January 2004

Monthly Investment Income Report

Commonwealth of Kentucky

Robert Rudolph, Secretary
Finance and Administration Cabinet

George Burgess, Executive Director
Office of Financial Management

Date: 01/31/04

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	361,969,842.22	2.15	2.49	13%	
Sub-total		361,969,842.22	2.15	2.49	13%	
Agencies	Notes	999,428,998.79	2.06	1.76	36%	
	Discounts	0.00	0.00	0.00	0%	
Sub-total		999,428,998.79	2.06	1.76	36%	
Municipals		153,468,684.01	2.47	1.95	6%	
Corporates		182,073,149.13	2.18	1.93	6%	25%
Mortgages	Pools	52,265,983.51	2.60	1.13	2%	
	CMO's	156,171,879.16	2.79	1.40	5%	
Sub-total		208,437,862.67	2.74	1.33	7%	25%
Asset Backs		95,890,808.08	2.41	3.51	3%	20%
Repurchase Agreements						
	Overnight	572,032,635.55	1.03	0.01	20%	
	< 30 days	16,508,650.40	0.94	0.04	1%	
	< 60 days	10,451,119.22	0.95	0.09	1%	
	< 90 days	0.00	0.00	0.00	0%	
	< 1 year	5,053,373.91	4.17	0.56	0%	
	< 2 years	2,616,730.96	1.92	1.60	0%	
	> 2 years	6,376,861.41	2.18	4.63	0%	
	Flex Repos	231,386.65	11.25	5.00	0%	
Sub-total		613,270,758.10	1.07	0.07	22%	
Money Market Securities						
	Commercial Paper	150,386,267.39	1.00	0.01	5%	A1-P1
	Money Mkt Fund	41,000,000.00	1.00	0.08	2%	
	Certificates of Deposit	981,480.78	2.30	4.53	0%	
Sub-total		192,367,748.17	1.01	0.05	7%	20%
Derivatives						
	Interest Rate Swaps	262,522.13	2.74	2.59	0%	
	OTC Options	0.00	0.00	0.00	0%	
Sub-total		262,522.13	2.74	2.59	0%	
TOTALS		2,807,170,373.30	1.88	1.42	100%	

Date: 01/31/04

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	11,020,316.71	0.96	0.01	2%	
		Discounts	0.00	0.00	0.0000	0%	
	Sub-total		11,020,316.71	0.96	0.0100	2%	
Corporates			0.00	0.00	0.00	0%	25%
Municipals			20,406,807.22	1.15	0.12	4%	
Mortgages		CMOs	38,752,915.82	1.50	0.17	8%	25%
ABS			7,162,015.10	1.17	-0.1200	1%	
Repurchase Agreements							
		Overnight	314,943,968.16	1.03	0.01	60%	
		< 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		314,943,968.16	1.03	0.0100	60%	
Money Market Securities							
		Commercial Paper	114,988,676.10	0.99	0.01	22%	A1-P1
		Money Mkt Fund	14,000,000.00	1.00	0.0800	3%	
		Certificates of Deposit	0.00	0.00	0.0000	0%	
	Sub-total		128,988,676.10	0.99	0.0176	25%	
TOTALS			521,274,699.11	1.06	0.0261	100%	

Date: 01/31/04

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	246,814,540.62	2.13	2.45	15%	
	Sub-total		246,814,540.62	2.13	2.45	15%	
Agencies		Notes	528,788,633.74	2.11	1.76	33%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		528,788,633.74	2.11	1.76	33%	
Municipals			133,061,876.79	2.67	2.23	8%	
Corporates			182,073,149.13	2.18	1.93	11%	25%
Mortgages		Pools	52,265,983.51	2.60	1.13	3%	
		CMO's	117,418,963.34	3.22	1.81	7%	
	Sub-total		169,684,946.85	3.03	1.60	10%	25%
Asset Backs			88,728,792.98	2.51	3.80	5%	20%
Repurchase Agreements							
		Overnight	204,225,651.46	1.03	0.01	13%	
		< 30 days	16,508,650.40	0.94	0.04	1%	
		< 60 days	10,451,119.22	0.95	0.09	1%	
		< 90 days	0.00	1.00	1.00	0%	
		< 1 year	5,053,373.91	4.17	0.56	0%	
		< 2 years	2,616,730.96	1.92	1.60	0%	
		> 2 years	6,376,861.41	2.18	4.63	1%	
		Flex Repos	231,386.65	11.25	5.00	0%	
	Sub-total		245,463,774.01	1.13	0.17	16%	
Money Market Securities							
		Commercial Paper	35,397,591.29	1.05	0.01	2%	A1-P1
		Money Mkt Fund	0.00	0.00	0.00	0%	
		Certificates of Deposit	981,480.78	2.30	4.53	0%	
	Sub-total		36,379,072.07	1.08	0.13	2%	20%
Derivatives							
		Interest Rate Swaps	262,522.13	2.74	2.59	0%	
		OTC Options	0.00	0.00	0.00	0%	
	Sub-total		262,522.13	1.82	1.73	0%	
TOTALS			1,631,257,308.32	2.11	1.74	100%	

