December 2003

Monthly Investment Income Report

Commonwealth of Kentucky

Robert Rudolph, Secretary
Finance and Administration Cabinet

George Burgess, Executive Director
Office of Financial Management

Date: 12/31/03

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	360,816,235.50	2.19	2.57	14%	
Sub-total		360,816,235.50	2.19	2.57	14%	
Agencies	Notes	962,797,536.83	2.09	1.85	36%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		962,797,536.83	2.09	1.85	36%	
Municipals		153,940,116.67	2.52	2.10	6%	
Corporates		175,193,485.12	2.37	1.95	7%	25%
Mortgages	Pools	51,018,697.99	2.66	1.10	2%	
	CMO's	83,809,902.90	3.32	2.45	3%	
Sub-total		134,828,600.89	3.07	1.94	5%	25%
Asset Backs		77,600,882.48	2.86	3.07	3%	20%
Repurchase Agreements						
	Overnight	570,015,723.59	1.00	0.01	21%	
	< 30 days	26,963,103.48	0.97	0.05	1%	
	< 60 days	0.00	0.00	0.00	0%	
	< 90 days	0.00	0.00	0.00	0%	
	< 1 year	5,058,248.21	4.17	0.64	0%	
	< 2 years	2,592,053.73	3.59	0.83	0%	
	> 2 years	6,525,966.51	2.22	4.56	0%	
	Flex Repos	231,386.65	11.25	5.08	0%	
Sub-total		611,386,482.17	1.05	0.07	22%	
Money Market Securities						
	Commercial Paper	149,976,263.70	1.97	1.15	6%	A1-P1
	Money Mkt Fund	31,000,000.00	1.00	0.01	1%	
	Certificates of Deposit	981,580.33	2.53	4.28	0%	
Sub-total		181,957,844.03	1.80	0.98	7%	20%
Derivatives						
	Interest Rate Swaps	-6,463.00	1.39	0.27	0%	
	OTC Options	-62,500.00	0.00	-1.54	0%	
Sub-total		-68,963.00	0.13	-1.37	0%	
TOTALS		2,658,452,220.69	1.96	1.54	100%	

Date: 12/31/03

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	11,007,930.30	2.72	0.17	2%	
		Discounts	0.00	0.00	0.0000	0%	
	Sub-total		11,007,930.30	2.72	0.1700	2%	
Corporates			0.00	0.00	0.00	0%	25%
Municipals			20,405,104.89	1.15	0.60	4%	
Mortgages		CMOs	18,890,866.49	1.52	0.39	4%	25%
ABS			0.00	0.00	0.0000	0%	
Repurchase Agreements							
		Overnight	360,180,935.41	1.00	0.01	70%	
		< 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		360,180,935.41	1.00	0.0100	70%	
Money Market Securities							
		Commercial Paper	99,983,861.00	1.47	0.24	20%	A1-P1
		Money Mkt Fund	0.00	0.00	0.0000	0%	
		Certificates of Deposit	0.00	0.00	0.0000	0%	
	Sub-total		99,983,861.00	1.47	0.2425	20%	
TOTALS			510,468,698.09	1.15	0.0967	100%	

Date: 12/31/03

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	246,038,708.04	2.17	2.53	17%	
	Sub-total		246,038,708.04	2.17	2.53	17%	
Agencies		Notes	513,280,834.66	2.11	1.85	35%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		513,280,834.66	2.11	1.85	35%	
Municipals			133,535,011.78	2.73	2.33	9%	
Corporates			175,193,485.12	2.37	1.95	12%	25%
Mortgages		Pools	51,018,697.99	2.66	1.10	4%	
		CMO's	64,919,036.41	3.84	3.05	5%	
	Sub-total		115,937,734.40	3.32	2.19	9%	25%
Asset Backs			77,600,882.48	2.86	3.07	5%	20%
Repurchase Agreements							
		Overnight	110,835,057.32	1.00	0.01	8%	
		< 30 days	26,963,103.48	0.97	0.05	2%	
		< 60 days	0.00	0.00	0.00	0%	
		< 90 days	0.00	0.00	0.00	0%	
		< 1 year	5,058,248.21	4.17	0.64	0%	
		< 2 years	2,592,053.73	3.59	0.83	0%	
		> 2 years	6,525,966.51	2.22	4.56	0%	
		Flex Repos	231,386.65	11.25	5.08	0%	
	Sub-total		152,205,815.90	1.21	0.26	10%	
Money Market Securities							
		Commercial Paper	49,992,402.70	2.97	2.98	3%	A1-P1
		Money Mkt Fund	0.00	0.00	0.00	0%	
		Certificates of Deposit	981,580.33	2.53	4.28	0%	
	Sub-total		50,973,983.03	2.96	3.00	3%	20%
Derivatives							
		Interest Rate Swaps	-6,463.00	1.39	0.27	0%	
		OTC Options	-62,500.00	0.00	-1.54	0%	
	Sub-total		-68,963.00	0.93	-0.33	0%	
TOTALS			1,464,697,492.41	2.30	1.89	100%	

