



# JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JANUARY 22, 2020

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## AGENDA

### **BOARD OF TRUSTEES, Judicial Form Retirement System INVESTMENT COMMITTEES, Judicial and Legislators Retirement Funds**

**January 22, 2021– 10:00 a.m. EST**

**Administrative Office of the Courts, Meeting Room B  
AND  
Video Conference using Microsoft Teams**

- I. Call to Order.
  
- II. Adoption of the *Minutes* of the October 23, 2020, November 2, 2020, November 13, 2020 and December 29, 2020 Meetings.
  
- III. Investment Related Matters.
  - A. Presentation by Lexington Investment Company.
  - B. Presentation by Hilliard Lyons Trust Company.
  
- V. Administrative Reports by Executive Director
  - A. Public Pension Oversight Board
  - B. 2021-2022 Personal Service Contracts
  - C. 2021 Regular Session of the General Assembly
  - D. JFRS Administration
  - E. JFRS Personnel Update
  - F. Financial Disclosure Statements
  - G. Actuarial and Audit Reports
  
- VI. April 23, 2021 Meeting.

**Public Notice: Please note attendance is limited due to COVID restriction and social distancing requirements. Please contact JFRS at (502) 564-5310 if planning to attend meeting or to request a link to meeting virtually**

## **Item II – Adoption of Minutes**

- October 23, 2020
- November 2, 2020
- November 13, 2020
- December 29, 2020

MINUTES OF THE JOINT MEETING  
OF THE BOARD OF TRUSTEES OF  
THE KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM,  
THE INVESTMENT COMMITTEE FOR THE  
KENTUCKY JUDICIAL RETIREMENT FUND,  
AND THE INVESTMENT COMMITTEE FOR THE  
KENTUCKY LEGISLATORS RETIREMENT FUND

**October 23, 2020**

The Board of Trustees of the Kentucky Judicial Form Retirement System (JFRS), the Investment Committee for the Kentucky Judicial Retirement Fund, and the Investment Committee for the Kentucky Legislators Retirement Fund, convened at the Administrative Office of the Courts, 1001 Vandelay Drive, Frankfort, Kentucky 40601 and via Video-Conference utilizing Microsoft Teams on Friday, October 23, 2020, at 10:00 a.m. All Board members were in attendance. Rebecca Stephens, Interim Executive Director, participated in person, while Mr. Don Asfahl, Mr. Tom Watkins, and Mr. Andy Means of Hilliard Lyons attended via video-conference. Ms. Debbie Smith of MCM, Mr. Wesley Wickenheiser and Mr. Matthew Widick of Findley, Inc. also participated by video-conference.

Chairman Grise called the meeting to order at 10:05 a.m.

The trustees considered the adoption of the previously distributed *Minutes* of the July 31, 2020 meeting. Upon motion by Mr. Stephen LeLaurin, second by Judge Douglas George, the Board unanimously approved the *Minutes* of the July 31 meeting.

Chairman Grise recognized the absence of Mr. Stan Kerrick with the Lexington Investment Company. Ms. Stephens previously distributed electronic copies of *Lexington Investments' Kentucky Judicial & Legislators Retirement Funds* dated September 30, 2020.

Chairman Grise recognized the representatives of Hilliard Lyons Trust Company. Ms. Stephens previously distributed copies of Hilliard Lyons' *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated October 23, 2020. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. Watkins began Hilliard's Market Commentary presentation by reviewing his article, "Politics and Investing Don't Mix Well."

Mr. Asfahl reminded the Board that the Systems' portfolios were structured with tough times in mind. He reviewed the investment activity for the Judicial Retirement Defined Benefit and Hybrid Cash Balance accounts and the Legislators Retirement Defined Benefit and Hybrid

Cash Balance accounts through September 30, 2020. His review included asset allocation, top equity performers, largest holdings, fixed income, yield and additions.

Mr. Asfahl advised that Hilliard Lyons is pleased with the balance of the Systems' portfolio. The stocks have great recovery potential and the balance has served and will serve the Systems well. He reminded the Board that as the Hybrid Cash Balance Plans grow larger, a more diversified portfolio will be considered.

Mr. Asfahl concluded his presentation by reminding the trustees that equities cannot exceed 80% of each Fund's portfolio and when an individual position exceeds 8%, the *Investment Policy Statement* grants discretion to Hilliard Lyons to make changes. He advised that when a position does reach 8%, they don't immediately sell to get below 8%, but instead wait until the position is meaningfully above 8% and for a consistent period of time.

Mr. Asfahl, Mr. Andrew Means, and Mr. Tom Watkins departed the video-conference at 11:25.

Chairman Grise introduced Ms. Debbie Smith, CPA and Assurance Partner with MCM. Ms. Smith made a presentation to the Board advising of MCM's Independent Auditor's Report for the 2019 and 2020 Financial Statements of each Plan. Ms. Smith confirmed the financial statements were fairly presented and reviewed the following: Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Notes to the Financial Statements, Required Supplementary Information, and Required Compliance Reporting.

Ms. Smith also reviewed the *2020 Auditor's Communication* dated June 30, 2020, which Ms. Stephens had electronically distributed to the Board prior to the meeting. Ms. Smith departed the meeting at 11:50.

The meeting recessed for lunch at 11:50 and reconvened at 12:05 p.m.

For the next agenda item, Chairman Grise recognized Mr. Wesley Wickenheiser and Mr. Matthew Widick of Findley, Inc., the Systems' Actuary. Mr. Wickenheiser presented an actuarial update in which he discussed the valuation process, the current actuarial assumptions and methods, a review of the 2019-2020 GASB results, and a review of the 2019 Valuation results.

Next, Mr. Wickenheiser and Mr. Widick presented System's *Pension Plan Experience Study*. The Study was performed based on plan experience from 2013 through 2019. Demographic and Economic assumptions were reviewed. General Considerations were given to factors influencing retirement behavior and the trend that more employees are working beyond age 65. An overview of the current assumptions, observations, and recommendations was presented.

Mr. Wickenheiser and Mr. Widick departed the meeting at 1:45 p.m.

Chairman Grise recognized Ms. Rebecca Stephens to provide reports as follows:

*Public Pension Oversight Board (PPOB).*

Ms. Stephens gave a summary of the PPOB meetings since the last JFRS meeting.

**August 24, 2020.** The presentation of each state-supported retirement system/plan included an actuarial and financial update. JFRS' PowerPoint presentation was presented by Ms. Stephens. She and Mr. LeLaurin attended the meeting virtually. TRS's and KRS's presentations included fund stress testing. Kentucky Deferred Compensation Authority also provided an update.

**September 22, 2020.** TRS's presentation from August 24, 2020, was continued; the Community Mental Health Centers provided a presentation; KRS and TRS gave a joint presentation concerning an LRC *Study Topic from 2019 Annual Report* with regards to allocation of health premium subsidy costs for retirees with service in multiple retirement systems.

*Legislation Pre-filed for 2021 General Assembly.*

Ms. Stephens reported that **Bill Request 17** was pre-filed on October 7, 2020, by sponsor Rep. Jerry Miller to amend KRS 6.350 to establish additional standards and requirements for the completion of the actuarial analysis required for bills pertaining to state-administered retirement systems, including a projection of costs/savings over a 30-year period rather than 20 years. Ms. Stephens reminded the Board this was similar to **Bill Request 149** pre-filed bill by Rep. Joe Graviss on July 14, 2020. **Bill Request 260** was pre-filed by sponsor Rep. Laferty on October 6, 2020, to increase the pension income exclusion from \$31,110 to \$41,100.

*Fiduciary Liability Insurance.*

Ms. Stephens advised that the System's policy for fiduciary liability insurance was renewed effective October 1, 2020 at a premium of \$49,316.25.

The next agenda item was Executive Session. A motion was made by Judge Douglas George and seconded by Rep. Brad Montell to go into Executive Session for the purpose of considering a permanent Executive Director of JFRS.

A motion was made by Mr. A.C. Donahue and seconded by Mr. Stephen LeLaurin to return to open session. No action was taken during the closed session.

The trustees tentatively scheduled its 2021 quarterly meetings. The trustees will meet next January 22, and thereafter on April 23, July 23, and October 22.

There being no further business, the meeting adjourned at 3:00 p.m.

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Judge John R. Grise, Chairman  
Judicial Form Retirement System Board of Trustees

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Stephen F. LeLaurin, Chairman  
Judicial Retirement Fund Investment Committee

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Joe R. Bowen, Chairman  
Legislators Retirement Fund Investment Committee

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Rebecca Stephens, Interim Executive Director

MINUTES OF THE SPECIAL CALLED MEETING  
OF THE BOARD OF TRUSTEES OF  
THE KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM  
VIA MICROSOFT TEAMS VIDEO CONFERENCE

**November 2, 2020**  
**8:30 A.M.**

The Board of Trustees of the Kentucky Judicial Form Retirement System convened via video-conference utilizing Microsoft Teams on Monday, November 2, 2020, at 8:30 a.m. All Board members participated with the exception of Judge Tom Jensen. Rebecca Stephens, Interim Executive Director, also participated.

Chairman Grise called the meeting to order at 8:45 a.m.

Upon motion by Justice Dan Venters, second by Mr. A.C. Donahue, the Board unanimously agreed to go into Executive Session for the purpose of discussing the appointment of a permanent Executive Director of JFRS.

Upon motion by Judge Douglas George, second by Mr. Stephen LeLaurin, the Board unanimously agreed to come out of Executive Session.

No action was taken in Executive Session.

There being no further business, the meeting adjourned at 9:15 a.m.

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Judge John R. Grise, Chairman  
Judicial Form Retirement System Board of Trustees

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Rebecca Stephens, Interim Executive Director

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MINUTES OF THE SPECIAL CALLED MEETING  
OF THE BOARD OF TRUSTEES OF  
THE KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM  
VIA MICROSOFT TEAMS VIDEO CONFERENCE

**November 13, 2020**  
**12:00 p.m. ET**

The Board of Trustees of the Kentucky Judicial Form Retirement System convened via video-conference utilizing Microsoft Teams on Friday, November 13, 2020, at 12:00. All Board members participated with the exception of Judge Tom Jensen and Rep. Brad Montell. Rebecca Stephens, Interim Executive Director, also participated.

Chairman Grise called the meeting to order at 12:02 p.m.

Upon motion by Mr. Stephen LeLaurin, seconded by Judge Douglas George, the Board unanimously agreed to go into Executive Session for the purpose of discussing the appointment of a permanent Executive Director of JFRS.

Upon motion by Judge Douglas George, seconded by Mr. Stephen LeLaurin, the Board unanimously agreed to come out of Executive Session.

No action was taken in Executive Session.

Upon motion by Sen. Joe Bowen, seconded by Mr. A.C. Donahue, the Board unanimously authorized Chairman Grise to appoint Carlos “Bo” Cracraft as the Executive Director of JFRS effective 12/1/2020 at a starting salary of \$100,000 per year, paid semi-monthly on the 15<sup>th</sup> and the 30<sup>th</sup> of each month for a 37.5 weekly work schedule. The Board of Trustees will conduct a review of Mr. Cracraft’s salary at the quarterly meetings tentatively scheduled for July 23, 2021 and January 21, 2022.

There being no further business, the meeting adjourned at 12:30 p.m.

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Judge John R. Grise, Chairman  
Judicial Form Retirement System Board of Trustees

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Rebecca Stephens, Interim Executive Director

MINUTES OF THE SPECIAL CALLED MEETING  
OF THE BOARD OF TRUSTEES OF  
THE KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM  
VIA MICROSOFT TEAMS VIDEO CONFERENCE

**December 29, 2020**  
**3:30 p.m. ET**

The Board of Trustees of the Kentucky Judicial Form Retirement System convened via video-conference utilizing Microsoft Teams on Tuesday, December 29, 2020, at 3:30 PM. All Board members participated with the exception of Judge Tom Jensen and Senator Joe Bowen. Bo Cracraft, Executive Director, also participated.

Chairman Grise called the meeting to order at 3:34 p.m.

Chairman Grise recognized Mr. Cracraft, who reported on administrative matters. The trustees discussed the items and took action as noted.

(A) 2021 Legislative Update: Mr. Cracraft provided a summary of bills that had been prefiled for the 2021 Regular Session impacting the system or its membership, highlighting the following proposal:

- **BR 279** would close the Judicial Retirement Plan (JRP) and Legislative Retirement Plan (LRP) to new members, while also proposing changes to existing members in both the Hybrid Cash Balance plans and the LRP defined benefit plan. The trustees discussed the impacts of the proposal and voiced concern the changes included would have a negative impact on several members.

Mr. A.C. Donahue made a motion and was seconded by Representative Brad Montell directing Mr. Cracraft to draft a letter on behalf of the board in response to BR 279 to oppose the legislation and express their concerns. The motion passed unanimously.

(B) Personnel Update: Mr. Cracraft provided a summary of job duties and primary tasks for a proposed part-time position, titled Administrative Assistant to the Director that he was requesting the board approve. This part-time position would support the Executive Director and assist with member benefit administration. He noted a temporary employment contract with Rebecca Stephens, who had graciously served as Interim Executive Director since April, was set to expire in January.

A motion was made by Mr. Stephen LeLaurin and seconded by Justice Daniel Venters to go into Executive Session for the purpose of discussing personnel and confidential member information of an employee. The motion passed unanimously.

A motion was made by Mr. Stephen LeLaurin and seconded by Justice Daniel Venters to return to open session. The motion passed unanimously. No action was taken during the closed session.

Justice Daniel Venters made a motion and was seconded by Mr. Stephen LeLaurin to create a part-time position, titled Assistant to the Director, at a rate not to exceed \$60 per hour and not to exceed 100 hours per month. The motion passed unanimously.

Mr. A.C. Donahue made a motion and was seconded by Representative Brad Montell to offer Rebecca Stephens a part-time position, titled Assistant to the Director, at a rate of \$60 per hour and not to exceed 100 hours per month. The motion passed unanimously. Chairman Grise stated the expectation for the part-time position would be 20 hours per week.

There being no further business, the meeting adjourned at 4:50 p.m.

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Judge John R. Grise, Chairman  
Judicial Form Retirement System Board of Trustees

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Bo Cracraft, Executive Director

## **Item III – Investment Related Matters**

### **A. Lexington Investment Company**

# LEXINGTON INVESTMENTS LLC

## KENTUCKY JUDICIAL & LEGISLATORS RETIREMENT FUNDS

As of December 31, 2020

### JUDICIAL

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### COMPLIANCE STATEMENT

As of December 31, 2020 equity allocations for the Judicial Fund (77.9%) and Legislator's Fund (77.8%) were within the guidelines established by the Board on October 25, 2019, and more than 50% of each fund's equity positions have paid dividends for at least five consecutive years.

Individual equity market values exceeding 8% of total equity market values were:

Judicial Fund: None

Legislators Fund: None

The Executive Director is notified by the Investment Manager for each Fund at the time any individual equity value exceeds 8% of the fund's total equity market value.

January 22, 2021

2365 Harrodsburg Road • Ste. B120 • Lexington, Kentucky 40504

(859) 224-7073 • (800) 264-7073

Lexington Investments LLC is a branch office of and securities are offered through Sunbelt Securities, Inc. Member FINRA & SIPC. Advisory services are offered through Sunbelt Securities, Inc., an SEC Registered Investment Adviser. Lexington Investments LLC and Sunbelt Securities, Inc. are unaffiliated companies.

## Performance Analysis

## KENTUCKY JUDICIAL

<u>Total Portfolio</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	11.61	20.56	16.03	13.24	12.68	12.50
Total Portfolio Target 70%--30%	8.65	15.84	14.81	11.49	12.22	11.52
<u>EQUITIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	15.22	26.99	19.22	16.20	15.91	16.12
S&P 500 TOTAL RETURN	12.15	22.16	18.40	14.18	15.22	13.88
<u>CORPORATES &amp; AGENCIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	0.78	1.34	5.70	4.48	3.52	3.02
BARCLAYS INTER GOVT/CREDIT	0.48	1.10	6.43	4.67	3.64	3.11
<u>CASH AND CASH EQUIVALENTS</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	(0.01)	0.01	0.39	1.82	1.37	..
BARCLAYS 3 MO.TSY BILL INDEX	0.02	0.05	0.38	1.50	1.16	..

Returns for periods exceeding 12 months are annualized  
All returns net of fees

## Portfolio Statement

As of 12/31/2020

## KENTUCKY JUDICIAL

Weight	Description	Quantity	Trade Date	Unit Cost	Cost Basis	Current Price	Current Value	Unrealized Gain (Loss)	% G/L	Annual Income	Current Yield	Modified Duration Market
<b>EQUITIES</b>												
Equities												
3.9%	ALPHABET INC-	11,395	03/31/2015	550.23	6,269,920.32	1,751.88	19,962,672.60	13,692,752.28	218.4	0.00	0.00%	
5.3%	APPLE COMPUT	207,000	04/25/2013	19.30	3,994,856.00	132.69	27,466,830.00	23,471,974.00	587.6	169,740.00	0.62%	
1.3%	BANKAMERICA C	226,500	08/28/2019	26.92	6,096,707.19	30.31	6,865,215.00	768,507.81	12.6	163,080.00	2.38%	
4.3%	BERKSHIRE HAT	95,500	02/14/2003	108.34	10,346,397.13	231.87	22,143,585.00	11,797,187.87	114.0	0.00	0.00%	
2.1%	CARMAX INC.	117,100	01/28/2019	59.76	6,998,288.00	94.46	11,061,266.00	4,062,978.00	58.1	0.00	0.00%	
1.1%	CISCO SYSTEMS Accrued Income	128,350	06/03/2005	17.30	2,219,842.83	44.75	5,743,662.50 46,206.00	3,523,819.67	158.7	177,428.28	3.09%	
5.4%	DISNEY (WALT)	154,900	03/17/1997	49.79	7,712,118.89	181.18	28,064,782.00	20,352,663.11	263.9	272,624.00	0.97%	
1.9%	EXPEDITORS IN	105,850	03/20/2013	37.84	4,005,729.60	95.11	10,067,393.50	6,061,663.90	151.3	110,084.00	1.09%	
2.2%	FACEBOOK INC	42,450	05/04/2020	216.62	9,195,337.67	273.16	11,595,642.00	2,400,304.33	26.1	0.00	0.00%	
2.9%	FASTENAL CO.	307,600	02/12/2015	20.81	6,402,358.41	48.83	15,020,108.00	8,617,749.59	134.6	492,160.00	3.28%	
1.4%	GENERAL ELECT Accrued Income	661,400	05/15/1994	16.30	10,777,753.64	10.80	7,143,120.00 6,614.00	(3,634,633.64)	(33.7)	26,456.00	0.37%	
4.9%	HOME DEPOT	95,400	06/26/2003	31.45	2,999,877.71	265.62	25,340,148.00	22,340,270.29	744.7	572,400.00	2.26%	
0.0%	iShares 1-3 YR T	1,560	06/23/2017	84.58	131,943.81	86.38	134,752.80	2,808.99	2.1	598.44	0.44%	
3.0%	JOHNSON & JOH	99,650	08/13/1993	38.35	3,821,324.68	157.38	15,682,917.00	11,861,592.32	310.4	402,586.00	2.57%	
4.7%	JP MORGAN	190,100	06/06/2008	49.49	9,408,391.95	127.07	24,156,007.00	14,747,615.05	156.7	684,360.00	2.83%	
6.1%	MICROSOFT CO	142,100	01/05/2006	25.89	3,679,494.00	222.42	31,605,882.00	27,926,388.00	759.0	318,304.00	1.01%	
1.2%	NORTHERN TRU Accrued Income	66,400	10/14/2010	49.40	3,280,171.13	93.14	6,184,496.00 46,480.00	2,904,324.87	88.5	185,920.00	3.01%	
2.5%	O'REILLY AUTOM	28,900	07/11/2017	177.82	5,138,927.03	452.57	13,079,273.00	7,940,345.97	154.5	0.00	0.00%	
1.9%	OMNICOM GROU Accrued Income	158,050	04/23/2003	46.80	7,396,021.01	62.37	9,857,578.50 102,732.50	2,461,557.49	33.3	410,930.00	4.17%	
2.0%	PFIZER INC	282,200	06/01/2004	25.54	7,208,282.93	36.81	10,387,782.00	3,179,499.07	44.1	428,944.00	4.13%	
5.2%	PROGRESSIVE C	271,700	05/23/2007	28.11	7,637,980.94	98.88	26,865,696.00	19,227,715.06	251.7	27,170.00	0.10%	
3.2%	SCHWAB (CHAS)	307,200	08/24/2020	35.35	10,858,137.60	53.04	16,293,888.00	5,435,750.40	50.1	221,184.00	1.36%	
3.3%	TE CONNECTIVI	140,200	11/02/2007	29.28	4,104,860.20	121.07	16,974,014.00	12,869,153.80	313.5	269,184.00	1.59%	
2.4%	TJX COS INC NE	180,300	12/01/2004	6.32	1,139,943.60	68.29	12,312,687.00	11,172,743.40	980.1	165,876.00	1.35%	
2.1%	U S BANCORP Accrued Income	234,800	12/06/2000	25.23	5,924,708.94	46.59	10,939,332.00 98,616.00	5,014,623.06	84.6	394,464.00	3.61%	
2.3%	UNION PACIFIC	56,650	07/24/2015	93.91	5,319,985.96	208.22	11,795,663.00	6,475,677.04	121.7	219,802.00	1.86%	

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>EQUITIES</b>												
Equities												
1.1%	WELLS FARGO	187,900	05/27/2011	27.39	5,146,646.89	30.18	5,670,822.00	524,175.11	10.2	75,160.00	1.33%	
77.9%				34.93	157,216,008.06		402,715,863.40	245,199,206.84	156.0	5,788,454.72	1.44%	
<b>CORPORATES &amp; AGENCIES</b>												
Fixed Income												
0.4%	FEDERAL HOME 01/22/2029 3.69 Call 01/22/2021, 1 Accrued Income	1,950,000	08/06/2019	102.53	1,999,335.00	100.16	1,953,077.72	(46,257.28)	(2.3)	71,955.00	3.68%	7.17
							31,780.13					
0.7%	TENNESSEE VAL 02/15/2021 3.875 Accrued Income	3,500,000	02/14/2014	102.16	3,575,651.74	100.43	3,514,972.34	(60,679.40)	(1.7)	135,625.00	3.86%	0.12
							51,236.11					
0.4%	WELLS FARGO C 04/01/2021 4.60 Accrued Income	2,000,000	05/25/2012	101.90	2,037,997.85	101.06	2,021,124.12	(16,873.73)	(0.8)	92,000.00	4.55%	0.25
							23,000.00					
0.4%	GOOGLE INC 05/19/2021 3.625 Accrued Income	2,000,000	07/17/2012	102.91	2,058,215.38	101.29	2,025,890.28	(32,325.10)	(1.6)	72,500.00	3.58%	0.39
							8,458.33					
0.4%	BLACKROCK INC 05/24/2021 4.25 Accrued Income	2,000,000	05/30/2012	102.03	2,040,607.00	101.54	2,030,862.66	(9,744.34)	(0.5)	85,000.00	4.19%	0.40
							8,736.11					
0.4%	TOYOTA MOTOR 09/15/2021 3.40 Accrued Income	2,050,000	06/26/2012	102.12	2,093,535.66	102.14	2,093,928.20	392.54	0.0	69,700.00	3.33%	0.70
							20,522.78					
0.4%	MCDONALDS CO 01/15/2022 2.625 Accrued Income	2,000,000	11/15/2012	101.37	2,027,392.44	102.41	2,048,243.60	20,851.16	1.0	52,500.00	2.56%	1.02
							24,208.33					
0.7%	HSBC HOLDINGS 03/30/2022 4.00 Accrued Income	3,500,000	01/05/2016	102.99	3,604,591.64	104.51	3,657,849.79	53,258.15	1.5	140,000.00	3.83%	1.22
							35,388.89					
0.3%	UNION PAC COR 07/15/2022 4.163 Call 04/15/2022, 1 Accrued Income	1,500,000	08/20/2018	102.99	1,544,872.30	104.91	1,573,606.91	28,734.61	1.9	62,445.00	3.97%	1.93
							28,794.08					
0.4%	BERKSHIRE HAT 05/15/2022 3.00 Accrued Income	2,000,000	05/25/2012	100.08	2,001,517.25	103.81	2,076,272.54	74,755.29	3.7	60,000.00	2.89%	1.35
							7,666.67					