Date: 01/31/04

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: 01/31/04

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	115,155,301.60	2.18	2.57	18%	
	Sub-total		115,155,301.60	2.18	2.57	18%	
Agencies		Notes	459,620,048.34	2.03	1.81	70%	
		Discounts	0.00	0.00	0.00	0%	
	Sub-total		459,620,048.34	2.03	1.81	70%	
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	52,863,015.93	1.03	0.01	8%	
		< 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		52,863,015.93	1.03	0.01	8%	
Money Market Securities							
		Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
		Money Mkt Fund	27,000,000.00	1.00	0.0800	4%	
		Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total		27,000,000.00	1.00	0.08	4%	
TOTALS			654,638,365.87	1.94	1.73	100%	

Investment Income

As of 01/31/2004

	Month		Fiscal Year to Date	
Pool	**Amount**	**Yield ***	**Amount**	**Yield****
Intermediate	5,073,543.13	3.93%	(17,970,090.72)	-2.06%
Short Term	351,351.30	1.10%	38,052,899.49	17.55%
Long Term	0.00	0.00%	(1,520,719.96)	-13.77%
Bond Proceeds	1,749,600.34	3.13%	7,590,046.84	2.31%
Tran	0.00	0.00%	0.00	0.00%
Grand Total	**7,174,494.77**		**26,152,135.65**	

***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 01/31/2004

	Average Daily Balances	
	AvgBal	**Fiscal Year to Date**
Intermediate	1,524,538,220.72	1,487,848,742.87
Short Term	376,687,626.49	369,078,557.71
Long Term	0.00	18,796,226.57
Bond Proceeds	660,639,294.37	558,188,036.81
Tran	0.00	0.00
	2,561,865,141.58	**2,433,911,563.96**

CASH DISTRIBUTION

January 2004

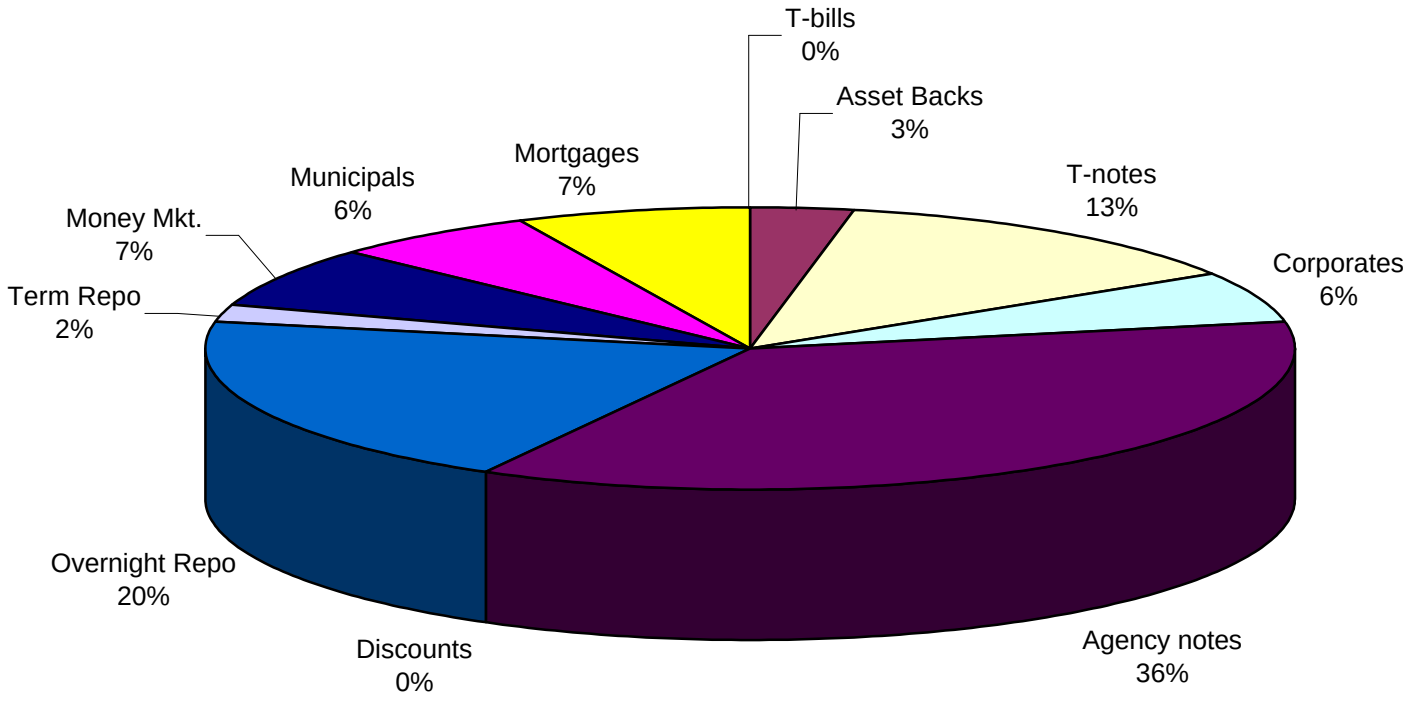
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	0	0	0	0
Capital Con.	475,637	175,000	3,062,365	1,681,250
Agency	737,668	398,125	5,324,828	3,691,094
T&R	152,995	169,167	1,033,206	1,361,667