Date: 12/31/03

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: 12/31/03

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	114,777,527.46	2.22	2.65	17%	
	Sub-total		114,777,527.46	2.22	2.65	17%	
Agencies		Notes	438,508,771.87	2.05	1.89	64%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		438,508,771.87	2.05	1.89	64%	
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	98,999,730.86	1.00	0.01	14%	
		< 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		98,999,730.86	1.00	0.01	14%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
		Money Mkt Fund	31,000,000.00	1.00	0.0100	5%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		31,000,000.00	1.00	0.01	5%	
TOTALS			683,286,030.19	1.88	1.66	100%	

Investment Income

As of 12/31/2003

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	7,960,629.95	6.08%	(23,043,633.85)	-3.09%
Short Term	270,965.42	1.14%	37,701,548.19	20.39%
Long Term	0.00	0.00%	(1,520,719.96)	13.77%
Bond Proceeds	3,452,242.10	5.88%	5,840,446.50	2.15%
Tran	0.00	0.00%	0.00	0.00%
Grand Total	**11,683,837.47**		**18,977,640.88**	

***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 12/31/2003

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	1,545,656,447.93	1,481,667,363.45
Short Term	281,219,801.56	367,796,595.03
Long Term	0.00	21,962,982.13
Bond Proceeds	693,653,372.39	540,927,227.11
Tran	0.00	0.00
	2,520,529,621.88	**2,412,354,167.72**

CASH DISTRIBUTION

November 2003

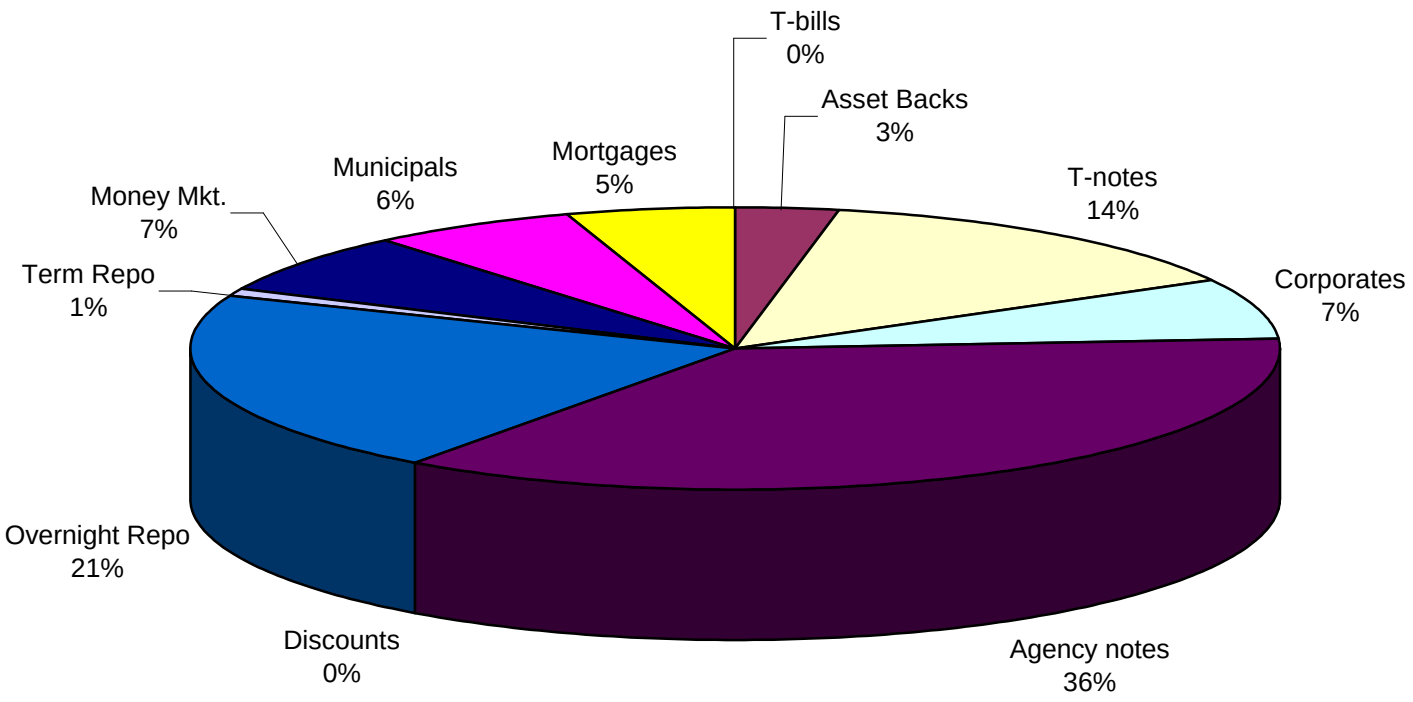
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0	0	0
Capital Con.	336,230	203,125	2,586,728	1,506,250
Agency	651,623	440,625	4,587,160	3,292,969
T&R	131,202	184,375	880,211	1,192,500

