June 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: 06/30/04

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	360,716,039.61	2.79	2.13	13%	
Sub-total		360,716,039.61	2.79	2.13	13%	
Agencies	Notes	865,660,660.88	3.01	1.98	30%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		865,660,660.88	3.01	1.98	30%	
Municipals		170,113,094.00	2.77	1.62	6%	
Corporates		179,806,448.74	2.53	1.88	6%	25%
Mortgages	Pools	36,899,753.51	3.65	1.56	1%	
	CMO's	129,637,000.44	3.08	1.17	5%	
Sub-total		166,536,753.95	3.21	1.26	6%	25%
Asset Backs		79,435,004.51	1.58	0.30	3%	20%
Repurchase Agreements						
	Overnight	698,029,086.13	1.13	0.00	25%	
	< 30 days	16,458,539.78	1.06	0.05	1%	
	< 60 days	10,500,344.18	0.94	0.12	0%	
	< 90 days	5,005.83	0.00	0.00	0%	
	< 1 year	2,542,932.27	3.60	0.31	0%	
	< 2 years	2,826,602.45	1.99	1.25	0%	
	> 2 years	8,261,396.31	2.53	3.91	0%	
	Flex Repos	253,494.27	10.92	5.24	0%	
Sub-total		738,877,401.22	1.16	0.05	26%	
Money Market Securities						
	Commercial Paper	199,880,298.25	1.33	0.05	7%	A1-P1
	Money Mkt Fund	76,000,000.00	1.13	0.02	3%	
	Certificates of Deposit	1,039,804.78	2.28	4.32	0%	
Sub-total		276,920,103.03	1.28	0.06	10%	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		2,838,065,505.94	2.26	1.19	100%	

Date: 06/30/04

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	15,061,210.71	1.58	0.3933	1%	
Sub-total		15,061,210.71	1.58	0.3933	1%	
Agencies	Notes	20,501,967.50	2.08	0.13	2%	
	Discounts	0.00	0.00	0.0000	0%	
Sub-total		20,501,967.50	2.08	0.1300	2%	
Corporates		22,186,583.29	1.52	0.09	2%	25%
Municipals		39,645,894.74	1.16	0.11	4%	
Mortgages	CMOs	45,482,743.63	1.69	0.28	4%	25%
ABS		67,624,209.97	1.36	0.0862	6%	
Repurchase Agreements						
	Overnight	617,768,741.75	1.13	0.00	56%	
	< 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		617,768,741.75	1.13	0.0000	56%	
Money Market Securities						
	Commercial Paper	199,880,298.25	1.33	0.05	18%	A1-P1
	Money Mkt Fund	76,000,000.00	1.13	0.0200	7%	
	Certificates of Deposit	0.00	0.00	0.0000	0%	
Sub-total		275,880,298.25	1.27	0.0444	25%	
TOTALS		1,104,151,649.84	1.24	0.0412	100%	

Date: 06/30/04

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	234,245,491.24	2.85	2.22	20%	
Sub-total		234,245,491.24	2.85	2.22	20%	
Agencies	Notes	408,479,714.52	2.99	2.03	36%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		408,479,714.52	2.99	2.03	36%	
Municipals		130,467,199.26	3.26	2.08	11%	
Corporates		157,619,865.45	2.67	2.13	14%	25%
Mortgages	Pools	36,899,753.51	3.65	1.56	3%	
	CMO's	84,154,256.81	3.84	1.65	8%	
Sub-total		121,054,010.32	3.78	1.62	11%	25%
Asset Backs		11,810,794.54	2.83	1.49	1%	20%
Repurchase Agreements						
	Overnight	37,712,571.45	1.13	0.00	3%	
	< 30 days	16,458,539.78	1.06	0.05	2%	
	< 60 days	10,500,344.18	0.94	0.12	1%	
	< 90 days	5,005.83	2.00	0.20	0%	
	< 1 year	2,542,932.27	3.60	0.31	0%	
	< 2 years	2,826,602.45	1.99	1.25	0%	
	> 2 years	8,261,396.31	2.53	3.91	1%	
	Flex Repos	253,494.27	10.92	5.24	0%	
Sub-total		78,560,886.54	1.38	0.51	7%	
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	1,039,804.78	2.28	4.32	0%	
Sub-total		1,039,804.78	2.28	4.32	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		1,143,277,766.65	2.92	1.94	100%	

Date: 06/30/04

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: 06/30/04

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	111,409,337.66	2.81	2.18	19%	
Sub-total		111,409,337.66	2.81	2.18	19%	
Agencies	Notes	436,678,978.86	3.07	2.02	74%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		436,678,978.86	3.07	2.02	74%	
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	42,547,772.93	1.13	0.00	7%	
	< 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		42,547,772.93	1.13	0.00	7%	
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		590,636,089.45	2.88	1.90	100%	

Investment Income

As of 06/30/04

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	818,003.94	1.07%	-20,836,603.31	-1.45%
Short Term	362,803.31	0.74%	40,445,748.69	9.43%
Long Term	0.00	0.00%	-1,520,719.96	-13.77%
Bond Proceeds	1,007,681.35	2.74%	5,777,740.66	0.99%
Tran	0.00	0.00%	0.00	0.00%
Grand Total	**2,188,488.60**		**23,866,166.08**	

