 | 8,139,350.40 | 5.58% |
| Tran | 158,112,221.59 | 776,976.65 | 5.78% |
| UK HSPTL | 38,779,739.73 | 222,075.32 | 5.12% |
| | **3,972,933,719.63** | **12,999,367.38** | |

# ACCRUED EARNINGS

May 2007

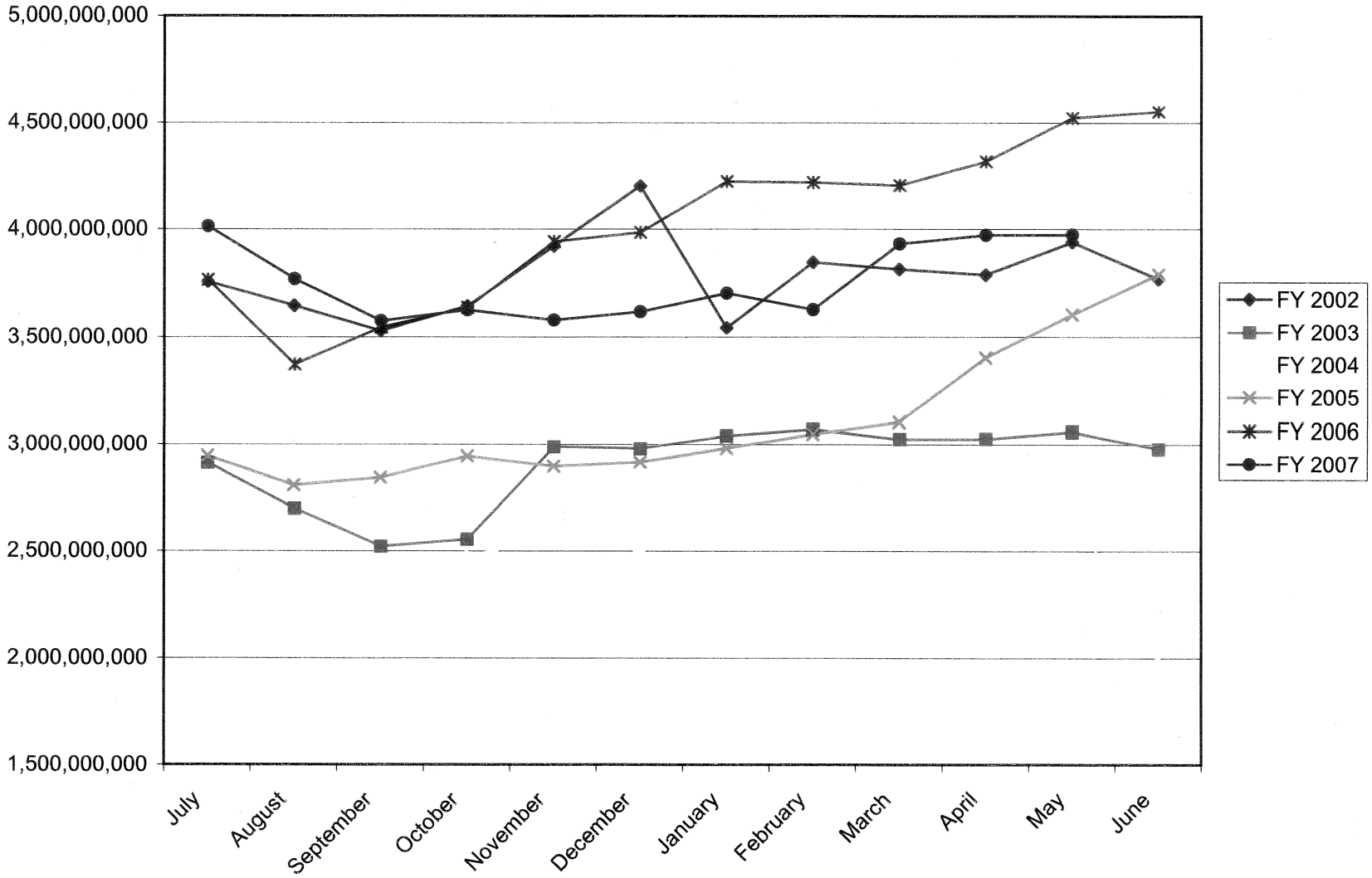
| | Month | | YTD | |
|---|---|---|---|---|
| | Actual | Budget | Actual | Budget |
| General Fund | 3,455,022 | 0 | 34,731,358 | 0 |
| Capital Con. | 208,932 | 693,750 | 6,664,871 | 7,650,000 |
| Transportation | 953,413 | 750,000 | 18,453,190 | 8,250,000 |
| Agency | 513,649 | 562,500 | 6,528,069 | 6,322,918 |
| T&R | 148,678 | 150,000 | 3,380,656 | 1,814,582 |

