



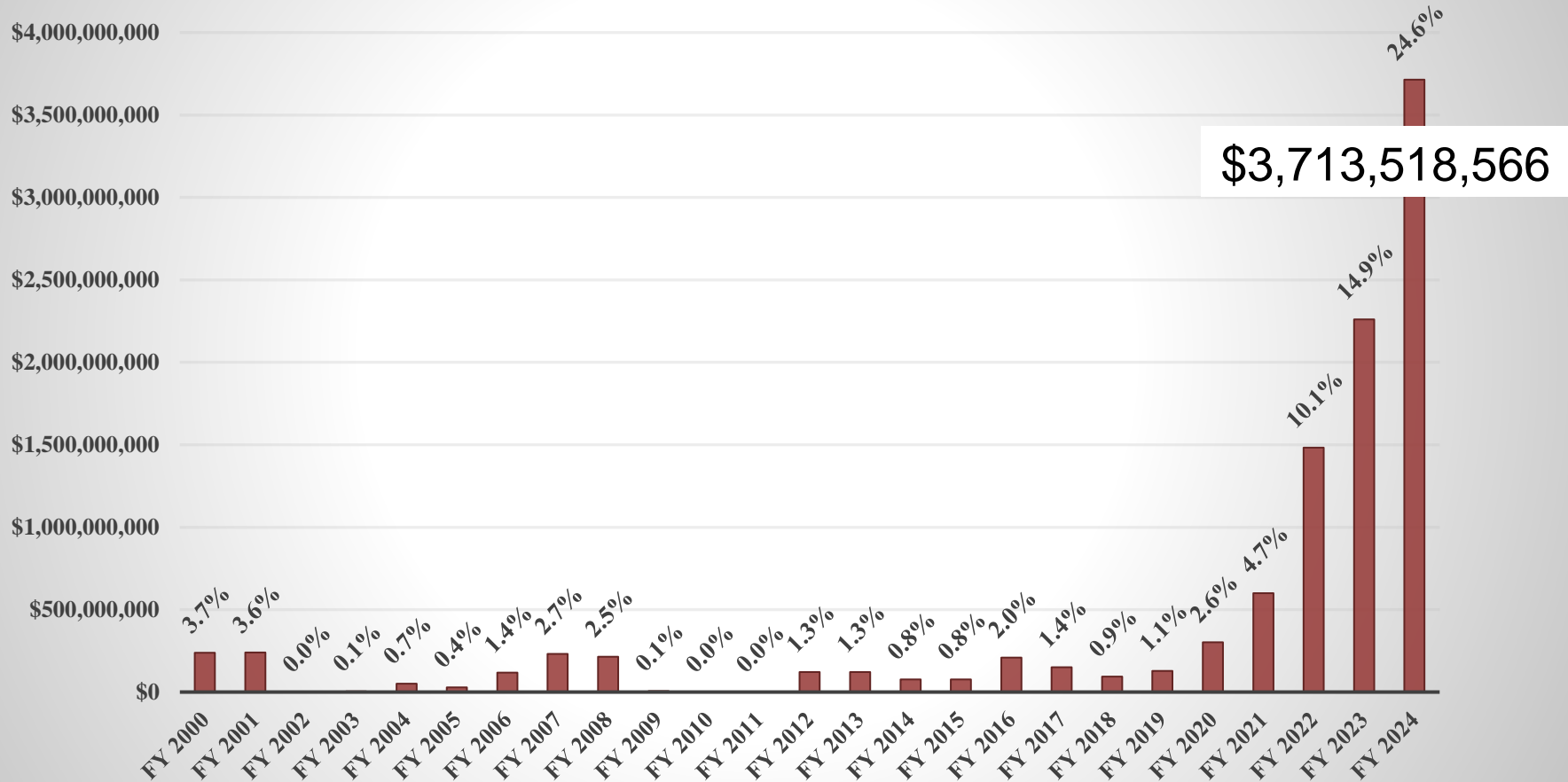
# Interim Joint Committee on Appropriations and Revenue