***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 06/30/04

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	935,835,723.28	1,435,435,817.85
Short Term	599,585,356.38	428,873,152.42
Long Term	0.00	11,041,499.21
Bond Proceeds	449,431,235.41	580,910,762.53
Tran	0.00	0.00
	1,984,852,315.07	**2,456,261,232.01**

CASH DISTRIBUTION

June 2004

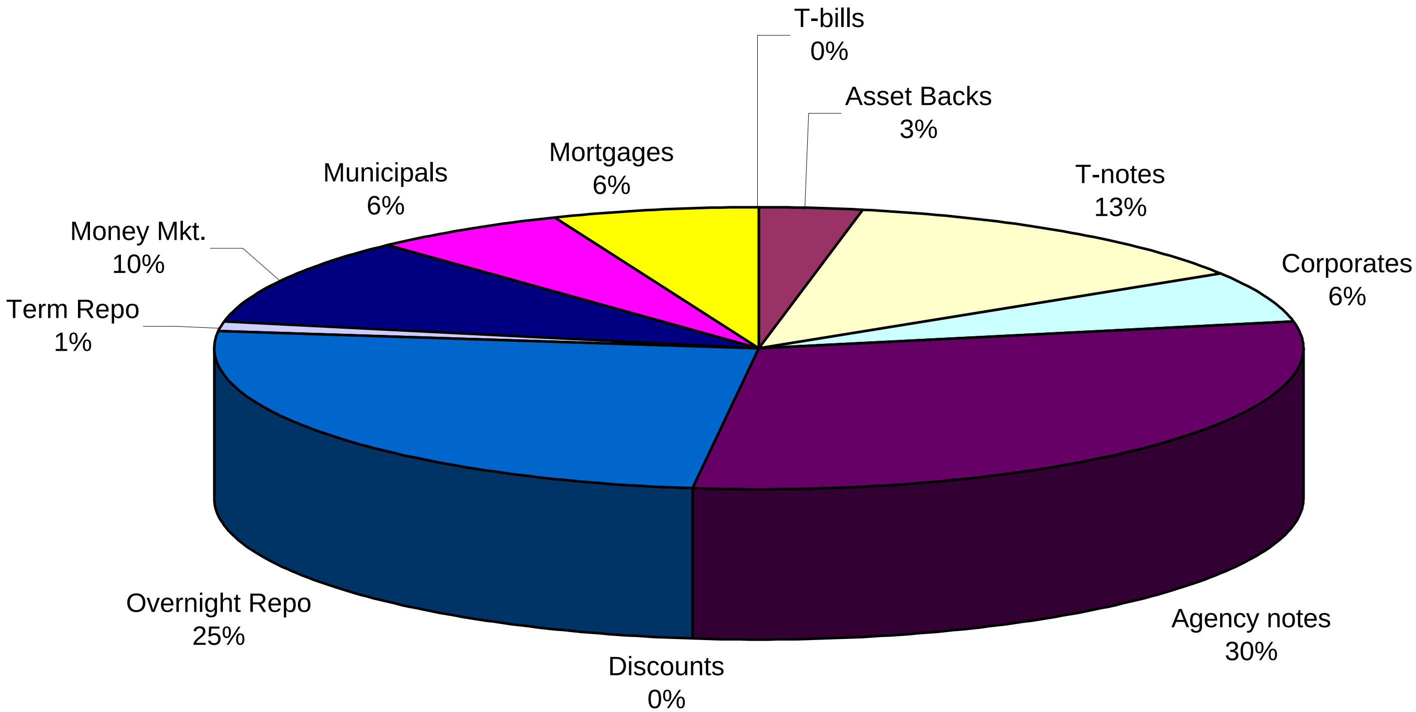
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0	0	0
Capital Con.	103,553	102,083	4,572,214	2,337,500
Agency	35,189	387,188	7,568,705	6,156,408
T&R	7,517	154,583	1,509,678	2,163,750