**Portfolio Statement**  
As of 12/31/2020

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>CORPORATES &amp; AGENCIES</b>												
<b>Fixed Income</b>												
0.7%	O REILLY AUTO 09/01/2022 3.80 Call 06/01/2022, 1 Accrued Income	3,500,000	11/14/2017	103.66	3,628,044.05	104.67	3,663,575.23	35,531.18	1.0	133,000.00	3.63%	2.06
							44,333.33					
0.6%	PNC BK N A PITT 07/25/2023 3.80 Call 06/25/2023, 1 Accrued Income	3,000,000	06/07/2018	100.55	3,016,556.04	108.41	3,252,157.80	235,601.76	7.8	114,000.00	3.51%	2.87
							49,400.00					
0.7%	CUMMINS INC 10/01/2023 3.65 Call 07/01/2023, 1 Accrued Income	3,500,000	12/21/2018	102.89	3,601,137.67	108.35	3,792,385.42	191,247.75	5.3	127,750.00	3.37%	3.06
							31,937.50					
0.7%	ORACLE CORP 07/15/2023 3.625 Accrued Income	3,500,000	06/08/2016	105.11	3,678,771.51	108.40	3,793,882.54	115,111.03	3.1	126,875.00	3.34%	2.41
							58,503.47					
0.7%	SCHLUMBERGE 12/01/2023 3.65 Call 09/01/2023, 1 Accrued Income	3,500,000	10/17/2016	104.91	3,671,993.23	108.56	3,799,732.97	127,739.74	3.5	127,750.00	3.36%	3.23
							10,645.83					
0.6%	MICROSOFT CO 12/15/2023 3.625 Call 09/15/2023, 1 Accrued Income	3,000,000	08/20/2018	101.39	3,041,667.90	109.22	3,276,503.31	234,835.41	7.7	108,750.00	3.32%	3.27
							4,833.33					
0.6%	HOME DEPOT IN 02/15/2024 3.75 Call 11/15/2023, 1 Accrued Income	3,000,000	11/14/2017	103.21	3,096,357.28	109.65	3,289,599.84	193,242.56	6.2	112,500.00	3.42%	3.37
							42,500.00					
0.8%	U S BANCORP M 01/30/2024 3.70 Call 12/29/2023, 1 Accrued Income	3,500,000	03/02/2016	104.35	3,652,359.20	109.62	3,836,861.11	184,501.91	5.1	129,500.00	3.38%	2.90
							54,318.06					
0.8%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	3,500,000	11/14/2017	105.19	3,681,626.54	109.80	3,842,863.29	161,236.75	4.4	140,000.00	3.64%	2.89
							58,722.22					
0.8%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	3,500,000	11/07/2017	104.00	3,639,883.20	109.82	3,843,733.29	203,850.09	5.6	126,875.00	3.30%	2.94
							48,987.85					
0.8%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	3,500,000	02/13/2017	103.94	3,638,019.92	109.95	3,848,082.60	210,062.68	5.8	126,875.00	3.30%	3.00
							41,234.38					

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>CORPORATES &amp; AGENCIES</b>												
<b>Fixed Income</b>												
0.7%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	3,500,000	06/08/2016	104.79	3,667,590.41	110.12	3,854,196.85 18,447.92	186,606.44	5.1	120,750.00	3.13%	3.18
0.4%	AT&T INC 01/15/2025 3.95 Call 10/15/2024, 1 Accrued Income	2,000,000	06/13/2018	100.98	2,019,566.02	112.46	2,249,119.72 36,427.78	229,553.70	11.4	79,000.00	3.51%	4.13
0.8%	CVS HEALTH CO 07/20/2025 3.875 Call 04/20/2025, 1 Accrued Income	3,500,000	11/13/2017	101.92	3,567,108.60	113.25	3,963,783.78 60,654.51	396,675.18	11.1	135,625.00	3.42%	4.57
0.8%	INTEL CORP 07/29/2025 3.70 Call 04/29/2025, 1 Accrued Income	3,500,000	08/18/2017	105.15	3,680,115.94	113.15	3,960,357.70 54,677.78	280,241.76	7.6	129,500.00	3.27%	4.62
0.8%	SYSCO CORP 10/01/2025 3.75 Call 07/01/2025, 1 Accrued Income	3,500,000	11/08/2017	104.17	3,645,894.60	112.27	3,929,442.51 32,812.50	283,547.91	7.8	131,250.00	3.34%	4.77
0.8%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	3,500,000	08/18/2017	105.70	3,699,570.78	115.42	4,039,553.56 23,425.69	339,982.78	9.2	138,250.00	3.42%	4.44
0.7%	OMNICOM GROU 04/15/2026 3.60 Call 01/15/2026, 1 Accrued Income	3,000,000	09/24/2019	105.89	3,176,700.00	114.11	3,423,283.86 22,800.00	246,583.86	7.8	108,000.00	3.15%	5.25
0.6%	ABBVIE INC 05/14/2026 3.20 Call 02/14/2026, 1 Accrued Income	3,000,000	06/23/2020	110.91	3,327,150.00	110.79	3,323,669.70 12,533.33	(3,480.30)	(0.1)	96,000.00	2.89%	5.37
0.6%	JPMORGAN CHA 10/01/2026 2.95 Call 07/01/2026, 1 Accrued Income	3,000,000	06/23/2020	110.99	3,329,775.00	110.94	3,328,329.09 22,125.00	(1,445.91)	0.0	88,500.00	2.66%	5.71
0.6%	PEPSICO INC 03/19/2027 2.625 Call 01/19/2027, 1 Accrued Income	3,000,000	09/01/2020	111.14	3,334,200.00	110.02	3,300,720.99 22,312.50	(33,479.01)	(1.0)	78,750.00	2.39%	6.16

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>CORPORATES &amp; AGENCIES</b>												
<b>Fixed Income</b>												
0.6%	COMCAST CORP 02/01/2030 2.65 Call 11/01/2029, 1 Accrued Income	3,000,000	09/01/2020	110.08	3,302,400.00	109.40	3,281,947.83	(20,452.17)	(0.6)	79,500.00	2.42%	8.43
							33,125.00					
0.7%	PFIZER INC 04/01/2030 2.625 Call 01/01/2030, 1 Accrued Income	3,000,000	06/24/2020	110.31	3,309,200.00	111.61	3,348,445.41	39,245.41	1.2	78,750.00	2.35%	8.63
							19,687.50					
0.6%	EXXON MOBIL C 10/15/2030 2.61 Call 07/15/2030, 1 Accrued Income	3,000,000	07/24/2020	110.38	3,311,250.00	109.23	3,276,847.29	(34,402.71)	(1.0)	78,300.00	2.39%	9.03
							16,530.00					
0.6%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	3,000,000	07/24/2020	109.18	3,275,325.00	109.63	3,288,937.05	13,612.05	0.4	79,500.00	2.42%	9.20
							50,350.00					
<u>21.9%</u>				<u>104.83</u>	<u>107,975,979.15</u>		<u>112,914,957.81</u>	<u>3,827,861.75</u>	<u>3.5</u>	<u>3,637,275.00</u>	<u>3.25%</u>	<u>3.88</u>
<b>CASH AND CASH EQUIVALENTS</b>												
<b>Cash and Money Funds</b>												
0.2%	CASH			1.00	1,070,858.31		1,070,858.31			0.00	0.00%	
<u>99.7%</u>				<u>101.90</u>	<u>266,262,845.52</u>		<u>515,289,914.11</u>	<u>249,027,068.59</u>	<u>93.5</u>	<u>9,425,729.72</u>	<u>1.83%</u>	<u>3.88</u>
	Total Accrued Inc						<u>1,411,765.41</u>					
<u>100.0%</u>							<u>516,701,679.52</u>					

**Cash Reconciliation Report**  
From 10/01/2020 to 12/31/2020

KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
10/01/2020		CASH Beginning Balance		5,175,621.01
10/01/2020		Interest PFIZER INC	40,249.99	5,215,871.00
10/01/2020		Interest JPMORGAN CHASE & CO	44,250.00	5,260,121.00
10/01/2020		Interest WELLS FARGO CO MTN BE	46,000.00	5,306,121.00
10/01/2020		Interest CUMMINS INC	63,875.00	5,369,996.00
10/01/2020		Interest SYSCO CORP	65,625.00	5,435,621.00
10/01/2020		Dividend NORTHERN TRUST	46,480.00	5,482,101.00
10/07/2020		Dividend iShares 1-3 YR TSY ETF	62.47	5,482,163.47
10/12/2020		Dividend OMNICOM GROUP	102,732.50	5,584,895.97
10/14/2020		Withdrawal CASH	(5,000,000.00)	584,895.97
10/15/2020		Interest EXXON MOBIL CORP	39,150.00	624,045.97
10/15/2020		Interest OMNICOM GROUP INC	54,000.00	678,045.97
10/15/2020		Dividend PROGRESSIVE CORP-OHIO	27,170.00	705,215.97
10/15/2020		Dividend U S BANCORP	98,616.00	803,831.97
10/21/2020		Dividend CISCO SYSTEMS INC	46,206.00	850,037.97
10/26/2020		Dividend GENERAL ELECTRIC	6,614.00	856,651.97
11/02/2020	11/02/2020	Sell UNION PAC CORP -2000000.00	2,000,000.00	2,856,651.97
11/02/2020		Interest UNION PAC CORP	20,000.00	2,876,651.97
11/02/2020		Interest NORTHERN TR CORP	69,125.00	2,945,776.97
11/02/2020		Dividend JP MORGAN	171,090.00	3,116,866.97
11/03/2020		Other Expense CASH hard dollar	(444.44)	3,116,422.53
11/06/2020		Interest APPLE INC NOTE	60,375.00	3,176,797.53
11/06/2020		Dividend iShares 1-3 YR TSY ETF	60.22	3,176,857.75
11/12/2020		Dividend APPLE COMPUTER	42,435.00	3,219,292.75
11/14/2020		Interest ABBVIE INC	48,000.00	3,267,292.75
11/15/2020		Interest BERKSHIRE HATHAWAY FIN CO	30,000.00	3,297,292.75
11/19/2020		Interest GOOGLE INC	36,250.00	3,333,542.75
11/24/2020		Interest BLACKROCK INC SR	42,500.00	3,376,042.75
11/24/2020		Dividend FASTENAL CO.	76,900.00	3,452,942.75
11/27/2020		Dividend SCHWAB (CHAS)	55,296.00	3,508,238.75
12/01/2020	12/03/2020	Sell HERSHEY CO -2000000.00	2,000,000.00	5,508,238.75
12/01/2020		Interest HERSHEY CO	41,250.00	5,549,488.75
12/01/2020		Interest SCHLUMBERGER INVT SA	63,875.00	5,613,363.75
12/01/2020		Dividend WELLS FARGO	18,790.00	5,632,153.75
12/01/2020		Dividend PFIZER INC	107,236.00	5,739,389.75
12/04/2020		Dividend TE CONNECTIVITY LTD	67,296.00	5,806,685.75
12/07/2020		Dividend iShares 1-3 YR TSY ETF	51.28	5,806,737.03
12/08/2020		Dividend JOHNSON & JOHNSON	100,646.50	5,907,383.53
12/10/2020		Dividend MICROSOFT CORP	79,576.00	5,986,959.53
12/10/2020		Deposit CASH	1.06	5,986,960.59
12/14/2020		Withdrawal CASH	(6,000,000.00)	(13,039.41)
12/15/2020		Interest MICROSOFT CORP	54,375.00	41,335.59
12/15/2020		Dividend EXPEDITORS INTERNATIONAL	55,042.00	96,377.59
12/17/2020		Dividend HOME DEPOT	143,100.00	239,477.59
12/22/2020	12/24/2020	Sell VIATRIS INC -35015.00	612,570.35	852,047.94
12/22/2020		Dividend FASTENAL CO.	123,040.00	975,087.94
12/23/2020		Dividend iShares 1-3 YR TSY ETF	49.87	975,137.81
12/24/2020		Dividend BANKAMERICA CORP.	40,770.00	1,015,907.81
12/30/2020		Dividend UNION PACIFIC	54,950.50	1,070,858.31
12/31/2020		CASH Ending Balance		1,070,858.31

**Brokerage Fees Report**  
From 10/01/2020 to 12/31/2020

KENTUCKY JUDICIAL

<u>Trade Date</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>Net Amount</u>	<u>Principal Amount</u>	<u>Broker Fee</u>	<u>Broke Fees per Unit</u>	<u>% of Principal</u>	<u>Asset Class Code</u>
<b>Broker: No Broker</b>									
11/02/2020	Sell	UNION PAC C	2,000,000	2,000,000.00	2,000,000.00	0.00	0.00	0.00%	CB
12/01/2020	Sell	HERSHEY CO	2,000,000	2,000,000.00	2,000,000.00	0.00	0.00	0.00%	CB
12/22/2020	Sell	VIATRIS INC	35,015	612,570.35	613,634.37	1,050.45	0.03	0.17%	EQ
<b>Total: No Broke</b>				4,612,570.35		1,050.45	0.03	0.02%	

## Performance Analysis

## KENTUCKY LEGISLATORS

<u>Total Portfolio</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	11.70	20.78	16.18	13.20	12.65	12.41
Total Portfolio Target 70%--30%	8.65	15.84	14.81	11.49	12.22	11.52
<u>EQUITIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	15.21	27.01	19.26	16.16	15.86	16.02
S&P 500 TOTAL RETURN	12.15	22.16	18.40	14.18	15.22	13.88
<u>CORPORATES &amp; AGENCIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	0.75	1.27	5.56	4.37	3.52	3.06
BARCLAYS INTER GOVT/CREDIT	0.48	1.10	6.43	4.67	3.64	3.11
<u>CASH AND CASH EQUIVALENTS</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>
Time Weighted (net)	(0.02)	(0.02)	0.02	1.46	1.15	..
BARCLAYS 3 MO.TSY BILL INDEX	0.02	0.05	0.38	1.50	1.16	..

Returns for periods exceeding 12 months are annualized  
All returns net of fees

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY LEGISLATORS

Weight	Description	Quantity	Trade Date	Unit Cost	Cost Basis	Current Price	Current Value	Unrealized Gain (Loss)	% G/L	Annual Income	Current Yield	Modified Duration Market
<b>EQUITIES</b>												
Equities												
3.9%	ALPHABET INC-	3,325	03/31/2015	548.68	1,824,347.62	1,751.88	5,825,001.00	4,000,653.38	219.3	0.00	0.00%	
5.3%	APPLE COMPUT	60,000	04/25/2013	24.86	1,491,802.13	132.69	7,961,400.00	6,469,597.87	433.7	49,200.00	0.62%	
1.3%	BANKAMERICA C	65,650	08/28/2019	26.92	1,767,102.99	30.31	1,989,851.50	222,748.51	12.6	47,268.00	2.38%	
4.3%	BERKSHIRE HAT	27,750	02/14/2003	113.14	3,139,584.76	231.87	6,434,392.50	3,294,807.74	104.9	0.00	0.00%	
2.1%	CARMAX INC.	33,250	01/28/2019	59.76	1,987,131.30	94.46	3,140,795.00	1,153,663.70	58.1	0.00	0.00%	
1.1%	CISCO SYSTEMS	37,400	06/03/2005	21.34	798,141.07	44.75	1,673,650.00	875,508.93	109.7	51,700.95	3.09%	
	Accrued Income						13,616.43					
5.4%	DISNEY (WALT)	44,650	08/09/1999	55.83	2,492,945.04	181.18	8,089,687.00	5,596,741.96	224.5	78,584.00	0.97%	
1.9%	EXPEDITORS IN	30,350	03/20/2013	39.47	1,197,821.87	95.11	2,886,588.50	1,688,766.63	141.0	31,564.00	1.09%	
2.3%	FACEBOOK INC	12,350	05/04/2020	215.75	2,664,461.13	273.16	3,373,526.00	709,064.87	26.6	0.00	0.00%	
2.9%	FASTENAL CO.	88,800	02/12/2015	20.81	1,847,979.21	48.83	4,336,104.00	2,488,124.79	134.6	142,080.00	3.28%	
1.4%	GENERAL ELECT	192,000	05/15/1994	16.12	3,095,815.25	10.80	2,073,600.00	(1,022,215.25)	(33.0)	7,680.00	0.37%	
	Accrued Income						1,920.00					
4.9%	HOME DEPOT	27,450	06/03/2005	53.20	1,450,411.02	265.62	7,291,269.00	5,830,857.98	399.3	164,700.00	2.26%	
0.1%	iShares 1-3 YR T	1,760	06/23/2017	84.58	148,859.67	86.38	152,028.80	3,169.13	2.1	675.24	0.44%	
3.0%	JOHNSON & JOH	28,750	05/19/1993	37.87	1,088,889.78	157.38	4,524,675.00	3,435,785.22	315.5	116,150.00	2.57%	
4.6%	JP MORGAN	54,600	06/06/2008	54.15	2,956,488.02	127.07	6,938,022.00	3,981,533.98	134.7	196,560.00	2.83%	
6.0%	MICROSOFT CO	40,650	01/05/2006	29.70	1,207,173.00	222.42	9,041,373.00	7,834,200.00	649.0	91,056.00	1.01%	
1.3%	NORTHERN TRU	20,250	10/14/2010	53.68	1,087,114.88	93.14	1,886,085.00	798,970.12	73.5	56,700.00	3.01%	
	Accrued Income						14,175.00					
2.5%	O'REILLY AUTOM	8,350	07/11/2017	177.95	1,485,856.83	452.57	3,778,959.50	2,293,102.67	154.3	0.00	0.00%	
1.9%	OMNICOM GROU	45,800	06/24/2003	51.85	2,374,752.95	62.37	2,856,546.00	481,793.05	20.3	119,080.00	4.17%	
	Accrued Income						29,770.00					
2.0%	PFIZER INC	81,200	08/30/2000	27.95	2,269,409.56	36.81	2,988,972.00	719,562.44	31.7	123,424.00	4.13%	
5.2%	PROGRESSIVE C	78,850	05/23/2007	28.90	2,278,967.64	98.88	7,796,688.00	5,517,720.36	242.1	7,885.00	0.10%	
3.1%	SCHWAB (CHAS)	88,550	08/24/2020	35.35	3,129,844.02	53.04	4,696,692.00	1,566,847.98	50.1	63,756.00	1.36%	
3.4%	TE CONNECTIVI	41,600	11/02/2007	37.69	1,567,907.77	121.07	5,036,512.00	3,468,604.23	221.2	79,872.00	1.59%	
2.4%	TJX COS INC NE	52,150	12/01/2004	12.08	629,718.75	68.29	3,561,323.50	2,931,604.75	465.5	47,978.00	1.35%	
2.1%	U S BANCORP	65,800	12/07/2000	27.78	1,827,815.37	46.59	3,065,622.00	1,237,806.63	67.7	110,544.00	3.61%	
	Accrued Income						27,636.00					
2.3%	UNION PACIFIC	16,375	07/24/2015	93.91	1,537,771.76	208.22	3,409,602.50	1,871,830.74	121.7	63,535.00	1.86%	

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>EQUITIES</b>												
Equities												
1.1%	WELLS FARGO	53,850	05/27/2011	32.44	1,747,015.90	30.18	1,625,193.00	(121,822.90)	(7.0)	21,540.00	1.33%	
77.8%				37.73	49,105,129.29		116,521,276.23	67,329,029.51	137.1	1,671,532.19	1.44%	
<b>CORPORATES &amp; AGENCIES</b>												
Fixed Income												
0.7%	TENNESSEE VAL 02/15/2021 3.875 Accrued Income	1,000,000	02/14/2014	102.16	1,021,582.37	100.43	1,004,277.81	(17,304.56)	(1.7)	38,750.00	3.86%	0.12
							14,638.89					
0.5%	WELLS FARGO C 04/01/2021 4.60 Accrued Income	670,000	06/10/2011	101.38	679,239.42	101.06	677,076.58	(2,162.84)	(0.3)	30,820.00	4.55%	0.25
							7,705.00					
0.5%	GOOGLE INC 05/19/2021 3.625 Accrued Income	750,000	07/17/2012	102.82	771,153.76	101.29	759,708.86	(11,444.90)	(1.5)	27,187.50	3.58%	0.39
							3,171.88					
0.5%	BLACKROCK INC 05/24/2021 4.25 Accrued Income	750,000	05/30/2012	102.47	768,521.50	101.54	761,573.50	(6,948.00)	(0.9)	31,875.00	4.19%	0.40
							3,276.04					
0.5%	TOYOTA MOTOR 09/15/2021 3.40 Accrued Income	700,000	06/26/2012	101.53	710,709.72	102.14	714,999.87	4,290.15	0.6	23,800.00	3.33%	0.70
							7,007.78					
0.5%	INTEL CORP 10/01/2021 3.30 Accrued Income	750,000	12/04/2012	102.09	765,672.75	102.22	766,649.39	976.64	0.1	24,750.00	3.23%	0.74
							6,187.50					
0.7%	MCDONALDS CO 01/15/2022 2.625 Accrued Income	1,000,000	12/03/2012	100.80	1,007,984.73	102.41	1,024,121.80	16,137.07	1.6	26,250.00	2.56%	1.02
							12,104.17					
0.7%	BERKSHIRE HAT 01/31/2022 3.40 Accrued Income	1,000,000	06/07/2018	101.58	1,015,781.70	103.40	1,033,982.49	18,200.79	1.8	34,000.00	3.29%	1.06
							14,261.11					
0.7%	HSBC HOLDINGS 03/30/2022 4.00 Accrued Income	1,000,000	06/10/2015	102.80	1,028,045.68	104.51	1,045,099.94	17,054.26	1.7	40,000.00	3.83%	1.22
							10,111.11					
0.7%	O REILLY AUTO 09/01/2022 3.80 Call 06/01/2022, 1 Accrued Income	1,000,000	11/14/2017	103.64	1,036,433.21	104.67	1,046,735.78	10,302.57	1.0	38,000.00	3.63%	2.06
							12,666.67					



**Portfolio Statement**  
As of 12/31/2020

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>CORPORATES &amp; AGENCIES</b>												
<b>Fixed Income</b>												
0.7%	PNC BK N A PITT 07/25/2023 3.80 Call 06/25/2023, 1 Accrued Income	1,000,000	06/07/2018	100.61	1,006,098.35	108.41	1,084,052.60	77,954.25	7.7	38,000.00	3.51%	2.87
							16,466.67					
0.7%	CUMMINS INC 10/01/2023 3.65 Call 07/01/2023, 1 Accrued Income	1,000,000	12/21/2018	102.72	1,027,230.39	108.35	1,083,538.69	56,308.30	5.5	36,500.00	3.37%	3.06
							9,125.00					
0.7%	ORACLE CORP 07/15/2023 3.625 Accrued Income	1,000,000	06/08/2016	105.13	1,051,308.99	108.40	1,083,966.44	32,657.45	3.1	36,250.00	3.34%	2.41
							16,715.28					
0.7%	SCHLUMBERGE 12/01/2023 3.65 Call 09/01/2023, 1 Accrued Income	1,000,000	10/17/2016	104.20	1,041,988.31	108.56	1,085,637.99	43,649.68	4.2	36,500.00	3.36%	3.23
							3,041.67					
0.7%	MICROSOFT CO 12/15/2023 3.625 Call 09/15/2023, 1 Accrued Income	1,000,000	11/07/2018	102.96	1,029,617.93	109.22	1,092,167.77	62,549.84	6.1	36,250.00	3.32%	3.27
							1,611.11					
0.7%	HOME DEPOT IN 02/15/2024 3.75 Call 11/15/2023, 1 Accrued Income	1,000,000	11/14/2017	105.20	1,052,037.57	109.65	1,096,533.28	44,495.71	4.2	37,500.00	3.42%	3.37
							14,166.67					
0.7%	U S BANCORP M 01/30/2024 3.70 Call 12/29/2023, 1 Accrued Income	1,000,000	03/02/2016	104.75	1,047,532.80	109.62	1,096,246.03	48,713.23	4.7	37,000.00	3.38%	2.90
							15,519.44					
0.7%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	1,000,000	11/14/2017	105.18	1,051,833.80	109.80	1,097,960.94	46,127.14	4.4	40,000.00	3.64%	2.89
							16,777.78					
0.7%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	1,000,000	11/07/2017	104.00	1,039,966.60	109.82	1,098,209.51	58,242.91	5.6	36,250.00	3.30%	2.94
							13,996.53					
0.7%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	1,000,000	02/13/2017	103.89	1,038,928.24	109.95	1,099,452.17	60,523.93	5.8	36,250.00	3.30%	3.00
							11,781.25					
0.7%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	950,000	06/08/2016	104.59	993,598.44	110.12	1,046,139.15	52,540.71	5.3	32,775.00	3.13%	3.18
							5,007.29					