*08.02.23*

# Budget Reserve Trust Fund - Balance

Budget Reserve Trust Fund Balance

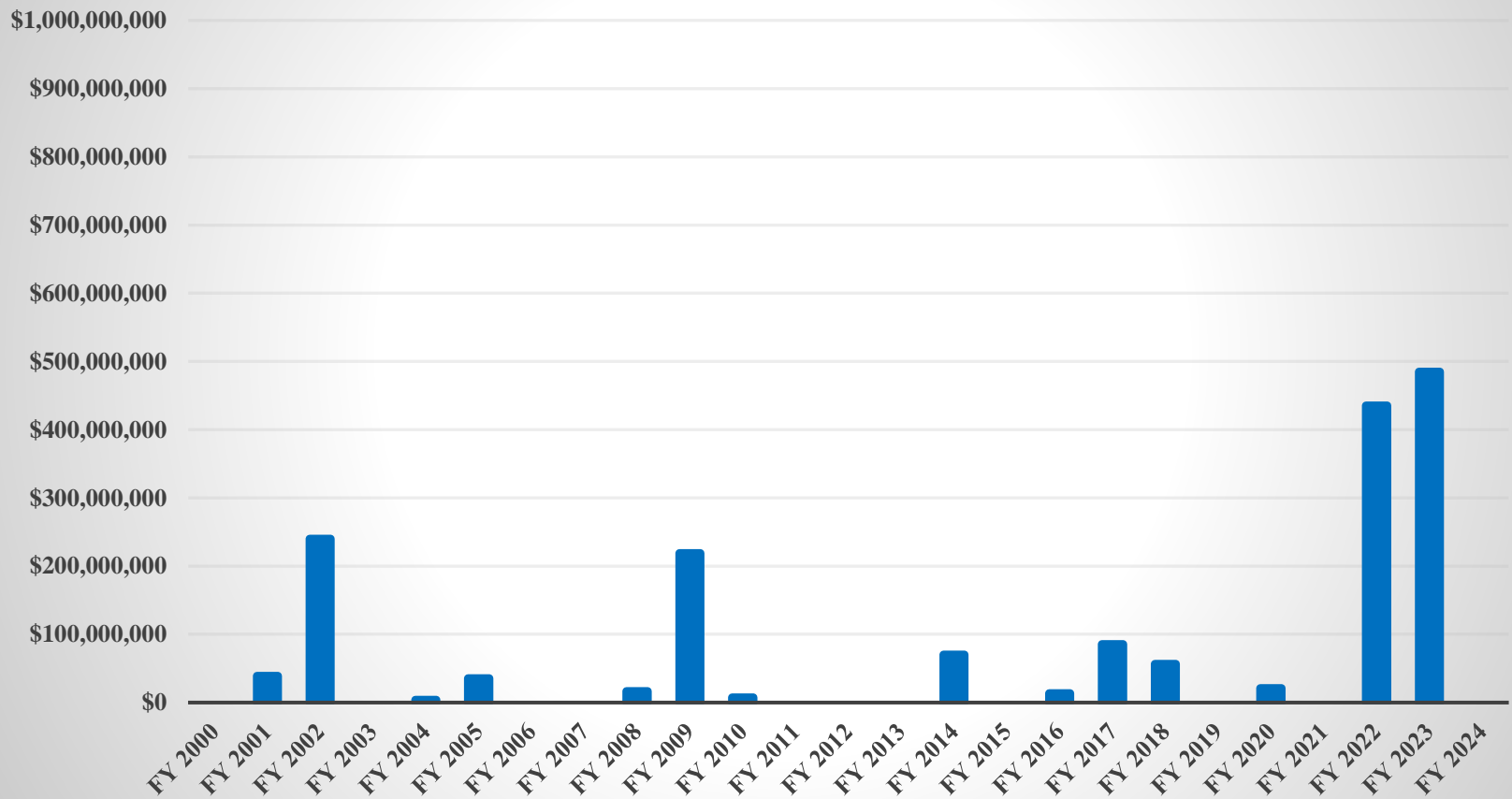
FY Balance



# Budget Reserve Trust Fund - Use

Budget Reserve Trust Fund

■ Uses of Budget Reserve Trust...