ACCRUED EARNINGS

June 2004

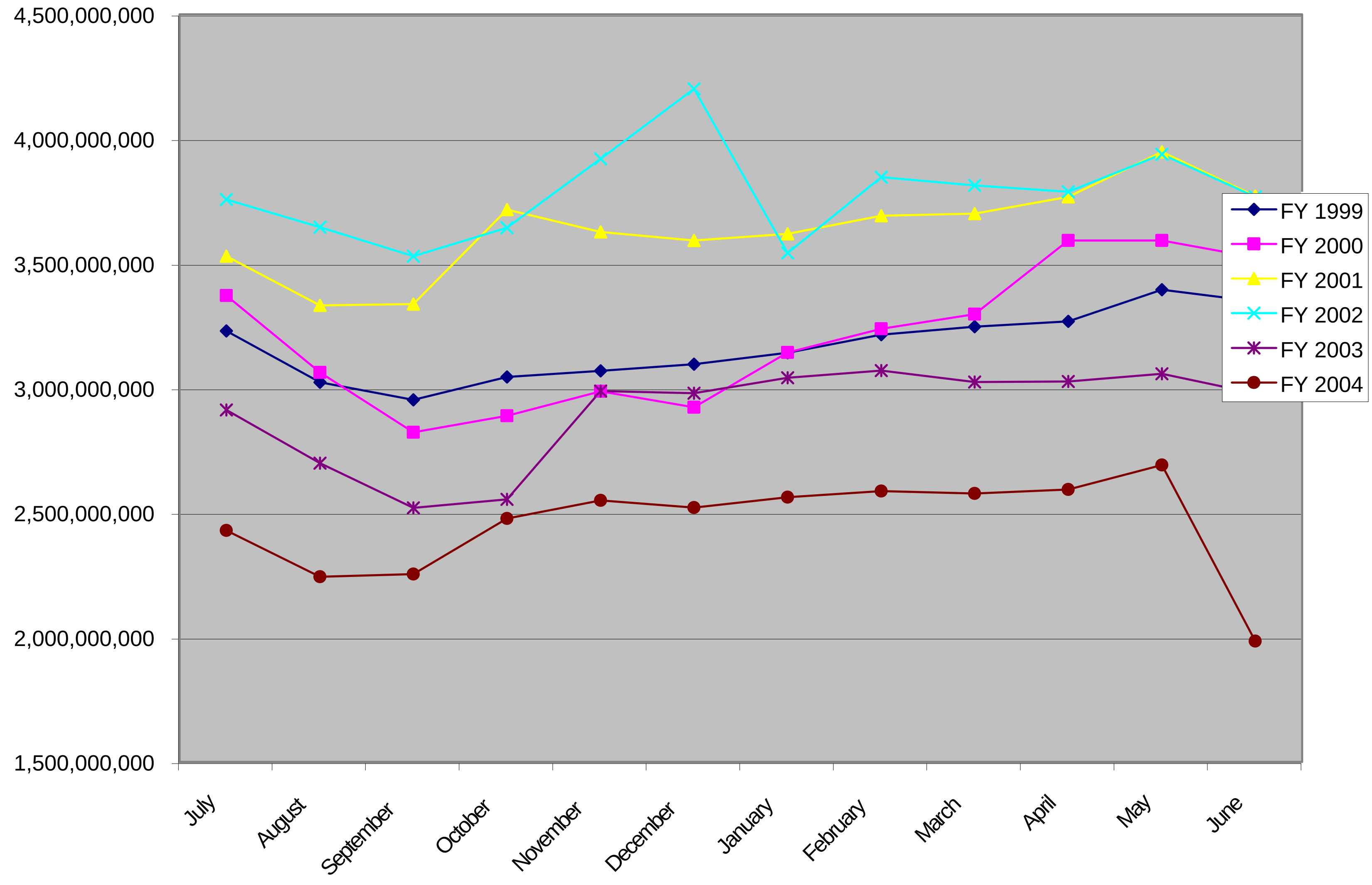
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	8,053,819	0	16,813,038	0
Capital Con.	1,243,505	102,083	2,574,250	2,337,500
Agency	849,229	387,188	1,851,039	6,156,408
T&R	300,679	154,583	2,750,634	2,163,750