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY LEGISLATORS

Weight	Description	Quantity	Trade Date	Unit Cost	Cost Basis	Current Price	Current Value	Unrealized Gain (Loss)	% G/L	Annual Income	Current Yield	Modified Duration Market
<b>CORPORATES &amp; AGENCIES</b>												
<b>Fixed Income</b>												
0.7%	AT&T INC 01/15/2025 3.95 Call 10/15/2024, 1 Accrued Income	900,000	06/13/2018	98.92	890,255.45	112.46	1,012,103.87	121,848.42	13.7	35,550.00	3.51%	4.13
							16,392.50					
0.8%	CVS HEALTH CO 07/20/2025 3.875 Call 04/20/2025, 1 Accrued Income	1,000,000	11/13/2017	101.85	1,018,524.20	113.25	1,132,509.65	113,985.45	11.2	38,750.00	3.42%	4.57
							17,329.86					
0.8%	SYSCO CORP 10/01/2025 3.75 Call 07/01/2025, 1 Accrued Income	1,000,000	11/08/2017	104.17	1,041,684.20	112.27	1,122,697.86	81,013.66	7.8	37,500.00	3.34%	4.77
							9,375.00					
0.8%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	1,000,000	06/23/2017	105.51	1,055,087.20	115.42	1,154,158.16	99,070.96	9.4	39,500.00	3.42%	4.44
							6,693.06					
0.8%	OMNICOM GROU 04/15/2026 3.60 Call 01/15/2026, 1 Accrued Income	1,000,000	09/24/2019	105.89	1,058,900.00	114.11	1,141,094.62	82,194.62	7.8	36,000.00	3.15%	5.25
							7,600.00					
0.7%	PEPSICO INC 03/19/2027 2.625 Call 01/19/2027, 1 Accrued Income	1,000,000	09/01/2020	111.14	1,111,400.00	110.02	1,100,240.33	(11,159.67)	(1.0)	26,250.00	2.39%	6.16
							7,437.50					
0.7%	COMCAST CORP 02/01/2030 2.65 Call 11/01/2029, 1 Accrued Income	1,000,000	09/01/2020	110.08	1,100,800.00	109.40	1,093,982.61	(6,817.39)	(0.6)	26,500.00	2.42%	8.43
							11,041.67					
0.7%	EXXON MOBIL C 10/15/2030 2.61 Call 07/15/2030, 1 Accrued Income	1,000,000	09/01/2020	109.78	1,097,750.00	109.23	1,092,282.43	(5,467.57)	(0.5)	26,100.00	2.39%	9.03
							5,510.00					
0.7%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	1,000,000	09/01/2020	109.16	1,091,550.00	109.63	1,096,312.35	4,762.35	0.4	26,500.00	2.42%	9.20
							16,783.33					
<b>20.7%</b>				<b>104.15</b>	<b>29,651,217.31</b>		<b>31,057,014.23</b>	<b>1,092,295.16</b>	<b>3.7</b>	<b>1,011,357.50</b>	<b>3.29%</b>	<b>3.43</b>

**Portfolio Statement**  
As of 12/31/2020

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
<b>CASH AND CASH EQUIVALENTS</b>												
Cash and Money Funds												
1.4%	CASH			1.00	2,142,664.43		2,142,664.43			0.00	0.00%	
99.7%				101.25	80,899,011.03		149,320,335.70	68,421,324.67	84.6	2,682,889.69	1.80%	3.43
	Total Accrued Inc						400,619.19					
100.0%							149,720,954.89					

## Cash Reconciliation Report

From 10/01/2020 to 12/31/2020

## KENTUCKY LEGISLATORS

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
10/01/2020		CASH Beginning Balance		2,575,353.03
10/01/2020		Interest INTEL CORP	12,375.00	2,587,728.03
10/01/2020		Interest WELLS FARGO CO MTN BE	15,410.00	2,603,138.03
10/01/2020		Interest CUMMINS INC	18,250.00	2,621,388.03
10/01/2020		Interest SYSCO CORP	18,750.00	2,640,138.03
10/01/2020		Dividend NORTHERN TRUST	14,175.00	2,654,313.03
10/07/2020		Dividend iShares 1-3 YR TSY ETF	70.48	2,654,383.51
10/12/2020		Dividend OMNICOM GROUP	29,770.00	2,684,153.51
10/14/2020		Withdrawal CASH	(2,500,000.00)	184,153.51
10/15/2020		Interest EXXON MOBIL CORP	13,050.00	197,203.51
10/15/2020		Interest OMNICOM GROUP INC	18,000.00	215,203.51
10/15/2020		Dividend PROGRESSIVE CORP-OHIO	7,885.00	223,088.51
10/15/2020		Dividend U S BANCORP	27,636.00	250,724.51
10/21/2020		Dividend CISCO SYSTEMS INC	13,464.00	264,188.51
10/26/2020		Dividend GENERAL ELECTRIC	1,920.00	266,108.51
11/02/2020	11/02/2020	Sell UNION PAC CORP -500000.00	500,000.00	766,108.51
11/02/2020		Interest UNION PAC CORP	5,000.00	771,108.51
11/02/2020		Interest NORTHERN TR CORP	19,750.00	790,858.51
11/02/2020		Dividend JP MORGAN	49,140.00	839,998.51
11/03/2020		Other Expense CASH hard dollar	(166.67)	839,831.84
11/06/2020		Interest APPLE INC NOTE	16,387.50	856,219.34
11/06/2020		Dividend iShares 1-3 YR TSY ETF	67.94	856,287.28
11/12/2020		Dividend APPLE COMPUTER	12,300.00	868,587.28
11/19/2020		Interest GOOGLE INC	13,593.75	882,181.03
11/24/2020		Interest BLACKROCK INC SR	15,937.50	898,118.53
11/24/2020		Dividend FASTENAL CO.	22,200.00	920,318.53
11/27/2020		Dividend SCHWAB (CHAS)	15,939.00	936,257.53
12/01/2020	12/01/2020	Sell HERSHEY CO -750000.00	750,000.00	1,686,257.53
12/01/2020		Interest HERSHEY CO	15,468.75	1,701,726.28
12/01/2020		Interest SCHLUMBERGER INVT SA	18,250.00	1,719,976.28
12/01/2020		Dividend WELLS FARGO	5,385.00	1,725,361.28
12/01/2020		Dividend PFIZER INC	30,856.00	1,756,217.28
12/04/2020		Dividend TE CONNECTIVITY LTD	19,968.00	1,776,185.28
12/07/2020		Dividend iShares 1-3 YR TSY ETF	57.85	1,776,243.13
12/08/2020		Dividend JOHNSON & JOHNSON	29,037.50	1,805,280.63
12/10/2020		Dividend MICROSOFT CORP	22,764.00	1,828,044.63
12/10/2020		Deposit CASH	3.57	1,828,048.20
12/15/2020		Interest MICROSOFT CORP	18,125.00	1,846,173.20
12/15/2020		Dividend EXPEDITORS INTERNATIONAL	15,782.00	1,861,955.20
12/17/2020		Dividend HOME DEPOT	41,175.00	1,903,130.20
12/22/2020	12/24/2020	Sell VIATRIS INC -10075.00	176,257.21	2,079,387.41
12/22/2020		Dividend FASTENAL CO.	35,520.00	2,114,907.41
12/23/2020		Dividend iShares 1-3 YR TSY ETF	56.27	2,114,963.68
12/24/2020		Dividend BANKAMERICA CORP.	11,817.00	2,126,780.68
12/30/2020		Dividend UNION PACIFIC	15,883.75	2,142,664.43
12/31/2020		CASH Ending Balance		2,142,664.43

**Brokerage Fees Report**  
From 10/01/2020 to 12/31/2020

KENTUCKY LEGISLATORS

<u>Trade Date</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>Net Amount</u>	<u>Principal Amount</u>	<u>Broker Fee</u>	<u>Broke Fees per Unit</u>	<u>% of Principal</u>	<u>Asset Class Code</u>
<b>Broker: No Broker</b>									
11/02/2020	Sell	UNION PAC C	500,000	500,000.00	500,000.00	0.00	0.00	0.00%	CB
12/01/2020	Sell	HERSHEY CO	750,000	750,000.00	750,000.00	0.00	0.00	0.00%	CB
12/22/2020	Sell	VIATRIS INC	10,075	176,257.21	176,563.37	302.25	0.03	0.17%	EQ
<b>Total: No Broke</b>				1,426,257.21		302.25	0.03	0.02%	

## **Item III – Investment Related Matters**

### **B. Hilliard Lyons Trust Company**



# Investment Review

KY Judicial Retirement Fund

KY Legislator Retirement Fund

January 22, 2021



# Contacts

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Hilliard Lyons Trust – A Baird Company  
500 West Jefferson Street  
Louisville, Kentucky 40202  
888-878-7845 | [hilliardtrust.com](http://hilliardtrust.com)

**Donald L. Asfahl, J.D., CFA®**

Chairman

Portfolio Manager

502-588-8631

[dasfahl@hilliard.com](mailto:dasfahl@hilliard.com)

**John Watkins III, CFA®**

Vice President

Equity Portfolio Manager/Analyst

502-588-8694

[jwatkins@hilliard.com](mailto:jwatkins@hilliard.com)

**Andrew W. Means, CFA®**

Senior Vice President

Director of Investments

502-588-8633

[ameans@hilliard.com](mailto:ameans@hilliard.com)

**Victoria Gagel, CWA®, CRSP**

Vice President

Trust Officer

502-588-1294

[vgagel@hilliard.com](mailto:vgagel@hilliard.com)





## KNOW WHO YOU ARE AS AN INVESTOR

Andrew Means, CFA®  
Senior Vice President  
Director of Investments

*“The greatest danger investors face is acquiring speculative habits without realizing they have done so. Then they end up with a speculator’s return, not a wise move for someone’s life savings.”*  
- Benjamin Graham -

Old-timers like me have experienced many turbulent years over the past four decades. I began my investment career during the recession of the early 1980s with double digit rates of inflation and a prime interest rate as high as 20%. In the late 1990s, the technology bubble inflated and then burst in 2000, followed by the 9/11 terrorist attack in 2001. A commodity price bubble occurred during 2006-2008, with oil prices peaking at over \$140 per barrel. Around the same time, the subprime housing market collapsed, ushering in the Great Recession of 2007-2009. Just as I was beginning to believe I had seen it all, along came 2020. Last year will now be added to this infamous list due to the disruptions, challenges, frustrations, and heartbreak arising from the coronavirus pandemic. 2020 was indeed one of the most turbulent years in modern times.

### 2020 Was a Difficult Year

In 2020, the worst health crisis in a century led to government mandated economic shutdowns and the sharpest economic decline in our nation’s history. This economic freefall necessitated the fastest and most massive monetary and fiscal policy responses ever, with interest rates plunging to the lowest levels in history. With rates this low and large sectors of the economy opening back up, a record setting economic rebound occurred in the third quarter. Low rates supported increases in almost all asset values, including the stock market. Medical research produced vaccines to fight the coronavirus with astounding speed and efficacy, adding to investor confidence about the future and fueling the stock market’s surge even higher. Many books will no doubt be written to fill in all the details of 2020, so I will not do that here. Rather, I will discuss some of the learnings we should take away from last year, with

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## The Fed to the Rescue

The stock market's (S&P500) total return last year was 18.4%. Given the amount of disruption to most people's lives and to many businesses and industries, this robust return was surprising. After reaching a low point down 30% for the year on March 23, the market advanced 70% over the remainder of 2020. The primary driver behind this amazing rise was the aggressively accommodative policy by the Federal Reserve (Fed). With Fed policy making the cost of capital very low and the supply of capital abundant, it should not be surprising that asset values surged higher. "Don't fight the Fed" is an old stock market adage that certainly held true last year.

## Speculation Rising: Be Careful!

We also observed a marked increase in the amount of speculation in the stock market. This is evidenced by initial public offerings (IPOs) often doubling in price on their first day of trading. Momentum is driving prices higher, with the stock prices of many unprofitable companies doubling and tripling in value in a matter of weeks or months. In our experience, excessive speculation of this sort never ends well, so we choose not to participate, especially with your hard-earned life savings. Benjamin Graham, perhaps the greatest investment teacher in history, said this many years ago: "The greatest danger investors face is acquiring speculative habits without realizing they have done so. Then they end up with a speculator's return, not a wise move for someone's life savings." This admonition from Graham is timeless.

## The Future is Difficult to Predict

This is the time of year that scores of prognosticators are making their predictions about 2021. While some of their forecasts are mildly interesting and have some entertainment value, most of their prophecies are unreliable at best. Very smart people construct elaborate and sophisticated models to predict the future, but 2020 should have emphatically reminded everyone that these "experts" do not know any more about the future than the rest of us. One year ago, not a single person predicted the events of 2020. Fifteen years ago, even the most imaginative mind could not have anticipated that interest rates would be at the low levels of the past 13 years. At year end, there were \$18 trillion of negative yielding bonds worldwide, and in the U.S. the ten-year Treasury bond is near 1%. Few people saw that coming. Humility about predictions of how the future will unfold is a critical ingredient to long-term investment success.

To achieve that success, we should expect that unimaginable things will happen from time to time. History teaches us so. Unknowable occurrences may be negative like the pandemic, 9/11, or World War II, while others may be gloriously positive, such as medical advances and technological innovations. It is amazing to consider the technology industry we know today barely existed 50 years ago. And yet, it now dominates the stock market and our lives. In today's world, change is an important part of life in the business community and in the stock market.

## Expect Change in 2021

As we enter 2021, we anticipate it will be a year of continued and significant change. First, as several vaccines are rolled out, it is expected that the spread of the coronavirus will subside, and the number of new cases in the U.S. will decrease substantially. By the second half of the year, our lives may be returning to a more normal, post COVID-19 reality. Second, as the health crisis subsides, the economy can open more fully, especially the industries that have been most significantly impacted by the pandemic. This could lead to a pickup in economic activity in the second half of the year. Finally, the electoral process is thankfully now complete, and we have a new presidential administration as well as a different balance of power in Congress. We should expect to see any number of policy changes. Some of these changes will likely be an abrupt pivot in a new direction from the policies of the past four years. In addition to these anticipated changes, we should expect some changes that no one foresees. While we do not know how the markets will react to all these changes, that is not unusual. The markets often run counter to early year expectations.

## Your Long-Term Investment Plans

While it is easy to get caught up in the events of the here and now, the execution of your long-term investment plans and strategies are much more important. Last year's events were a reminder that your plans must be flexible and able to withstand unimaginable change and disruption. Noted investment writer Morgan Housel stated in his recently published book *The Psychology of Money* that "the most important part of every plan is planning on your plan not going according to plan." At Hilliard Lyons Trust, we try to account for this by building in a large margin of safety in your investments. Because we do not know in advance when difficult periods will occur, we attempt to help you always be prepared for them. Our strategy is to fill your portfolios with high quality, durable securities that



can stand the test of time. Your plans generally involve long-term periods like 5, 10, 20 years, and longer. We are always thinking in those time frames and focusing your investments on securities that we expect can endure improbable events in future years. We believe the fascination with short-term results and predictions so prevalent on Wall Street today is a hindrance to achieving your long-term goals.

## Our Circle of Competence

In today's fast moving investment world, it is vital to know who you are as an investor. Warren Buffett often speaks of the importance of staying within your circle of competence. Today, this may require an extra dose of discipline. There are many different games being played in the stock market at the same time. High frequency traders, day traders, leveraged hedge fund traders, algorithmic computer driven traders, momentum traders, and short-term performance-driven traders are all active in the markets. This rapid-fire activity creates wild swings and cross currents in stock prices. It is enough to make your head spin if you are playing their game. Fortunately, their game is not our game. We stay firmly within our circle of competence in everything we do for you, especially in the stock market. Our competence is in our long-term business owner approach to stocks. We attempt to identify and invest your assets in excellent businesses run by talented and honest managers that trade at prices that make sense. Usually, we own these businesses for 10 to 20 years and longer. We aim to let these splendid companies compound your investment dollars for many years. Today's short-term volatility has very little impact on long-term rates of return. Our focus on the long-term never strays.

With pockets of extreme speculation swirling around certain parts of the stock market today, many investors are giving in to the temptation to participate. While we have seen speculation in prior periods, we have never seen it end without some investors being badly damaged. Since no one knows when that end is near, it is best to avoid speculation altogether. Warren Buffet wrote this during another speculative period in the late 1960s: "I will not abandon a previous approach whose logic I understand even though it may mean foregoing large and apparently easy profits, to embrace an approach which I don't fully understand, have not practiced successfully, and which, possibly, could lead to substantial permanent loss of capital." These wise words from Mr. Buffett are as applicable today as they were when written.

A year like 2020 should make all investment managers examine their investment strategies to see if they held up well or need to be altered. We feel strongly that our consistent approach was put to the test, held up well, and will continue to help you achieve your investment objectives far into the future. The beginning of a new year is a good time to discuss your individual long-term plans and how best to achieve your particular investment goals with your portfolio manager. We appreciate the relationships we have with you and will continue to work diligently to earn your continued trust. Happy New Year!

## Disclosure

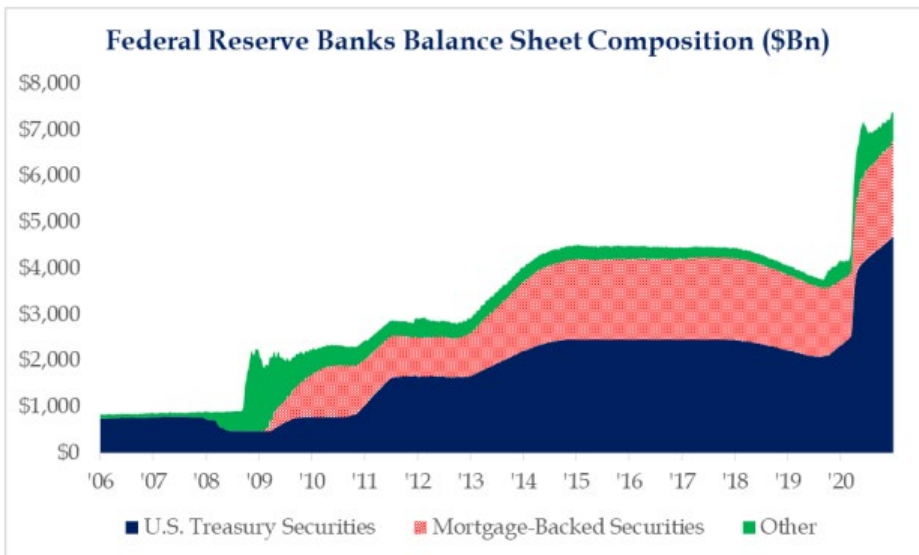
Past performance is not a predictor of future success. All investing involves the risk of loss. Hilliard Lyons Trust Company does not provide tax or legal advice. This market commentary is not meant to be advice for all investors. Please consult with your Baird financial advisor about your own specific financial situation.

# Valuations are Elevated, but Inflation, Interest Rates & Taxes are Low

	S&P 500 P/E	Inflation Y/Y%	10-Year Yield	Dividend Tax Rate	Capital Gains Rate	Nominal GDP
<b>1950s</b>	12.6	2.1%	3.0%	91.0%	25.0%	7.1%
<b>1960s</b>	18.1	2.3%	4.7%	80.3%	25.4%	7.0%
<b>1970s</b>	12.5	7.1%	7.5%	70.2%	36.0%	10.2%
<b>1980s</b>	11.7	5.6%	10.6%	48.4%	23.6%	7.8%
<b>1990s</b>	19.5	3.0%	6.6%	37.0%	26.0%	5.6%
<b>2000s</b>	20.1	2.6%	4.4%	23.4%	16.8%	4.0%
<b>2010s</b>	17.7	1.8%	2.4%	21.2%	21.2%	4.1%
<b>Average</b>	16.0x	3.5%	5.6%	53.1%	24.9%	6.6%
<b>Current</b>	31.1x	1.2%	0.9%	23.8%	23.8%	38.0%

Source Strategas Research Partners

# Global Central Bank Policy may Keep Rates Lower for Longer

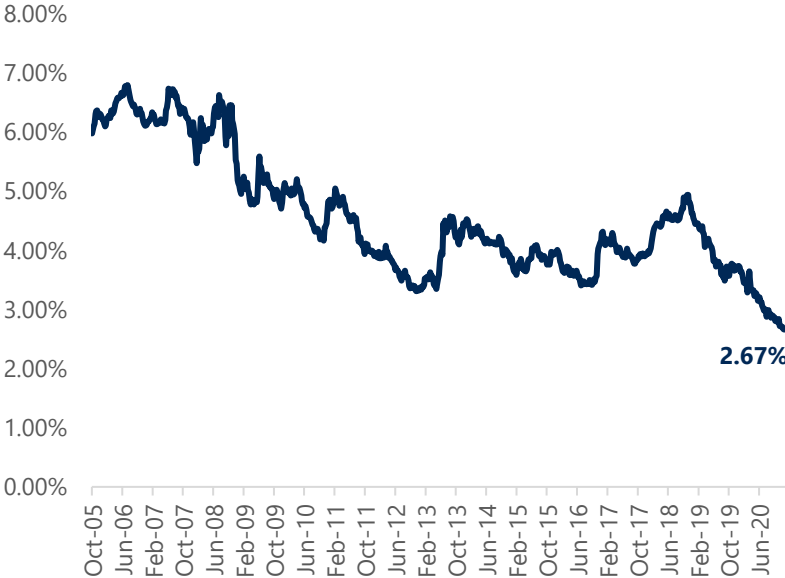


Source: Strategas Research Partners

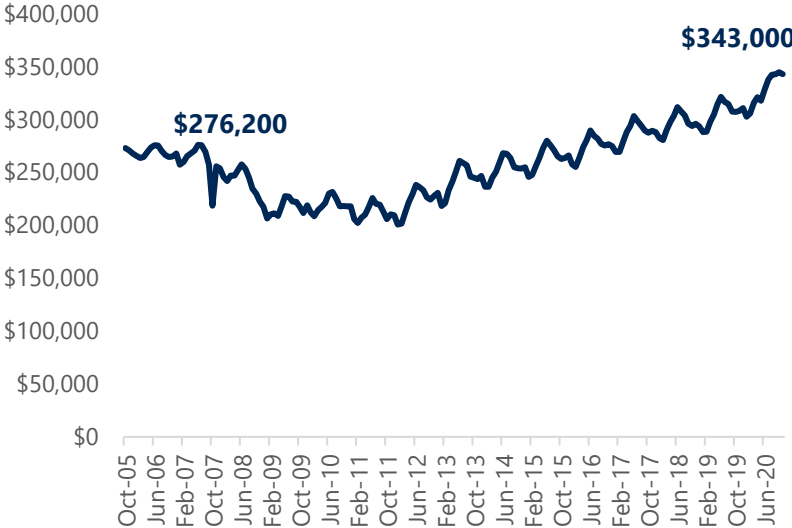


# Record Low Interest Rates have Boosted Home Prices

### 30-Year Fixed Rate Mortgage



### Average Sale Price for Existing Home Sales



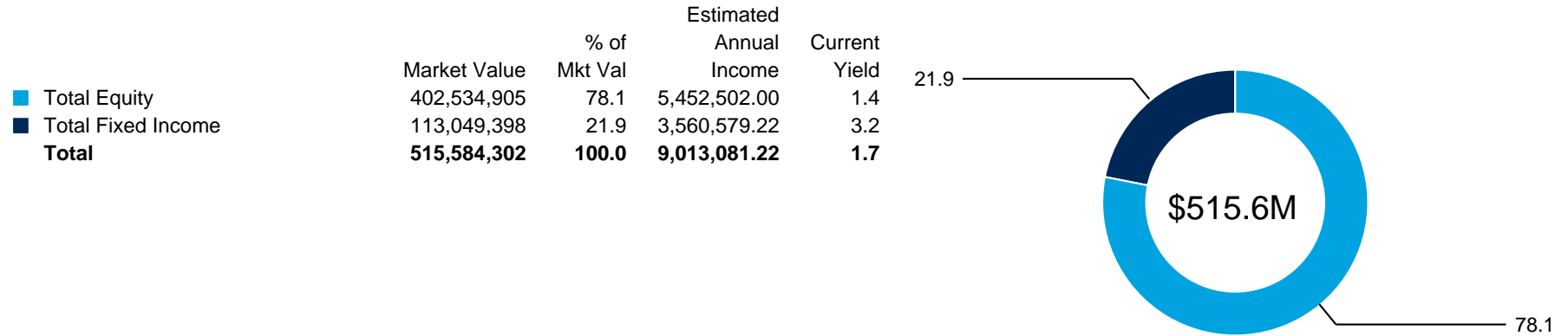
Source: Federal Reserve Bank of St. Louis



## Client Investment Review

Investment activity through 12/31/2020

Asset Allocation Summary



Investment Summary

	Fiscal Year to Date	
	(6 Months)	1 Year
Beginning Account Value	437,394,859.35	464,373,474.00
Net Contributions/Withdrawals	-11,321,821.69	-19,990,301.64
Income Earned	4,577,313.68	9,595,676.29
Market Appreciation	84,933,951.07	61,605,453.76
Ending Account Value	515,584,302.41	515,584,302.41

Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

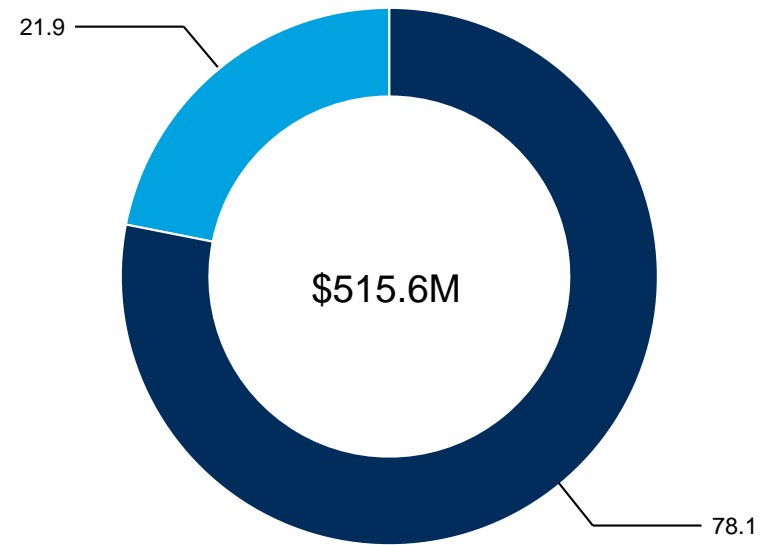
## Market Value by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

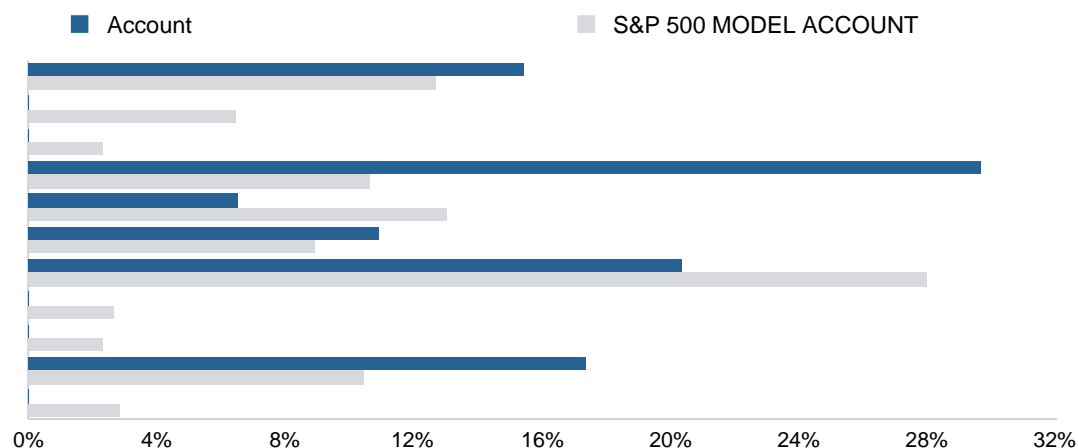
Managed since: January 01, 1993

	Market Value	% of Mkt Val
■ Core Equity	402,534,905	78.1
■ Taxable Fixed Income	112,914,645	21.9
■ Short Government	134,753	.0
<b>Total</b>	<b>515,584,302</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.4	12.7
Consumer Staples	.0	6.4
Energy	.0	2.3
Financials	29.6	10.6
Health Care	6.5	13.0
Industrials	10.9	8.9
Information Tech	20.3	28.0
Materials	.0	2.6
Real Estate	.0	2.3
Communication Serv	17.3	10.4
Utilities	.0	2.8



Top 10 Performers

	Market Value	% of Mkt Val	Return
APPLE INC COM	27,466,830	5.3	82.74
SCHWAB CHARLES CORP NEW C	16,293,888	3.2	50.55
PROGRESSIVE CORP OH COM	26,865,696	5.2	41.35
MICROSOFT CORP COM	31,605,882	6.1	40.50
FASTENAL CO COM	15,020,108	2.9	36.27
ALPHABET INC CAP STK CL C	19,962,673	3.9	31.06
FACEBOOK INC CL A	11,595,642	2.3	30.73
TE CONNECTIVITY LTD REG S	16,974,014	3.3	28.75
HOME DEPOT INC COM	25,340,148	4.9	24.57
DISNEY WALT CO COM	28,064,782	5.4	24.15

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	31,605,882	6.1	40.50
DISNEY WALT CO COM	28,064,782	5.4	24.15
APPLE INC COM	27,466,830	5.3	82.74
PROGRESSIVE CORP OH COM	26,865,696	5.2	41.35
HOME DEPOT INC COM	25,340,148	4.9	24.57
JPMORGAN CHASE & CO COM	24,156,007	4.7	-4.91
BERKSHIRE HATHAWAY INC DE	22,143,585	4.3	2.57
ALPHABET INC CAP STK CL C	19,962,673	3.9	31.06
TE CONNECTIVITY LTD REG S	16,974,014	3.3	28.75
SCHWAB CHARLES CORP NEW C	16,293,888	3.2	50.55

## Fixed Income Maturity Overview

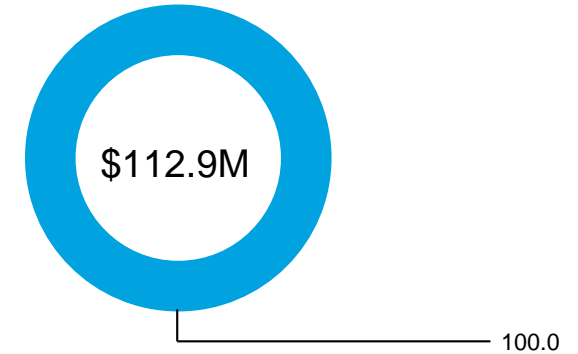
Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

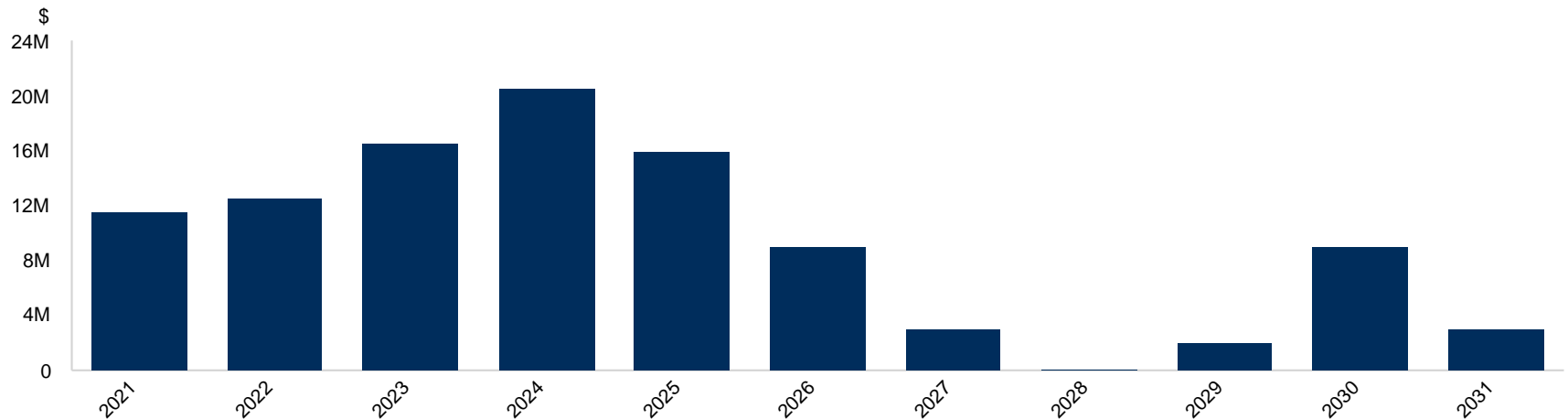
Managed since: January 01, 1993

### Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
■ Taxable Fixed Income	112,914,645	100.0	3,559,312.50	3.2
<b>Total</b>	<b>112,914,645</b>	<b>100.0</b>	<b>3,559,312.50</b>	<b>3.2</b>



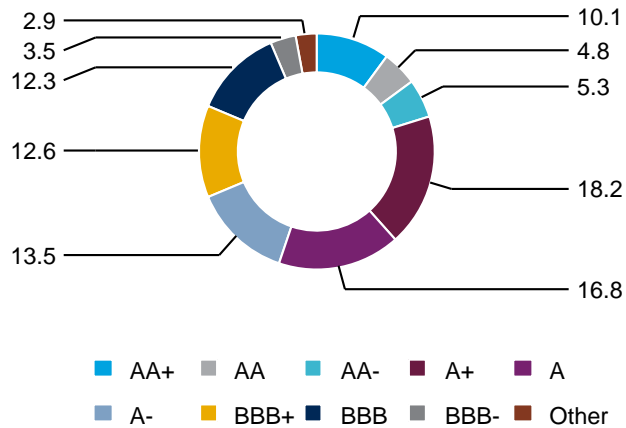
### Fixed Income Maturity Schedule



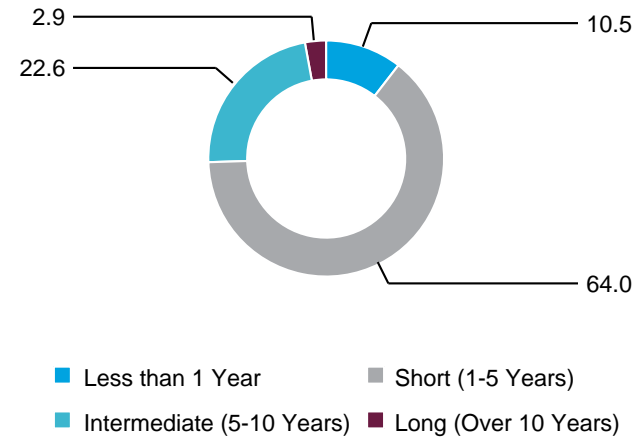
Fixed Income Analysis

	12/31/2020	Barclays Gov't/Credit Interm Bond Index
Coupon	3.45	2.21
Current Yield	3.18	2.07
Yield to Maturity	.72	.62
Maturity	4.01	4.45
Duration	3.74	4.12
Face Amount	103,000,000	
Market Value	111,803,917	
Cost	107,975,979	

Quality Allocation by Market Value



Maturity Allocation by Market Value



NR=Not rated by S&P

## KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
<b>Matures 2031</b>									
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	3,000,000.000	109.180	109.631	3,339,280.00	BBB+			79,500.00
<b>Total Matures 2031</b>					<b>3,339,280.00</b>				<b>79,500.00</b>
<b>Matures 2030</b>									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	3,000,000.000	110.380	109.228	3,293,370.00	AA	07/15/2030		78,300.00
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	3,000,000.000	110.310	111.615	3,368,137.50	A+	01/01/2030		78,750.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	3,000,000.000	110.080	109.398	3,315,065.00	A-	11/01/2029		79,500.00
<b>Total Matures 2030</b>					<b>9,976,572.50</b>				<b>236,550.00</b>
<b>Matures 2029</b>									
FEDERAL HOME LOAN BKS CONS BDS 3.690%01/22/2029	01/22/2029	1,950,000.000	102.530	100.159	1,984,880.63	AA+	01/22/2021		71,955.00
<b>Total Matures 2029</b>					<b>1,984,880.63</b>				<b>71,955.00</b>
<b>Matures 2027</b>									
PEPSICO INC SR NT .026%03/19/2027	03/19/2027	3,000,000.000	111.140	110.024	3,323,032.50	A+	01/19/2027 100.000		787.50
<b>Total Matures 2027</b>					<b>3,323,032.50</b>				<b>787.50</b>
<b>Matures 2026</b>									
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	3,000,000.000	110.990	110.944	3,350,445.00	A-	07/01/2026 100.000		88,500.00
ABBVIE INC SR GLBL 3.200%05/14/2026	05/14/2026	3,000,000.000	110.910	110.789	3,336,203.34	BBB+	02/14/2026		96,000.00
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	3,000,000.000	105.890	114.110	3,446,100.00	BBB+	01/15/2026		108,000.00
<b>Total Matures 2026</b>					<b>10,132,748.34</b>				<b>292,500.00</b>
<b>Matures 2025</b>									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	3,500,000.000	105.700	115.416	4,062,985.70	A			138,250.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	3,500,000.000	104.170	112.270	3,962,262.50	BBB-	07/01/2025		131,250.00
INTEL CORP SR GLBL 3.700%07/29/2025	07/29/2025	3,500,000.000	105.150	113.153	4,015,032.77	A+	04/29/2025		129,500.00

## KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
CVS HEALTH CORP SR GLBL NT 3.875%07/20/2025	07/20/2025	3,500,000.000	101.920	113.251	4,024,439.51	BBB	04/20/2025		135,625.00
AT& T INC SR GLBL NT 3.950%01/15/2025	01/15/2025	2,000,000.000	100.980	112.456	2,285,547.78	BBB	10/15/2024		79,000.00
<b>Total Matures 2025</b>					<b>18,350,268.26</b>				<b>613,625.00</b>
<b>Matures 2024</b>									
APPLE INC SR GLBL NT 3.450%05/06/2024	05/06/2024	3,500,000.000	104.790	110.120	3,872,647.91	AA+			120,750.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	3,500,000.000	103.940	109.945	3,889,309.37	AA-			126,875.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	3,000,000.000	103.210	109.653	3,332,090.00	A	11/15/2023		112,500.00
INTERNATIONAL BUSINESS MACHS SR GLBL 3.625%02/12/2024	02/12/2024	3,500,000.000	104.000	109.821	3,892,722.85	A			126,875.00
ALTRIA GROUP INC SR GLBL NT 4.000%01/31/2024	01/31/2024	3,500,000.000	105.190	109.796	3,901,193.33	BBB			140,000.00
U S BANCORP MTNS BK ENT FR 3.700%01/30/2024	01/30/2024	3,500,000.000	104.350	109.625	3,891,193.05	A+	12/29/2023		129,500.00
<b>Total Matures 2024</b>					<b>22,779,156.51</b>				<b>756,500.00</b>
<b>Matures 2023</b>									
MICROSOFT CORP NT 3.625%12/15/2023	12/15/2023	3,000,000.000	101.390	109.217	3,281,343.33	AAA	09/15/2023		108,750.00
SCHLUMBERGER INVT SA SR NT 3.650%12/01/2023	12/01/2023	3,500,000.000	104.910	108.564	3,810,385.84	A	09/01/2023		127,750.00
CUMMINS INC SR GLBL NT 3.650%10/01/2023	10/01/2023	3,500,000.000	102.890	108.354	3,824,327.50	A+	07/01/2023		127,750.00
PNC BK N A PITTSBURGH PA SUB NT 3.800%07/25/2023	07/25/2023	3,000,000.000	100.550	108.405	3,301,550.00	A-	06/25/2023		114,000.00
ORACLE CORP SR NT 3.625%07/15/2023	07/15/2023	3,500,000.000	105.110	108.397	3,852,398.47	A			126,875.00
<b>Total Matures 2023</b>					<b>18,070,005.14</b>				<b>605,125.00</b>
<b>Matures 2022</b>									
O REILLY AUTOMOTIVE INC NEW SR NT 3.800%09/01/2022	09/01/2022	3,500,000.000	103.660	104.674	3,707,923.33	BBB	06/01/2022		133,000.00
UNION PAC CORP SR NT 4.163%07/15/2022	07/15/2022	1,500,000.000	102.990	104.907	1,602,399.08	A-	04/15/2022		62,445.00
BERKSHIRE HATHAWAY FIN CORP SR NT	05/15/2022	2,000,000.000	100.080	103.814	2,083,946.67	AA			60,000.00



## KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
3.000%05/15/2022 HSBC HLDGS PLC SR NT	03/30/2022	3,500,000.000	102.990	104.510	3,693,238.89	A-			140,000.00
4.000%03/30/2022 MCDONALDS CORP MED TERM NT SR NT	01/15/2022	2,000,000.000	101.370	102.412	2,072,448.33	BBB+			52,500.00
2.625%01/15/2022 <b>Total Matures 2022</b>					<b>13,159,956.30</b>				<b>447,945.00</b>
<b>Matures 2021</b>									
TOYOTA MTR CRD CORP MTN FR 3.400%09/15/2021	09/15/2021	2,050,000.000	102.120	102.143	2,114,454.28	A+			69,700.00
BLACKROCK INC SR NT 4.250%05/24/2021	05/24/2021	2,000,000.000	102.030	101.543	2,039,596.11	AA-			85,000.00
GOOGLE INC NT 3.625%05/19/2021	05/19/2021	2,000,000.000	102.910	101.295	2,034,358.33	AA+			72,500.00
WELLS FARGO CO MTN SR NT 4.600%04/01/2021	04/01/2021	2,000,000.000	101.900	101.056	2,044,120.00	BBB+			92,000.00
TENNESSEE VALLEY AUTH PWR BD 3.875%02/15/2021	02/15/2021	3,500,000.000	102.160	100.428	3,566,216.11	AA+			135,625.00
<b>Total Matures 2021</b>					<b>11,798,744.83</b>				<b>454,825.00</b>
<b>Matures 2020</b>									
HERSHEY CO SR NT 4.125%12/01/2020	12/01/2020	.000	.000	.000	.00	A			.00
<b>Total Matures 2020</b>					<b>.00</b>				<b>.00</b>
<b>No Maturity</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	86.380	134,752.80	NR			
<b>Total No Maturity</b>					<b>134,752.80</b>				
<b>Total</b>					<b>113,049,397.81</b>				<b>3,559,312.50</b>

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	11,395.000	550.24	6,269,971.24	1,751.88	19,962,672.60	3.9	.00	.00	.000
DISNEY WALT CO COM	154,900.000	48.92	7,577,569.97	181.18	28,064,782.00	5.4	.00	.00	.000
FACEBOOK INC CL A	42,450.000	216.62	9,195,337.67	273.16	11,595,642.00	2.2	.00	.00	.000
OMNICOM GROUP INC COM	158,050.000	46.80	7,396,021.01	62.37	9,960,311.00	1.9	2.60	410,930.00	4.169
<b>Total for Communication Services</b>			<b>30,438,899.89</b>		<b>69,583,407.60</b>	<b>13.5</b>		<b>410,930.00</b>	<b>.591</b>
<b>Consumer Disc</b>									
CARMAX INC COM	117,100.000	59.76	6,998,288.00	94.46	11,061,266.00	2.1	.00	.00	.000
HOME DEPOT INC COM	95,400.000	29.96	2,857,803.40	265.62	25,340,148.00	4.9	6.00	572,400.00	2.259
O REILLY AUTOMOTIVE INC NEW COM	28,900.000	177.82	5,138,927.03	452.57	13,079,273.00	2.5	.00	.00	.000
TJX COS INC NEW COM	180,300.000	6.32	1,139,943.61	68.29	12,312,687.00	2.4	1.04	187,512.00	1.523
<b>Total for Consumer Disc</b>			<b>16,134,962.04</b>		<b>61,793,374.00</b>	<b>12.0</b>		<b>759,912.00</b>	<b>1.230</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	226,500.000	26.92	6,096,707.19	30.31	6,865,215.00	1.3	.72	163,080.00	2.375
BERKSHIRE HATHAWAY INC DEL CL B NEW	95,500.000	108.34	10,346,397.13	231.87	22,143,585.00	4.3	.00	.00	.000
JPMORGAN CHASE & CO COM	190,100.000	49.49	9,408,391.95	127.07	24,156,007.00	4.7	3.60	684,360.00	2.833
NORTHERN TR CORP COM	66,400.000	49.40	3,280,171.13	93.14	6,230,976.00	1.2	2.80	185,920.00	3.006
PROGRESSIVE CORP OH COM	271,700.000	28.11	7,637,980.94	98.88	26,865,696.00	5.2	.40	108,680.00	.405
SCHWAB CHARLES CORP NEW COM	307,200.000	35.35	10,858,137.60	53.04	16,293,888.00	3.2	.72	221,184.00	1.357
US BANCORP DEL COM NEW	234,800.000	25.23	5,924,708.94	46.59	11,037,948.00	2.1	1.68	394,464.00	3.606
WELLS FARGO & CO NEW COM	187,900.000	27.39	5,146,646.89	30.18	5,670,822.00	1.1	.40	75,160.00	1.325
<b>Total for Financials</b>			<b>58,699,141.77</b>		<b>119,264,137.00</b>	<b>23.1</b>		<b>1,832,848.00</b>	<b>1.539</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	99,650.000	38.35	3,821,324.68	157.38	15,682,917.00	3.0	4.04	402,586.00	2.567
PFIZER INC COM	282,200.000	26.94	7,603,673.97	36.81	10,387,782.00	2.0	1.56	440,232.00	4.238
<b>Total for Health Care</b>			<b>11,424,998.65</b>		<b>26,070,699.00</b>	<b>5.1</b>		<b>842,818.00</b>	<b>3.233</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	105,850.000	37.84	4,005,729.60	95.11	10,067,393.50	2.0	1.04	110,084.00	1.093

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
FASTENAL CO COM	307,600.000	20.81	6,402,358.41	48.83	15,020,108.00	2.9	1.00	307,600.00	2.048
GENERAL ELEC CO COM	661,400.000	15.81	10,457,417.86	10.80	7,149,734.00	1.4	.04	26,456.00	.370
UNION PAC CORP COM	56,650.000	93.91	5,319,985.96	208.22	11,795,663.00	2.3	3.88	219,802.00	1.863
<b>Total for Industrials</b>			<b>26,185,491.83</b>		<b>44,032,898.50</b>	<b>8.5</b>		<b>663,942.00</b>	<b>1.508</b>
<b>Information Tech</b>									
APPLE INC COM	207,000.000	19.30	3,994,856.00	132.69	27,466,830.00	5.3	.82	169,740.00	.618
CISCO SYS INC COM	128,350.000	17.45	2,240,276.62	44.75	5,743,662.50	1.1	1.44	184,824.00	3.218
MICROSOFT CORP COM	142,100.000	25.89	3,679,494.00	222.42	31,605,882.00	6.1	2.24	318,304.00	1.007
TE CONNECTIVITY LTD REG SHS	140,200.000	29.28	4,104,860.20	121.07	16,974,014.00	3.3	1.92	269,184.00	1.586
<b>Total for Information Tech</b>			<b>14,019,486.82</b>		<b>81,790,388.50</b>	<b>15.9</b>		<b>942,052.00</b>	<b>1.152</b>
<b>Total: Total Equity</b>			<b>156,902,981.00</b>		<b>402,534,904.60</b>	<b>78.1</b>		<b>5,452,502.00</b>	<b>1.355</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
AT& T INC SR GLBL NT 3.950% 01/15/2025	2,000,000.000	100.98	2,019,565.52	112.46	2,285,547.78	.4	3.95	79,000.00	3.512
ABBVIE INC SR GLBL 3.200% 05/14/2026	3,000,000.000	110.91	3,327,150.00	110.79	3,336,203.34	.6	3.20	96,000.00	2.888
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	3,500,000.000	105.19	3,681,626.54	109.80	3,901,193.33	.8	4.00	140,000.00	3.643
APPLE INC SR GLBL NT 3.450% 05/06/2024	3,500,000.000	104.79	3,667,590.41	110.12	3,872,647.91	.8	3.45	120,750.00	3.133
BERKSHIRE HATHAWAY FIN CORP SR NT 3.000% 05/15/2022	2,000,000.000	100.08	2,001,517.25	103.81	2,083,946.67	.4	3.00	60,000.00	2.890
BLACKROCK INC SR NT 4.250% 05/24/2021	2,000,000.000	102.03	2,040,607.00	101.54	2,039,596.11	.4	4.25	85,000.00	4.185
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.92	3,567,108.60	113.25	4,024,439.51	.8	3.88	135,625.00	3.422
CISCO SYS INC SR NT 3.625% 03/04/2024	3,500,000.000	103.94	3,638,019.92	109.94	3,889,309.37	.8	3.63	126,875.00	3.297
COMCAST CORP NEW GLBL NT	3,000,000.000	110.08	3,302,400.00	109.40	3,315,065.00	.6	2.65	79,500.00	2.422