ACCRUED EARNINGS

December 2003

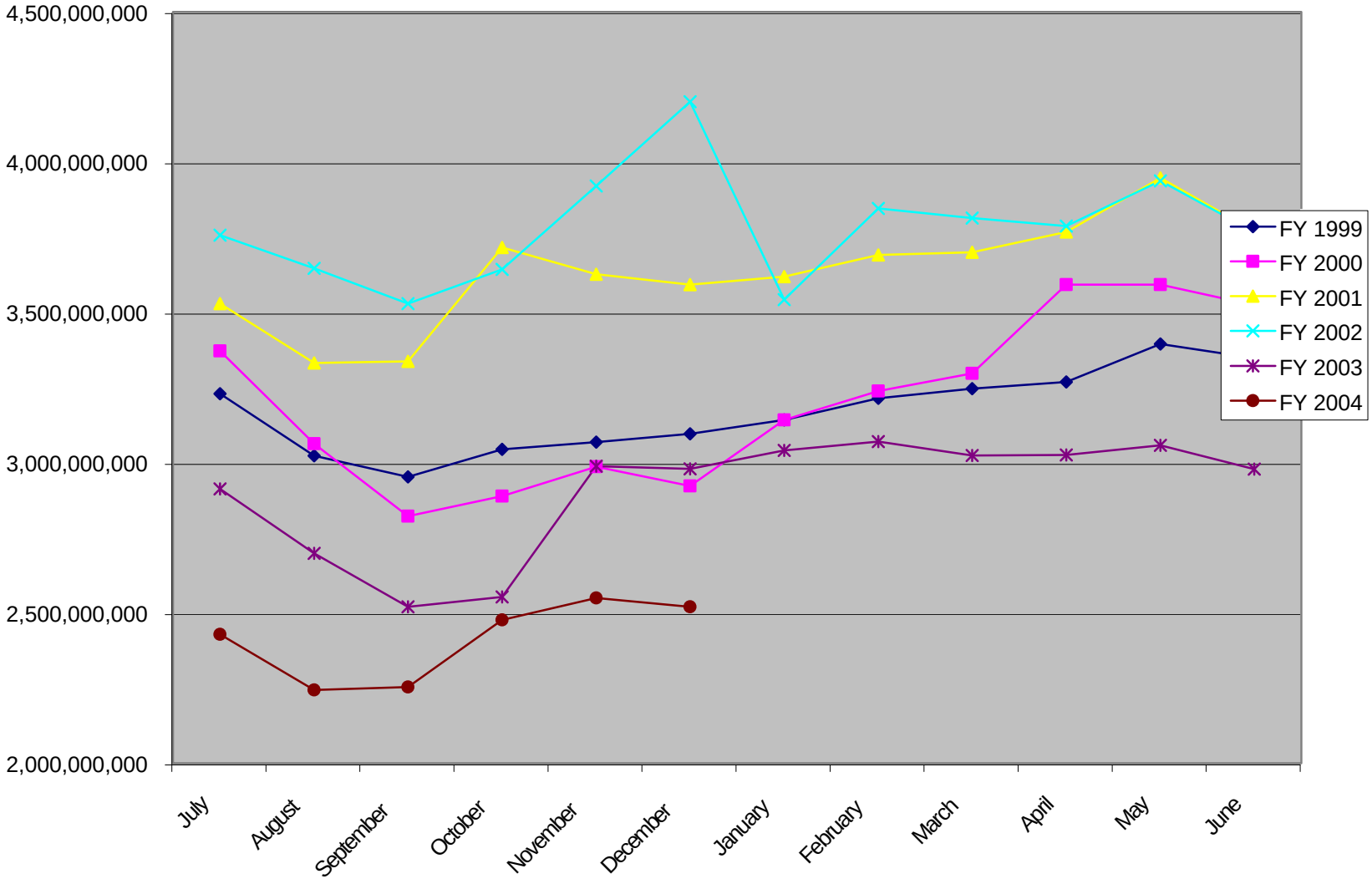
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	25,838	0	8,385,116	0
Capital Con.	1,518,817	203,125	834,944	1,506,250
Agency	1,850,692	440,625	1,449,823	3,292,969
T&R	388,038	184,375	338,244	1,192,500

