February 2004

Monthly Investment Income Report

Commonwealth of Kentucky

Robert Rudolph, Secretary
Finance and Administration Cabinet

George Burgess, Executive Director
Office of Financial Management

Date: 02/29/04

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	361,641,367.49	1.90	2.39	13%	
Sub-total		361,641,367.49	1.90	2.39	13%	
Agencies	Notes	1,002,781,032.72	1.93	1.66	37%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		1,002,781,032.72	1.93	1.66	37%	
Municipals		154,259,702.38	2.28	1.90	6%	
Corporates		173,356,798.84	2.14	2.13	6%	25%
Mortgages	Pools	51,053,152.17	2.71	1.16	2%	
	CMO's	150,224,157.00	2.69	1.34	6%	
Sub-total		201,277,309.17	2.69	1.29	8%	25%
Asset Backs		141,909,338.72	1.91	1.70	5%	20%
Repurchase Agreements						
	Overnight	423,037,001.68	1.03	0.00	16%	
	< 30 days	26,965,234.42	0.94	0.05	2%	
	< 60 days	0.00	0.00	0.00	0%	
	< 90 days	30,528.50	0.00	0.00	0%	
	< 1 year	5,050,853.07	4.17	0.49	0%	
	< 2 years	2,670,718.75	1.91	1.54	0%	
	> 2 years	6,414,495.41	2.18	4.61	0%	
	Flex Repos	231,386.65	11.26	4.93	0%	
Sub-total		464,400,218.48	1.09	0.09	18%	
Money Market Securities						
	Commercial Paper	144,903,330.45	0.98	0.08	5%	A1-P1
	Money Mkt Fund	42,000,000.00	1.00	0.01	2%	
	Certificates of Deposit	966,497.04	2.31	4.46	0%	
Sub-total		187,869,827.49	0.99	0.08	7%	20%
Derivatives						
	Interest Rate Swaps	0.00	0.00	0.00	0%	
	OTC Options	-64,453.13	0.00	2.29	0%	
Sub-total		-64,453.13	0.00	888.25	0%	
TOTALS		2,687,431,142.16	1.81	1.39	100%	

Date: 02/29/04

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	0.00	0.00	0.0000	0%	
	Sub-total		0.00	0.00	0.0000	0%	
Agencies		Notes	11,032,423.71	3.95	0.01	2%	
		Discounts	0.00	0.00	0.0000	0%	
	Sub-total		11,032,423.71	3.95	0.0100	2%	
Corporates			0.00	0.00	0.00	0%	25%
Municipals			20,407,327.33	1.15	0.05	5%	
Mortgages		CMOs	35,622,903.34	1.50	0.16	8%	25%
ABS			57,112,255.58	1.14	0.3349	13%	
Repurchase Agreements							
		Overnight	148,343,975.17	1.03	0.00	34%	
		< 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		148,343,975.17	1.03	0.0030	34%	
Money Market Securities							
		Commercial Paper	144,903,330.45	0.98	0.08	33%	A1-P1
		Money Mkt Fund	20,000,000.00	1.00	0.0100	5%	
		Certificates of Deposit	0.00	0.00	0.0000	0%	
	Sub-total		164,903,330.45	0.99	0.0672	38%	
TOTALS			437,422,215.58	1.14	0.0856	100%	

Date: 02/29/04

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	247,356,640.44	1.88	2.34	16%	
	Sub-total		247,356,640.44	1.88	2.34	16%	
Agencies		Notes	517,285,338.85	1.95	1.69	33%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		517,285,338.85	1.95	1.69	33%	
Municipals			133,852,375.05	2.45	2.18	9%	
Corporates			173,356,798.84	2.14	2.13	11%	25%
Mortgages		Pools	51,053,152.17	2.71	1.16	3%	
		CMO's	114,601,253.66	3.06	1.70	8%	
	Sub-total		165,654,405.83	2.95	1.54	11%	25%
Asset Backs			84,797,083.14	2.42	2.62	5%	20%
Repurchase Agreements							
		Overnight	186,301,295.17	1.03	0.00	12%	
		< 30 days	26,965,234.42	0.94	0.05	2%	
		< 60 days	0.00	0.00	0.00	0%	
		< 90 days	30,528.50	3.74	0.20	0%	
		< 1 year	5,050,853.07	4.17	0.49	0%	
		< 2 years	2,670,718.75	1.91	1.54	0%	
		> 2 years	6,414,495.41	2.18	4.61	1%	
		Flex Repos	231,386.65	11.26	4.93	0%	
	Sub-total		227,664,511.97	1.14	0.17	15%	
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	966,497.04	2.31	4.46	0%	
	Sub-total		966,497.04	2.31	4.46	0%	20%
Derivatives							
		Interest Rate Swaps	0.00	0.00	0.00	0%	
		OTC Options	-64,453.13	0.00	2.29	0%	
	Sub-total		-64,453.13	0.00	2.29	0%	
TOTALS			1,550,869,198.03	2.02	1.69	100%	