ACCRUED EARNINGS

January 2004

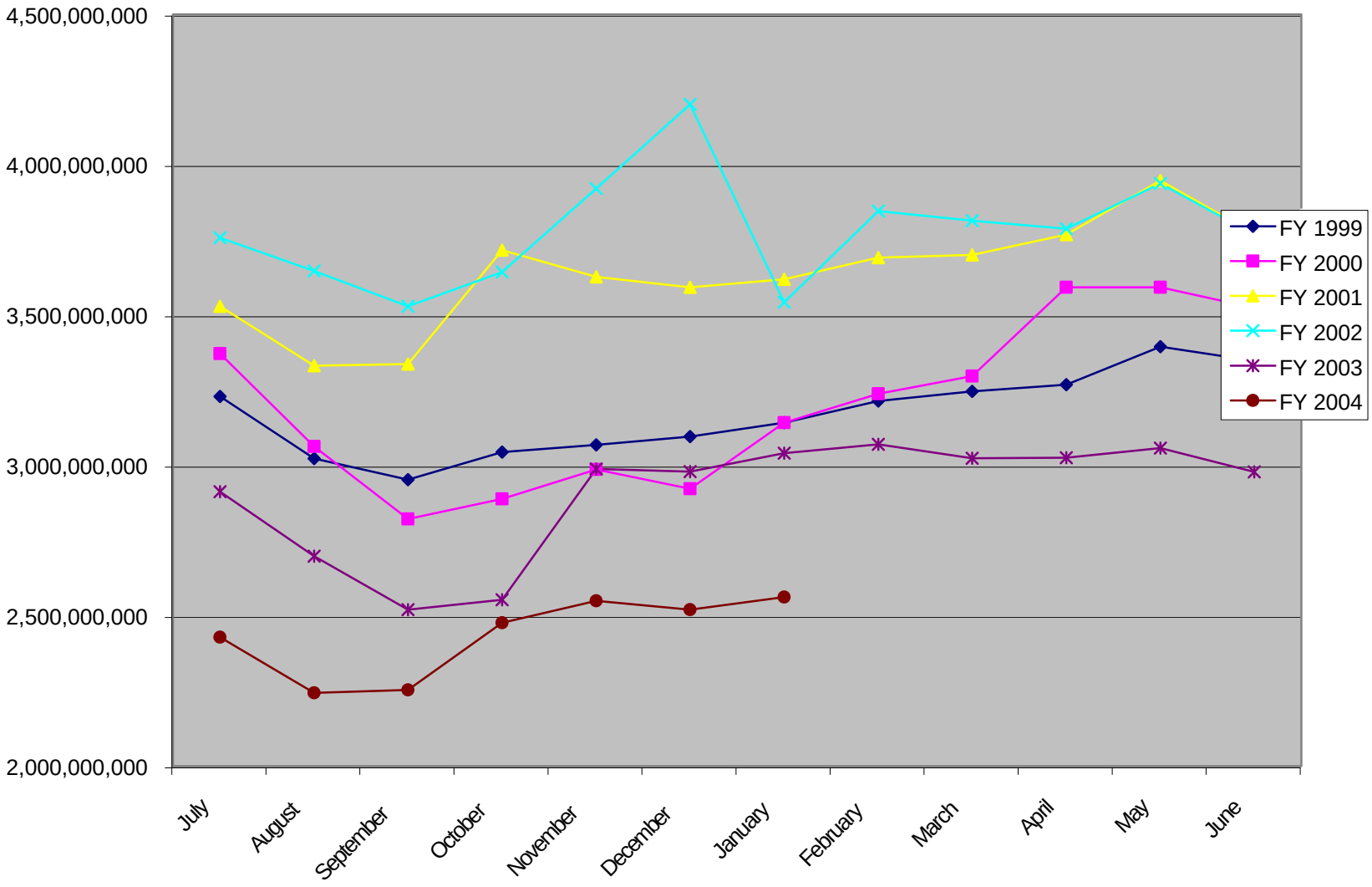
	Month		YTD	
	Actual	Budget	Actual	Budget
General Fund	-48,841	0	8,336,275	0
Capital Con.	948,574	175,000	1,783,518	1,681,250
Agency	1,191,060	398,125	2,640,883	3,691,094
T&R	277,589	169,167	615,833	1,361,667