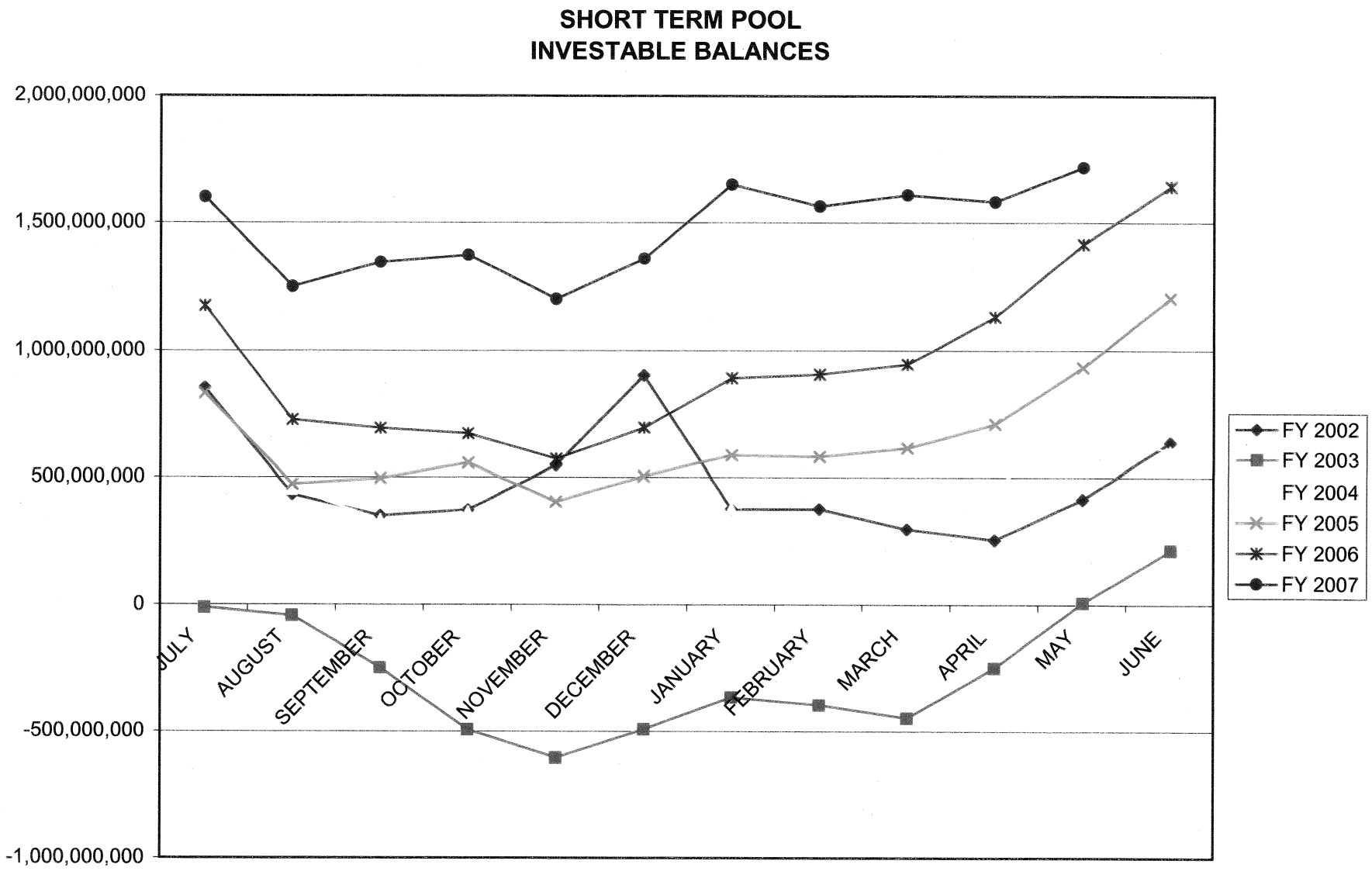
# CASH DISTRIBUTION

May 2007

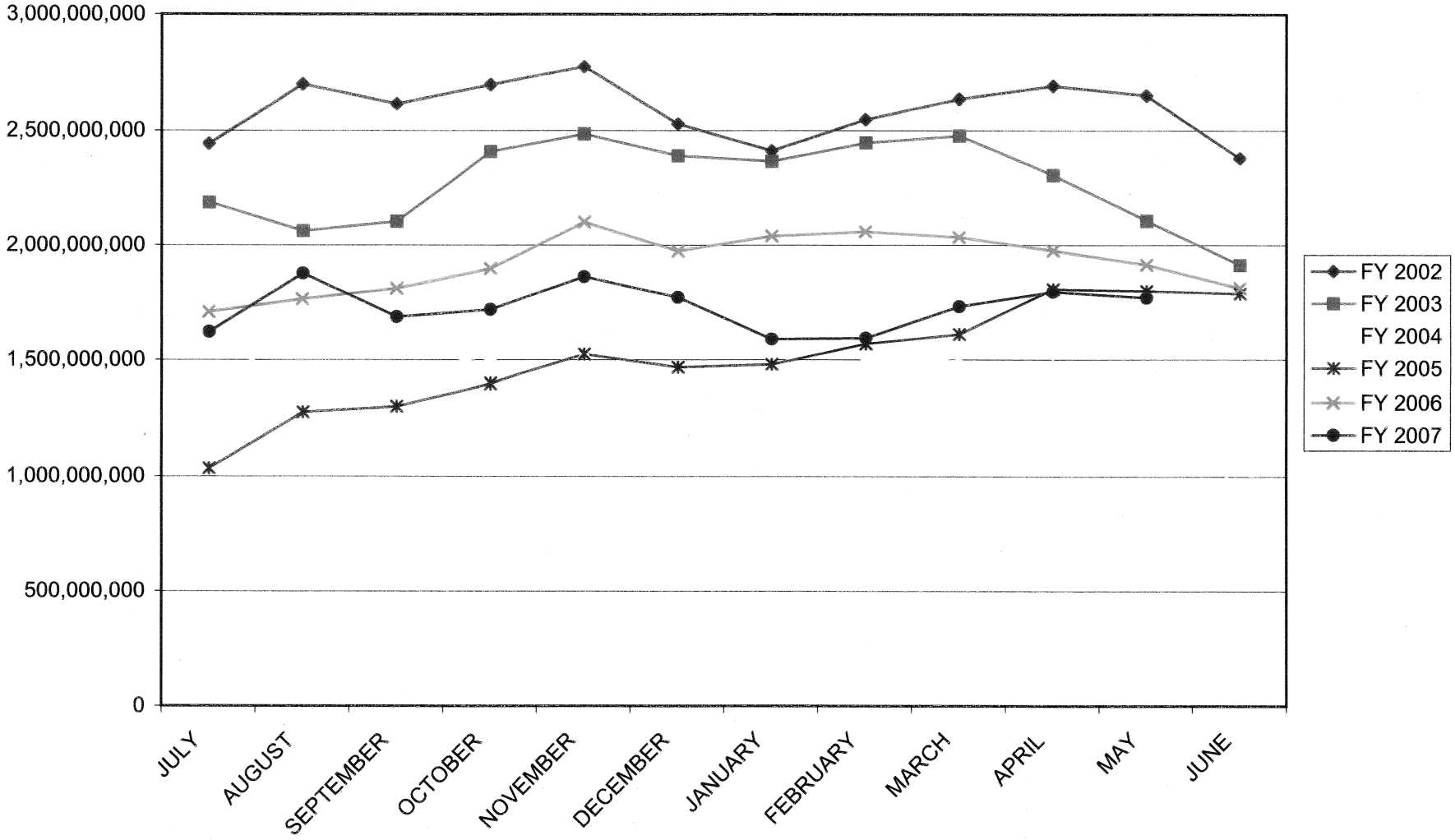
| | Month | | YTD | |
|---|---|---|---|---|
| | Actual | Budget | Actual | Budget |
| General Fund | 0 | 0 | 0 | 0 |
| Capital Con. | 945,132 | 693,750 | 7,609,168 | 7,650,000 |
| Transportation | 1,739,892 | 750,000 | 13,469,321 | 8,250,000 |
| Agency | 106,943 | 562,500 | 6,065,641 | 6,322,918 |
| T&R | 296,145 | 150,000 | 2,486,433 | 1,814,582 |