Distribution of Investments for June

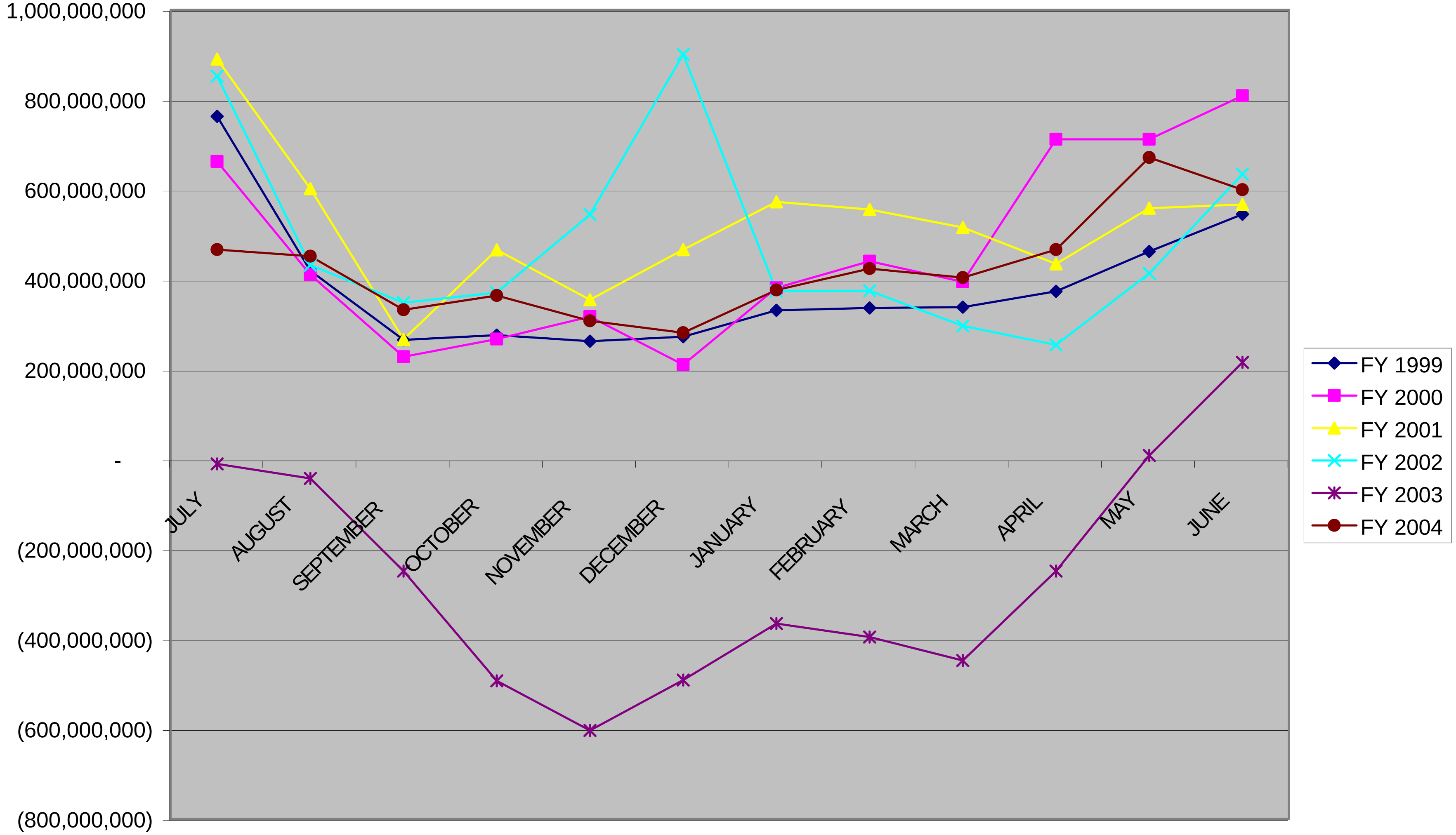


LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