Date: 02/29/04

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: 02/29/04

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	114,284,727.05	1.94	2.50	16%	
	Sub-total		114,284,727.05	1.94	2.50	16%	
Agencies		Notes	474,463,270.16	1.87	1.67	68%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		474,463,270.16	1.87	1.67	68%	
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	88,391,731.34	1.05	0.01	13%	
		< 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		88,391,731.34	1.05	0.01	13%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
		Money Mkt Fund	22,000,000.00	1.00	0.0100	3%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		22,000,000.00	1.00	0.01	3%	
TOTALS			699,139,728.55	1.75	1.55	100%	

Investment Income

As of 02/29/2004

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	8,505,050.16	7.14%	(9,465,040.56)	-0.95%
Short Term	370,704.13	1.10%	38,423,603.62	15.34%
Long Term	0.00	0.00%	(1,520,719.96)	-13.77%
Bond Proceeds	3,318,690.05	6.35%	10,908,736.89	2.87%
Tran	0.00	0.00%	0.00	0.00%
Grand Total	**12,194,444.34**		**38,346,579.99**	

***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 02/29/2004

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	1,503,836,132.95	1,489,748,883.49
Short Term	424,112,812.51	375,619,514.22
Long Term		16,562,248.82
Bond Proceeds	659,381,097.03	570,215,080.55
Tran	0.00	0.00
	2,587,330,042.49	**2,452,145,727.08**

CASH DISTRIBUTION

February 2004

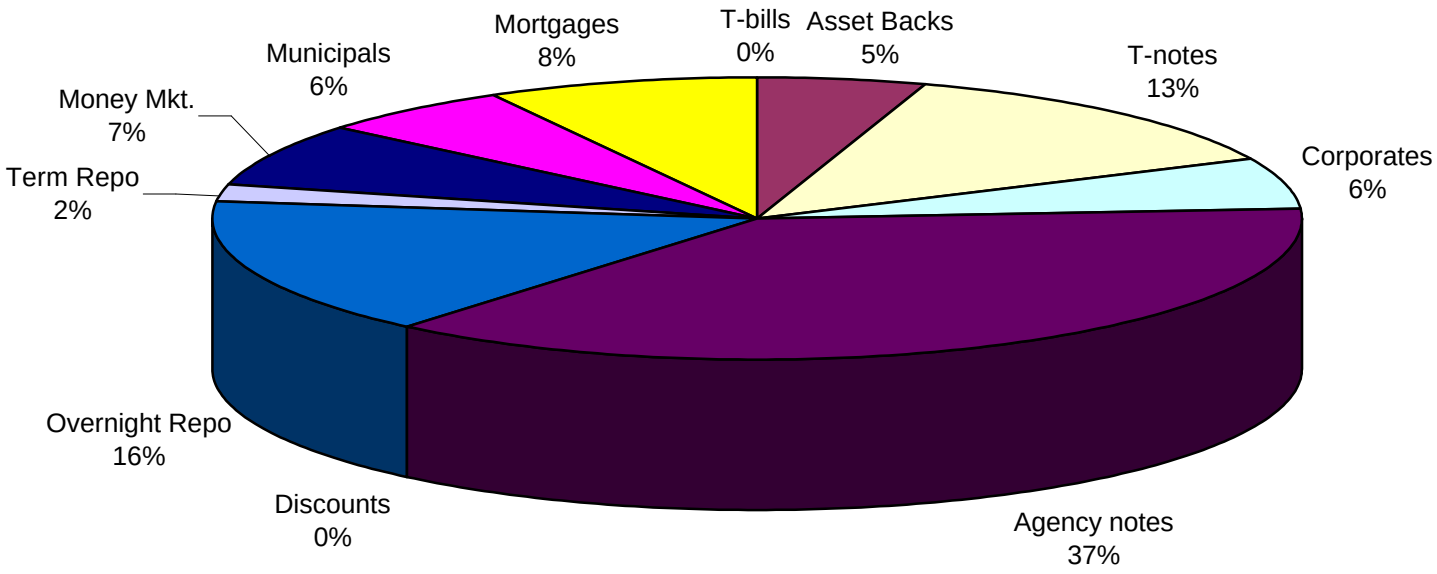
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0	0	0
Capital Con.	816,543	160,417	3,878,908	1,841,667
Agency	1,188,476	538,125	6,513,304	4,229,219
T&R	256,276	166,250	1,289,482	1,527,917