## INVESTABLE BALANCES

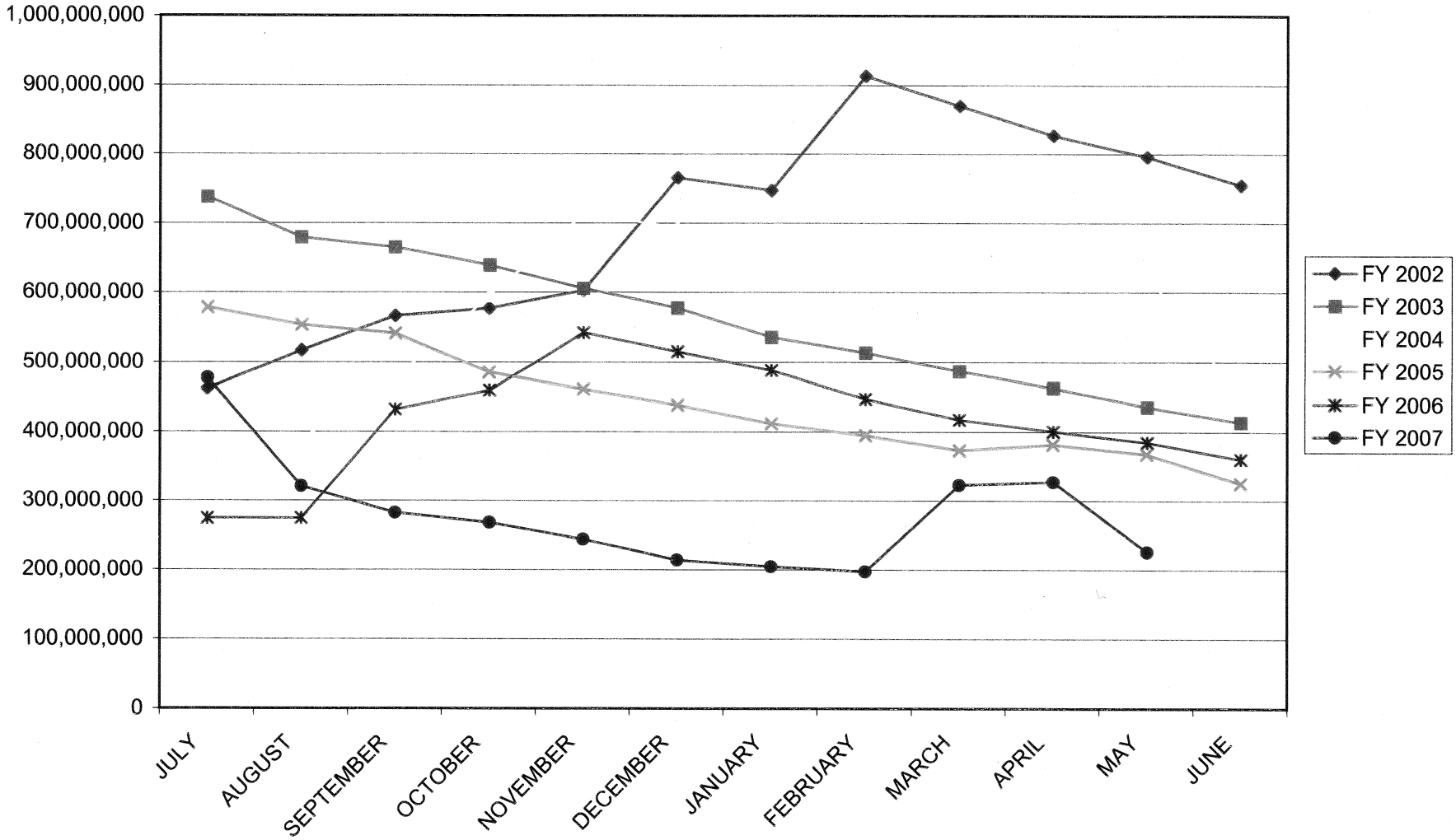



SHORT TERM POOL
INVESTABLE BALANCES
2,000,000,000
1,500,000,000
1,000,000,000
500,000,000
0
-500,000,000
-1,000,000,000
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007