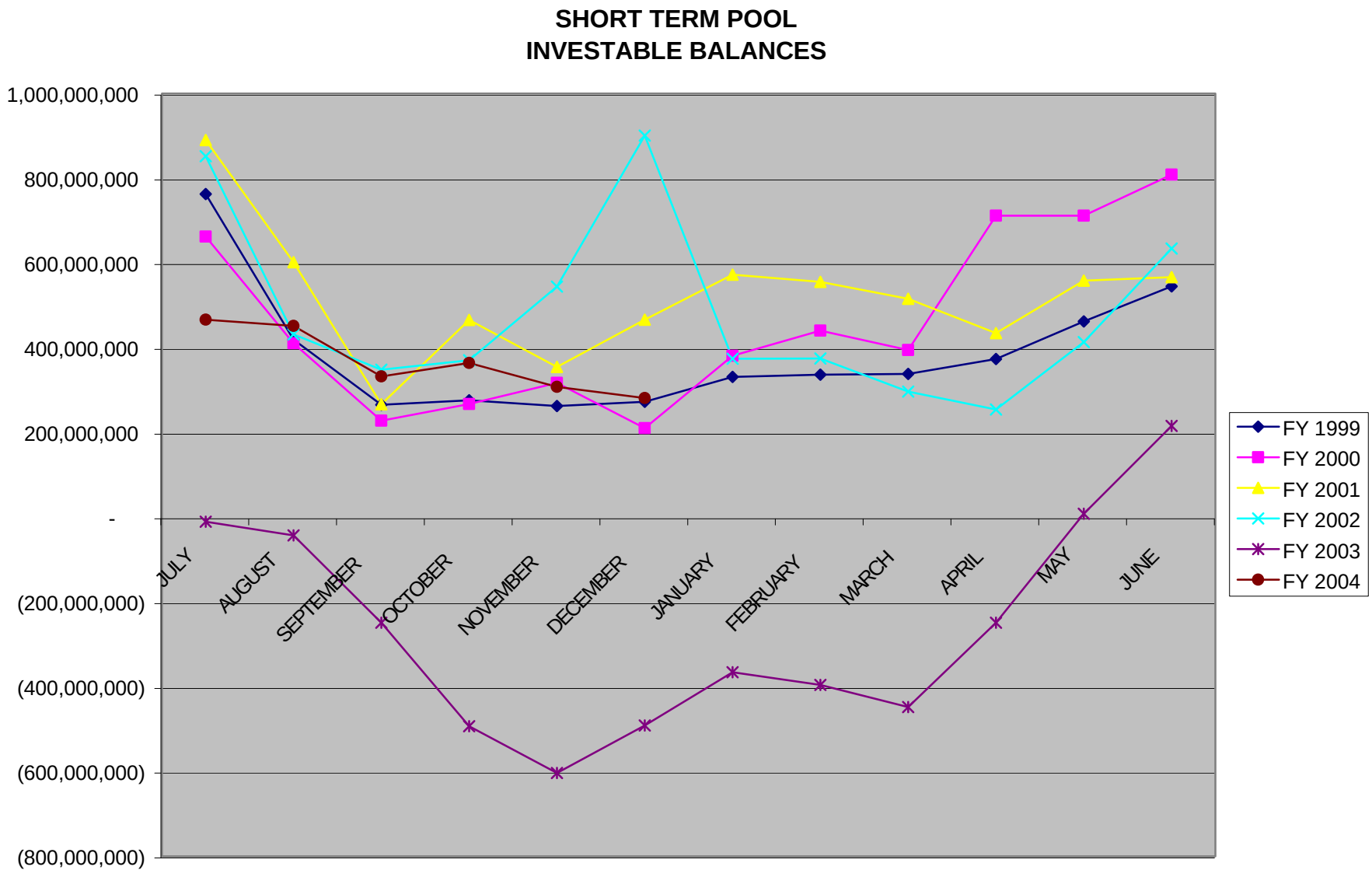
Distribution of Investments for December



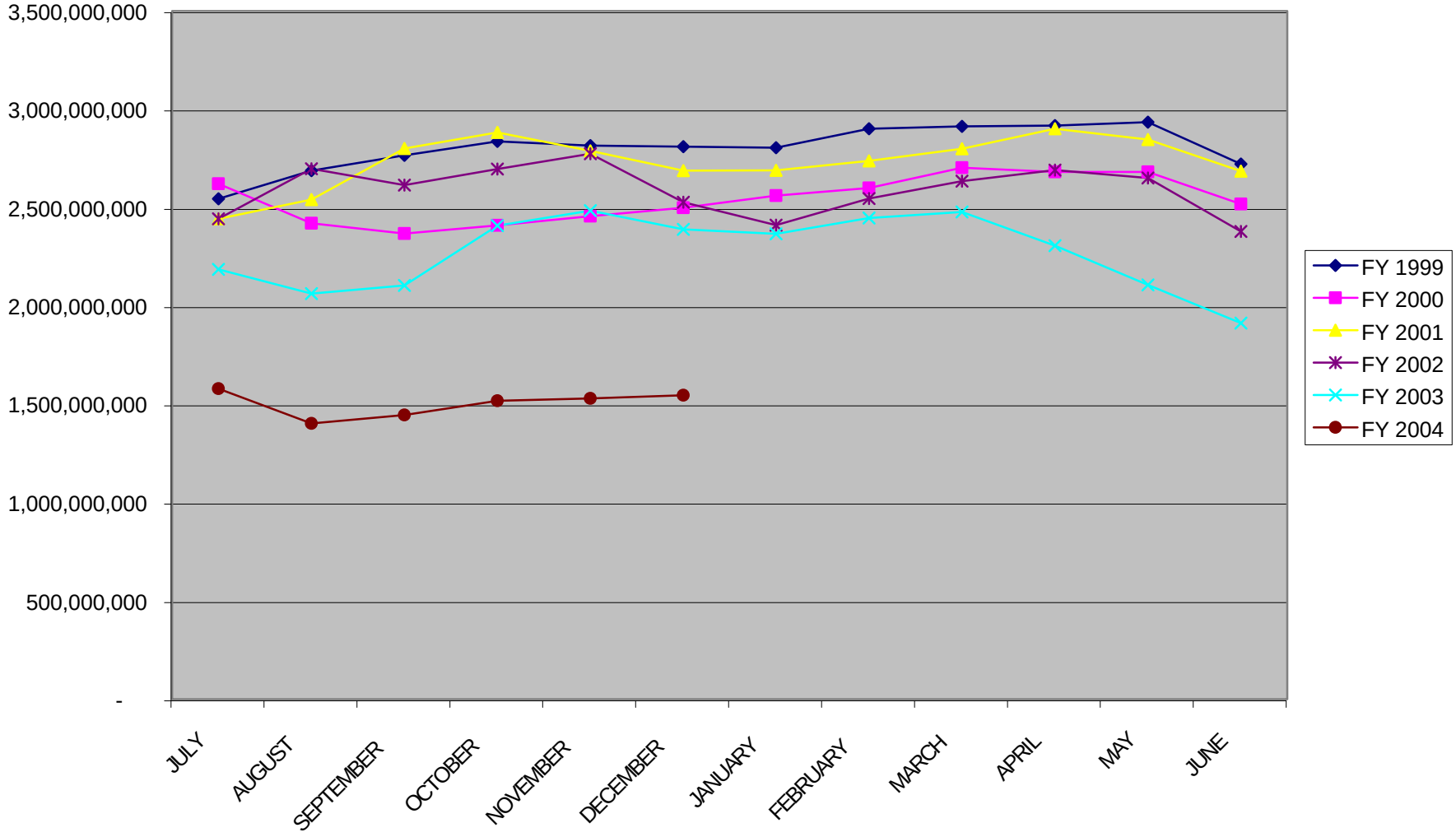
LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