ACCRUED EARNINGS

February 2004

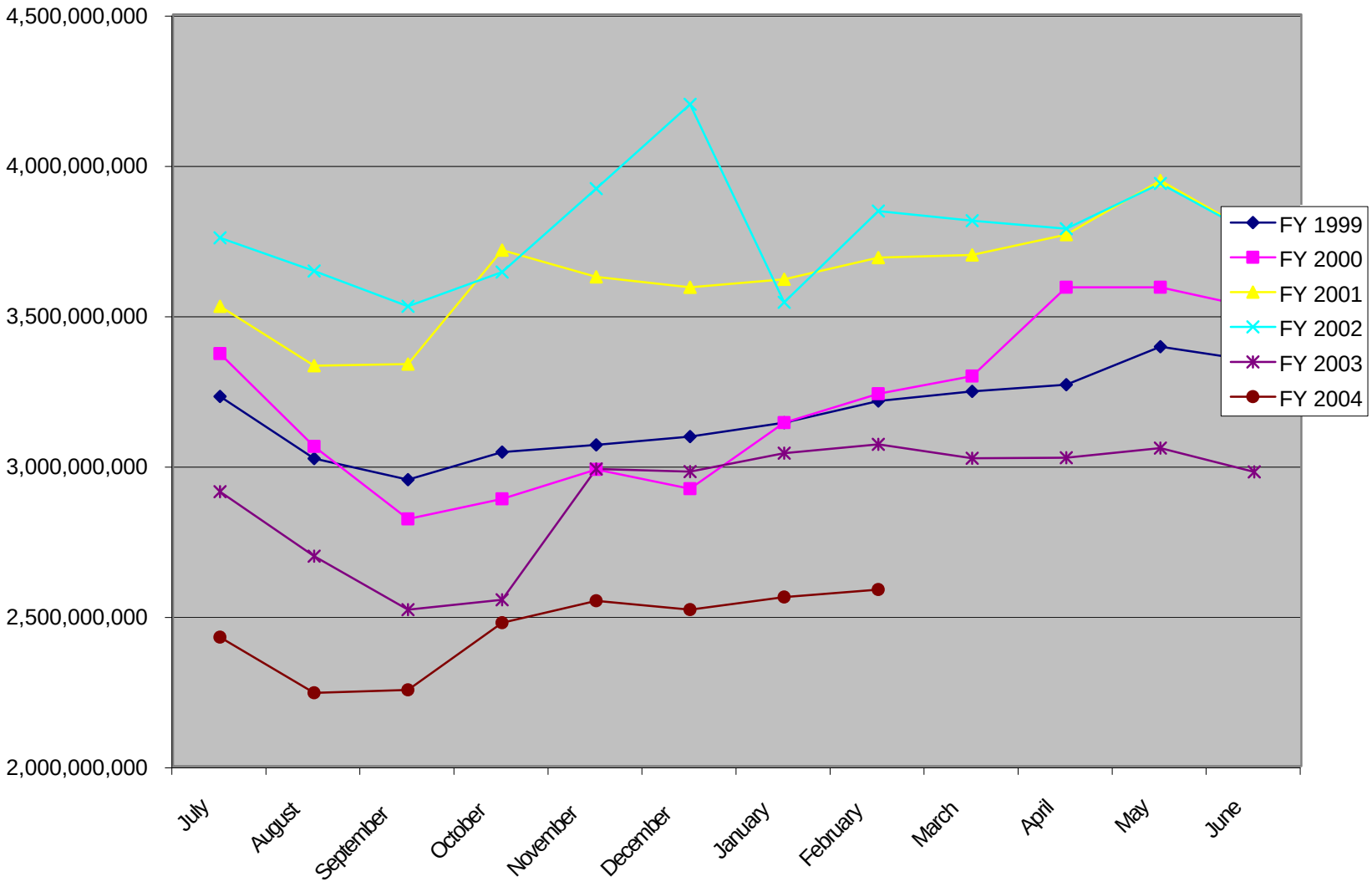
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	142,796	0	8,479,071	0
Capital Con.	1,482,399	160,417	3,265,917	1,841,667
Agency	1,996,466	538,125	4,637,349	4,229,219
T&R	444,318	166,250	1,060,151	1,527,917