# State Investment Commission

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- Statute                      KRS 42.500
  
- Regulation                 200 KAR 14.011 Qualified Investment  
                                     200 KAR 14.081 Repurchase Agreement  
                                     200 KAR 14.091 Money Market
  
- Policy                         Investment Manual
  
- Validated                    PFM report dates March 22, 2012



*“per statute, regulation, policy and current practice”*

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# SIC - Investment Objectives

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1. Preservation of **Principal**
2. Maintain **Liquidity** to meet cash needs of 3,000+ accounts across the Commonwealth
3. Maximization of **Return**



*“Objectives focused on safety, liquidity and then return”*

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# Investment Pools

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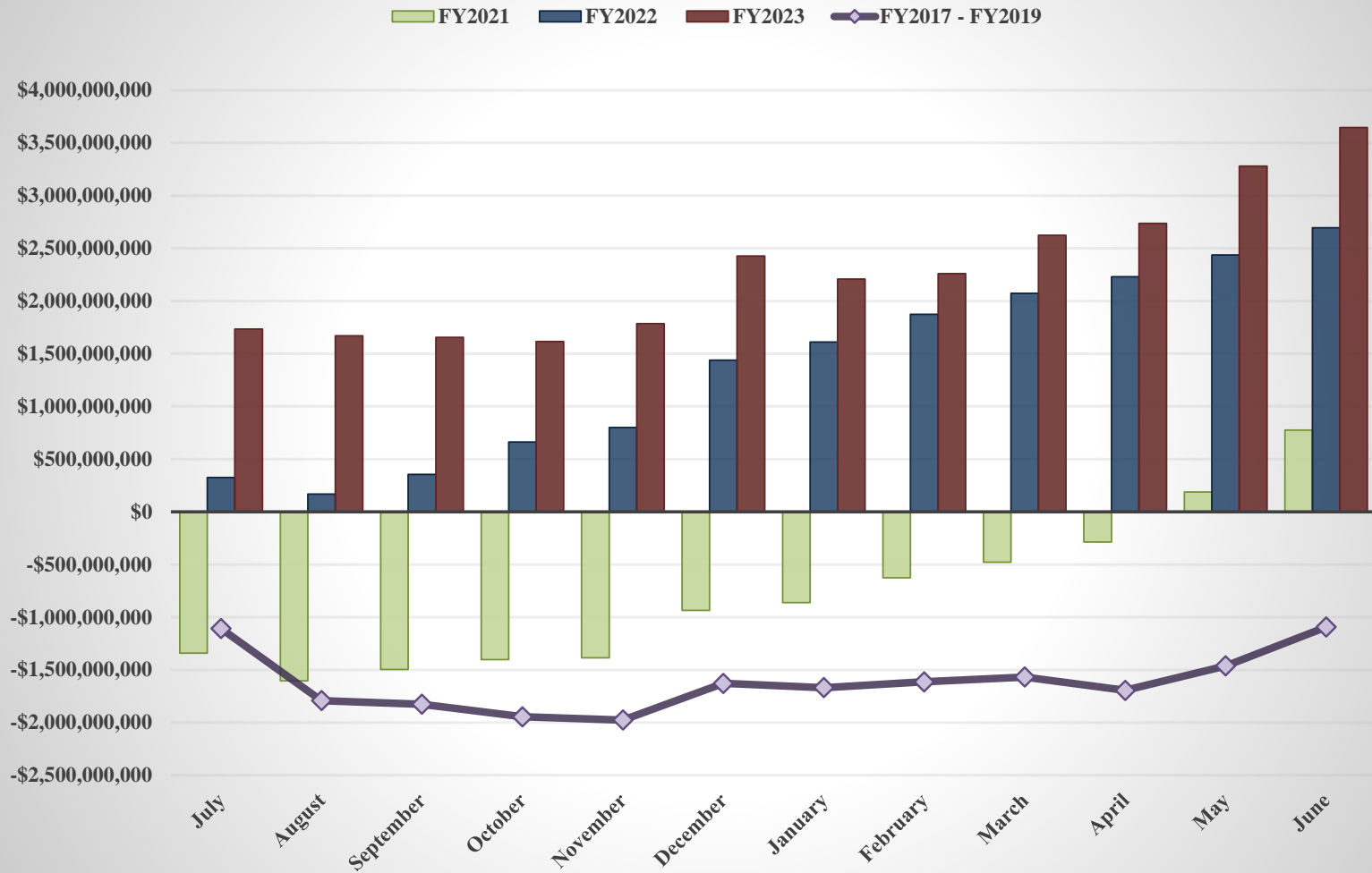
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- There are unique investment pools that operate much like mutual funds.
  - **Short Term Pool:** General Fund and related accounts only.
  - **Intermediate Term Pool:** Accounts with more than an overnight time horizon which expect higher longer term income.
  - **Limited Term Pool:** Accounts that have immediate cash needs and cannot take market risk.