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 02/01/2030 CUMMINS INC SR GBLB NT	3,500,000.000	102.89	3,601,137.67	108.35	3,824,327.50	.7	3.65	127,750.00	3.369
3.650% 10/01/2023 DISNEY WALT CO SR GBLB NT	3,000,000.000	109.18	3,275,325.00	109.63	3,339,280.00	.6	2.65	79,500.00	2.417
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	3,000,000.000	110.38	3,311,250.00	109.23	3,293,370.00	.6	2.61	78,300.00	2.389
2.610% 10/15/2030 GOOGLE INC NT	2,000,000.000	102.91	2,058,215.38	101.30	2,034,358.33	.4	3.63	72,500.00	3.579
3.625% 05/19/2021 HSBC HLDGS PLC SR NT	3,500,000.000	102.99	3,604,591.64	104.51	3,693,238.89	.7	4.00	140,000.00	3.827
4.000% 03/30/2022 HOME DEPOT INC SR NT	3,000,000.000	103.21	3,096,357.28	109.65	3,332,090.00	.6	3.75	112,500.00	3.420
3.750% 02/15/2024 INTEL CORP SR GLBL	3,500,000.000	105.15	3,680,115.94	113.15	4,015,032.77	.8	3.70	129,500.00	3.270
3.700% 07/29/2025 INTERNATIONAL BUSINESS MACHS SR GLBL	3,500,000.000	104.00	3,639,883.20	109.82	3,892,722.85	.8	3.63	126,875.00	3.301
3.625% 02/12/2024 JPMORGAN CHASE & CO SR NT	3,000,000.000	110.99	3,329,775.00	110.94	3,350,445.00	.6	2.95	88,500.00	2.659
2.950% 10/01/2026 MCDONALDS CORP MED TERM NT SR NT	2,000,000.000	101.37	2,027,392.44	102.41	2,072,448.33	.4	2.63	52,500.00	2.563
2.625% 01/15/2022 MICROSOFT CORP NT	3,000,000.000	101.39	3,041,667.90	109.22	3,281,343.33	.6	3.63	108,750.00	3.319
3.625% 12/15/2023 NORTHERN TR CORP SUB NT	3,500,000.000	105.70	3,699,570.78	115.42	4,062,985.70	.8	3.95	138,250.00	3.422
3.950% 10/30/2025 O REILLY AUTOMOTIVE INC NEW SR NT	3,500,000.000	103.66	3,628,044.05	104.67	3,707,923.33	.7	3.80	133,000.00	3.630
3.800% 09/01/2022 OMNICOM GROUP INC SR GLBL	3,000,000.000	105.89	3,176,700.00	114.11	3,446,100.00	.7	3.60	108,000.00	3.155
3.600% 04/15/2026 ORACLE CORP SR NT	3,500,000.000	105.11	3,678,771.51	108.40	3,852,398.47	.7	3.63	126,875.00	3.344
3.625% 07/15/2023 PNC BK N A PITTSBURGH PA SUB NT	3,000,000.000	100.55	3,016,556.04	108.41	3,301,550.00	.6	3.80	114,000.00	3.505
3.800% 07/25/2023 PEPSICO INC SR NT	3,000,000.000	111.14	3,334,200.00	110.02	3,323,032.50	.6	.03	787.50	.024

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
.026% 03/19/2027									
PFIZER INC GLBL NT	3,000,000.000	110.31	3,309,200.00	111.61	3,368,137.50	.7	2.63	78,750.00	2.352
2.625% 04/01/2030									
SCHLUMBERGER INVT SA SR NT	3,500,000.000	104.91	3,671,993.23	108.56	3,810,385.84	.7	3.65	127,750.00	3.362
3.650% 12/01/2023									
SYSCO CORP SR NT	3,500,000.000	104.17	3,645,894.60	112.27	3,962,262.50	.8	3.75	131,250.00	3.340
3.750% 10/01/2025									
TOYOTA MTR CRD CORP MTN FR	2,050,000.000	102.12	2,093,535.66	102.14	2,114,454.28	.4	3.40	69,700.00	3.329
3.400% 09/15/2021									
UNION PAC CORP SR NT	1,500,000.000	102.99	1,544,872.30	104.91	1,602,399.08	.3	4.16	62,445.00	3.968
4.163% 07/15/2022									
U S BANCORP MTNS BK ENT FR	3,500,000.000	104.35	3,652,359.20	109.63	3,891,193.05	.8	3.70	129,500.00	3.375
3.700% 01/30/2024									
WELLS FARGO CO MTN SR NT	2,000,000.000	101.90	2,037,997.85	101.06	2,044,120.00	.4	4.60	92,000.00	4.552
4.600% 04/01/2021									
<b>Total for Corporate Bonds</b>			<b>102,400,991.91</b>		<b>107,363,548.27</b>	<b>20.8</b>		<b>3,351,732.50</b>	<b>3.152</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS	1,950,000.000	102.53	1,999,335.00	100.16	1,984,880.63	.4	3.69	71,955.00	3.684
3.690% 01/22/2029									
TENNESSEE VALLEY AUTH PWR BD	3,500,000.000	102.16	3,575,651.74	100.43	3,566,216.11	.7	3.88	135,625.00	3.858
3.875% 02/15/2021									
<b>Total for Governments</b>			<b>5,574,986.74</b>		<b>5,551,096.74</b>	<b>1.1</b>		<b>207,580.00</b>	<b>3.796</b>
<b>Short Government</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	86.38	134,752.80	.0	.81	1,266.72	.940
<b>Total for Short Government</b>			<b>131,943.81</b>		<b>134,752.80</b>	<b>.0</b>		<b>1,266.72</b>	<b>.940</b>
<b>Total: Total Fixed Income</b>			<b>108,107,922.46</b>		<b>113,049,397.81</b>	<b>21.9</b>		<b>3,560,579.22</b>	<b>3.181</b>
<b>Total</b>			<b>265,010,903.46</b>		<b>515,584,302.41</b>	<b>100.0</b>		<b>9,013,081.22</b>	<b>1.753</b>

## KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	25 Years
<b>Total Portfolio - Gross</b>	<b>515,584,302</b>	<b>20.69</b>	<b>16.16</b>	<b>13.37</b>	<b>12.79</b>	<b>12.61</b>	<b>7.74</b>	<b>8.97</b>
70% SP500 30% Barclays Int Govt Cr		15.67	15.40	11.65	11.90	10.77	6.79	8.35
<b>Total Equity</b>	<b>402,534,905</b>	<b>26.96</b>	<b>19.15</b>	<b>16.20</b>	<b>15.90</b>	<b>16.15</b>	<b>8.32</b>	<b>10.68</b>
S P 500 Index		22.16	18.40	14.18	15.22	13.88	7.47	9.56
<b>Total Fixed Income</b>	<b>113,049,398</b>	<b>1.36</b>	<b>5.59</b>	<b>4.51</b>	<b>3.51</b>	<b>2.97</b>	<b>3.98</b>	<b>4.41</b>
Barclays US Government/Credit Interm Bond		1.10	6.43	4.67	3.64	3.11	4.30	4.66

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	12.61	10.77
Standard Deviation	10.60	9.48
Beta	1.08	
Alpha	.96	
R-Squared	.94	
Sharpe Ratio	1.13	1.07
Treynor Ratio	11.08	10.13
Tracking Error	2.79	
Information Ratio	.64	
Downside Deviation	6.28	5.58
Downside Standard Deviation	7.91	6.97
Sortino Ratio	2.11	2.02
Upside Capture	1.13	
Downside Capture	1.05	
Batting Average	.57	
Annualized Excess Return	1.84	
Cumulative Excess Return	49.84	
Turnover %	127.93	
M-Squared	11.35	
Residual Risk	.75	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	.64	

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	7.74	6.79
Standard Deviation	9.90	10.50
Beta	.88	
Alpha	1.51	
R-Squared	.88	
Sharpe Ratio	.64	.51
Treynor Ratio	7.15	5.34
Tracking Error	3.73	
Information Ratio	.22	
Downside Deviation	6.30	7.02
Downside Standard Deviation	7.37	7.97
Sortino Ratio	1.31	1.05
Upside Capture	.94	
Downside Capture	.85	
Batting Average	.52	
Annualized Excess Return	.95	
Cumulative Excess Return	72.20	
Turnover %	174.13	
M-Squared	8.12	
Residual Risk	1.00	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	1.45	



KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

**Purchases**

<b>Date</b>	<b>Amount</b>	<b>Security</b>	<b>Purchase Price</b>	<b>Total Cost</b>
01/10/2020	4,700.00	JPMORGAN CHASE & CO COM	137.04	644,085.18
01/10/2020	62,600.00	PFIZER INC COM	39.18	2,452,805.72
01/10/2020	28,100.00	PROGRESSIVE CORP OH COM	73.74	2,071,959.12
02/26/2020	29,000.00	DISNEY WALT CO COM	133.92	3,883,682.90
02/26/2020	291,000.00	GENERAL ELEC CO COM	11.92	3,467,614.20
02/26/2020	5,000.00	JPMORGAN CHASE & CO COM	132.60	663,022.50
03/27/2020	27,000.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	182.34	4,923,120.60
05/06/2020	27,600.00	FACEBOOK INC CL A	203.86	5,626,640.88
06/25/2020	2,000,000.00	ABBVIE INC SR GLBL	110.42	2,208,400.00
06/25/2020	1,500,000.00	JPMORGAN CHASE & CO SR NT	110.55	1,658,250.00
06/29/2020	2,500,000.00	PFIZER INC GLBL NT	109.95	2,748,750.00
06/30/2020	16,600.00	FACEBOOK INC CL A	236.47	3,925,458.44
06/30/2020	55,000.00	OMNICOM GROUP INC COM	51.93	2,855,924.50
07/28/2020	1,500,000.00	DISNEY WALT CO SR GLBL NT	109.20	1,638,000.00
07/28/2020	1,500,000.00	EXXON MOBIL CORP SR GLBL COCO	110.97	1,664,625.00
08/26/2020	320,000.00	SCHWAB CHARLES CORP NEW COM	35.35	11,310,560.00
09/03/2020	1,000,000.00	ABBVIE INC SR GLBL	111.88	1,118,750.00
09/03/2020	3,000,000.00	COMCAST CORP NEW GLBL NT	110.08	3,302,400.00
09/03/2020	1,500,000.00	DISNEY WALT CO SR GLBL NT	109.16	1,637,325.00
09/03/2020	1,500,000.00	EXXON MOBIL CORP SR GLBL COCO	109.78	1,646,625.00
09/03/2020	1,500,000.00	JPMORGAN CHASE & CO SR NT	111.44	1,671,525.00
09/03/2020	3,000,000.00	PEPSICO INC SR NT	111.14	3,334,200.00
09/03/2020	500,000.00	PFIZER INC GLBL NT	112.09	560,450.00
				<u>65,014,174.04</u>

**Sales**

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/10/2020	-18,300.00	APPLE INC COM	299.80	5,486,424.04	04/25/2013	58.54	1,071,305.27	4,415,118.77
02/26/2020	-40,500.00	ALLERGAN PLC SHS	197.96	8,017,397.16	10/30/2017	180.69	7,317,831.60	699,565.56
Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
03/16/2020	-2,000,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	2,000,000.00	01/20/2011	1.00	2,006,438.54	-6,438.54
03/25/2020	-3,500,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	3,500,000.00	08/18/2014	1.01	3,550,332.68	-50,332.68
03/27/2020	-35,000.00	MICROSOFT CORP COM	148.04	5,181,376.45	10/21/2005	24.95	873,393.26	4,307,983.19
04/10/2020	2,000,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	-2,000,000.00	01/01/1950	1.00	-2,006,438.54	6,438.54
04/10/2020	3,500,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	-3,500,000.00	01/01/1950	1.01	-3,550,332.68	50,332.68
04/13/2020	-2,000,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	2,000,000.00	01/01/1950	1.00	2,000,000.00	0.00
04/13/2020	-3,500,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	3,500,000.00	01/01/1950	1.00	3,500,000.00	0.00
05/06/2020	-18,000.00	ALLERGAN PLC SHS	188.47	3,392,473.20	10/30/2017	166.21	2,991,792.10	400,681.10
05/06/2020	-9,200.00	FASTENAL CO COM	35.54	326,984.68	02/12/2015	42.25	388,679.76	-61,695.08
05/06/2020	-56,600.00	HARLEY DAVIDSON INC COM	19.86	1,124,102.05	04/23/1998	54.11	3,062,642.26	-1,938,540.21
05/06/2020	-3,600.00	HOME DEPOT INC COM	219.33	789,580.62	04/23/2015	32.36	116,498.09	673,082.53
06/11/2020	-3,500,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	100.00	3,500,000.00	06/24/2019	1.00	3,500,000.00	0.00
06/30/2020	-19,000.00	APPLE INC COM	363.05	6,898,027.43	04/25/2013	58.54	1,112,284.15	5,785,743.28
07/13/2020	9,200.00	FASTENAL CO COM	35.54	-326,984.68	02/12/2015	42.25	-388,679.76	61,695.08
07/13/2020	-9,200.00	FASTENAL CO COM	35.54	326,984.68	02/12/2015	21.12	194,339.88	132,644.80
07/22/2020	-3,000,000.00	JPMORGAN CHASE & CO NT	100.00	3,000,000.00	01/28/2011	1.00	2,993,757.27	6,242.73
08/06/2020	3,000,000.00	JPMORGAN CHASE & CO NT	100.00	-3,000,000.00	01/01/1950	1.00	-2,993,757.27	-6,242.73
08/06/2020	-3,000,000.00	JPMORGAN CHASE & CO NT	100.00	3,000,000.00	01/01/1950	1.00	3,000,000.00	0.00
08/26/2020	-23,100.00	APPLE INC COM	507.60	11,725,645.02	04/25/2013	58.54	1,352,303.37	10,373,341.65
08/31/2020	-2,150.00	APPLE INC COM	505.05	1,085,851.77	04/25/2013	58.54	125,863.73	959,988.04
08/31/2020	-9,500.00	BANK OF AMERICA CORP COM	25.99	246,903.33	08/30/2019	26.92	255,711.78	-8,808.45
08/31/2020	-4,000.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	216.65	866,600.44	02/20/2003	40.76	163,046.05	703,554.39
08/31/2020	-5,350.00	CISCO SYS INC COM	42.29	226,226.16	09/07/2011	15.82	84,637.00	141,589.16
08/31/2020	-6,500.00	DISNEY WALT CO COM	134.78	876,100.03	04/23/2015	45.10	293,145.19	582,954.84
08/31/2020	-4,400.00	EXPEDITORS INTL WASH INC COM	87.97	387,069.12	03/25/2013	37.20	163,685.72	223,383.40
08/31/2020	-1,750.00	FACEBOOK INC CL A	297.48	520,594.24	05/06/2020	203.86	356,761.65	163,832.59
08/31/2020	-12,800.00	FASTENAL CO COM	48.42	619,830.12	02/12/2015	21.12	270,385.92	349,444.20
08/31/2020	-27,600.00	GENERAL ELEC CO COM	6.47	178,634.27	04/23/2015	15.93	439,575.68	-260,941.41
08/31/2020	-475.00	ALPHABET INC CAP STK CL C	1,644.54	781,155.86	10/05/2015	550.24	261,363.43	519,792.43

Portfolio Turnover

December 31, 2019 to December 31, 2020

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

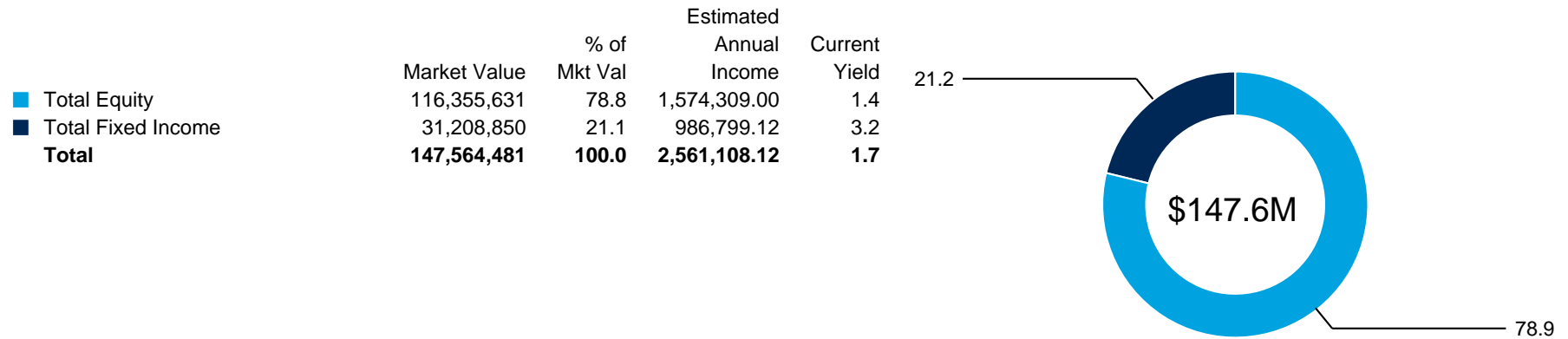
Managed since: January 01, 1993

08/31/2020	-4,000.00	HOME DEPOT INC COM	289.12	1,156,468.03	04/23/2015	67.88	271,516.63	884,951.40
08/31/2020	-4,150.00	JOHNSON & JOHNSON COM	152.24	631,812.33	08/13/1993	9.23	38,309.60	593,502.73
08/31/2020	-7,900.00	JPMORGAN CHASE & CO COM	102.01	805,856.44	06/06/2008	40.49	319,890.75	485,965.69
08/31/2020	-4,900.00	CARMAX INC COM	107.89	528,645.39	01/30/2019	59.76	292,840.40	235,804.99
			<b>Sale</b>		<b>Acquisition</b>	<b>Purchase</b>	<b>Cost</b>	
<b>Date</b>	<b>Amount</b>	<b>Security</b>	<b>Price</b>	<b>Proceeds</b>	<b>Date</b>	<b>Price</b>	<b>Basis</b>	<b>Gain/Loss</b>
08/31/2020	-5,900.00	MICROSOFT CORP COM	229.12	1,351,782.24	01/05/2006	27.07	159,713.00	1,192,069.24
08/31/2020	-2,750.00	NORTHERN TR CORP COM	84.03	231,078.77	10/19/2010	49.08	134,975.50	96,103.27
08/31/2020	-6,600.00	OMNICOM GROUP INC COM	55.42	365,771.82	04/23/2003	31.48	207,778.89	157,992.93
08/31/2020	-1,200.00	O REILLY AUTOMOTIVE INC NEW COM	466.41	559,692.46	07/11/2017	174.94	209,930.06	349,762.40
08/31/2020	-11,800.00	PFIZER INC COM	37.85	446,634.27	01/25/1994	5.23	61,738.21	384,896.06
08/31/2020	-11,300.00	PROGRESSIVE CORP OH COM	93.41	1,055,577.45	05/23/2007	23.19	261,999.54	793,577.91
08/31/2020	-12,800.00	SCHWAB CHARLES CORP NEW COM	35.94	459,979.58	08/26/2020	35.35	452,422.40	7,557.18
08/31/2020	-5,850.00	TE CONNECTIVITY LTD REG SHS	95.79	560,377.82	11/07/2007	35.51	207,707.17	352,670.65
08/31/2020	-7,500.00	TJX COS INC NEW COM	53.84	403,797.81	11/09/2018	0.00	0.00	403,797.81
08/31/2020	-2,350.00	UNION PAC CORP COM	194.94	458,106.63	07/24/2015	93.91	220,687.86	237,418.77
08/31/2020	-9,800.00	US BANCORP DEL COM NEW	36.91	361,715.87	12/06/2000	19.65	192,537.46	169,178.41
08/31/2020	-7,800.00	WELLS FARGO & CO NEW COM	24.47	190,870.35	06/02/2011	28.21	220,032.54	-29,162.19
08/31/2020	7,500.00	TJX COS INC NEW COM	53.84	-403,797.81	11/09/2018	0.00	0.00	0.00
08/31/2020	-7,500.00	TJX COS INC NEW COM	53.84	403,797.81	11/09/2018	6.06	45,425.62	358,372.19
11/01/2020	11,800.00	PFIZER INC COM	37.85	-446,634.27	09/07/2011	5.23	-61,738.21	-384,896.06
11/01/2020	-11,800.00	PFIZER INC COM	37.85	446,634.27	09/07/2011	7.15	84,327.92	362,306.35
11/05/2020	-2,000,000.00	UNION PAC CORP NT	100.00	2,000,000.00	12/21/2015	1.00	2,000,000.00	0.00
12/02/2020	-2,000,000.00	HERSHEY CO SR NT	100.00	2,000,000.00	12/17/2012	1.03	2,056,708.38	-56,708.38
12/22/2020	-35,015.00	VIATRIS INC COM	17.49	612,570.35	11/17/2020	9.28	324,843.95	575,452.80
				<u>74,911,713.60</u>			<u>40,208,213.80</u>	<u>35,395,024.01</u>

## Client Investment Review

Investment activity through 12/31/2020

Asset Allocation Summary



Investment Summary

	Fiscal Year to Date	
	(6 Months)	1 Year
Beginning Account Value	126,303,368.43	135,934,313.69
Net Contributions/Withdrawals	-4,731,824.85	-8,939,920.94
Income Earned	1,280,328.98	2,709,222.04
Market Appreciation	24,712,608.65	17,860,866.42
Ending Account Value	147,564,481.21	147,564,481.21

Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

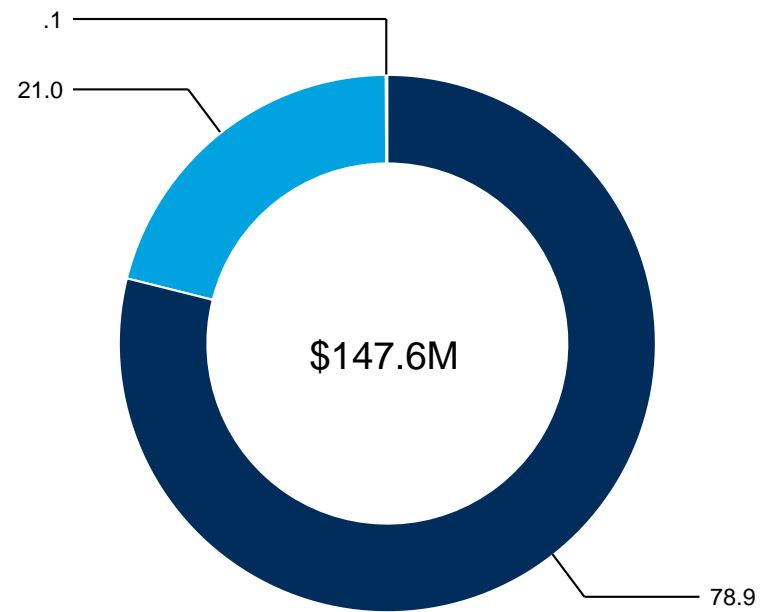
Market Value by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

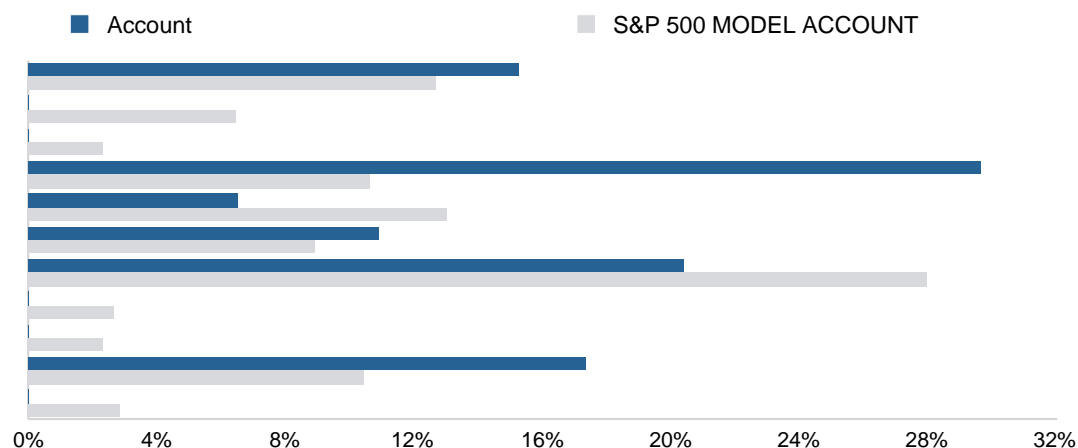
Managed since: January 01, 1993

	Market Value	% of Mkt Val
■ Core Equity	116,355,631	78.9
■ Taxable Fixed Income	31,056,821	21.0
■ Short Government	152,029	.1
<b>Total</b>	<b>147,564,481</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.3	12.7
Consumer Staples	.0	6.4
Energy	.0	2.3
Financials	29.6	10.6
Health Care	6.5	13.0
Industrials	10.9	8.9
Information Tech	20.4	28.0
Materials	.0	2.6
Real Estate	.0	2.3
Communication Serv	17.3	10.4
Utilities	.0	2.8