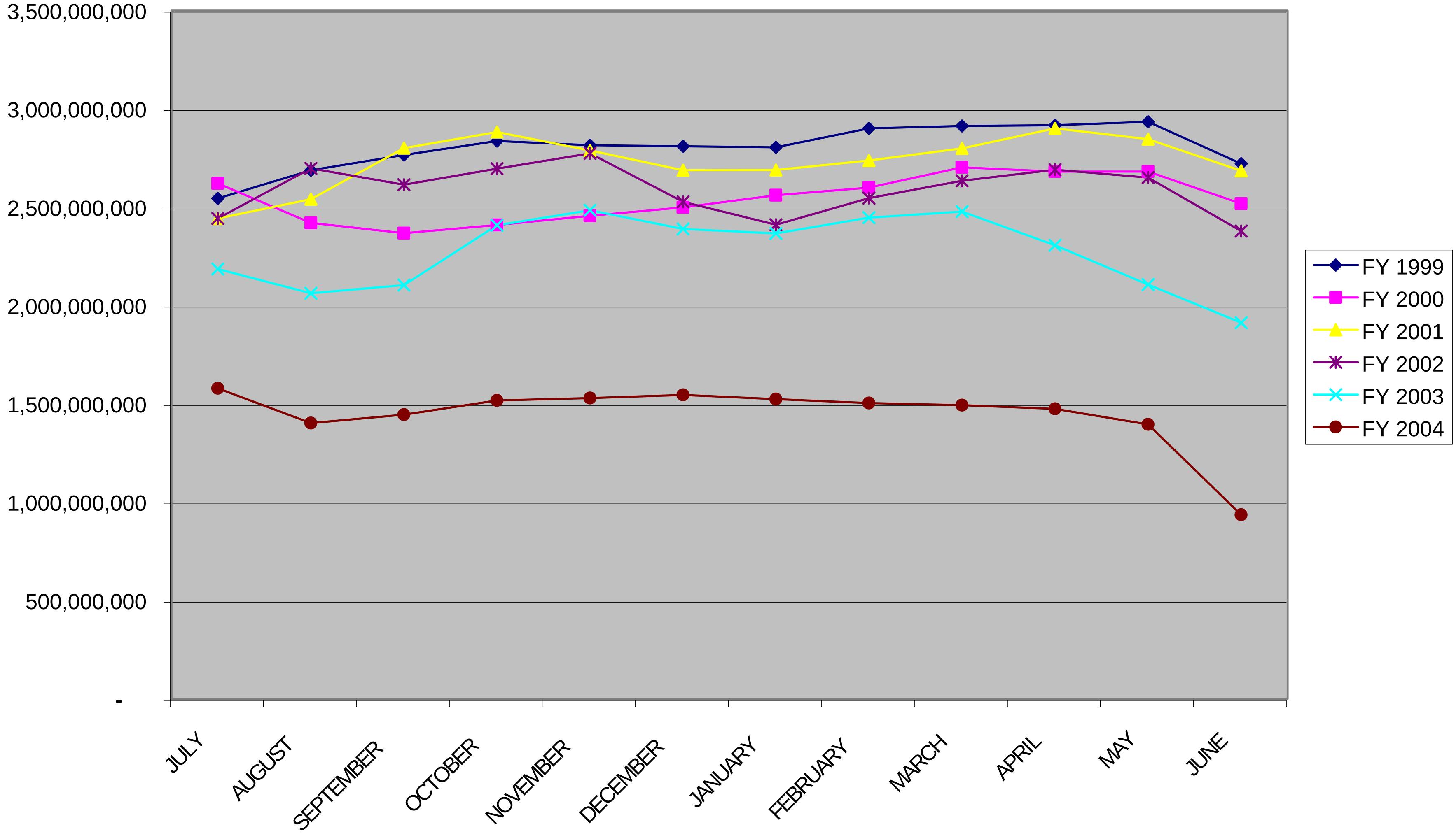
INVESTABLE BALANCES



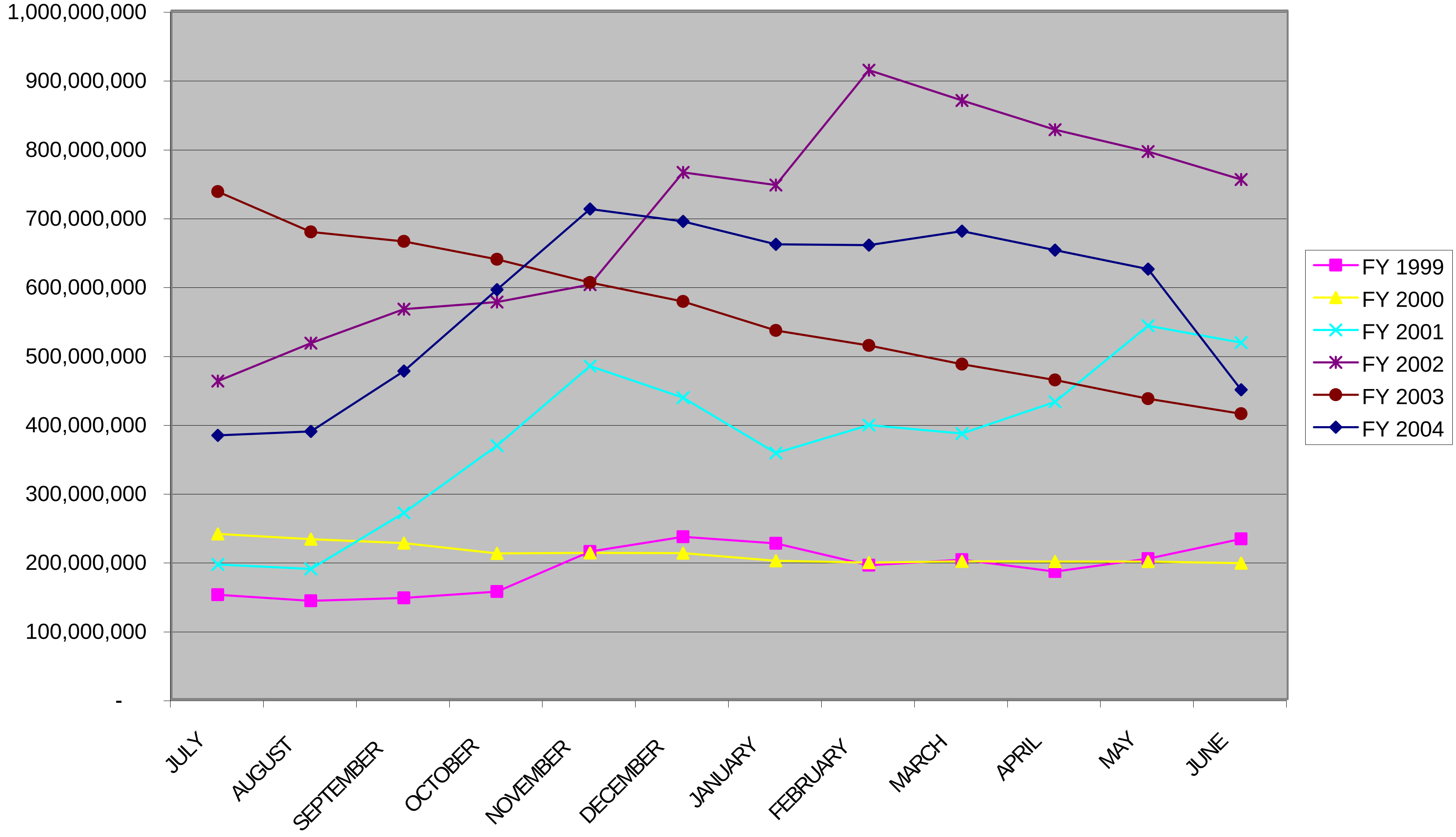
SHORT TERM POOL
INVESTABLE BALANCES



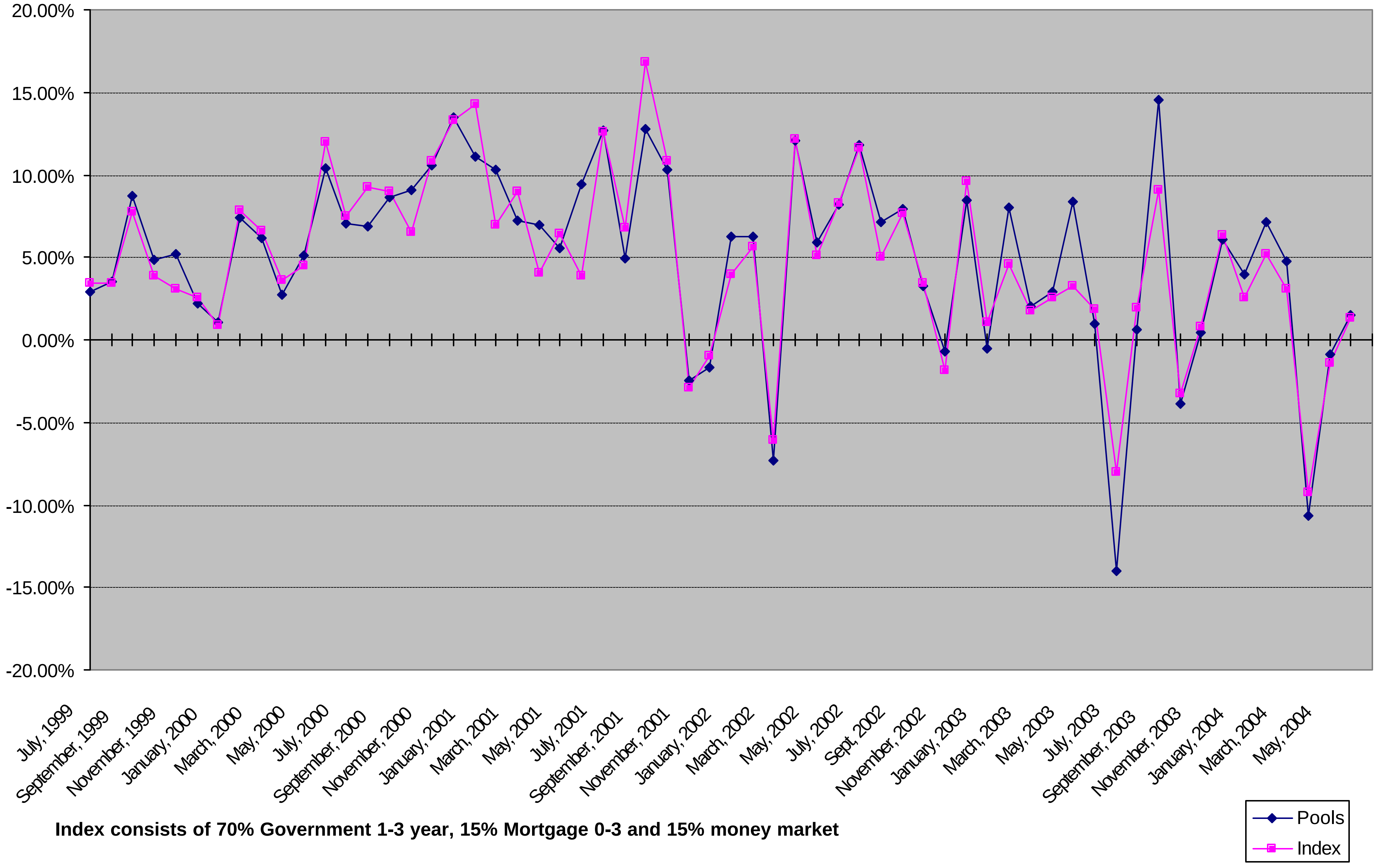