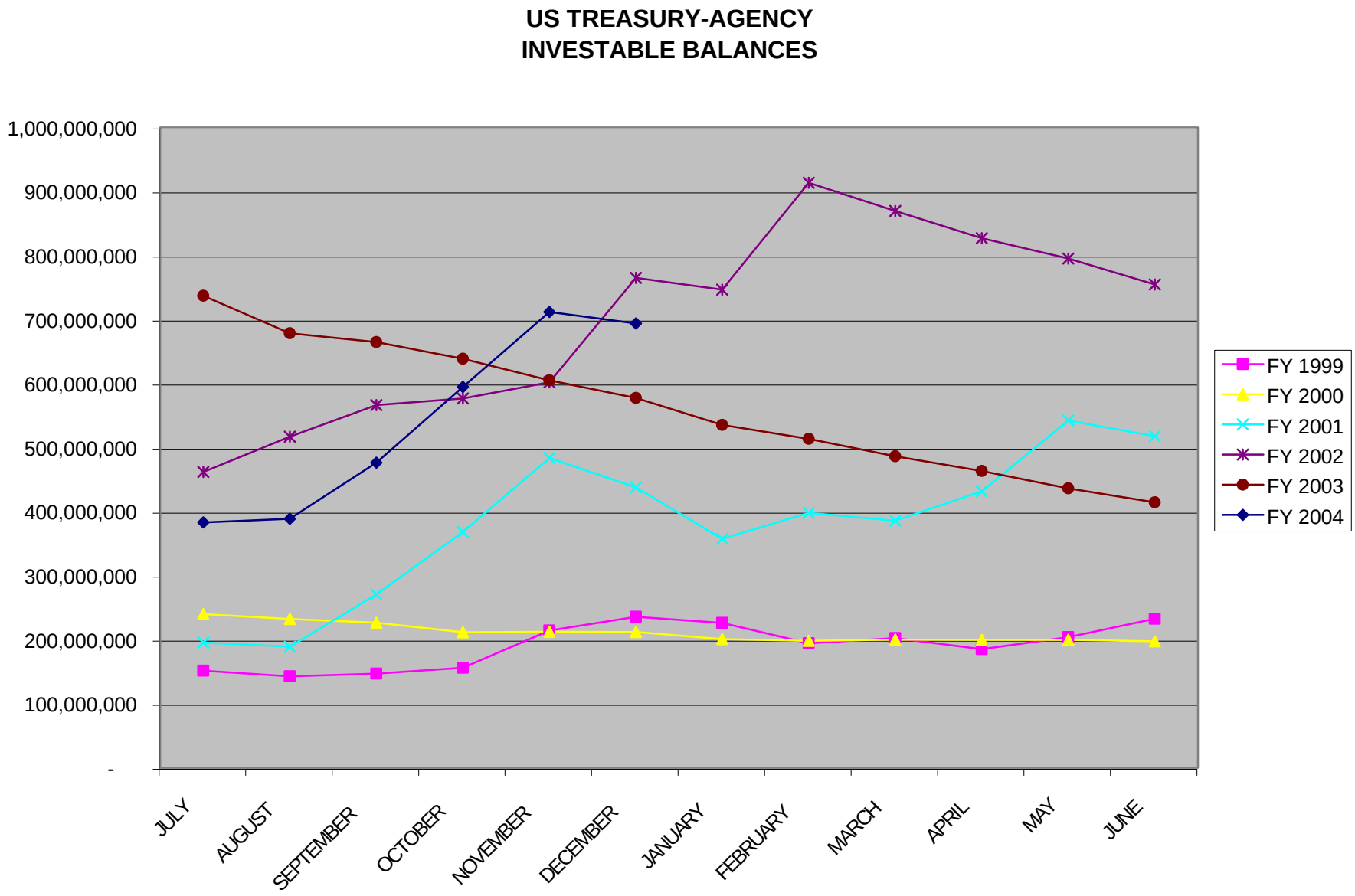
INVESTABLE BALANCES




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 1999
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004