Top 10 Performers

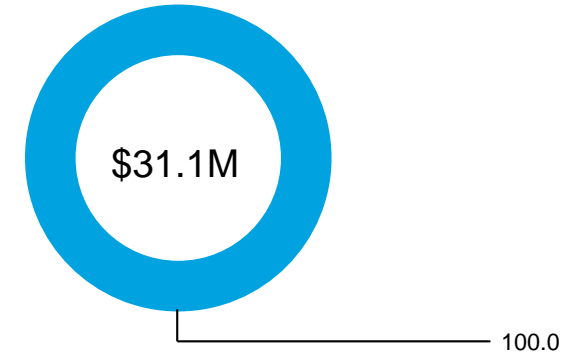
	Market Value	% of Mkt Val	Return
APPLE INC COM	7,961,400	5.4	82.86
SCHWAB CHARLES CORP NEW C	4,696,692	3.2	50.53
PROGRESSIVE CORP OH COM	7,796,688	5.3	41.34
MICROSOFT CORP COM	9,041,373	6.1	40.44
FASTENAL CO COM	4,336,104	2.9	36.07
FACEBOOK INC CL A	3,373,526	2.3	31.15
ALPHABET INC CAP STK CL C	5,825,001	4.0	31.07
TE CONNECTIVITY LTD REG S	5,036,512	3.4	28.72
HOME DEPOT INC COM	7,291,269	4.9	24.58
DISNEY WALT CO COM	8,089,687	5.5	24.35

Largest 10 Holdings by Market Value

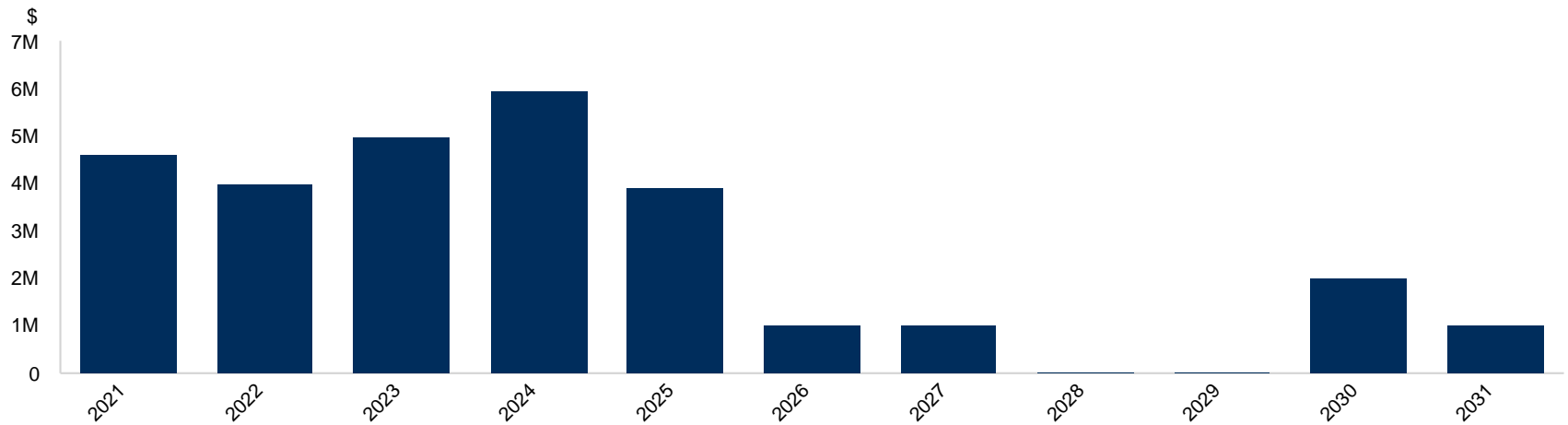
	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	9,041,373	6.1	40.44
DISNEY WALT CO COM	8,089,687	5.5	24.35
APPLE INC COM	7,961,400	5.4	82.86
PROGRESSIVE CORP OH COM	7,796,688	5.3	41.34
HOME DEPOT INC COM	7,291,269	4.9	24.58
JPMORGAN CHASE & CO COM	6,938,022	4.7	-5.81
BERKSHIRE HATHAWAY INC DE	6,434,393	4.4	2.55
ALPHABET INC CAP STK CL C	5,825,001	4.0	31.07
TE CONNECTIVITY LTD REG S	5,036,512	3.4	28.72
SCHWAB CHARLES CORP NEW C	4,696,692	3.2	50.53

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
■ Taxable Fixed Income	31,056,821	100.0	985,370.00	3.2
<b>Total</b>	<b>31,056,821</b>	<b>100.0</b>	<b>985,370.00</b>	<b>3.2</b>



Fixed Income Maturity Schedule

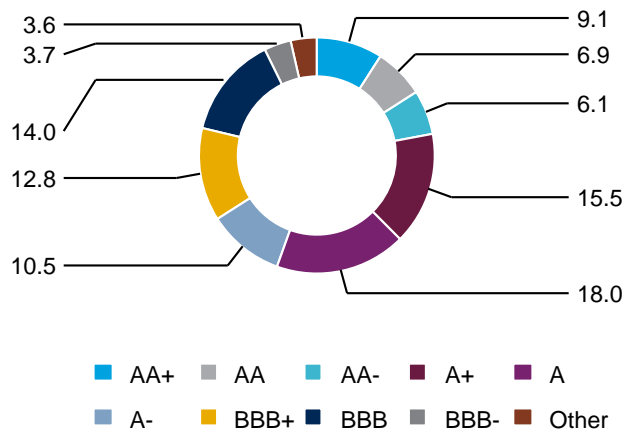




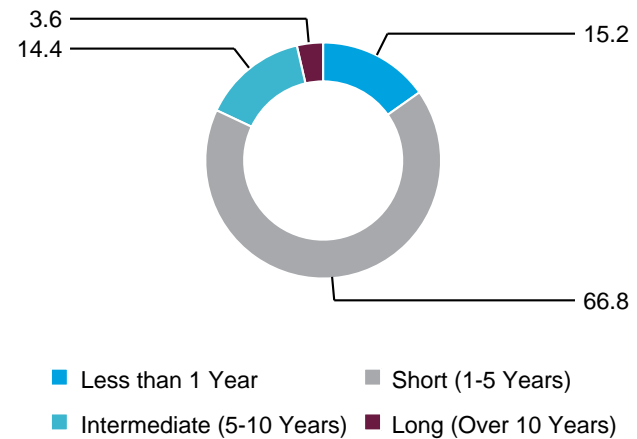
Fixed Income Analysis

	12/31/2020	Barclays Gov't/Credit Interm Bond Index
Coupon	3.46	2.21
Current Yield	3.21	2.07
Yield to Maturity	.59	.62
Maturity	3.54	4.45
Duration	3.32	4.12
Face Amount	28,470,000	
Market Value	30,743,525	
Cost	29,651,217	

Quality Allocation by Market Value



Maturity Allocation by Market Value



NR=Not rated by S&P

## KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
<b>Matures 2031</b>									
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	1,000,000.000	109.160	109.631	1,113,093.34	BBB+			26,500.00
<b>Total Matures 2031</b>					<b>1,113,093.34</b>				<b>26,500.00</b>
<b>Matures 2030</b>									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,000,000.000	109.780	109.228	1,097,790.00	AA	07/15/2030		26,100.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,000,000.000	110.080	109.398	1,105,021.67	A-	11/01/2029		26,500.00
<b>Total Matures 2030</b>					<b>2,202,811.67</b>				<b>52,600.00</b>
<b>Matures 2027</b>									
PEPSICO INC SR NT .026%03/19/2027	03/19/2027	1,000,000.000	111.140	110.024	1,107,677.50	A+	01/19/2027 100.000		262.50
<b>Total Matures 2027</b>					<b>1,107,677.50</b>				<b>262.50</b>
<b>Matures 2026</b>									
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	1,000,000.000	105.890	114.110	1,148,700.00	BBB+	01/15/2026		36,000.00
<b>Total Matures 2026</b>					<b>1,148,700.00</b>				<b>36,000.00</b>
<b>Matures 2025</b>									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	1,000,000.000	105.510	115.416	1,160,853.06	A			39,500.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	1,000,000.000	104.170	112.270	1,132,075.00	BBB-	07/01/2025		37,500.00
CVS HEALTH CORP SR GLBL NT 3.875%07/20/2025	07/20/2025	1,000,000.000	101.850	113.251	1,149,839.86	BBB	04/20/2025		38,750.00
AT& T INC SR GLBL NT 3.950%01/15/2025	01/15/2025	900,000.000	98.920	112.456	1,028,496.50	BBB	10/15/2024		35,550.00
<b>Total Matures 2025</b>					<b>4,471,264.42</b>				<b>151,300.00</b>
<b>Matures 2024</b>									
APPLE INC SR GLBL NT 3.450%05/06/2024	05/06/2024	950,000.000	104.590	110.120	1,051,147.30	AA+			32,775.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	1,000,000.000	103.890	109.945	1,111,231.25	AA-			36,250.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	1,000,000.000	105.200	109.653	1,110,696.66	A	11/15/2023		37,500.00

## KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
INTERNATIONAL BUSINESS MACHS SR GLBL 3.625%02/12/2024	02/12/2024	1,000,000.000	104.000	109.821	1,112,206.53	A			36,250.00
ALTRIA GROUP INC SR GLBL NT 4.000%01/31/2024	01/31/2024	1,000,000.000	105.180	109.796	1,114,626.67	BBB			40,000.00
U S BANCORP MTNS BK ENT FR 3.700%01/30/2024	01/30/2024	1,000,000.000	104.750	109.625	1,111,769.44	A+	12/29/2023		37,000.00
<b>Total Matures 2024</b>					<b>6,611,677.85</b>				<b>219,775.00</b>
<b>Matures 2023</b>									
MICROSOFT CORP NT 3.625%12/15/2023	12/15/2023	1,000,000.000	102.960	109.217	1,093,781.11	AAA	09/15/2023		36,250.00
SCHLUMBERGER INVT SA SR NT 3.650%12/01/2023	12/01/2023	1,000,000.000	104.200	108.564	1,088,681.67	A	09/01/2023		36,500.00
CUMMINS INC SR GLBL NT 3.650%10/01/2023	10/01/2023	1,000,000.000	102.720	108.354	1,092,665.00	A+	07/01/2023		36,500.00
PNC BK N A PITTSBURGH PA SUB NT 3.800%07/25/2023	07/25/2023	1,000,000.000	100.610	108.405	1,100,516.67	A-	06/25/2023		38,000.00
ORACLE CORP SR NT 3.625%07/15/2023	07/15/2023	1,000,000.000	105.130	108.397	1,100,685.28	A			36,250.00
<b>Total Matures 2023</b>					<b>5,476,329.73</b>				<b>183,500.00</b>
<b>Matures 2022</b>									
O REILLY AUTOMOTIVE INC NEW SR NT 3.800%09/01/2022	09/01/2022	1,000,000.000	103.640	104.674	1,059,406.67	BBB	06/01/2022		38,000.00
HSBC HLDGS PLC SR NT 4.000%03/30/2022	03/30/2022	1,000,000.000	102.800	104.510	1,055,211.12	A-			40,000.00
BERKSHIRE HATHAWAY INC DEL SR NT 3.400%01/31/2022	01/31/2022	1,000,000.000	101.580	103.398	1,048,146.67	AA			34,000.00
MCDONALDS CORP MED TERM NT SR NT 2.625%01/15/2022	01/15/2022	1,000,000.000	100.800	102.412	1,036,224.16	BBB+			26,250.00
<b>Total Matures 2022</b>					<b>4,198,988.62</b>				<b>138,250.00</b>
<b>Matures 2021</b>									
INTEL CORP SR NT 3.300%10/01/2021	10/01/2021	750,000.000	102.090	102.220	772,837.50	A+			24,750.00
TOYOTA MTR CRD CORP MTN FR 3.400%09/15/2021	09/15/2021	700,000.000	101.530	102.143	722,008.78	A+			23,800.00
BLACKROCK INC SR NT 4.250%05/24/2021	05/24/2021	750,000.000	102.470	101.543	764,848.55	AA-			31,875.00
GOOGLE INC NT	05/19/2021	750,000.000	102.820	101.295	762,884.37	AA+			27,187.50

## KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
3.625%05/19/2021 WELLS FARGO CO MTN SR NT	04/01/2021	670,000.000	101.380	101.056	684,780.20	BBB+			30,820.00
4.600%04/01/2021 TENNESSEE VALLEY AUTH PWR BD	02/15/2021	1,000,000.000	102.160	100.428	1,018,918.88	AA+			38,750.00
3.875%02/15/2021 <b>Total Matures 2021</b>					<b>4,726,278.28</b>				<b>177,182.50</b>
<b>Matures 2020</b>									
HERSHEY CO SR NT	12/01/2020	.000	.000	.000	.00	A			.00
4.125%12/01/2020 <b>Total Matures 2020</b>					<b>.00</b>				<b>.00</b>
<b>No Maturity</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	86.380	152,028.80	NR			
<b>Total No Maturity</b>					<b>152,028.80</b>				
<b>Total</b>					<b>31,208,850.21</b>				<b>985,370.00</b>

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	3,325.000	548.74	1,824,572.41	1,751.88	5,825,001.00	3.9	.00	.00	.000
DISNEY WALT CO COM	44,650.000	51.46	2,297,761.62	181.18	8,089,687.00	5.5	.00	.00	.000
FACEBOOK INC CL A	12,350.000	215.75	2,664,461.13	273.16	3,373,526.00	2.3	.00	.00	.000
OMNICOM GROUP INC COM	45,800.000	51.04	2,337,766.67	62.37	2,886,316.00	2.0	2.60	119,080.00	4.169
<b>Total for Communication Services</b>			<b>9,124,561.83</b>		<b>20,174,530.00</b>	<b>13.7</b>		<b>119,080.00</b>	<b>.591</b>
<b>Consumer Disc</b>									
CARMAX INC COM	33,250.000	59.76	1,987,131.30	94.46	3,140,795.00	2.1	.00	.00	.000
HOME DEPOT INC COM	27,450.000	49.31	1,353,643.76	265.62	7,291,269.00	4.9	6.00	164,700.00	2.259
O REILLY AUTOMOTIVE INC NEW COM	8,350.000	177.95	1,485,856.83	452.57	3,778,959.50	2.6	.00	.00	.000
TJX COS INC NEW COM	52,150.000	12.08	629,718.75	68.29	3,561,323.50	2.4	1.04	54,236.00	1.523
<b>Total for Consumer Disc</b>			<b>5,456,350.64</b>		<b>17,772,347.00</b>	<b>12.0</b>		<b>218,936.00</b>	<b>1.232</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	65,650.000	26.92	1,767,102.99	30.31	1,989,851.50	1.3	.72	47,268.00	2.375
BERKSHIRE HATHAWAY INC DEL CL B NEW	27,750.000	107.85	2,992,813.46	231.87	6,434,392.50	4.4	.00	.00	.000
JPMORGAN CHASE & CO COM	54,600.000	54.15	2,956,488.02	127.07	6,938,022.00	4.7	3.60	196,560.00	2.833
NORTHERN TR CORP COM	20,250.000	53.68	1,087,114.88	93.14	1,900,260.00	1.3	2.80	56,700.00	3.006
PROGRESSIVE CORP OH COM	78,850.000	28.90	2,278,967.64	98.88	7,796,688.00	5.3	.40	31,540.00	.405
SCHWAB CHARLES CORP NEW COM	88,550.000	35.35	3,129,844.03	53.04	4,696,692.00	3.2	.72	63,756.00	1.357
US BANCORP DEL COM NEW	65,800.000	27.78	1,827,815.37	46.59	3,093,258.00	2.1	1.68	110,544.00	3.606
WELLS FARGO & CO NEW COM	53,850.000	32.44	1,747,015.91	30.18	1,625,193.00	1.1	.40	21,540.00	1.325
<b>Total for Financials</b>			<b>17,787,162.30</b>		<b>34,474,357.00</b>	<b>23.4</b>		<b>527,908.00</b>	<b>1.533</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	28,750.000	37.87	1,088,889.78	157.38	4,524,675.00	3.1	4.04	116,150.00	2.567
PFIZER INC COM	81,200.000	29.48	2,393,892.64	36.81	2,988,972.00	2.0	1.56	126,672.00	4.238
<b>Total for Health Care</b>			<b>3,482,782.42</b>		<b>7,513,647.00</b>	<b>5.1</b>		<b>242,822.00</b>	<b>3.232</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	30,350.000	39.47	1,197,821.87	95.11	2,886,588.50	2.0	1.04	31,564.00	1.093

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
FASTENAL CO COM	88,800.000	20.81	1,847,979.21	48.83	4,336,104.00	2.9	1.00	88,800.00	2.048
GENERAL ELEC CO COM	192,000.000	16.12	3,095,815.25	10.80	2,075,520.00	1.4	.04	7,680.00	.370
UNION PAC CORP COM	16,375.000	93.91	1,537,771.76	208.22	3,409,602.50	2.3	3.88	63,535.00	1.863
<b>Total for Industrials</b>			<b>7,679,388.09</b>		<b>12,707,815.00</b>	<b>8.6</b>		<b>191,579.00</b>	<b>1.508</b>
<b>Information Tech</b>									
APPLE INC COM	60,000.000	24.86	1,491,802.13	132.69	7,961,400.00	5.4	.82	49,200.00	.618
CISCO SYS INC COM	37,400.000	21.34	798,141.07	44.75	1,673,650.00	1.1	1.44	53,856.00	3.218
MICROSOFT CORP COM	40,650.000	29.70	1,207,173.00	222.42	9,041,373.00	6.1	2.24	91,056.00	1.007
TE CONNECTIVITY LTD REG SHS	41,600.000	37.69	1,567,907.77	121.07	5,036,512.00	3.4	1.92	79,872.00	1.586
<b>Total for Information Tech</b>			<b>5,065,023.97</b>		<b>23,712,935.00</b>	<b>16.1</b>		<b>273,984.00</b>	<b>1.155</b>
<b>Total: Total Equity</b>			<b>48,595,269.25</b>		<b>116,355,631.00</b>	<b>78.9</b>		<b>1,574,309.00</b>	<b>1.354</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
AT& T INC SR GLBL NT 3.950% 01/15/2025	900,000.000	98.92	890,255.45	112.46	1,028,496.50	.7	3.95	35,550.00	3.512
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	1,000,000.000	105.18	1,051,833.80	109.80	1,114,626.67	.8	4.00	40,000.00	3.643
APPLE INC SR GLBL NT 3.450% 05/06/2024	950,000.000	104.59	993,598.44	110.12	1,051,147.30	.7	3.45	32,775.00	3.133
BERKSHIRE HATHAWAY INC DEL SR NT 3.400% 01/31/2022	1,000,000.000	101.58	1,015,781.70	103.40	1,048,146.67	.7	3.40	34,000.00	3.288
BLACKROCK INC SR NT 4.250% 05/24/2021	750,000.000	102.47	768,521.50	101.54	764,848.55	.5	4.25	31,875.00	4.185
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	1,000,000.000	101.85	1,018,524.20	113.25	1,149,839.86	.8	3.88	38,750.00	3.422
CISCO SYS INC SR NT 3.625% 03/04/2024	1,000,000.000	103.89	1,038,928.24	109.94	1,111,231.25	.8	3.63	36,250.00	3.297
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	1,000,000.000	110.08	1,100,800.00	109.40	1,105,021.67	.7	2.65	26,500.00	2.422
CUMMINS INC SR GLBL NT	1,000,000.000	102.72	1,027,230.39	108.35	1,092,665.00	.7	3.65	36,500.00	3.369

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.650% 10/01/2023 DISNEY WALT CO SR GBLB NT	1,000,000.000	109.16	1,091,550.00	109.63	1,113,093.34	.8	2.65	26,500.00	2.417
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	1,000,000.000	109.78	1,097,750.00	109.23	1,097,790.00	.7	2.61	26,100.00	2.389
2.610% 10/15/2030 GOOGLE INC NT	750,000.000	102.82	771,153.76	101.30	762,884.37	.5	3.63	27,187.50	3.579
3.625% 05/19/2021 HSBC HLDGS PLC SR NT	1,000,000.000	102.80	1,028,045.68	104.51	1,055,211.12	.7	4.00	40,000.00	3.827
4.000% 03/30/2022 HOME DEPOT INC SR NT	1,000,000.000	105.20	1,052,037.57	109.65	1,110,696.66	.8	3.75	37,500.00	3.420
3.750% 02/15/2024 INTEL CORP SR NT	750,000.000	102.09	765,672.75	102.22	772,837.50	.5	3.30	24,750.00	3.228
3.300% 10/01/2021 INTERNATIONAL BUSINESS MACHS SR GBLB	1,000,000.000	104.00	1,039,966.60	109.82	1,112,206.53	.8	3.63	36,250.00	3.301
3.625% 02/12/2024 MCDONALDS CORP MED TERM NT SR NT	1,000,000.000	100.80	1,007,984.73	102.41	1,036,224.16	.7	2.63	26,250.00	2.563
2.625% 01/15/2022 MICROSOFT CORP NT	1,000,000.000	102.96	1,029,617.93	109.22	1,093,781.11	.7	3.63	36,250.00	3.319
3.625% 12/15/2023 NORTHERN TR CORP SUB NT	1,000,000.000	105.51	1,055,087.20	115.42	1,160,853.06	.8	3.95	39,500.00	3.422
3.950% 10/30/2025 O REILLY AUTOMOTIVE INC NEW SR NT	1,000,000.000	103.64	1,036,433.21	104.67	1,059,406.67	.7	3.80	38,000.00	3.630
3.800% 09/01/2022 OMNICOM GROUP INC SR GBLB	1,000,000.000	105.89	1,058,900.00	114.11	1,148,700.00	.8	3.60	36,000.00	3.155
3.600% 04/15/2026 ORACLE CORP SR NT	1,000,000.000	105.13	1,051,308.99	108.40	1,100,685.28	.7	3.63	36,250.00	3.344
3.625% 07/15/2023 PNC BK N A PITTSBURGH PA SUB NT	1,000,000.000	100.61	1,006,098.35	108.41	1,100,516.67	.7	3.80	38,000.00	3.505
3.800% 07/25/2023 PEPSICO INC SR NT	1,000,000.000	111.14	1,111,400.00	110.02	1,107,677.50	.8	.03	262.50	.024
.026% 03/19/2027 SCHLUMBERGER INVT SA SR NT	1,000,000.000	104.20	1,041,988.31	108.56	1,088,681.67	.7	3.65	36,500.00	3.362
3.650% 12/01/2023 SYSCO CORP SR NT	1,000,000.000	104.17	1,041,684.20	112.27	1,132,075.00	.8	3.75	37,500.00	3.340

Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.750% 10/01/2025									
TOYOTA MTR CRD CORP MTN FR	700,000.000	101.53	710,709.72	102.14	722,008.78	.5	3.40	23,800.00	3.329
3.400% 09/15/2021									
U S BANCORP MTNS BK ENT FR	1,000,000.000	104.75	1,047,532.80	109.63	1,111,769.44	.8	3.70	37,000.00	3.375
3.700% 01/30/2024									
WELLS FARGO CO MTN SR NT	670,000.000	101.38	679,239.42	101.06	684,780.20	.5	4.60	30,820.00	4.552
4.600% 04/01/2021									
<b>Total for Corporate Bonds</b>			<b>28,629,634.94</b>		<b>30,037,902.53</b>	<b>20.4</b>		<b>946,620.00</b>	<b>3.183</b>
<b>Governments</b>									
TENNESSEE VALLEY AUTH PWR BD	1,000,000.000	102.16	1,021,582.37	100.43	1,018,918.88	.7	3.88	38,750.00	3.858
3.875% 02/15/2021									
<b>Total for Governments</b>			<b>1,021,582.37</b>		<b>1,018,918.88</b>	<b>.7</b>		<b>38,750.00</b>	<b>3.858</b>
<b>Short Government</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.67	86.38	152,028.80	.1	.81	1,429.12	.940
<b>Total for Short Government</b>			<b>148,859.67</b>		<b>152,028.80</b>	<b>.1</b>		<b>1,429.12</b>	<b>.940</b>
<b>Total: Total Fixed Income</b>			<b>29,800,076.98</b>		<b>31,208,850.21</b>	<b>21.1</b>		<b>986,799.12</b>	<b>3.194</b>
<b>Total</b>			<b>78,395,346.23</b>		<b>147,564,481.21</b>	<b>100.0</b>		<b>2,561,108.12</b>	<b>1.740</b>



## KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	25 Years
<b>Total Portfolio - Gross</b>	<b>147,564,481</b>	<b>20.91</b>	<b>16.36</b>	<b>13.38</b>	<b>12.77</b>	<b>12.64</b>	<b>7.70</b>	<b>8.94</b>
70% SP500 30% Barclays Int Govt Cr		15.67	15.40	11.65	11.90	10.77	6.79	8.35
<b>Total Equity</b>	<b>116,355,631</b>	<b>26.98</b>	<b>19.13</b>	<b>16.17</b>	<b>15.86</b>	<b>16.11</b>	<b>8.27</b>	<b>10.49</b>
S P 500 Index		22.16	18.40	14.18	15.22	13.88	7.47	9.56
<b>Total Fixed Income</b>	<b>31,208,850</b>	<b>1.26</b>	<b>5.41</b>	<b>4.35</b>	<b>3.51</b>	<b>2.96</b>	<b>3.98</b>	<b>4.42</b>
Barclays US Government/Credit Interm Bond		1.10	6.43	4.67	3.64	3.11	4.30	4.66