Distribution of Investments for February

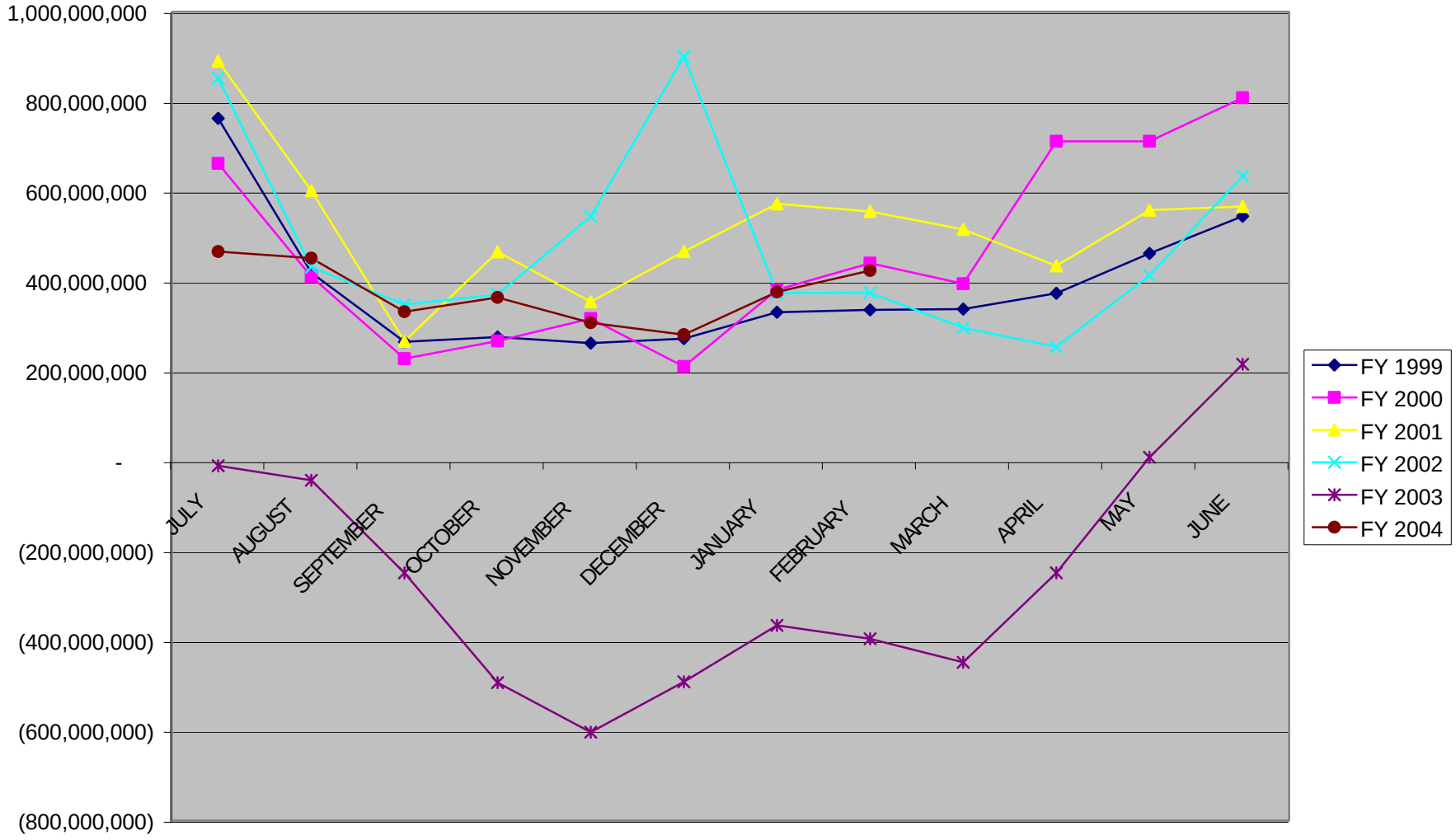


LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

