

Investment Overview

Presentation to

General Government, Finance, Personnel, and Public Retirement Committee

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September 2, 2026



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State Investment Commission – Investment Objectives

1. Preservation of Principal
2. Maintain Liquidity to meet cash needs of 3,500+ accounts across the Commonwealth
3. Maximization of Return

“Objectives required by 200 KAR 14:011”

Total Portfolio Investments for FY-2025-2026

YE Market Value	\$14.9 billion
<i>(ranging from high of \$16.3 billion on 7/1/25 to low of \$12.5 billion on 11/10/25)</i>	
Annual Earnings	\$521.5 million
YE Market Yield	3.75%
YE Duration	0.50 years

“From Monthly Investment Income Report June 2026”

Portfolio Investment Earnings History

	Year End Funds	Annual Earnings
2025-2026	\$14.9 billion	\$521.5 million
2024-2025	\$16.5 billion	\$700.9 million
2023-2024	\$15.2 billion	\$670.7 million
2022-2023	\$13.0 billion	\$344.5 million
2021-2022	\$11.7 billion	-\$ 65.5 million
2020-2021	\$ 9.0 billion	\$ 4.4 million

“From Monthly Investment Income Reports”

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Investment Pools

There are three investment pools that operate much like mutual funds:

Short Term Pool: \$7.0 billion

General Fund and related accounts that have immediate cash needs but can also take some market risk.

Intermediate Term Pool: \$5.1 billion

Accounts with more than an overnight time horizon which expect higher income over a longer period of time.

Limited Term Pool: \$2.8 billion

Accounts that have immediate cash needs and cannot take market risk.

“KRS 42.500 State Investment Commission – Powers”

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Pool Permitted Investments and Limits

Security Type	Percentage of Pool Limit	NRSRO Rating	Term/WAL Limit	Pool		
				Short	Intermediate	Limited
• U.S. Treasuries and Agencies	None	n/a	7 years	X	X	
• Corporate Debt	35% includes money market	1 of 3 highest	5 years	X	X	
• Money Market Securities						
- Commercial Paper		highest short term	270 days	X	X	X
- Certificate of Deposits		highest short term	270 days	X	X	X
- Bankers' Acceptance		highest short term	180 days	X	X	X
- Treasury Bills and Agency Discount Notes		n/a	1 year	X	X	X
• Repurchase Agreements	None		1 year	X	X	X
• Mortgage Backed Securities	25%	highest	4 year avg life	X	X	
• Asset Backed Securities	20%	highest	4 year avg life	X	X	
• Municipal		1 of 3 highest	5 years	X	X	
• Money Market Fund – Individual Entity Name	Pool Based		n/a	25%	10%	10%

Established in KRS 42.500

200 KAR 14:011, 14:081 and 14:091

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Website Resources

Investment Management

- Authorization
- Reports - Monthly
- Policy – Investment Manual

State Investment Commission

- Authorization
- Membership
- Reports – Approved List
- Meetings

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