Distribution of Investments for January

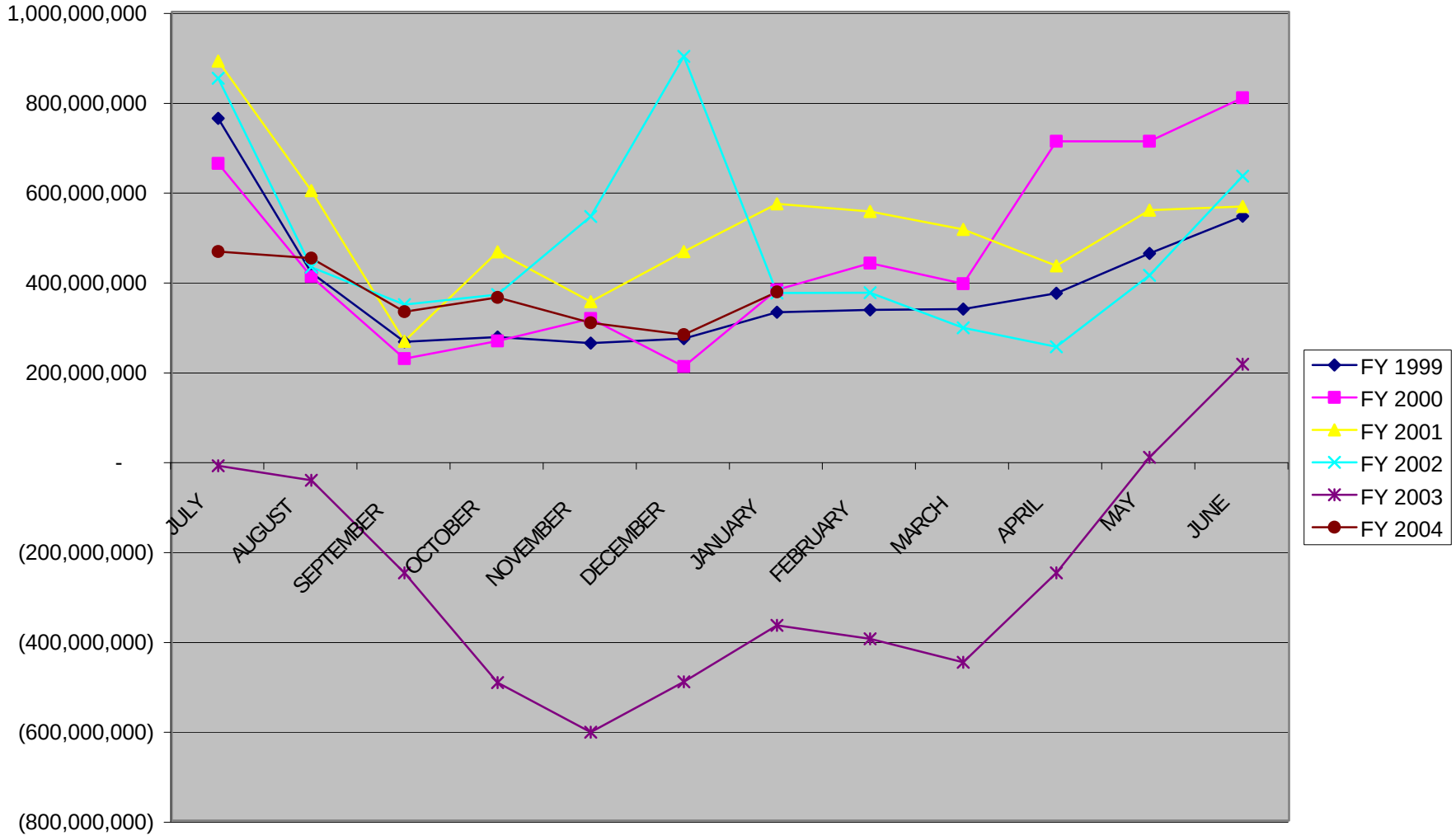


LIMITS
Corporates 25%
Mortgages 25%
Asset Backs 20%
Money Mkt. 20%

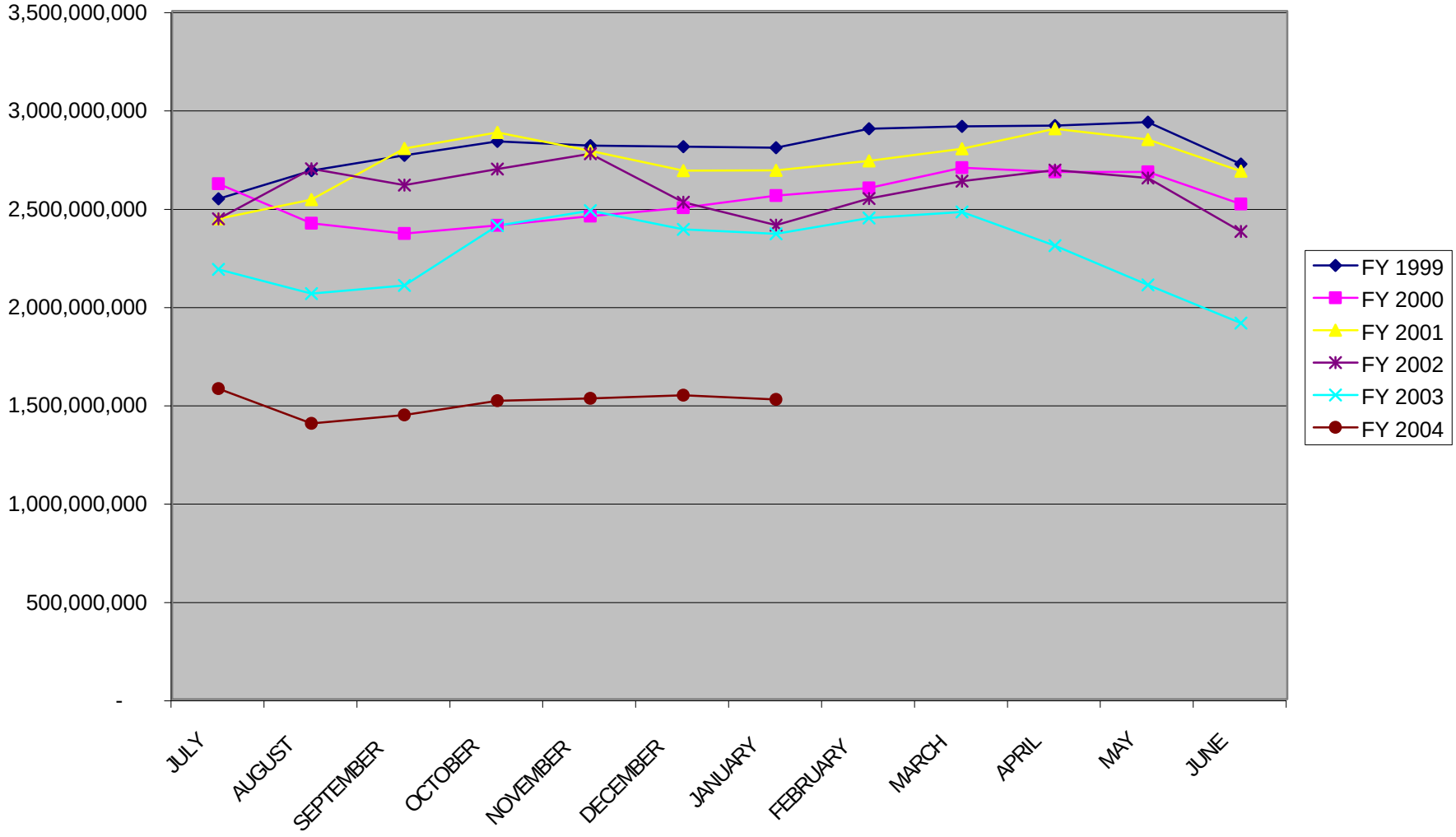
INVESTABLE BALANCES