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	12.64	10.77
Standard Deviation	10.57	9.48
Beta	1.08	
Alpha	1.01	
R-Squared	.94	
Sharpe Ratio	1.14	1.07
Treynor Ratio	11.11	10.13
Tracking Error	2.78	
Information Ratio	.65	
Downside Deviation	6.25	5.58
Downside Standard Deviation	7.88	6.97
Sortino Ratio	2.12	2.02
Upside Capture	1.13	
Downside Capture	1.04	
Batting Average	.57	
Annualized Excess Return	1.87	
Cumulative Excess Return	50.66	
Turnover %	120.78	
M-Squared	11.40	
Residual Risk	.75	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	.64	

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	7.70	6.79
Standard Deviation	9.90	10.50
Beta	.88	
Alpha	1.46	
R-Squared	.88	
Sharpe Ratio	.63	.51
Treynor Ratio	7.10	5.34
Tracking Error	3.69	
Information Ratio	.21	
Downside Deviation	6.29	7.02
Downside Standard Deviation	7.36	7.97
Sortino Ratio	1.31	1.05
Upside Capture	.94	
Downside Capture	.86	
Batting Average	.54	
Annualized Excess Return	.91	
Cumulative Excess Return	68.94	
Turnover %	166.81	
M-Squared	8.08	
Residual Risk	1.00	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	1.45	

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
01/10/2020	1,300.00	JPMORGAN CHASE & CO COM	137.04	178,151.22
01/10/2020	18,000.00	PFIZER INC COM	39.18	705,279.60
01/10/2020	8,000.00	PROGRESSIVE CORP OH COM	73.74	589,881.60
02/26/2020	7,450.00	DISNEY WALT CO COM	133.92	997,704.75
02/26/2020	81,600.00	GENERAL ELEC CO COM	11.92	972,361.92
02/26/2020	2,000.00	JPMORGAN CHASE & CO COM	132.60	265,209.00
03/27/2020	7,700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	182.34	1,404,001.06
05/06/2020	8,500.00	FACEBOOK INC CL A	203.86	1,732,842.30
06/30/2020	4,500.00	FACEBOOK INC CL A	236.47	1,064,130.30
06/30/2020	16,500.00	OMNICOM GROUP INC COM	51.93	856,777.35
08/26/2020	93,200.00	SCHWAB CHARLES CORP NEW COM	35.35	3,294,200.60
09/03/2020	1,000,000.00	COMCAST CORP NEW GLBL NT	110.08	1,100,800.00
09/03/2020	1,000,000.00	DISNEY WALT CO SR GLBL NT	109.16	1,091,550.00
09/03/2020	1,000,000.00	EXXON MOBIL CORP SR GLBL COCO	109.78	1,097,750.00
09/03/2020	1,000,000.00	PEPSICO INC SR NT	111.14	1,111,400.00
				16,462,039.70

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/10/2020	-5,200.00	APPLE INC COM	299.80	1,558,983.88	04/25/2013	58.54	304,414.61	1,254,569.27
02/26/2020	-11,800.00	ALLERGAN PLC SHS	197.96	2,335,933.00	10/30/2017	180.69	2,132,108.96	203,824.04
03/16/2020	-500,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	500,000.00	01/20/2011	1.00	501,609.13	-1,609.13
03/25/2020	-1,000,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	1,000,000.00	08/18/2014	1.02	1,015,389.55	-15,389.55
03/27/2020	-10,500.00	MICROSOFT CORP COM	148.04	1,554,412.93	10/21/2005	24.94	261,825.90	1,292,587.03
04/10/2020	500,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	-500,000.00	01/01/1950	1.00	-501,609.13	1,609.13
04/10/2020	1,000,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	-1,000,000.00	01/01/1950	1.02	-1,015,389.55	15,389.55
04/13/2020	-500,000.00	GOLDMAN SACHS GRP INC MTN SR NT	100.00	500,000.00	01/01/1950	1.00	500,000.00	0.00
04/13/2020	-1,000,000.00	SHELL INTERNATIONAL FIN BV GTD NT	100.00	1,000,000.00	01/01/1950	1.00	1,000,000.00	0.00
05/06/2020	-5,400.00	ALLERGAN PLC SHS	188.47	1,017,741.96	10/30/2017	166.40	898,579.94	119,162.02

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
05/06/2020	-3,300.00	FASTENAL CO COM	35.54	117,287.98	02/12/2015	42.25	139,417.74	-22,129.76
05/06/2020	-1,100.00	HOME DEPOT INC COM	219.33	241,260.74	04/23/2015	36.08	39,685.64	201,575.10
05/06/2020	-18,200.00	HARLEY DAVIDSON INC COM	19.86	361,460.37	01/30/1998	46.01	837,299.49	-475,839.12
06/15/2020	-700,000.00	DUKE ENERGY CAROLINAS LLC 1ST& REF MG	100.00	700,000.00	11/18/2014	1.02	713,050.98	-13,050.98
06/15/2020	700,000.00	DUKE ENERGY CAROLINAS LLC 1ST& REF MG	100.00	-700,000.00	11/18/2014	1.02	-713,050.98	13,050.98
06/15/2020	-700,000.00	DUKE ENERGY CAROLINAS LLC 1ST& REF MG	100.00	700,000.00	11/18/2014	1.00	700,000.00	0.00
06/15/2020	70,000.00	DUKE ENERGY CAROLINAS LLC 1ST& REF MG	100.00	-70,000.00	11/18/2014	1.02	-71,224.78	1,224.78
06/15/2020	-70,000.00	DUKE ENERGY CAROLINAS LLC 1ST& REF MG	100.00	70,000.00	11/18/2014	1.02	71,224.78	-1,224.78
06/30/2020	-5,500.00	APPLE INC COM	363.05	1,996,797.41	04/25/2013	58.54	321,976.99	1,674,820.42
07/13/2020	3,300.00	FASTENAL CO COM	35.54	-117,287.98	02/12/2015	42.25	-139,417.74	22,129.76
07/13/2020	-3,300.00	FASTENAL CO COM	35.54	117,287.98	02/12/2015	21.12	69,708.87	47,579.11
07/22/2020	700,000.00	JPMORGAN CHASE & CO NT	100.00	-700,000.00	02/11/2011	1.00	-699,515.56	-484.44
07/22/2020	-700,000.00	JPMORGAN CHASE & CO NT	100.00	700,000.00	02/11/2011	1.00	700,000.00	0.00
07/22/2020	-700,000.00	JPMORGAN CHASE & CO NT	0.00	700,000.00	02/11/2011	1.00	699,515.56	484.44
08/26/2020	-6,700.00	APPLE INC COM	507.60	3,400,944.66	04/25/2013	58.54	392,226.52	3,008,718.14
08/31/2020	-800.00	APPLE INC COM	505.05	404,037.86	04/25/2013	58.54	46,833.02	357,204.84
08/31/2020	-3,450.00	BANK OF AMERICA CORP COM	25.99	89,664.89	08/30/2019	26.92	92,863.75	-3,198.86
08/31/2020	-1,450.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	216.65	314,142.66	04/23/2015	141.98	205,875.49	108,267.17
08/31/2020	-2,000.00	CISCO SYS INC COM	42.29	84,570.52	06/03/2005	19.64	39,278.80	45,291.72
08/31/2020	-2,350.00	DISNEY WALT CO COM	134.78	316,743.85	04/23/2015	108.49	254,957.37	61,786.48
08/31/2020	-1,600.00	EXPEDITORS INTL WASH INC COM	87.97	140,752.40	03/25/2013	37.20	59,522.08	81,230.32
08/31/2020	-650.00	FACEBOOK INC CL A	297.48	193,363.57	05/06/2020	203.86	132,511.47	60,852.10
08/31/2020	-4,700.00	FASTENAL CO COM	48.42	227,593.87	02/12/2015	21.12	99,282.33	128,311.54
08/31/2020	-10,000.00	GENERAL ELEC CO COM	6.47	64,722.56	05/15/1994	4.15	41,462.94	23,259.62
08/31/2020	-175.00	ALPHABET INC CAP STK CL C	1,644.54	287,794.26	10/05/2015	548.74	96,030.13	191,764.13
08/31/2020	-1,450.00	HOME DEPOT INC COM	289.12	419,219.66	04/23/2015	113.55	164,641.55	254,578.11
08/31/2020	-1,500.00	JOHNSON & JOHNSON COM	152.24	228,365.90	05/19/1993	10.98	16,471.87	211,894.03
08/31/2020	-2,900.00	JPMORGAN CHASE & CO COM	102.01	295,820.71	06/06/2008	40.49	117,428.25	178,392.46
08/31/2020	-1,750.00	CARMAX INC COM	107.89	188,801.92	01/30/2019	59.76	104,585.86	84,216.06
08/31/2020	-2,150.00	MICROSOFT CORP COM	229.12	492,598.62	10/21/2005	25.78	55,426.04	437,172.58
08/31/2020	-1,050.00	NORTHERN TR CORP COM	84.03	88,230.07	10/19/2010	49.08	51,536.10	36,693.97
08/31/2020	-2,400.00	OMNICOM GROUP INC COM	55.42	133,007.93	06/29/2020	51.93	124,622.16	8,385.77
08/31/2020	-450.00	O REILLY AUTOMOTIVE INC NEW COM	466.41	209,884.68	07/11/2017	174.94	78,723.77	131,160.91

Portfolio Turnover

December 31, 2019 to December 31, 2020

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

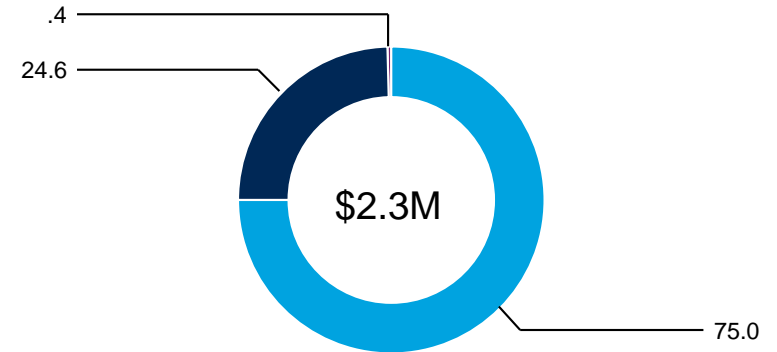
Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
08/31/2020	-4,250.00	PFIZER INC COM	37.85	160,864.04	01/10/2020	39.18	166,524.35	-5,660.31
08/31/2020	-4,150.00	PROGRESSIVE CORP OH COM	93.41	387,667.82	05/23/2007	23.19	96,221.07	291,446.75
08/31/2020	-4,650.00	SCHWAB CHARLES CORP NEW COM	35.94	167,101.96	08/26/2020	35.35	164,356.57	2,745.39
08/31/2020	-2,200.00	TE CONNECTIVITY LTD REG SHS	95.79	210,740.38	06/29/2007	36.85	81,072.63	129,667.75
08/31/2020	-2,750.00	TJX COS INC NEW COM	53.84	148,059.20	04/23/2015	66.34	182,435.27	-34,376.07
08/31/2020	-875.00	UNION PAC CORP COM	194.94	170,571.61	07/24/2015	93.91	82,171.01	88,400.60
08/31/2020	-3,450.00	US BANCORP DEL COM NEW	36.91	127,338.75	12/07/2000	19.90	68,641.02	58,697.73
08/31/2020	-2,850.00	WELLS FARGO & CO NEW COM	24.47	69,741.09	06/02/2011	28.21	80,396.50	-10,655.41
08/31/2020	10,000.00	GENERAL ELEC CO COM	6.47	-64,722.56	05/15/1994	4.15	-41,462.94	-23,259.62
08/31/2020	-10,000.00	FASTENAL CO COM	6.47	64,722.56	02/12/2015	21.12	211,239.00	-146,516.44
08/31/2020	2,750.00	TJX COS INC NEW COM	53.84	-148,059.20	04/23/2015	66.34	-182,435.27	34,376.07
08/31/2020	-2,750.00	TJX COS INC NEW COM	53.84	148,059.20	04/23/2015	6.06	16,656.06	131,403.14
11/01/2020	4,250.00	PFIZER INC COM	37.85	-160,864.04	01/10/2020	39.18	-166,524.35	5,660.31
11/01/2020	-4,250.00	PFIZER INC COM	37.85	160,864.04	01/10/2020	42.17	179,243.75	-18,379.71
11/05/2020	-500,000.00	UNION PAC CORP NT	101.00	505,000.00	12/21/2015	1.01	505,000.00	0.00
11/05/2020	500,000.00	UNION PAC CORP NT	101.00	-505,000.00	12/21/2015	1.03	-512,643.44	7,643.44
11/30/2020	10,000.00	FASTENAL CO COM	6.47	-64,722.56	02/12/2015	21.12	-211,239.00	146,516.44
11/30/2020	-500,000.00	UNION PAC CORP NT	101.00	505,000.00	12/21/2015	1.03	512,643.44	-7,643.44
11/30/2020	-10,000.00	GENERAL ELEC CO COM	6.47	64,722.56	05/15/1994	4.15	41,462.94	23,259.62
12/02/2020	-750,000.00	HERSHEY CO SR NT	100.00	750,000.00	12/17/2012	1.03	770,987.01	-20,987.01
12/22/2020	-10,075.00	VIATRIS INC COM	17.49	176,257.21	11/17/2020	13.52	136,211.96	80,090.50
				<u>22,537,480.92</u>			<u>12,120,837.48</u>	<u>10,456,688.69</u>

## Client Investment Review

Investment activity through 12/31/2020

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	1,724,531	75.0	26,427.52	1.5
Total Fixed Income	566,437	24.6	10,443.74	1.8
Cash & Equivalents	8,941	.4	1.12	.0
<b>Total</b>	<b>2,299,909</b>	<b>100.0</b>	<b>36,872.38</b>	<b>1.6</b>



Investment Summary

	Fiscal Year to Date	
	(6 Months)	1 Year
Beginning Account Value	1,828,543.83	1,666,628.01
Net Contributions/Withdrawals	167,059.18	336,146.16
Income Earned	18,310.15	33,850.79
Market Appreciation	285,995.47	263,283.67
Ending Account Value	2,299,908.63	2,299,908.63



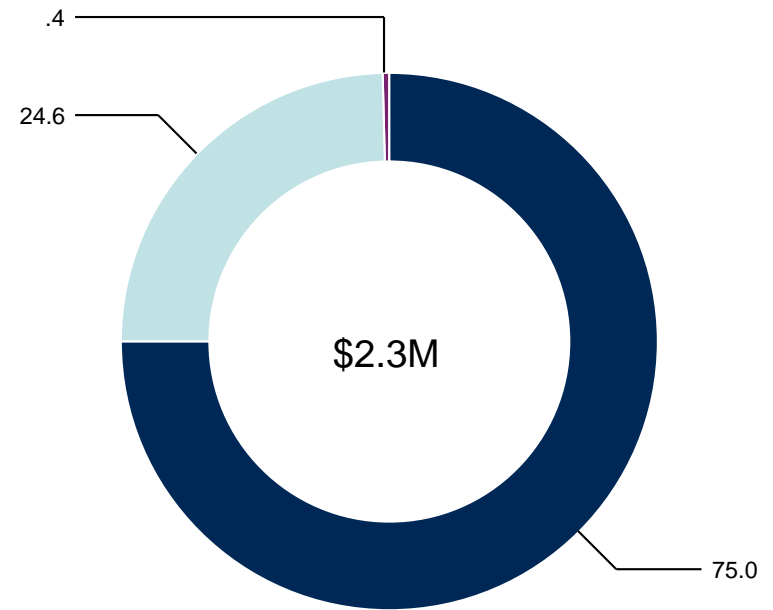
## Market Value by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

	Market Value	% of Mkt Val
■ Large Cap Funds	1,724,531	75.0
■ Taxable Bond Funds	566,437	24.6
■ Cash & Equivalents	8,941	.4
<b>Total</b>	<b>2,299,909</b>	<b>100.0</b>



Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	18,689.920	1.00	18,689.92	1.00	18,689.97	.8	.01	1.12	.006
<b>Total for Money Markets</b>			<b>18,689.92</b>		<b>18,689.97</b>	<b>.8</b>		<b>1.12</b>	<b>.006</b>
<b>Total: Cash &amp; Equivalents</b>			<b>18,689.92</b>		<b>18,689.97</b>	<b>.8</b>		<b>1.12</b>	<b>.006</b>
<b>Total Equity</b>									
<b>Large Cap Funds</b>									
VANGUARD 500 INDEX FUND - ADM #540	4,975.997	243.67	1,212,486.70	346.57	1,724,531.28	74.7	5.31	26,427.52	1.532
<b>Total for Large Cap Funds</b>			<b>1,212,486.70</b>		<b>1,724,531.28</b>	<b>74.7</b>		<b>26,427.52</b>	<b>1.532</b>
<b>Total: Total Equity</b>			<b>1,212,486.70</b>		<b>1,724,531.28</b>	<b>74.7</b>		<b>26,427.52</b>	<b>1.532</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES INTERMEDIATE	4,815.000	114.49	551,251.71	117.64	566,436.60	24.5	216.90	10,443.74	1.844
<b>Total for Taxable Bond Funds</b>			<b>551,251.71</b>		<b>566,436.60</b>	<b>24.5</b>		<b>10,443.74</b>	<b>1.844</b>
<b>Total: Total Fixed Income</b>			<b>551,251.71</b>		<b>566,436.60</b>	<b>24.5</b>		<b>10,443.74</b>	<b>1.844</b>
<b>Total</b>			<b>1,782,428.33</b>		<b>2,309,657.85</b>	<b>100.0</b>		<b>36,872.38</b>	<b>1.596</b>

Performance Overview

Ending: December 31, 2020

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>2,299,909</b>	<b>16.02</b>	<b>14.92</b>	<b>11.79</b>	<b>12.08</b>	<b>10.41</b>
<b>Total Portfolio - Net</b>	<b>2,299,909</b>	<b>15.97</b>	<b>14.83</b>	<b>11.70</b>	<b>11.99</b>	<b>10.32</b>
70% SP500 30% Barclays Int Govt Cr		15.67	15.40	11.65	11.90	10.35
<b>Total Equity</b>	<b>1,724,531</b>	<b>22.15</b>	<b>18.33</b>	<b>14.11</b>	<b>15.07</b>	<b>13.08</b>
S P 500 Index		22.16	18.40	14.18	15.22	13.16
<b>Total Fixed Income</b>	<b>566,437</b>	<b>.93</b>	<b>6.36</b>	<b>6.23</b>	<b>5.08</b>	<b>4.38</b>
Barclays US Government/Credit Interm Bond		1.10	6.43	4.67	3.64	3.19
<b>Cash &amp; Equivalents</b>	<b>8,941</b>	<b>.01</b>	<b>.39</b>	<b>1.43</b>	<b>1.06</b>	<b>.95</b>
3 Mos Treasury Bill Rate		.05	.39	1.52	1.17	1.06

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	12.08	11.90
Standard Deviation	11.12	10.69
Beta	1.04	
Alpha	-.21	
R-Squared	1.00	
Sharpe Ratio	.98	1.00
Treynor Ratio	10.44	10.68
Tracking Error	.60	
Information Ratio	.34	
Downside Deviation	6.87	6.53
Downside Standard Deviation	8.32	7.96
Sortino Ratio	1.86	1.92
Upside Capture	1.04	
Downside Capture	1.04	
Batting Average	.65	
Annualized Excess Return	.17	
Cumulative Excess Return	1.36	
Turnover %	.37	
M-Squared	11.66	
Residual Risk	.00	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	1.22	

Sector	VFIAX	Category
Basic Material	2.3%	2.6%
Consumer Cyclical	11.5%	11.2%
Financial Services	13.5%	13.7%
Real Estate	2.4%	2.4%
Communication Services	10.8%	10.2%
Energy	2.3%	2.0%
Industrials	8.8%	10.2%
Technology	24.2%	22.8%
Consumer Defensive	7.0%	7.9%
Healthcare	13.6%	14.6%
Utilities	2.8%	2.4%

Source: Morningstar

Category: Large Blend | Sector data is based on the rescaled long position of the equity holdings.

# Vanguard 500 Index Fund Admiral Shares (VFIAX)

December 31, 2020

Holdings	% Portfolio Weight	First Bought	Share Change	1 Year Return	P/E	Sector
Apple Inc	6.7%	June 30, 1984	-2.94	64.38	32.05	Technology
Microsoft Corp	11.1%	May 31, 1994	-2.46	31.6	31.55	Technology
Amazon.com Inc	13.4%	Dec 31, 2005	-2.2	66.71	58.48	Consumer Cyclical
Facebook Inc A	2.5%	Dec 31, 2013	-2.38	13.66	23.09	Communication Services
Tesla Inc	11.0%	Dec 31, 2020	+100	696.68	204.08	Consumer Cyclical
Alphabet Inc A	2.3%	Mar 31, 2006	-2.32	20.04	30.12	Communication Services
Alphabet Inc Class C	9.2%	Oct 31, 2015	-3.45	20.64	30.3	Communication Services
Berkshire Hathaway Inc Class B	24.2%	Mar 31, 2010	-4.19	2.25	21.79	Financial Services
Johnson & Johnson	7.3%	June 30, 1984	-2.37	11.75	17.73	Healthcare
JPMorgan Chase & Co	13.8%	Mar 31, 2001	-2.35	4.04	14.84	Financial Services

Source: Morningstar

# iShares Intermediate Government/Credit Bond ETF (GVI)

	<b>GVI</b>	<b>Barclays Intermediate Gov/Cr</b>
Duration	4.09	5.63
Effective Maturity	4.40	7.47
Credit Rating	AA	A
Weighted Coupon	2.43%	2.65%
Weighted Price	107.47	107.91
Yield	0.64%	1.27%

Source: Morningstar

Fund as of Jan 15, 2021 | Category: Intermediate Core Bond as of Dec 31, 2020.



# iShares Intermediate Government/Credit Bond ETF (GVI)

Credit Rating (Subtotal Weight)	0-0.5Y	0.5-1	1-2	2-3	3-4	4-5	5-6	6-7
AAA (63.25)	0.1	0.63	16.25	8.22	11.44	10.09	3.39	8.95
AA (3.83)	0.07	0.15	0.74	0.5	0.49	0.78	0.37	0.26
A (15.33)	0.03	0.37	2.19	2.35	2.35	2.09	1.86	1.54
BBB (17.44)	—	0.19	2.12	2.3	2.77	2.64	2.28	2.17
BB (0.14)	—	—	0.02	0.01	0.04	0.02	0.01	—
B	—	—	—	—	—	—	—	—
Below B	—	—	—	—	—	—	—	—
Not Rated (0.02)	—	—	—	—	—	—	—	—

Source: Morningstar

As of Jan 15, 2021 | Data is based on the long position of the holdings.