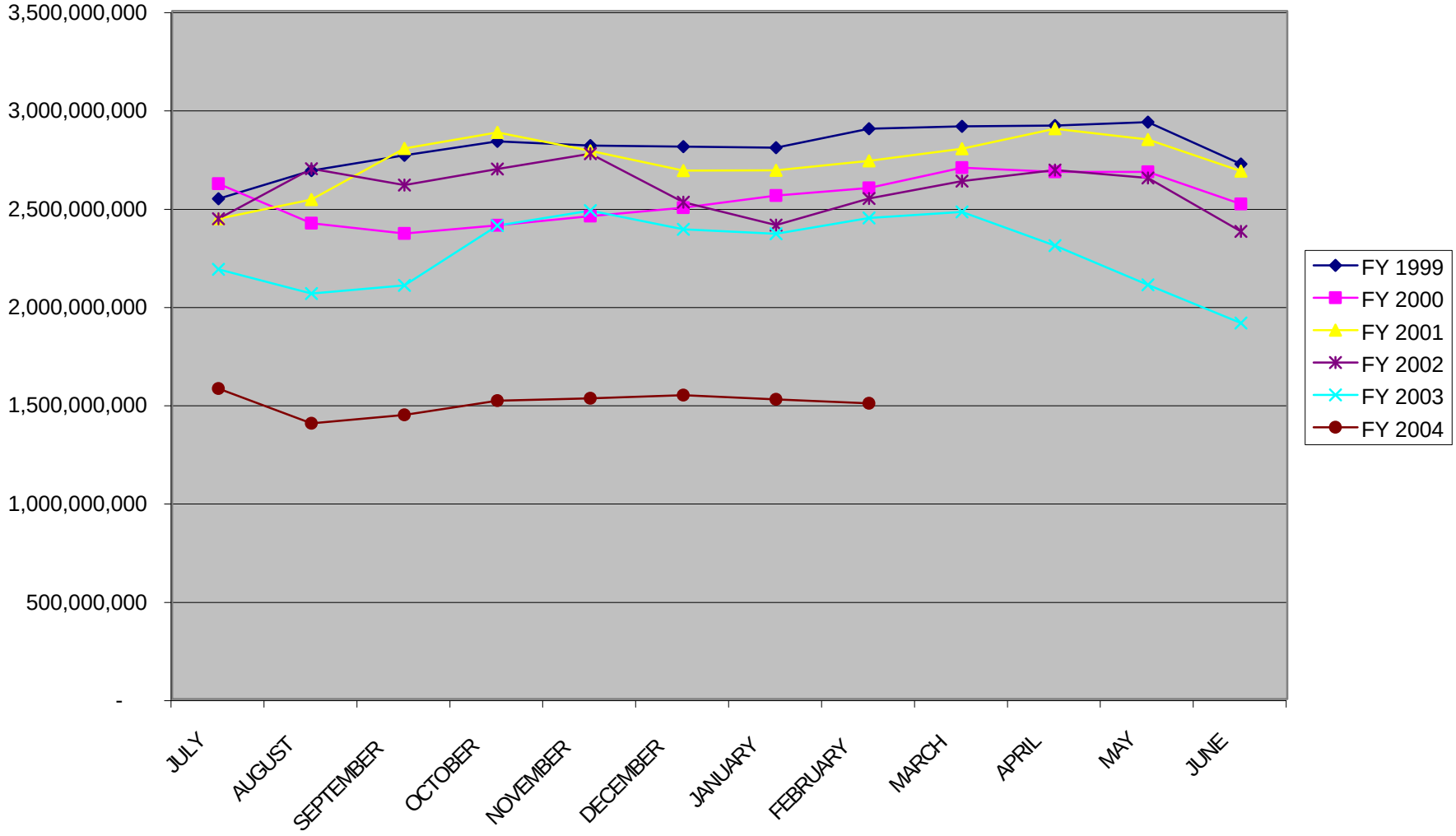
INVESTABLE BALANCES

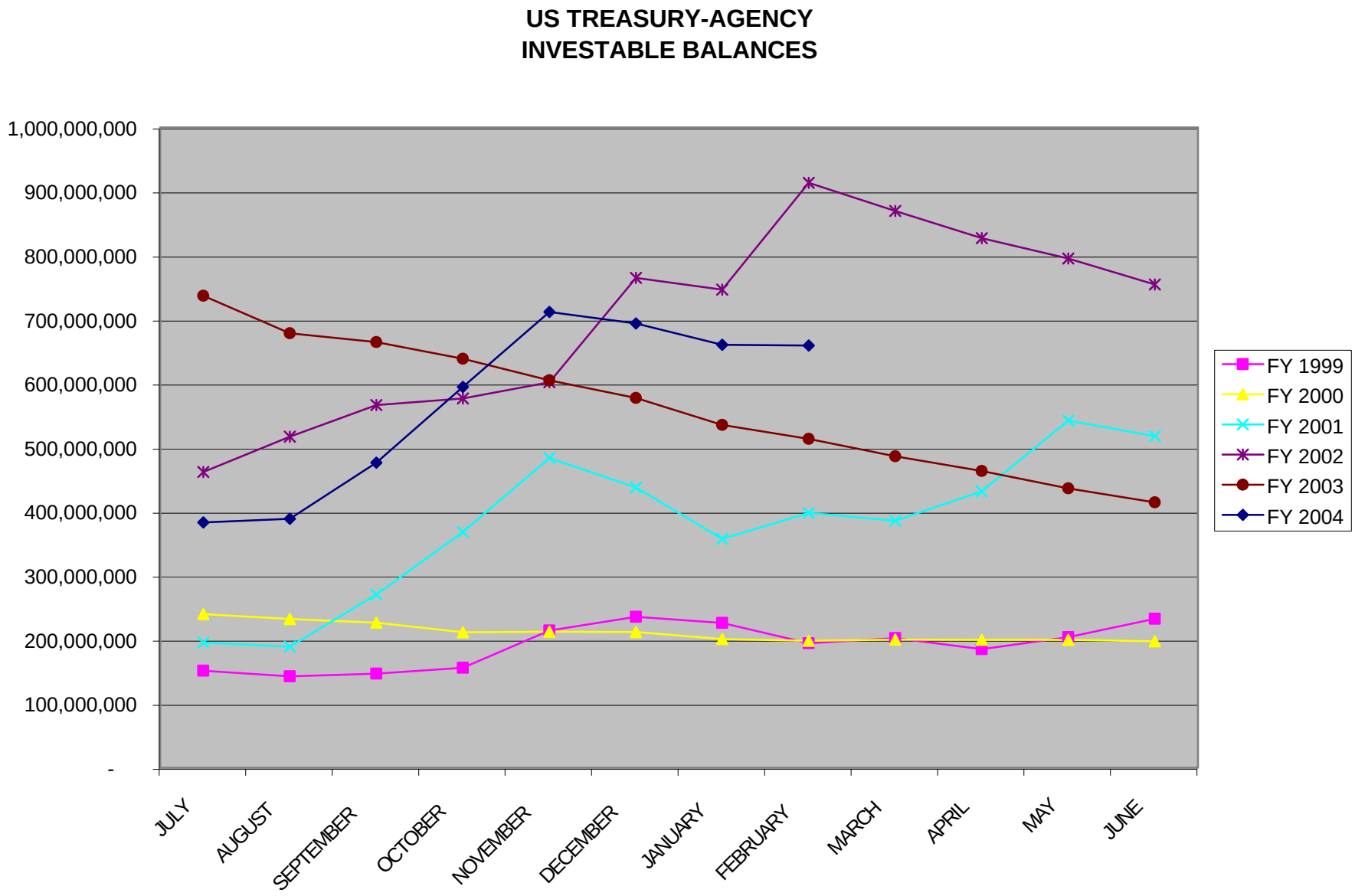


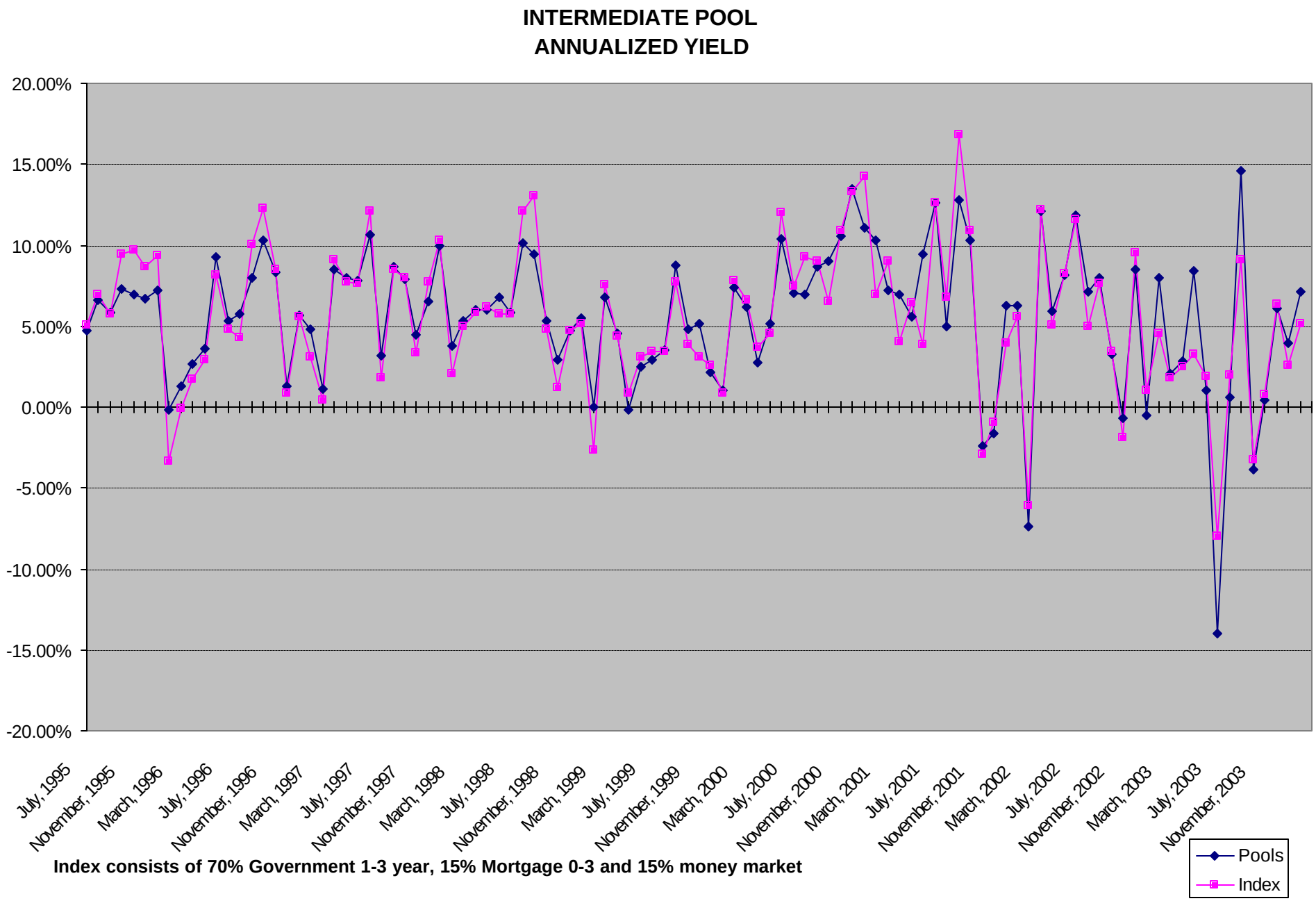