INTERMEDIATE - LONG TERM POOL
INVESTABLE BALANCES



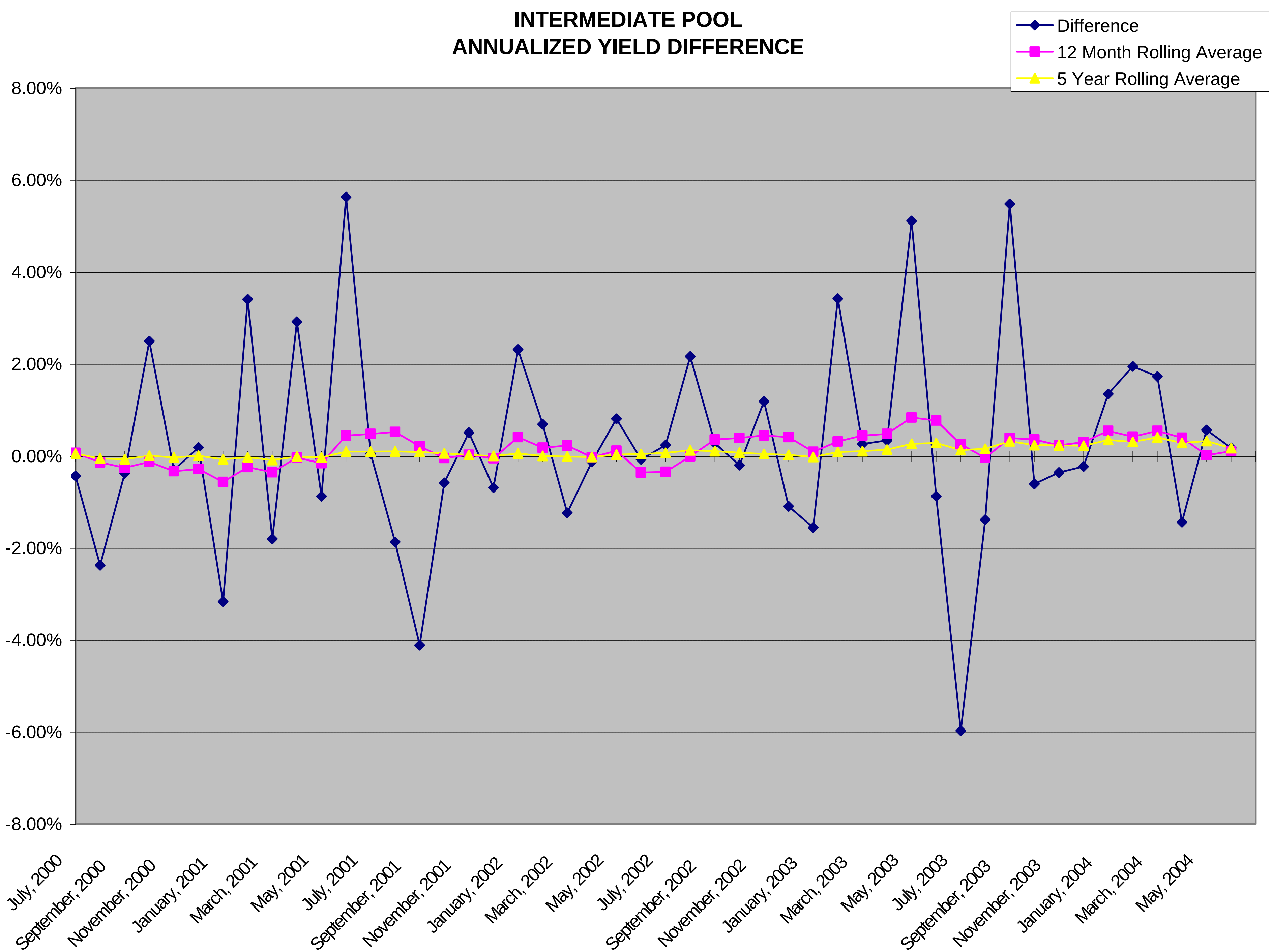
US TREASURY-AGENCY INVESTABLE BALANCES