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
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JULY
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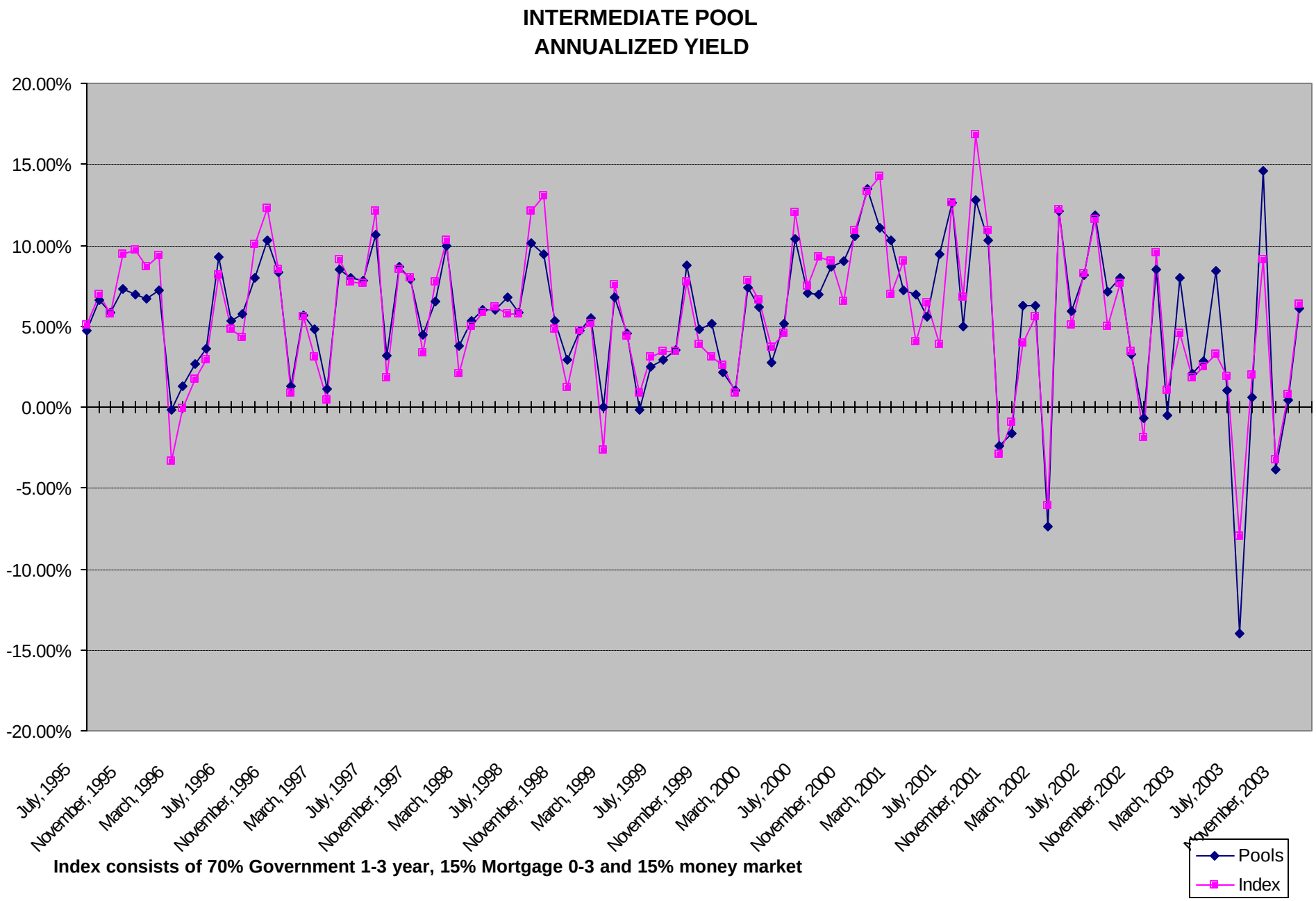
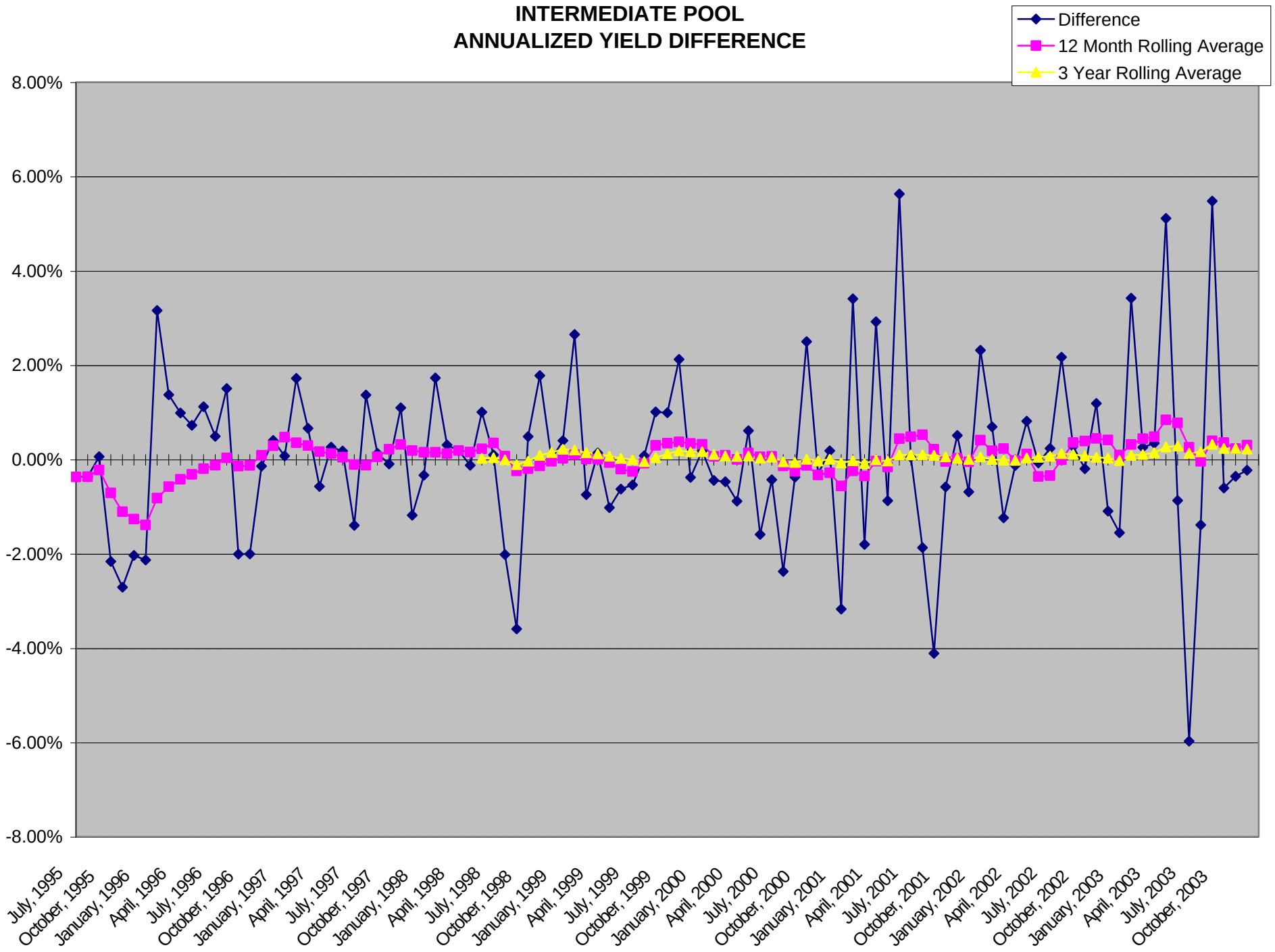
FY 2003
FY 2004