SHORT TERM POOL
INVESTABLE BALANCES



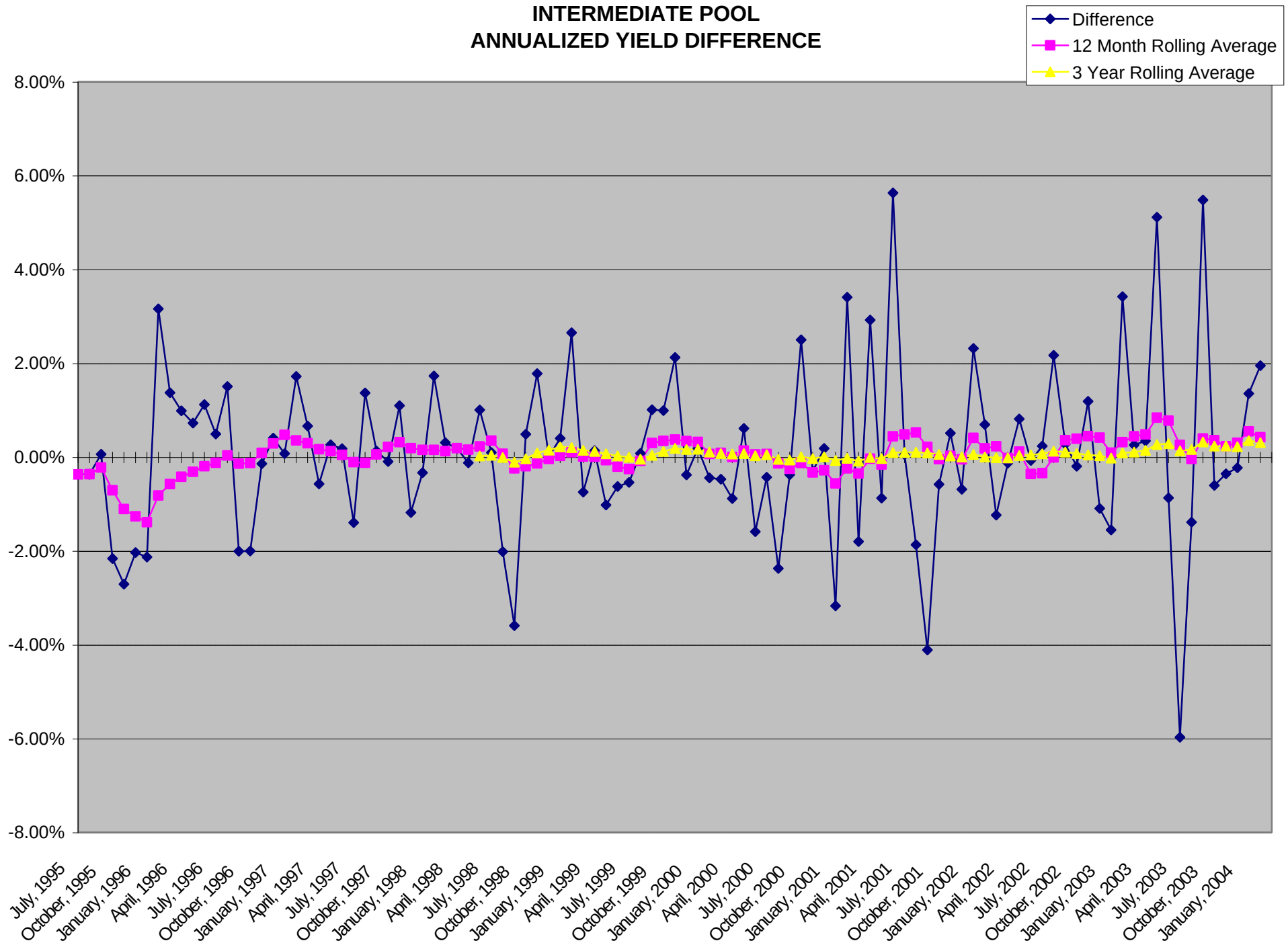
INTERMEDIATE - LONG TERM POOL
INVESTABLE BALANCES




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 1999
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004