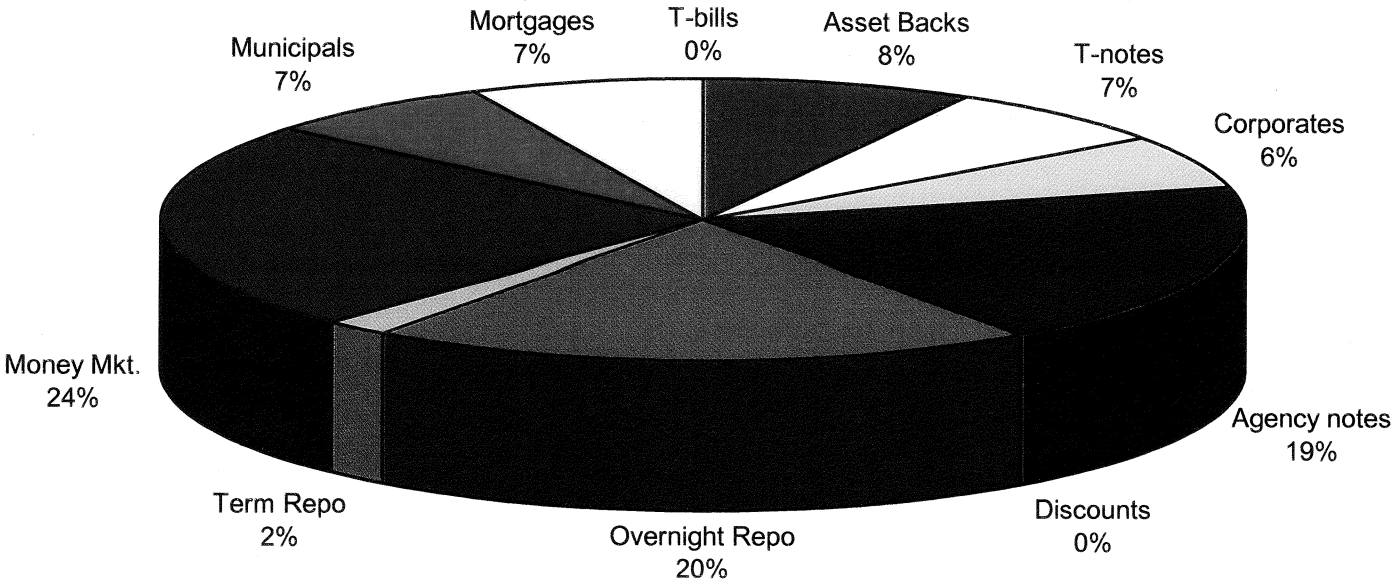
## INTERMEDIATE POOL
## INVESTABLE BALANCES



## BOND PROCEEDS
## INVESTABLE BALANCES

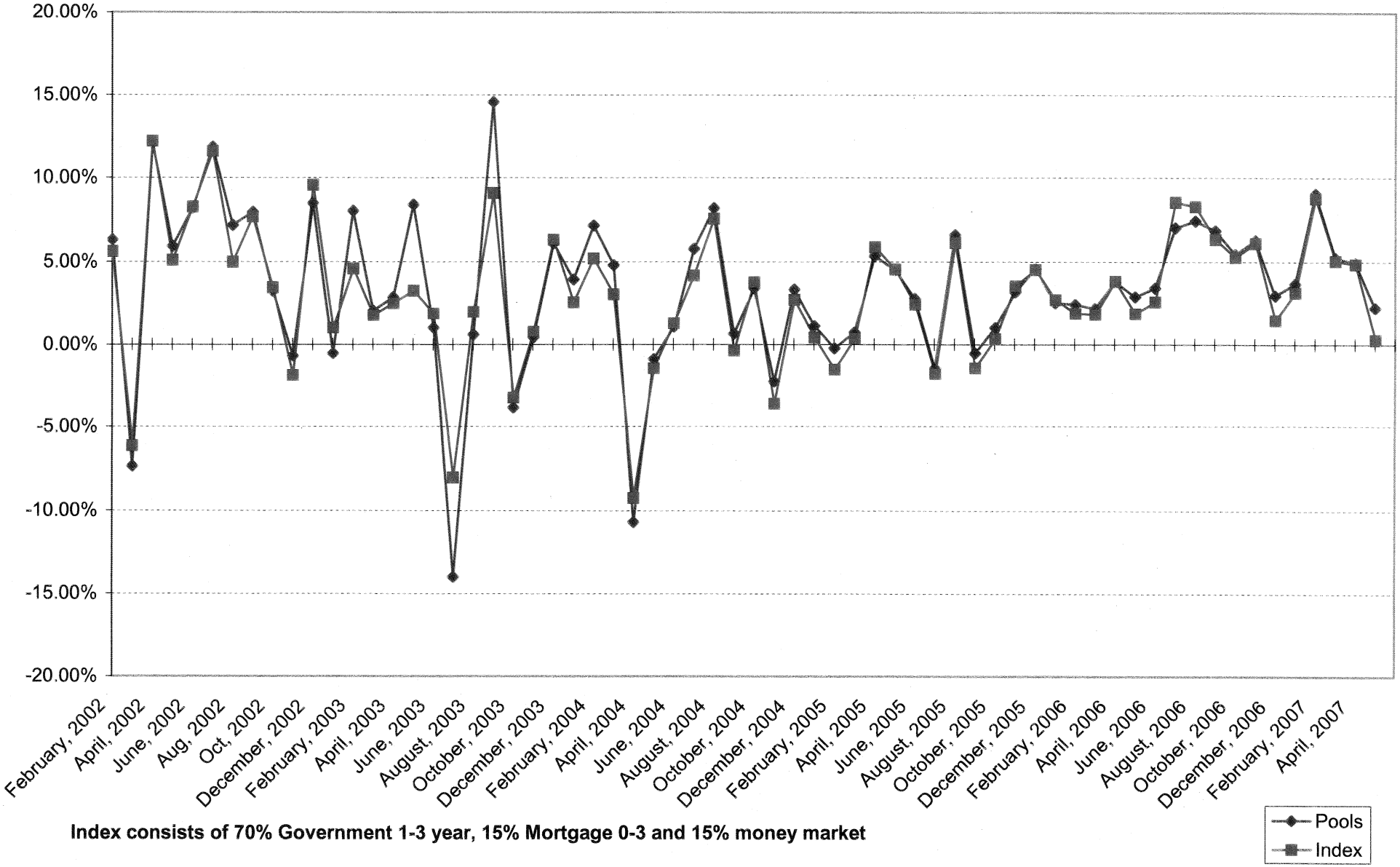


## Distribution of Investments for May

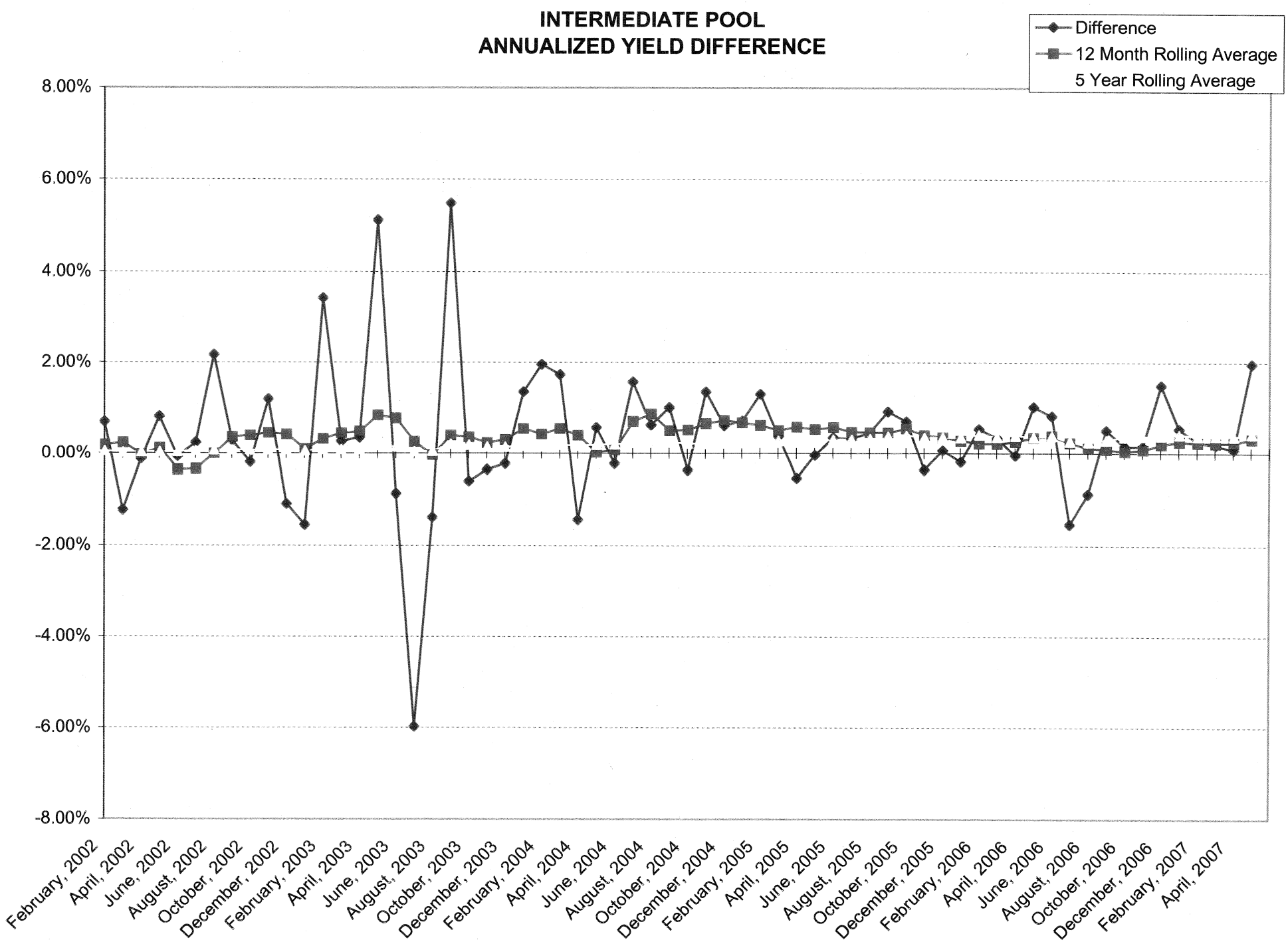



LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

## 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%
February, 2002
April, 2002
June, 2002
August, 2002
October, 2002
December, 2002
February, 2003
April, 2003
June, 2003
August, 2003
October, 2003
December, 2003
February, 2004
April, 2004
June, 2004
August, 2004
October, 2004
December, 2004
February, 2005
April, 2005
June, 2005
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December, 2005
February, 2006
April, 2006
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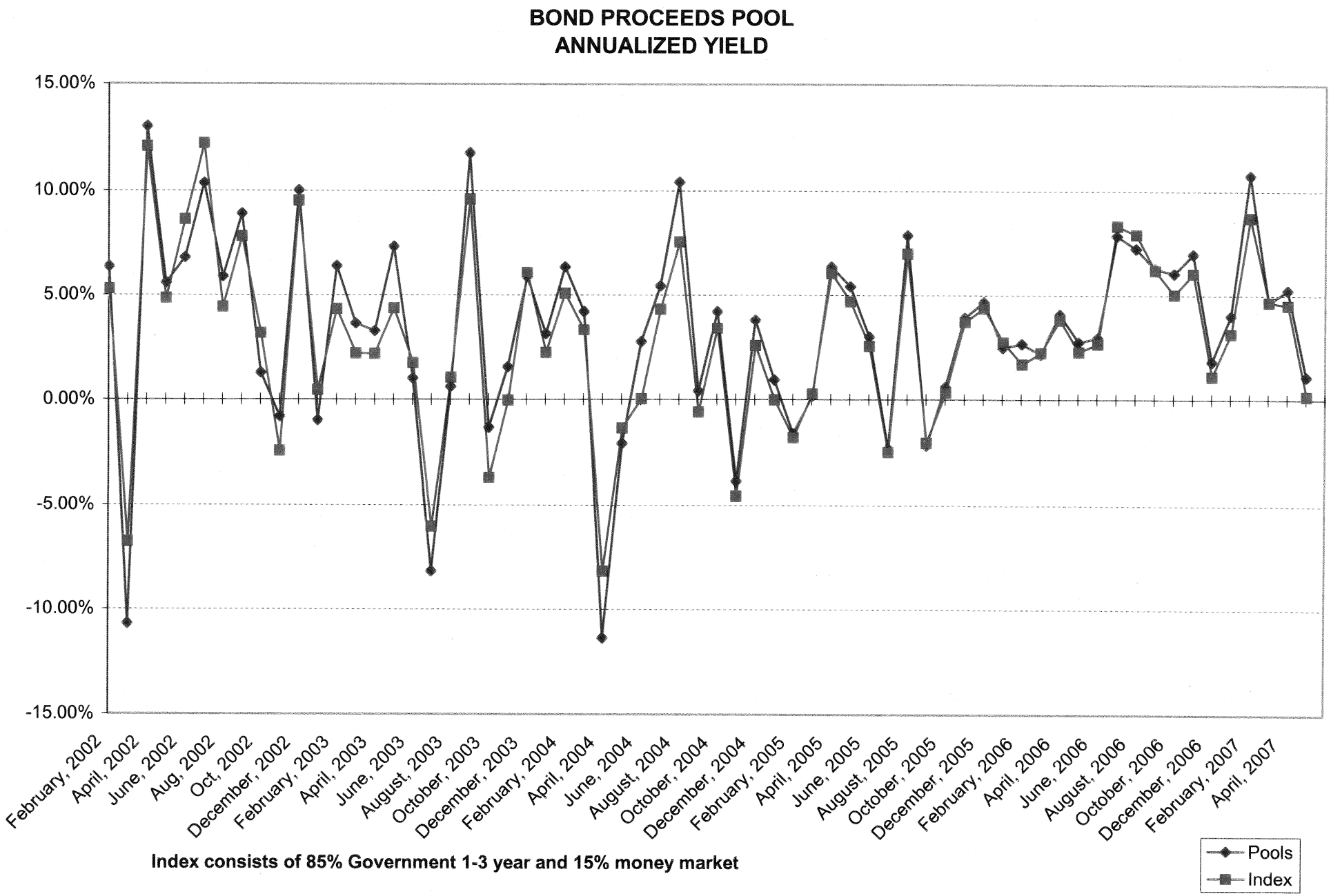
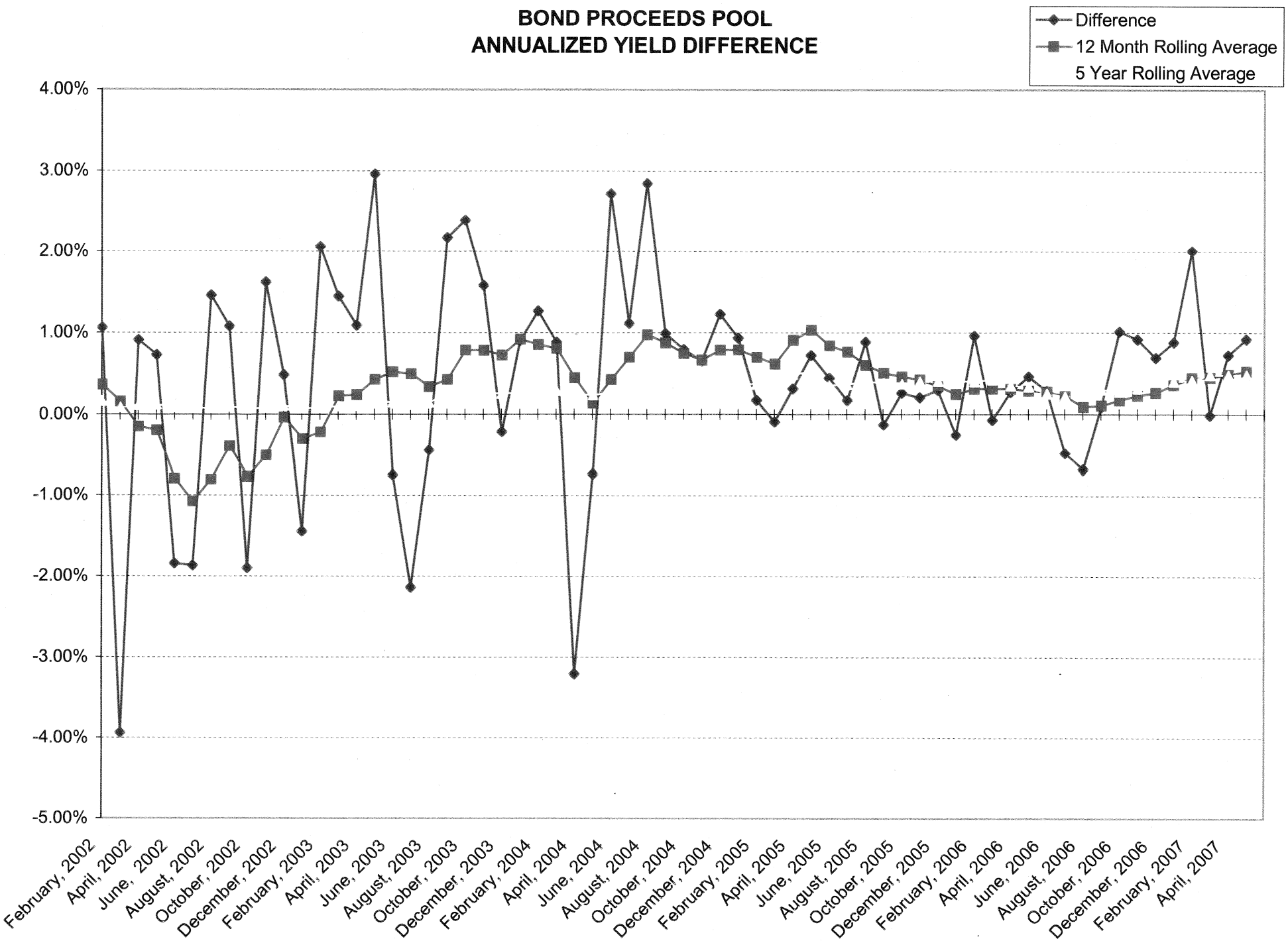
August, 2006
October, 2006
December, 2006
February, 2007
April, 2007