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
October, 1995
January, 1996
April, 1996
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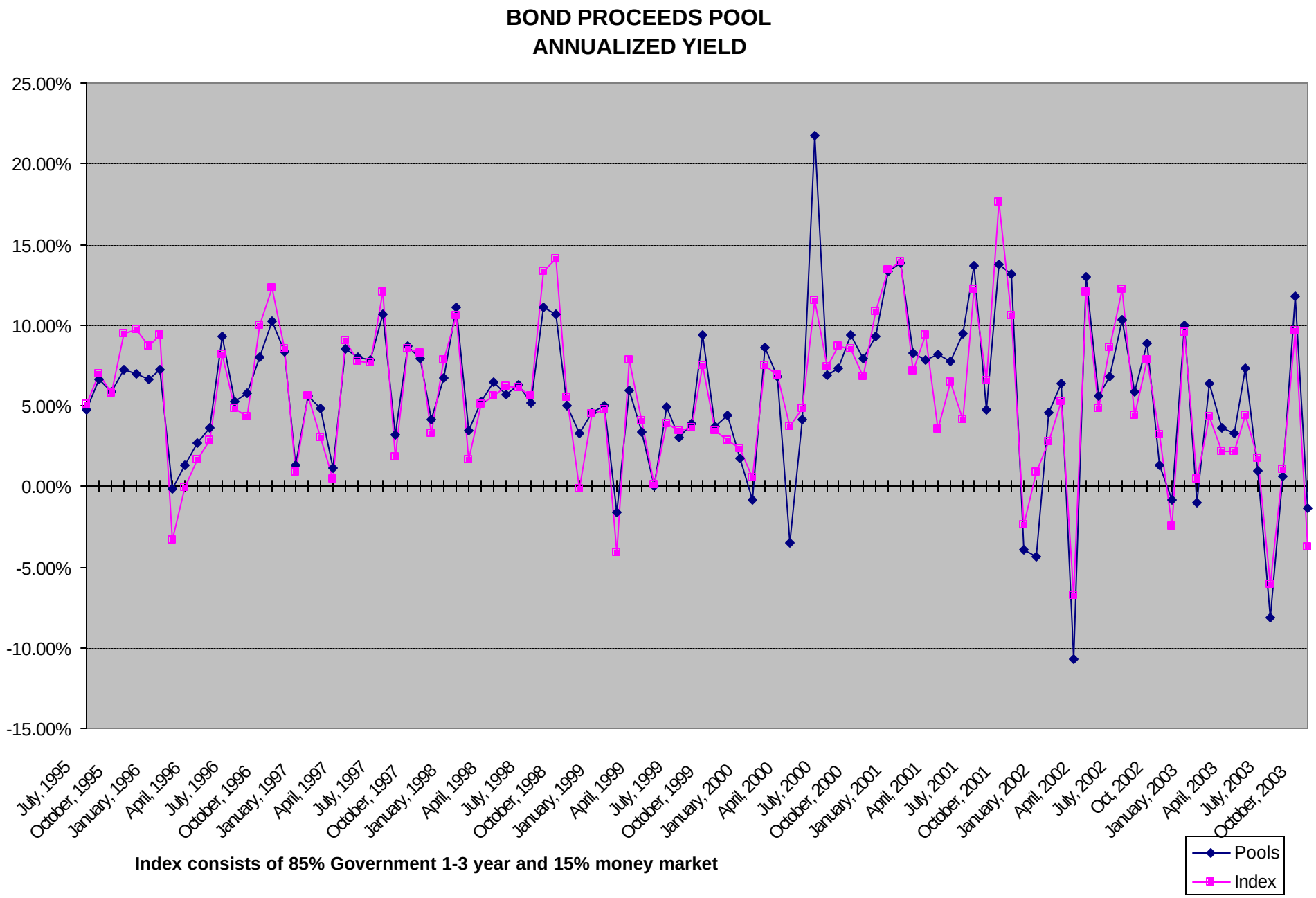
