

PERSONAL SERVICE CONTRACT

This **Contract** is entered into on this the 10 day of May, 2019, by and between the **KENTUCKY JUDICIAL RETIREMENT FUND**, (Agency), Commonwealth of Kentucky, hereinafter referred to as the State Agency or as the **First Party**, and **HILLIARD LYONS TRUST COMPANY, LLC**, of P. O. Box 32760, Louisville, Kentucky, Federal ID Number 35-2326302, hereinafter referred to as the Contractor or as the **Second Party**.

WHEREAS, the State Agency, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s):

Management and counsel services to the Kentucky Judicial Retirement Fund and the Kentucky Legislators Retirement Fund, within the confines of the *Investment Policy Statement* dated January 29, 2016.

WHEREAS, the State Agency has concluded that either State personnel are not available to perform said function, or it would not be feasible to utilize State personnel to perform said function; and

WHEREAS, the Second Party is available and would be qualified to perform such function; and

WHEREAS, for the hereinbefore-stated reasons, the State Agency desires to avail itself of the services of the Second Party,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. SERVICES.

The Second Party (the Contractor) will perform the services which are described with particularity as follows:

The Second Party, in accordance with the Investment Policy Statement prescribed jointly by the Investment Committees of the Kentucky Judicial Retirement Fund and

the Kentucky Legislators Retirement Fund, shall manage the investment holdings of the Kentucky Judicial Retirement Fund and the Kentucky Legislators Retirement Fund. In carrying out management functions the Second Party may make sales and purchases, but only through brokers approved by the First Party. The handling of dividend and interest receipts on managed investments shall be as prescribed by the Investment Committees. Custody provisions for managed securities shall also be as prescribed by the Investment Committees.

The Second Party will, during the continuation of this Agreement, perform the services of an investment counselor and provide advice on all investments and reinvestments of the Kentucky Judicial Retirement Fund and the Legislators Retirement Fund as has been designated by the Funds to be managed by the Second Party. Such counseling services shall include, but not necessarily be limited to, giving advice concerning the substance of the basic Guidelines and Investment Policies of the Funds, which will cover mix-ratio ranges of bonds, cash equivalents, common stock, convertibles, commercial paper and repurchase agreements; limitations on maximum positions in any industry or company, minimum positions in any industry; eligibility standards of investments including dividend histories; current yield goals; maturity limits; and ratios for bonds.

The Second Party may exercise full discretion, subject to the confines of the Investment Policy Statement of the Funds, for that portion of the Funds designated for management. The Second Party shall direct the Executive Director of the Funds to make sales and purchases, and she may effect such orders (none to be placed by the Second Party). The Executive Director will confirm the dollar amounts of all acquisitions and dispositions to the Second Party. The Second Party shall advise and recommend to the Executive Director on investment and reinvestment of U.S. Treasury Bills, Commercial Paper and Repurchase Agreements on an as-needed basis.

The Second Party shall meet with the Committees of the two Funds at regular quarterly meetings and at special called meetings.

The Second Party shall provide monthly portfolio appraisals, and quarterly investment performance evaluations.

2. CONSIDERATION.

- A. **Fee:** As fee for the services hereinbefore set forth, the State Agency agrees to pay the Contractor a fee equivalent to eight (8) basis points of the market value of the funds under management. The fee will be paid on a quarterly basis; and shall remain the same without regard to what percentage of the services constitutes managerial service. The invoice(s) for fee shall be signed and shall include a narrative statement of the services performed during the quarter, and the market value of the funds applied to the formula.

B. **Travel Expenses:** none.

C. **Other Expenses:** none.

D. **Maximum for Fee and Expenses:** not applicable.

3. INVOICING.

A. **Invoicing for Fee:** The Contractor's fee shall be original invoice(s) and shall be signed by the Contractor. The invoice(s) must conform to the method prescribed under Section (2), Consideration, Paragraph A.

B. **Invoicing for Travel Expenses:** Not applicable.

C. **Invoicing for Miscellaneous Expenses:** Not applicable.

4. SIGNIFICANT CONTRACT DATES.

A. **Dates to be Performed:** The period within the fiscal year in which the services are to be performed under the contract is from **July 1, 2019 to June 30, 2020**. Upon expiration of the contract period, and upon agreement between the parties hereto, this contract may be extended for **two one-year periods** in accordance with this contract's terms and conditions.

B. **Earliest Date of Payment:** No quarterly payment on this contract shall be made before completion of the services.

5. SECURITY POLICIES.

Contractor shall implement, maintain and update security and breach investigation procedures that are appropriate to the nature of the information disclosed, that are at least as stringent as security and breach investigation practices of the Executive Branch of Kentucky state government and in accordance with policies established by the Commonwealth Office of Technology. [KRS 61.932 and 61.934]

6. SOCIAL SECURITY

The Parties are cognizant that the State is **not** liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Second Party for this contract.

7. CANCELLATION.

The State Agency shall have the right to terminate and cancel this agreement at any time upon written notice served on the Contractor by registered or certified mail.

8. PURCHASING AND SPECIFICATIONS.

This Contractor certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and Paragraph 8, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation or other organization is involved, then "he" is construed to mean any person with an interest therein.

9. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES.

By his signature, the Contractor certifies that he is legally entitled to enter into this contract with the Kentucky Judicial Retirement Fund, and by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the Executive Branch Code of Ethics, relating to the employment of former public servants.

10. CHOICE OF LAW AND FORUM PROVISION.

The laws of the Commonwealth of Kentucky shall govern all questions as to the execution, validity, interpretation, construction and performance of this Agreement. Furthermore, the parties hereto agree that any legal action, which is brought on the basis of this Agreement, shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

11. DISCRIMINATION (BECAUSE OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, SEX, AGE, OR DISABILITY) PROHIBITED.

During the performance of this contract, the Contractor will adhere to the following provisions of its Employee Resource Guide:

Hilliard Lyons is an Equal Opportunity employer. We do not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, veteran status, pregnancy, sexual orientation, ancestry, disability or any other characteristic protected by law. This policy extends to recruitment, employment, promotion,

demotion, transfer, layoff, termination, compensation, training, benefits and all other conditions of employment. Hilliard Lyons is not subject to EO 11246. Although Hilliard Lyons does not comply with the technical reporting requirements of EO 11246, it conducts all its employment activities in the spirit of affirmatively achieving and maintaining diversity within the company.

FIRST PARTY

KENTUCKY JUDICIAL RETIREMENT FUND

By SF Leharin Chairman
Date: May 10, 2019

SECOND PARTY

HILLIARD LYONS TRUST COMPANY, LLC

By Ronald L. Aspell President
Date: May 10, 2019