BOND PROCEEDS POOL
ANNUALIZED YIELD
15.00%
10.00%
5.00%
0.00%
-5.00%
-10.00%
-15.00%
February, 2002
April, 2002
June, 2002
Aug, 2002
Oct, 2002
December, 2002
February, 2003
April, 2003
June, 2003
August, 2003
October, 2003
December, 2003
February, 2004
April, 2004
June, 2004
August, 2004
October, 2004
December, 2004
February, 2005
April, 2005
June, 2005
August, 2005
October, 2005
December, 2005
February, 2006
April, 2006
June, 2006
August, 2006
October, 2006
December, 2006
February, 2007
April, 2007
Pools
Index
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
4.00%
3.00%
2.00%
1.00%
0.00%
-1.00%
-2.00%
-3.00%
-4.00%
-5.00%
February, 2002
April, 2002
June, 2002
August, 2002
October, 2002
December, 2002
February, 2003
April, 2003
June, 2003
August, 2003
October, 2003
December, 2003
February, 2004
April, 2004
June, 2004
August, 2004
October, 2004
December, 2004
February, 2005
April, 2005
June, 2005
August, 2005
October, 2005
December, 2005
February, 2006
April, 2006
June, 2006
August, 2006
October, 2006
December, 2006
February, 2007
April, 2007