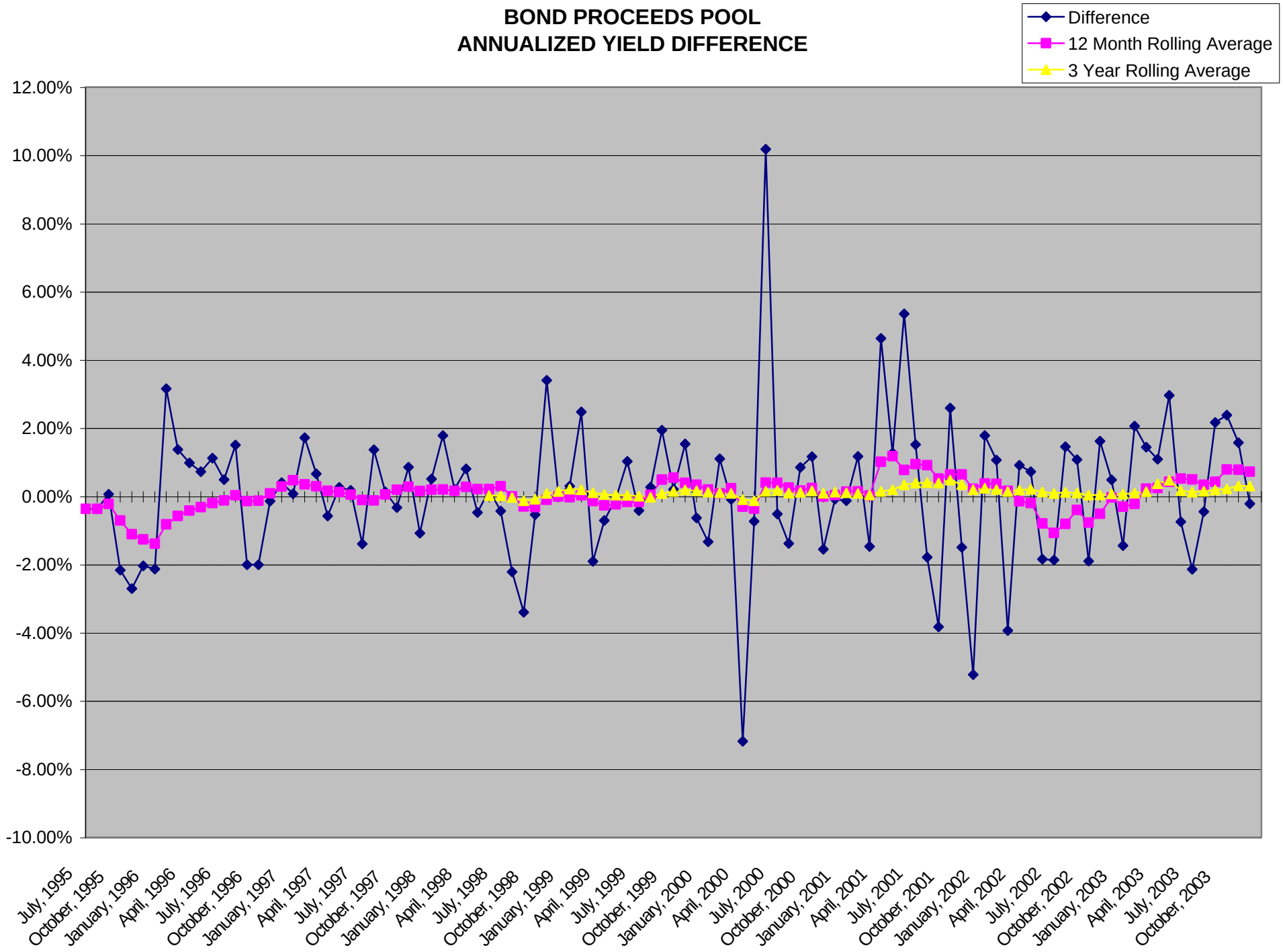
October, 2003



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
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