# General Fund – Investable Balances

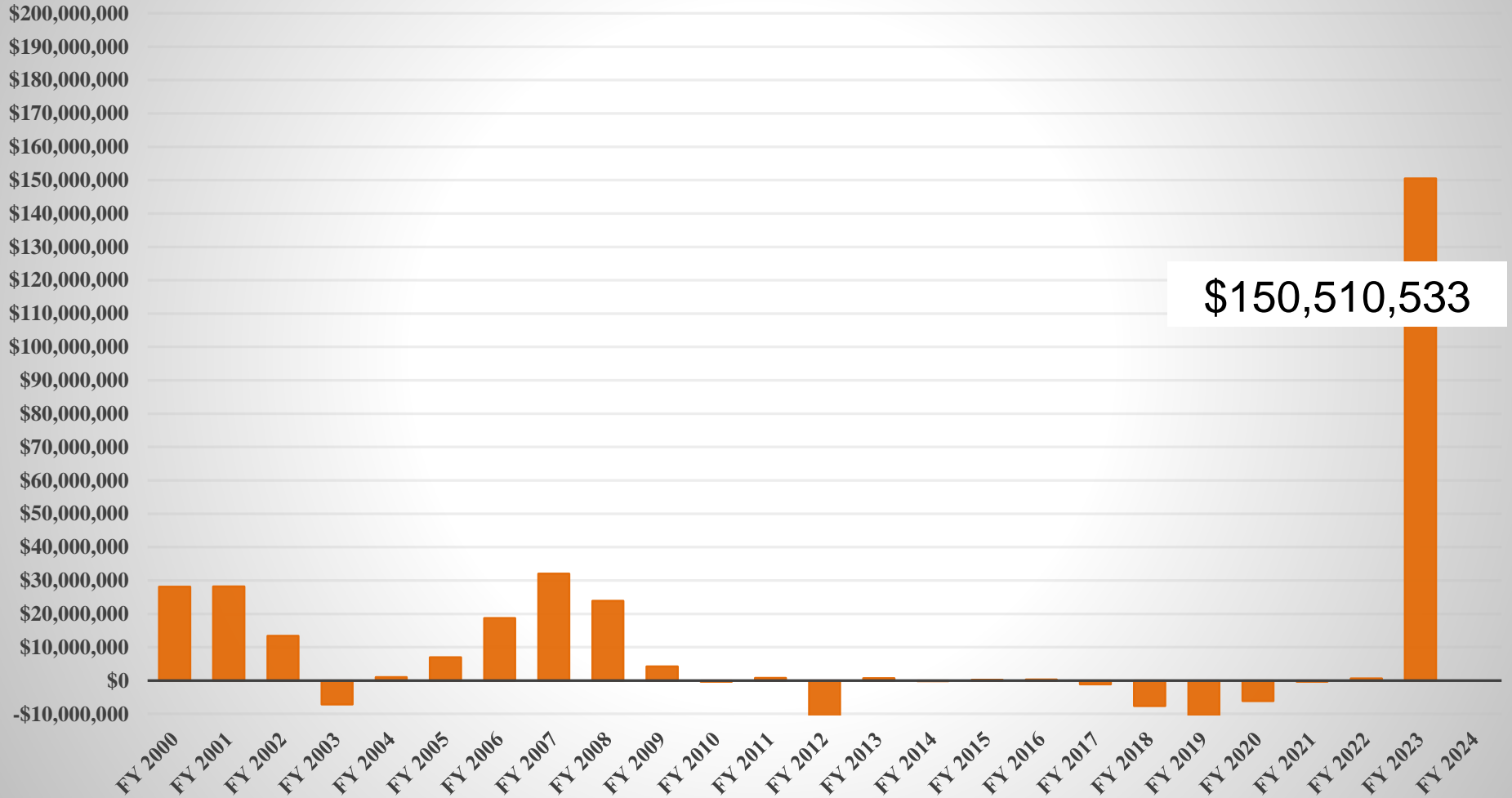
General Fund  
Average Investable Balances



# General Fund Earnings

## Investment Income

■ General Fund Interest on Investments Income





# Short Term Pool – Current Asset Class

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- **U.S. Treasuries, and Agencies**
  - Under 13 months to maturity
- **Money Market Mutual Funds**
  - No Limit
- **Repurchase Agreements**
  - Collateralized by at least 102% with U.S. Treasury, or Agency or 105% with Agency mortgage backed obligations
  - Maximum maturity is 367 days



Thank You