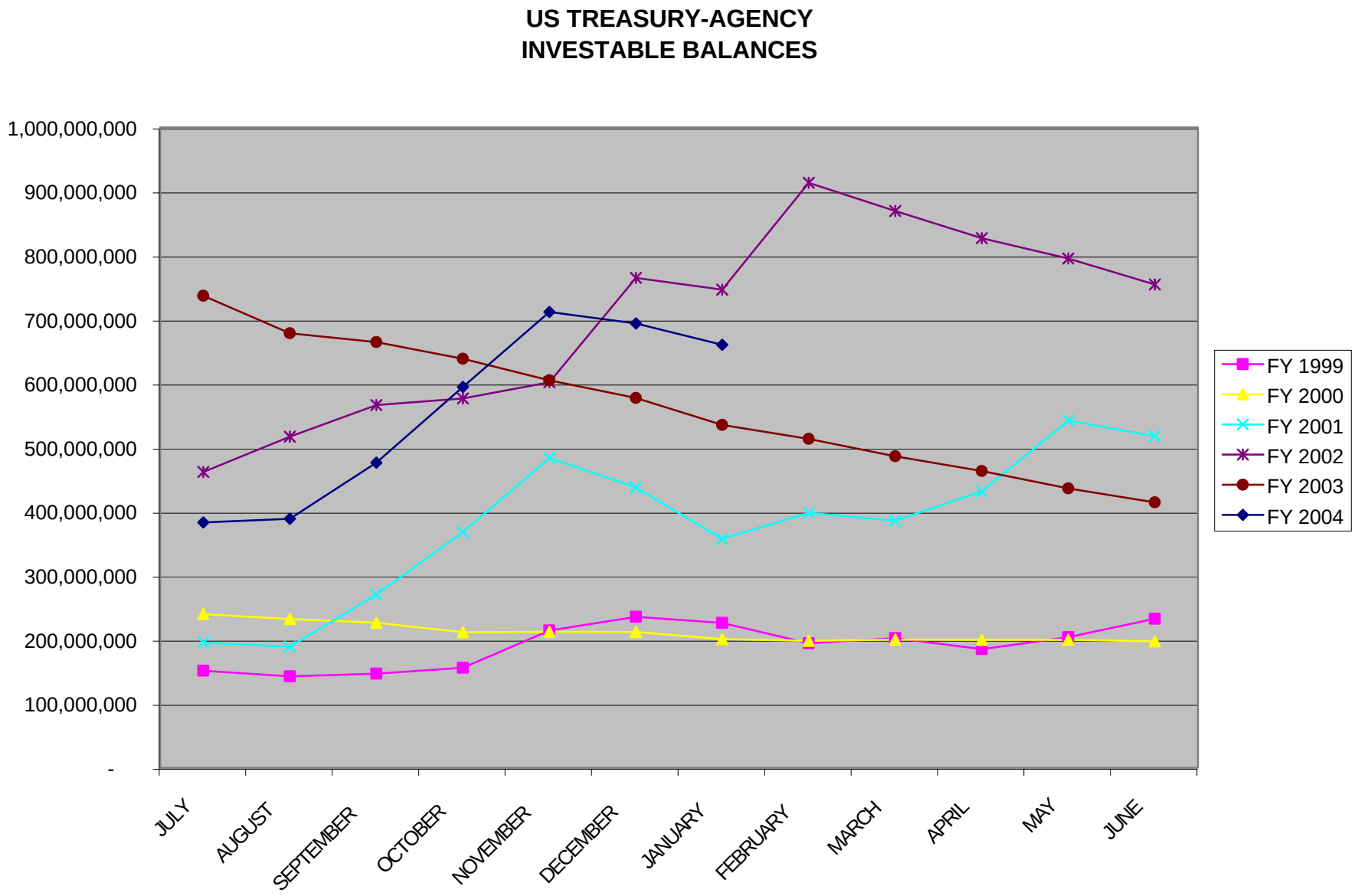


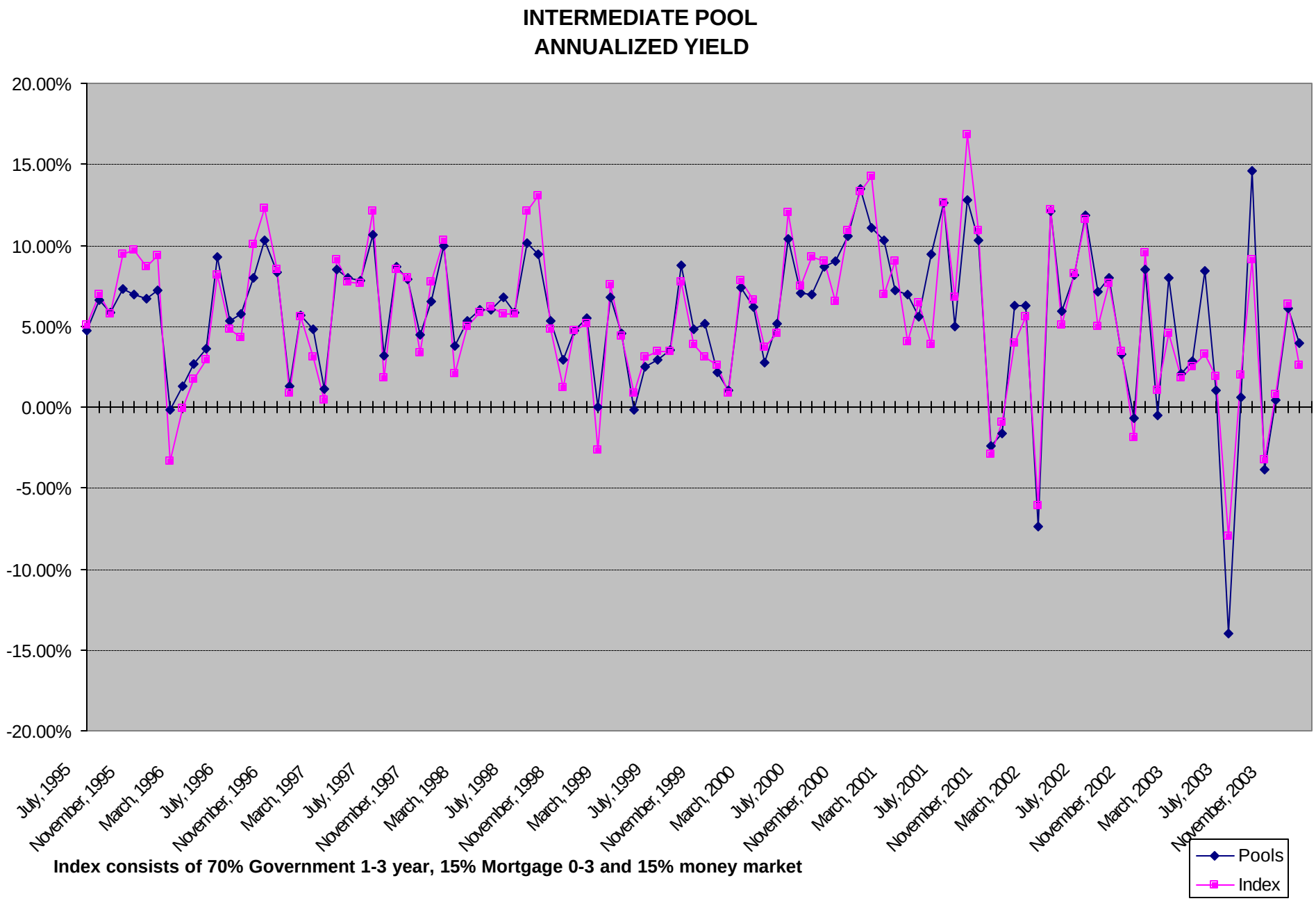
SHORT TERM POOL
INVESTABLE BALANCES



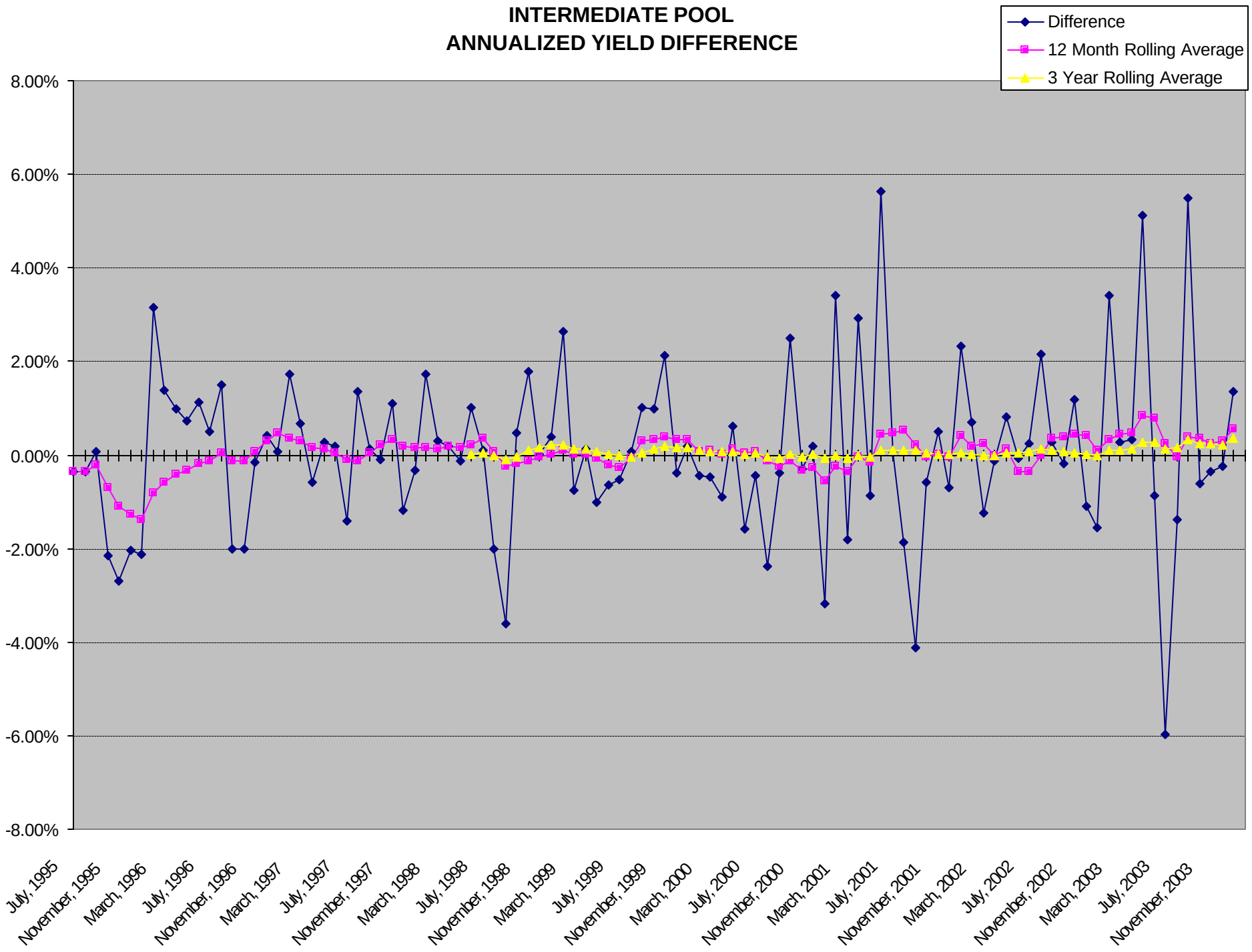
INTERMEDIATE - LONG TERM POOL
INVESTABLE BALANCES