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
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
-4.00%
-6.00%
-8.00%
July, 1995
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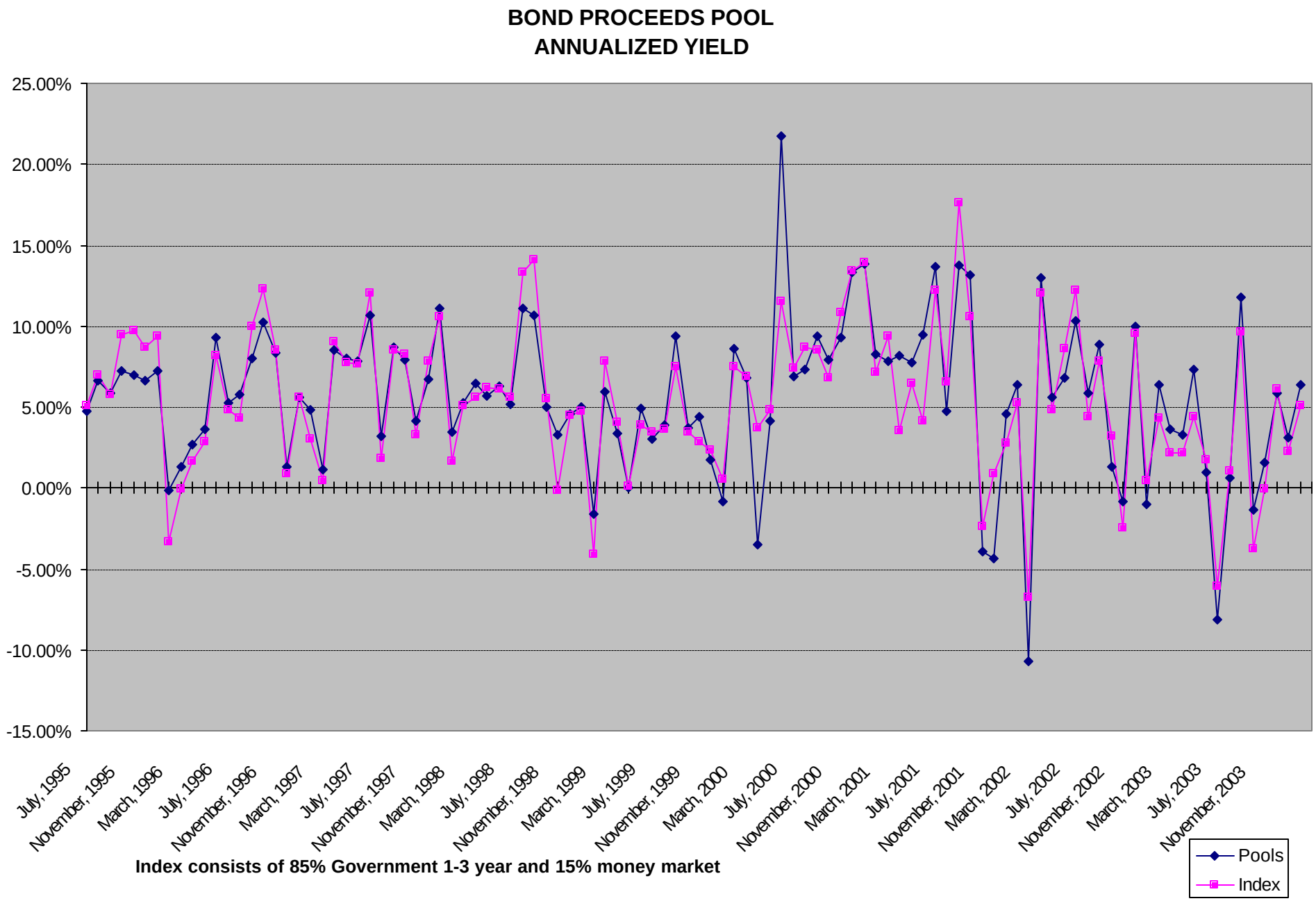
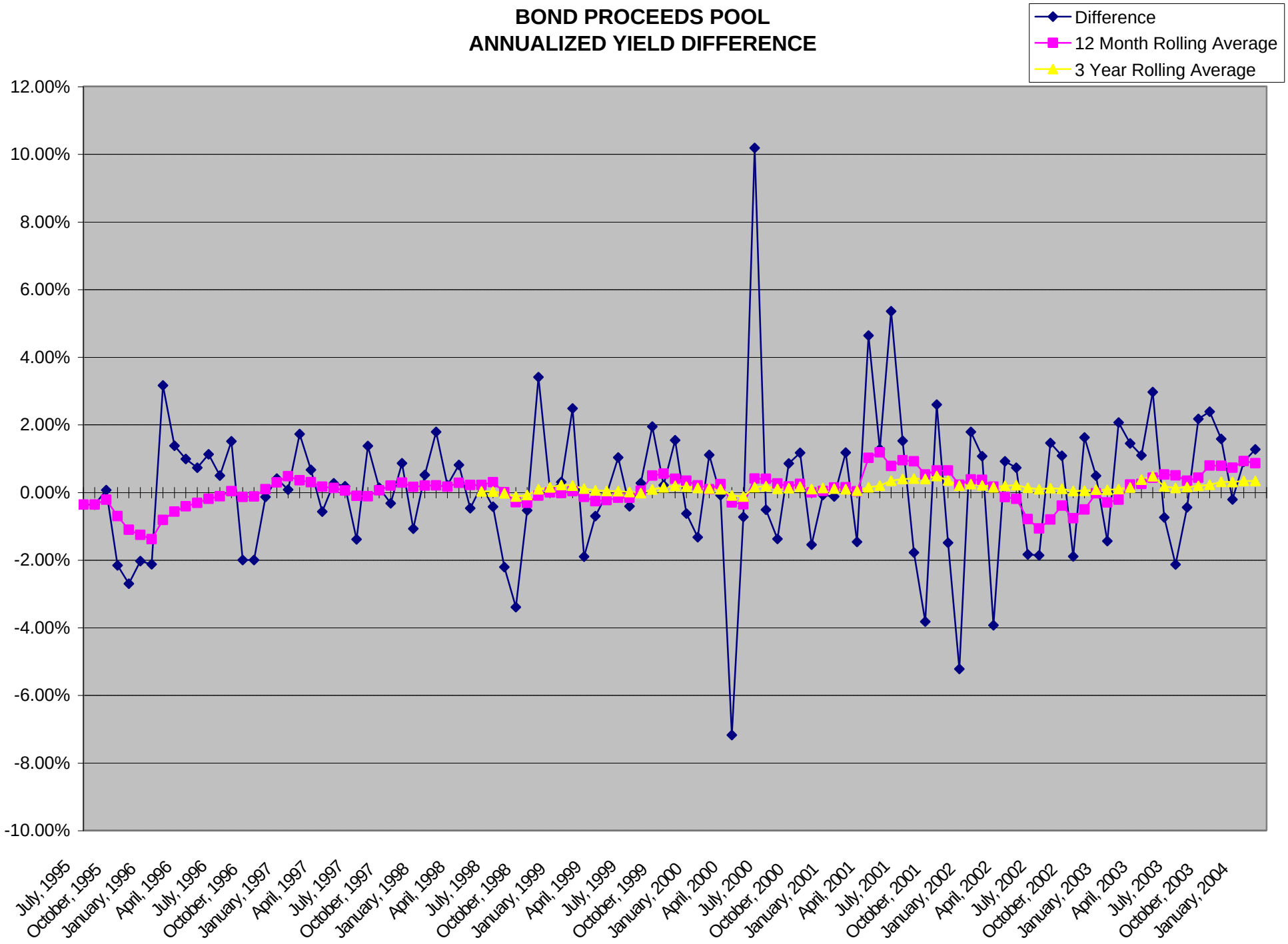
October, 2003
January, 2004



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
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, 1995
October, 1995
January, 1996
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