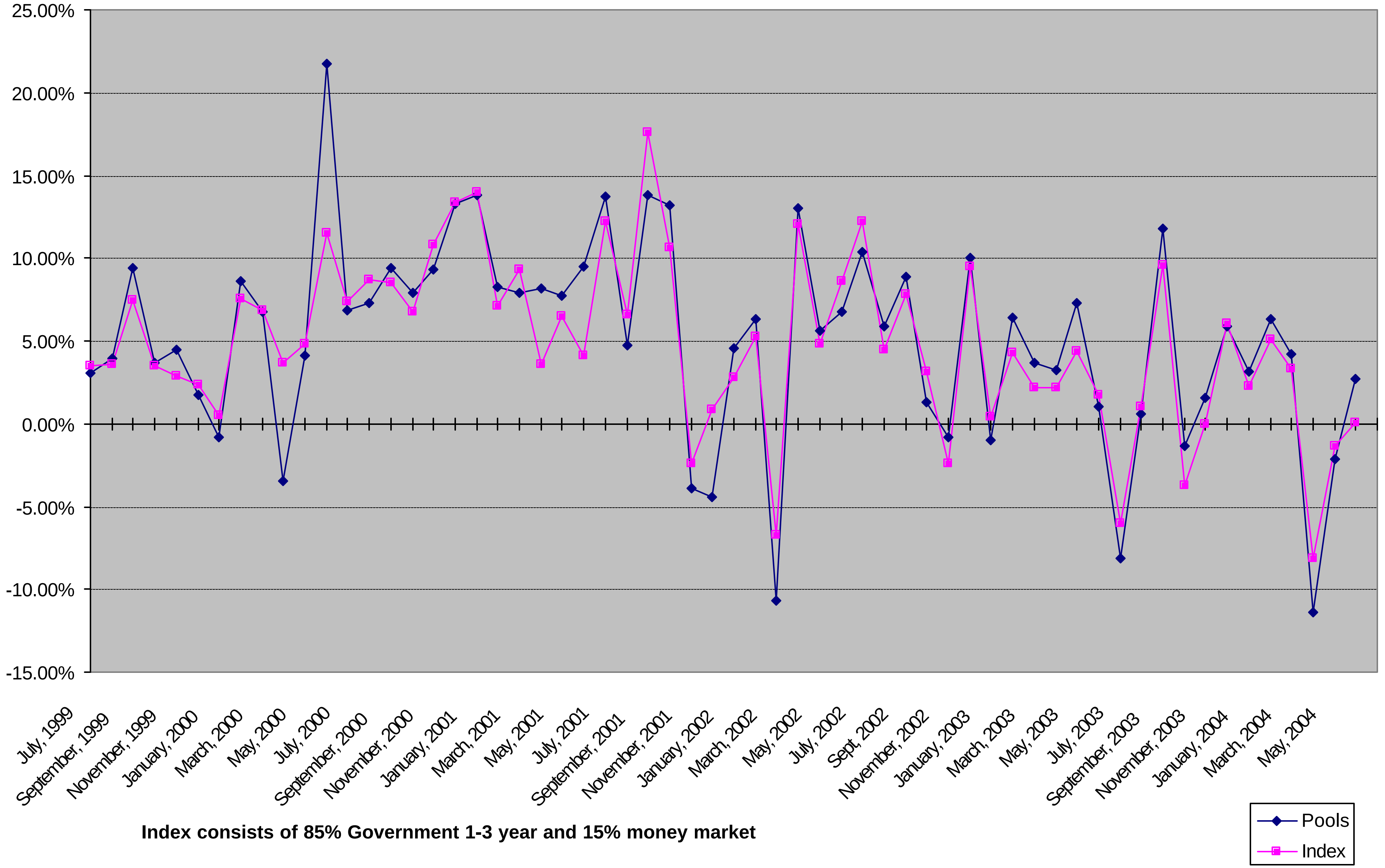
INTERMEDIATE POOL
ANNUALIZED YIELD



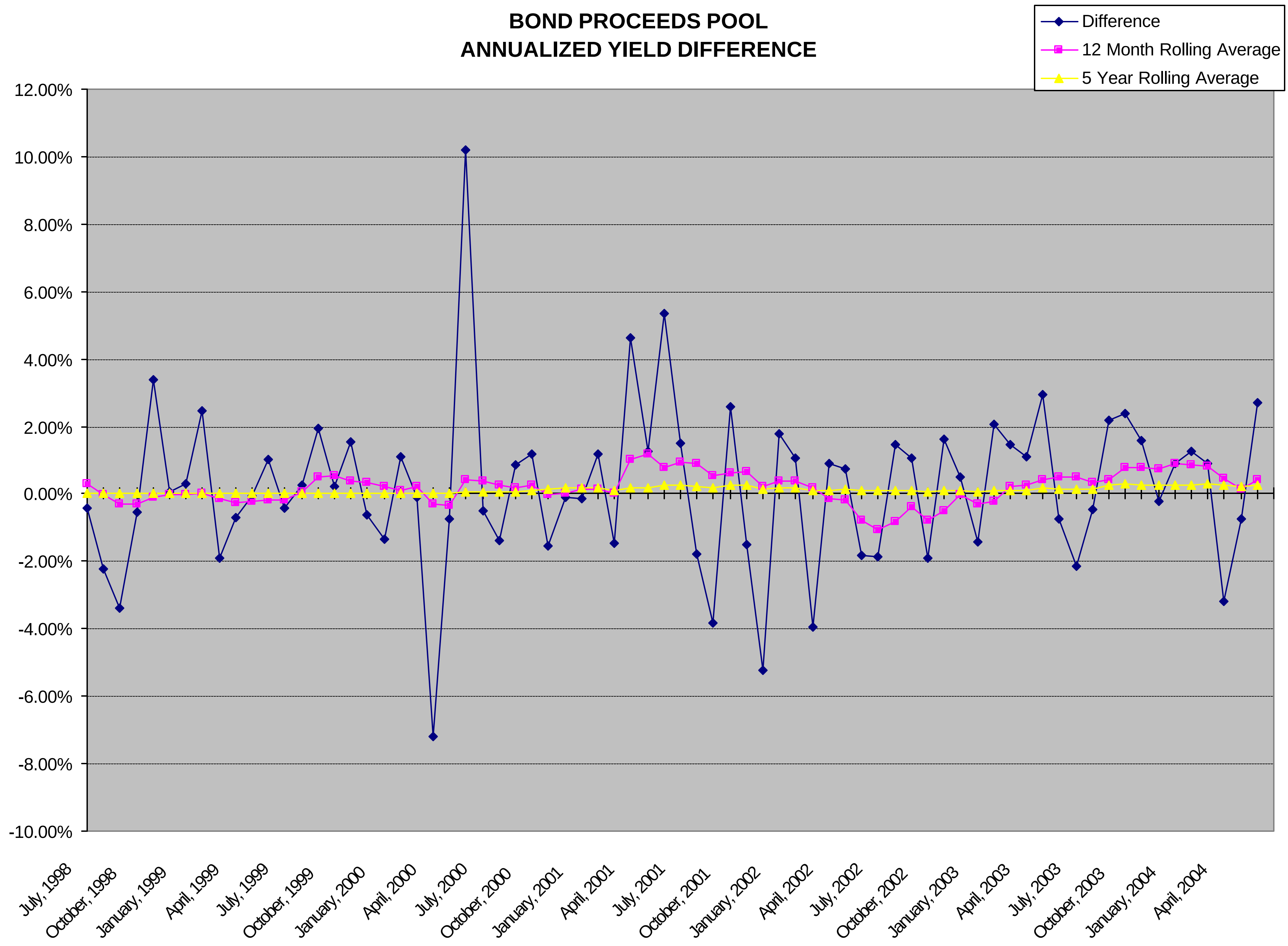
Index consists of 70% Government 1-3 year, 15% Mortgage 0-3 and 15% money market


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

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