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
November, 1995
March, 1996
July, 1996
November, 1996
March, 1997
July, 1997
November, 1997
March, 1998
July, 1998
November, 1998
March, 1999
July, 1999
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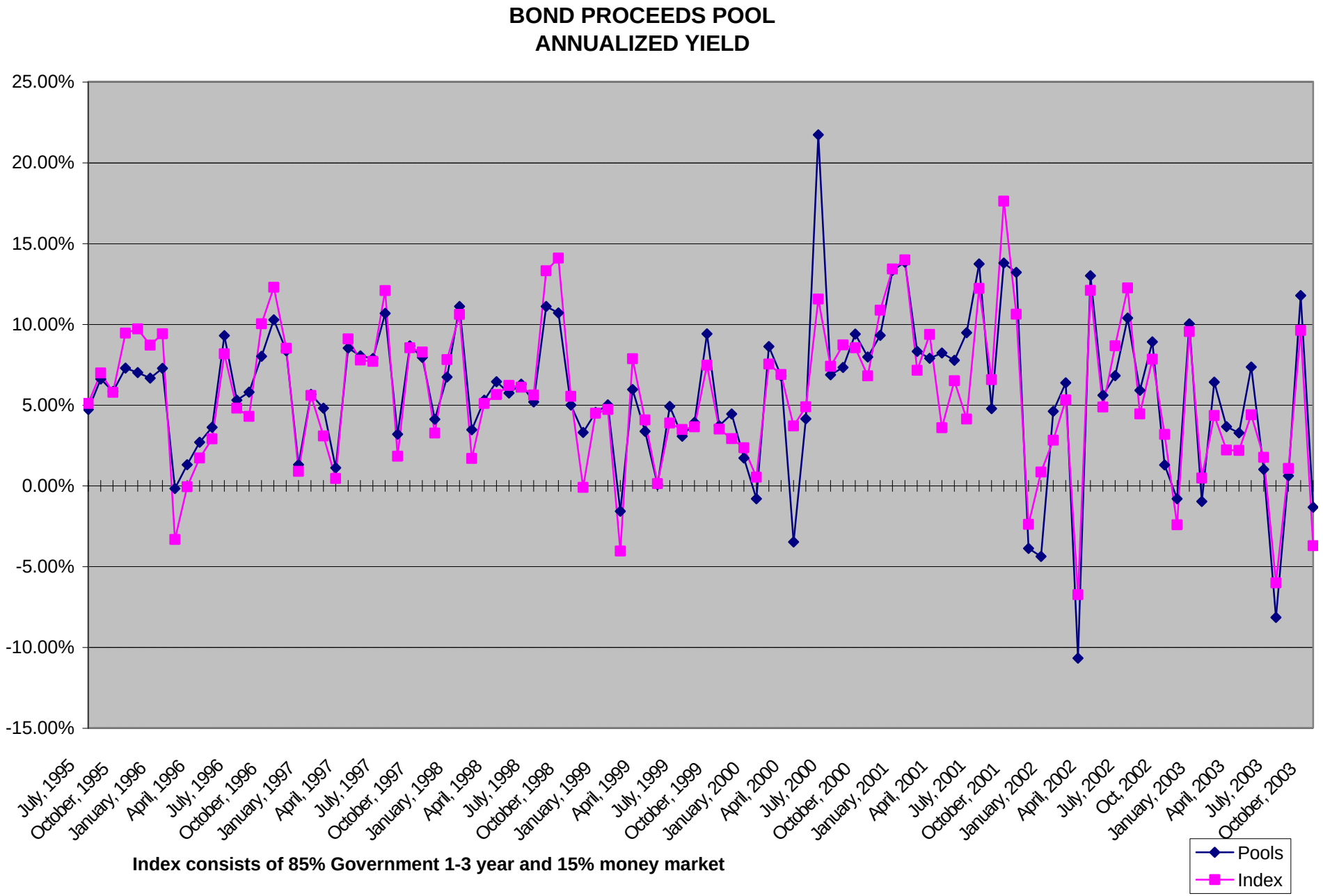
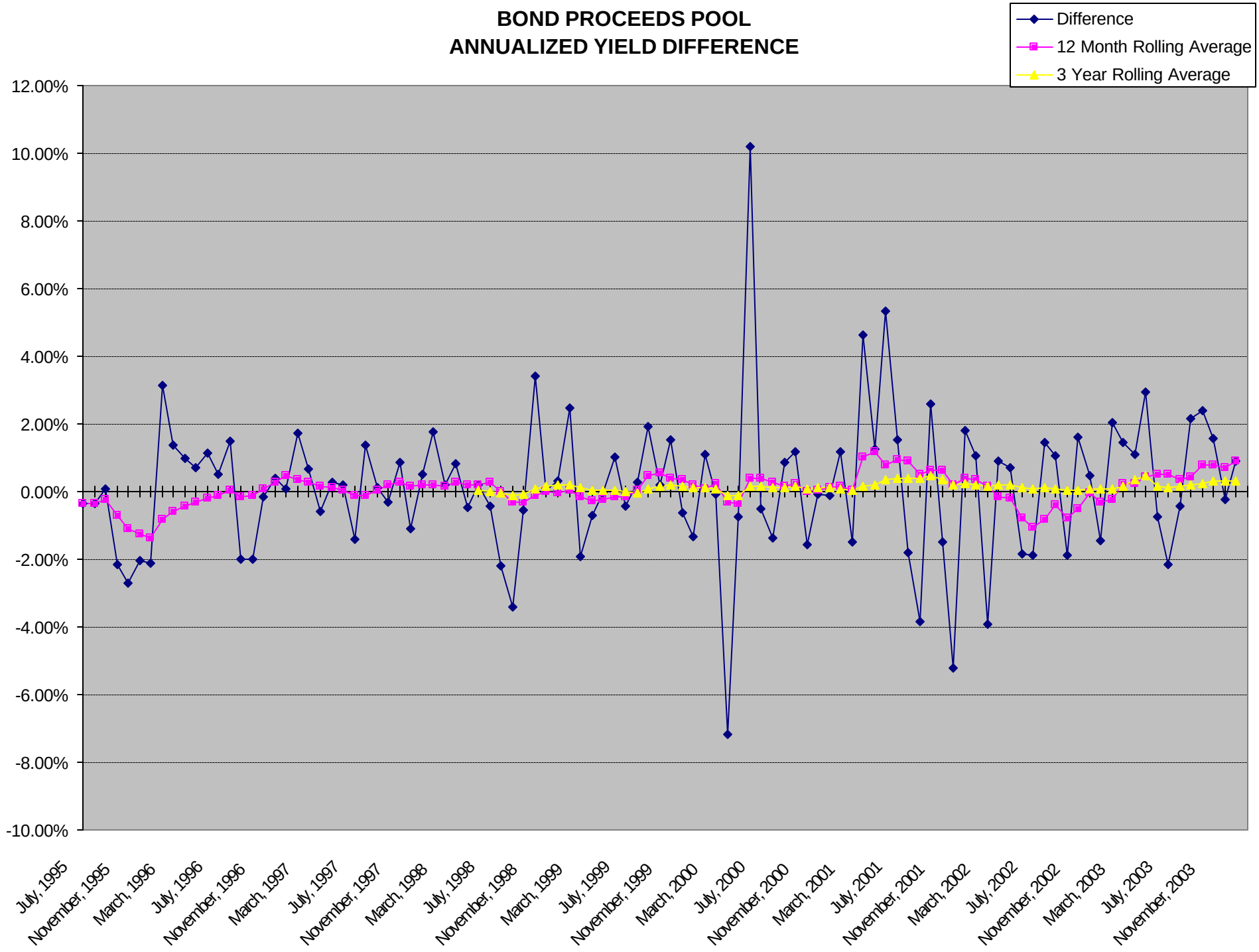
November, 2002
March, 2003
July, 2003
November, 2003



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
November, 1995
March, 1996
July, 1996
November, 1996
March, 1997
July, 1997
November, 1997
March, 1998
July, 1998
November, 1998
March, 1999
July, 1999
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July, 2003
November, 2003