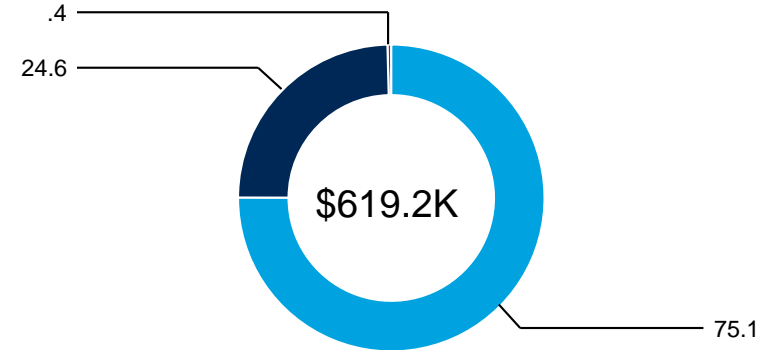


## Client Investment Review

Investment activity through 12/31/2020

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	464,693	75.0	7,121.17	1.5
Total Fixed Income	151,991	24.6	2,802.35	1.8
Cash & Equivalents	2,527	.4	.31	.0
<b>Total</b>	<b>619,211</b>	<b>100.0</b>	<b>9,923.83</b>	<b>1.6</b>



Investment Summary

	Fiscal Year to Date	
	(6 Months)	1 Year
Beginning Account Value	491,095.64	412,111.33
Net Contributions/Withdrawals	46,323.93	124,795.76
Income Earned	4,918.17	8,998.48
Market Appreciation	76,873.73	73,305.90
Ending Account Value	619,211.47	619,211.47

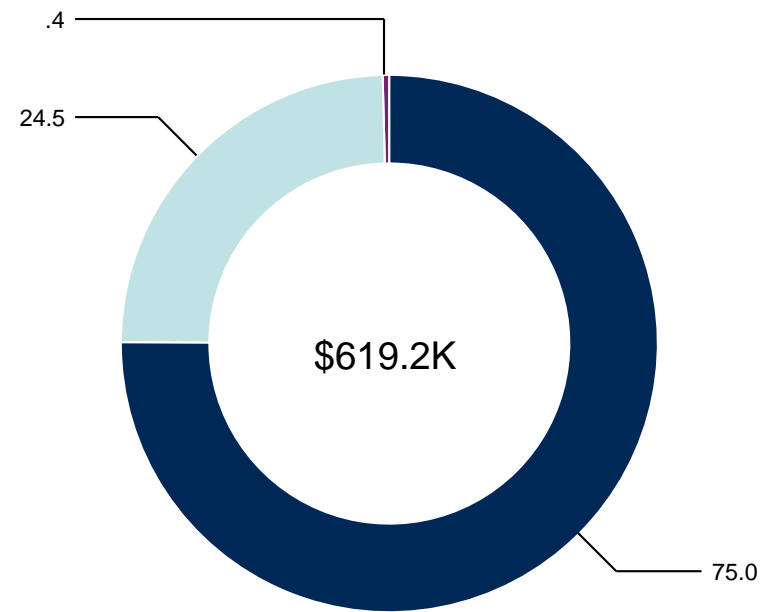
## Market Value by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

	Market Value	% of Mkt Val
■ Large Cap Funds	464,693	75.0
■ Taxable Bond Funds	151,991	24.5
■ Cash & Equivalents	2,527	.4
<b>Total</b>	<b>619,211</b>	<b>100.0</b>



Portfolio Holdings by Asset Class

Ending: December 31, 2020

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	5,111.480	1.00	5,111.48	1.00	5,111.49	.8	.01	.31	.006
<b>Total for Money Markets</b>			<b>5,111.48</b>		<b>5,111.49</b>	<b>.8</b>		<b>.31</b>	<b>.006</b>
<b>Total: Cash &amp; Equivalents</b>			<b>5,111.48</b>		<b>5,111.49</b>	<b>.8</b>		<b>.31</b>	<b>.006</b>
<b>Total Equity</b>									
<b>Large Cap Funds</b>									
VANGUARD 500 INDEX FUND - ADM #540	1,340.835	243.29	326,211.85	346.57	464,693.23	74.7	5.31	7,121.17	1.532
<b>Total for Large Cap Funds</b>			<b>326,211.85</b>		<b>464,693.23</b>	<b>74.7</b>		<b>7,121.17</b>	<b>1.532</b>
<b>Total: Total Equity</b>			<b>326,211.85</b>		<b>464,693.23</b>	<b>74.7</b>		<b>7,121.17</b>	<b>1.532</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES INTERMEDIATE	1,292.000	114.59	148,046.53	117.64	151,990.88	24.4	216.90	2,802.35	1.844
<b>Total for Taxable Bond Funds</b>			<b>148,046.53</b>		<b>151,990.88</b>	<b>24.4</b>		<b>2,802.35</b>	<b>1.844</b>
<b>Total: Total Fixed Income</b>			<b>148,046.53</b>		<b>151,990.88</b>	<b>24.4</b>		<b>2,802.35</b>	<b>1.844</b>
<b>Total</b>			<b>479,369.86</b>		<b>621,795.60</b>	<b>100.0</b>		<b>9,923.83</b>	<b>1.596</b>

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

## Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>619,211</b>	<b>16.02</b>	<b>14.86</b>	<b>11.81</b>	<b>12.06</b>	<b>10.43</b>
<b>Total Portfolio - Net</b>	<b>619,211</b>	<b>15.97</b>	<b>14.77</b>	<b>11.72</b>	<b>11.97</b>	<b>10.35</b>
70% SP500 30% Barclays Int Govt Cr		15.67	15.40	11.65	11.90	10.35
<b>Total Equity</b>	<b>464,693</b>	<b>22.15</b>	<b>18.33</b>	<b>14.12</b>	<b>15.09</b>	<b>13.11</b>
S P 500 Index		22.16	18.40	14.18	15.22	13.16
<b>Total Fixed Income</b>	<b>151,991</b>	<b>.93</b>	<b>6.34</b>	<b>6.21</b>	<b>5.06</b>	<b>4.35</b>
Barclays US Government/Credit Interm Bond		1.10	6.43	4.67	3.64	3.19
<b>Cash &amp; Equivalents</b>	<b>2,527</b>	<b>.01</b>	<b>.39</b>	<b>1.37</b>	<b>1.03</b>	<b>.92</b>
3 Mos Treasury Bill Rate		.05	.39	1.52	1.17	1.06

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	12.06	11.90
Standard Deviation	11.14	10.69
Beta	1.04	
Alpha	-.24	
R-Squared	1.00	
Sharpe Ratio	.97	1.00
Treynor Ratio	10.42	10.68
Tracking Error	.62	
Information Ratio	.31	
Downside Deviation	6.90	6.53
Downside Standard Deviation	8.35	7.96
Sortino Ratio	1.85	1.92
Upside Capture	1.04	
Downside Capture	1.05	
Batting Average	.62	
Annualized Excess Return	.16	
Cumulative Excess Return	1.26	
Turnover %	.37	
M-Squared	11.62	
Residual Risk	.00	
Risk-Free Benchmark ( 3 Mos Treasury Bill Rate )	1.22	

This report is for informational purposes only and does not supersede confirmations and monthly client statements. The results reported should not be relied upon for tax information. Clients should consult tax documents for a complete summary of gain or loss history. The information has been derived from sources considered to be reliable but we cannot guarantee the accuracy. This information represents past performance and is not indicative of future results. Principal value and investment return will fluctuate, and shares/units, when redeemed, may be worth more or less than the original amount. Returns assume reinvestment of dividends and other earnings.

Performance calculations are performed using the Daily Time Weighted Rate of Return (DTWRR) calculation method. This time-weighted rate of return method revalues the portfolio whenever a cash flow takes place, therefore significantly minimizing its impact on the return. Returns are measured from day-to-day and are then compounded or geometrically linked resulting in the time-weighted rate of return. Performance returns for time periods longer than 365 days have been annualized.

Performance calculations may also be performed using the Internal Rate of Return (IRR) Calculation method. The IRR is used to calculate the appropriate money-weighted rate of return. Cash flows are included based on their timing and size. The IRR is related to the time-value of money or present value formula. It calculates the discount rate which will take the starting value and all cash flows to result in the ending market value. Performance returns for time periods longer than 365 days have been annualized.

The inception date is the date on which performance calculations started. Your portfolio manager may or may not have begun executing security purchases and sales on the start date. Hilliard Lyons Trust Company (HLT) may change the inception date to minimize the effect on performance when securities fund the account. Account values on the Investment Summary page may not reflect the market value of holdings, due to the inclusion of accrued income. Accrued income is included when income has been earned as of the reporting end date, but not yet paid out.

#### **Broad Index Descriptions**

**Barclays U.S. Intermediate Government Credit Bond Index:** The index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

**S&P 500 Composite:** The S&P 500 composite index is an unmanaged, market capitalization weighted index of 500 common stocks widely regarded to be representative of the market in general. Returns include reinvestment of dividends.

**MSCI EAFE:** The MSCI EAFE Index is a Morgan Stanley international index that includes stocks traded on 16 exchanges in Europe, Australia and the Far East, weighted by capitalization.

**Russell 1000 Value:** The Russell 1000 Index is a stock market index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index, which represent about 90% of the total market capitalization of that index.

Index returns may not represent your portfolio and are provided only as a representation of broad market performance. It is not possible to invest directly in an index.

### Glossary of Terms and Calculations

**Cost Basis Information:** All information with respect to cost information is derived from transactions in your account or information supplied by other sources. There is no guarantee as to the accuracy of this information or the corresponding gain and loss information. Certain transactions resulting from reorganization activity - including but not limited to mergers, acquisitions, exchanges, tenders, conversions, spin-offs, and stock distributions - may have complex tax ramifications that may require adjustments to the cost basis of the assets acquired and/or disposed. Please consult a tax advisor for guidance in handling these transactions. The cost basis for factorable securities, unit investment trusts, and certain limited partnerships may be reduced by the amount of principal payments returned. This cost information is displayed and the gain/loss information is calculated for these securities only if both the cost and principal payment information is deemed to be complete.

**Inception Date:** The inception date is the date on which performance calculations started.

**Total Portfolio Net:** Returns are calculated after the deduction of investment management fees and transaction expenses. In some cases, separate custodial fees may be assessed but are not deducted from the return. Some client accounts may see adjustments to their historical returns compared to statements from prior periods. The differences may occur in accounts with significant contributions or distributions. Additional information is available upon request.

**Non-Performance Assets:** Non-performance assets are assets on which performance is not calculated. These would include, but are not limited to, limited partnerships, annuities, and assets requested to be "unsupervised" (excluded from the performance calculation).

**Valuations:** The pricing of securities displayed in this report is derived from various sources, and in some cases may be higher or lower than the price you would actually receive in the market. For securities listed on an exchange or trading continually in an active marketplace, the prices reflect market quotations at the close of the reporting period. For securities trading less frequently, we rely on third party pricing services, or a computerized pricing model, which do not always reflect actual market prices. Valuation differences may be due to the different definitions of the closing market prices of securities.

Information contained in this report has been provided at your request. If you have questions regarding this information, please contact your Baird Financial Advisor or HLT Portfolio Manager.

Hilliard Lyons Trust Company, LLC, a Kentucky state chartered trust company, is owned by Baird Financial Corporation ("BFC") and is affiliated with Robert W. Baird & Co. Incorporated and other operating businesses owned by BFC.



## **Item V – Administrative Reports**

- A. Public Pension Oversight Board
- B. Personal Service Contracts
- C. 2021 Legislative Update
- D. JFRS Administration
- E. JFRS Personnel Update
- F. Financial Disclosure Report
- G. Actuarial and Audit Reports

## 2021 LEGISLATIVE UPDATE

As of January 15, 2021

### Legislation – Budget Bills

Bill/Description

#### **HB 195 – Judicial Branch Budget**

- One (1) year budget for FY 2021-22
- Provides \$7,147,500 General Fund appropriation (same as FY 2021) to JRP for employer contributions to JFRS

**STATUS:** Both the House and Senate passed version of budget, but House did not concur with Senate Committee and the Senate refused to recede, thus the legislation has moved to a Conference Committee.

#### **HB 194 – Legislative Branch Budget**

- One (1) year budget for FY 2021-22
- Do not provide any funding of employer contributions to LRP (same as FY2021).

**STATUS:** Both the House and Senate passed version of budget, but House did not concur with Senate Committee and the Senate refused to recede, thus the legislation has moved to a Conference Committee.

### Legislation – Material Impact

Bill/Description

#### **HB121 (Rep. Tipton) - Close the Legislators' Retirement Plan (LRP) and Judicial Retirement Plan (JRP) to new members effective July 1, 2021.**

- Provides that new legislators and judges shall participate in the Kentucky Employees Retirement System (KERS) for the duration of their legislative service;
- Provides that LRP and JRP members who entered the plans on or after 1/1/2014 and who are participating in the cash balance plan shall have their account balance transferred to the KERS hybrid cash balance plan and shall prospectively participate in KERS for the duration of their legislative service;
- Repeals, reenacts, and amends KRS 6.505, 21.360, and 21.480 to provide that legislative changes that are enacted on or after July 1, 2021, for LRP and JRP shall not be part of the "inviolable contract" and to make conforming amendments;
- Repeals, reenacts, and amends KRS 6.520 to provide that the LRP benefit factor for the traditional defined benefit plan shall be lowered from 2.75% to 1.97% for service accrued on or after July 1, 2021;
- Repeals, reenacts, and amends KRS 6.525 to provide that non-legislative compensation earned in another state-administered retirement system or plan on or after July 1, 2021, shall not be used to calculate benefits in the Legislators' Retirement Plan;
- Amends KRS 21.525 to provide that the Judicial Form Retirement System shall not request nor receive any funding for the Legislators' Retirement Plan (LRP), except for administrative expenses, until such time the LRP plan has an actuarial funding level equal to or less than the KERS nonhazardous pension fund;
- Amends KRS 61.510 to provide that for any service to the General Assembly that is credited to the Kentucky Employees Retirement System, no compensation earned for other covered public employment shall be used to determine the portion of their benefit related to their service to the General Assembly;

Amends KRS 6.500 and repeals, reenacts, and amends KRS 21.402 and 61.680 to conform and to restore/remove language due to a recent court ruling.

**STATUS:** Introduced in House on January 5, 2021.

**Other Legislation – No, Limited, or Undetermined Impact**

Bill/Description

**[HB 69](#) (Rep. J. Miller) - Establishes additional standards and requirements for the completion of the actuarial analysis required for bills pertaining to state-administered retirement systems including a projection of costs/savings over a 30-year period rather than 20 years.**

- amends KRS 21.440, 61.670, and 161.400 to require the state-administered retirement systems to provide a projection/analysis over a 30-year period rather than a 20-year period regarding projections in the annual actuarial valuation and as it relates to experience studies, assumption changes, and other changes made by the boards of each system.
- Completion of the analysis in a format established by the Legislative Research Commission, and
- the addition of a summary of relevant data and information on the front page of the analysis;

**STATUS:** [Introduced in House on January 5, 2021.](#)

**[HB 139](#) (Rep. Blanton) - Increases minimum total and permanent in line of duty or duty-related disability benefits payable to a member from 25% to 75% of the member's monthly average pay.**

**STATUS:** [Introduced in House on January 5, 2021.](#)

**[HB 241](#) (Rep. Koenig) - AN ACT relating to wagering and making an appropriation therefor.**

- Establishes KRS Chapter 239 to authorize certain forms of sports wagering and creates a wagering administration fund in the State Treasury;
- Wagering administration fund would receive licensing, registration, and renewal fees, as well as taxes from operations. A portion of the funds would be allocated to the Kentucky permanent pension fund.

Legislation does not specify how funds would be allocated from permanent pension fund, but sole purpose of use in this fund are for contributions to Commonwealth's pension funds.

**STATUS:** [Introduced in House on January 5, 2021.](#)

January 22, 2021

Rep. James Tipton  
702 Capital Ave  
Annex Room 316B  
Frankfort, KY 40601

**RE: HB 121 – Act relating to retirement**

Representative Tipton,

On behalf of the Judicial Form Retirement System (JFRS) Board of Trustees, I want to thank you for taking time out of your busy schedule to meet last week and discuss HB 121 (BR 279). As we shared, while JFRS does appreciate and understand your desire to address pension concerns in our Commonwealth, as fiduciaries, the Board cannot support this legislation in its current form. They believe it will have a negative financial impact on current members, likely lead to legal challenges, and result in new and current cash balance members of JFRS being transferred to a plan administrator that is undergoing much transition and has a history of not always operating as efficiently.

The Board also recognizes that legislators like yourself have had to face unjust public ridicule recently due to the health of both JFRS plans as compared to other pension plans in our state. We recognize that it is often not enough to simply state that differing management practices (and not uneven funding patterns) over time account for the differing funded ratios. And like you, JFRS does want the Kentucky Employees Retirement System (KERS) health and funding to improve. The Board just believes that other, more direct, options exist and would urge you to reconsider closing efficiently run plans that have resulted in those enviable funding levels.

On behalf of its members, the Board believes it has a responsibility to communicate to all plan members the following concerns about HB 121:

**Financial.** Transferring current LRP and JRP members who entered JFRS on or after January 1, 2014 and are participating in the cash balance plan to the Kentucky Employees Retirement System (KERS) would financially impact JFRS members given the amount of “upside sharing” provided in the plan would be based on returns from the KERS plan, which targets a lower return and has historically underperformed the JFRS portfolios.

JFRS has consistently provided strong investment returns over the past 27 years that have exceeded the KERS plan. As of June 30, 2020, the JFRS portfolios had outperformed KERS across all trailing time periods. Over the most recent 5- and 10-year periods, the plans had returned 8.8% and 11.6% respectively, compared to 5.3% and 7.3% for the KERS plan. And longer term, over a 20-year period, both Plans had earned 7.0% as compared to 5.2% from KERS.

**Contractual or Legal.** Adjusting the benefit factor, even for prospective service, for current members of LRP who entered the plan on or before January 1, 2014 would likely lead to a legal challenge of the inviolable contract and additional administrative costs to the plan. The Board understands your purpose with this

proposed language and does not intend to debate it, but believes it is their fiduciary responsibility to suggest the language below would prohibit such a change:

*“For a member who begins participating in LRP prior to January 1, 2014, the election shall operate to create an inviolable contract between such member and the Commonwealth, guaranteeing to and vesting in the member the rights and benefits provided under KRS 6.515 to 6.530.” – KRS 6.505(b)1*

Lastly, the Board also believes there could be some concern with the transfer or merging of existing LRP and JRP cash balance members into the KERS system. Historically, the process of merging defined benefit plans has been difficult given the complex nature of their design. While hybrid in nature, cash balance plans are defined benefit by definition and design. We suggest careful legal review of this proposed merger before actually proposing the legislation to avoid the discomfort of an after-the-fact adverse legal conclusion.

**Administrative.** While small and unique, like its underlying membership, the Board of JFRS has consistently managed LRP and JRP in a cost effective, measured, and prudent manner since its creation. The plans’ investments have performed well, benefits programs have been administered with a high level of service, and the Board has consistently responsibility in its fiduciary role. Being small and nimble has benefited the organization, which draws funding from all three branches of government, and allowed the plans to reach healthy funding levels with limited growth in needed contributions.

JFRS understands its results have also contributed to the negative attention given to the health of other pension plans in our state, and are aware that you have had to spend undue amounts of time addressing constituent concerns. However, the Board also does not want to ignore the truth that the success of LRP and JRP has not solely been tied just to funding as the public likes to claim. As you know, a pension plans’ success, or lack thereof, is never dependent on a single source, but rather a combination of funding policy, sound investment process, and effective administration. JFRS has executed on all three legs to that stool, while other plans have struggled with one or more.

The Board understands the perspective this has created, but believes strongly in the value it has provided. Closing the plan or transferring existing cash balance members does not materially improve the funding health of KERS, but would add administrative burden to both JFRS and KRS, which is currently in the midst of a significant transition itself as it evolves into the Kentucky Public Pension Authority. Given this burden, the Board would urge more direct and focused support be sought to improve the funding health of KERS.

I do appreciate your time and willingness to discuss this proposed legislation and would be happy to have further discussions.

Thank you,



Bo Cracraft  
Executive Director

**MEMORANDUM OF UNDERSTANDING  
BETWEEN ADMINISTRATIVE OFFICE OF THE COURTS  
AND JUDICIAL FORM RETIREMENT SYSTEM**

**WHEREAS**, the Administrative Office of the Courts (“AOC”) is the operational arm of the Kentucky Court of Justice;

**WHEREAS**, the Kentucky Judicial Form Retirement System (“JFRS”) is the state agency established by KRS 21.345 to 21.510 and charged with the administration of the Judicial Retirement Plan and the Legislators Retirement Plan;

**WHEREAS**, JFRS has identified a need for administrative support services;

**WHEREAS**, the Board of Trustees of the System have voted to become administratively attached to the AOC for the purpose of obtaining certain administrative support services; and

**WHEREAS**, the Parties enter into this Memorandum of Understanding ("MOU") to set forth their rights and obligations.

**NOW, THEREFORE, the AOC and the JFRS mutually agree as follows:**

**I. Parties.** This Memorandum of Understanding is made and entered into by and between the AOC, whose address is 1001 Vandalay Drive, Frankfort, Kentucky 40601, and JFRS, whose address is 305 Ann Street, Suite 302, Whitaker Bank Building, Frankfort, Kentucky 40601.

**II. Purpose.** The purpose of this Memorandum of Understanding is to form an understanding by which the AOC provides support services for JFRS. JFRS is, and shall remain, an independent entity with a governing board solely responsible for the operation and administration of the retirement system for the benefits of its members, and by this Memorandum of Understanding only seeks administration and technical support to operate efficiently for the benefit of its members.

**III. Scope of Services.** For the purposes of this Memorandum of Understanding, support services shall be deemed to include certain administrative functions currently provided by the Commonwealth Office of Technology (“COT”) and other Commonwealth of Kentucky entities, including, but not limited to, the following, as reasonably requested by JFRS:

**A. Information and Technology Services**

1. Ability to purchase technology and office management equipment through existing AOC contracts or state price contracts, including but not limited to:
  - a. Multifunction and/or stand-alone photocopiers, fax machines, scanning devices
  - b. Laptops, desktop computers and/or tablet computers, along with related peripheral devices such as modems, routers, web cameras and speakers

- c. Cellular and land line telephones
  - d. Software licenses (e.g. Microsoft etc.)
2. Assistance from the AOC helpdesk for Information Technology support;
3. Ability for JFRS staff to use kycourts.net email addresses; and
4. Link to the JFRS web page on the KCOJ website.

#### B. Human Resources

1. The AOC Human Resources Department will provide administrative functions similar to those that had been provided by Executive Branch Personnel Cabinet, including:
  - a. Technical assistance and advice from the AOC Human Resources Department as needed;
  - b. Use of available training modules; and
  - c. AOC Human Resources acting in role of “approver” of timesheets as needed.
2. Use of the KCOJ Timesheet Program.

#### C. Financial Services

1. The AOC Department of Financial Services will provide technical assistance and consultation regarding:
  - a. Payments
  - b. eMARS
  - c. Solicitations
2. Upon request of JFRS, Financial Services will provide AOC templates for solicitations and contracts, including third-party service contracts and leases.

**IV. Payment.** JFRS will purchase and pay directly for equipment and software items at the prices established in existing AOC contracts or state price contracts except when JFRS receives or is assigned or allocated equipment, software or licenses from an AOC enterprise purchase or bulk purchase. If JFRS receives or is assigned or allocated equipment, software or licenses from an AOC enterprise purchase or bulk purchase, AOC may charge JFRS appropriate and reasonable costs for such equipment, software or licenses reflective of the proportion of AOC’s actual costs for such acquisitions so delivered or allocated to JFRS. JFRS understands that staff assigned a kycourts.net email addresses will also be assigned associated software licenses including but not limited to Office 365, Windows, SharePoint, and OneDrive, and JFRS agrees to reimburse AOC for the cost of those licenses.

AOC will generally not intend to charge JFRS for consulting or administrative services. However, if it is determined that JFRS needs dedicated personnel for a certain period of time (such as for assistance with services related, but not limited to, accounting, procurement, or technology), or if

such JFRS requests for AOC consulting or administrative services become unreasonably burdensome, the Parties may enter into a Memoranda of Agreement to provide for those additional services at cost. Alternatively, JFRS may decide to hire additional part time or full-time staff (or use a contract employee) as an alternative to engaging resources from or through AOC.

V. **Term of Memorandum of Understanding.** This Memorandum of Understanding is effective upon the day and date last signed and executed by the duly-authorized representatives of the parties to this Memorandum of Understanding and will expire on June 30, 2022. It shall be automatically renewed for additional 2-year periods unless terminated by either party in writing. This Memorandum of Understanding may be terminated, without cause, by either party upon 30 days' written notice, which notice shall be delivered to the address listed above.

VI. **General Provisions.**

A. **Sovereign Immunity.** The AOC and the JFRS, and their respective governing bodies, do not waive their sovereign immunity by entering into this Memorandum of Understanding, and each fully retains all immunities and defenses provided by law with respect to any action based on, or occurring as a result of, this Memorandum of Understanding.

B. **Third-Party Beneficiary Rights.** The parties do not intend to create in any other individual or entity the status of a third-party beneficiary, and this Memorandum of Understanding shall not be construed so as to create such status. The rights, duties, and obligations contained in this Memorandum of Understanding shall operate only between the parties to this Memorandum of Understanding, and shall inure solely to the benefit of the parties to this Memorandum of Understanding. The provisions of this Memorandum of Understanding are intended only to assist the parties in determining and performing their obligations under this Memorandum of Understanding. The parties to this Memorandum of Understanding intend and expressly agree that only parties signatory to this Memorandum of Understanding shall have any legal or equitable right to seek to enforce this Memorandum of Understanding, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this Memorandum of Understanding, or to bring an action for the breach of this Memorandum of Understanding.

C. **Understandings of the Parties.** It is understood by the parties that this Memorandum of Understanding is subject to, and limited by, the authority of the JFRS to administer its statutory duties. It is further understood that this agreement does not limit the obligations of the parties to perform the duties placed upon them by statute. In the event of a conflict, the applicable statutory provisions shall prevail over any other provision of this contract.

VI. **Standard Terms and Conditions.**



- A. At no point shall any JFRS personnel be considered an employee of the AOC, for any purpose, including but not limited to unemployment, taxes, withholding, health insurance, liability, retirement, workers' compensation, vacation, sick or other leave, the Family Medical Leave Act, accrued benefits, evaluations, or any other purpose.
- B. No change, waiver, or discharge of any liability or obligation under this MOU on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.
- C. No party shall assign its respective rights or obligations under this MOU without prior written consent of the other party. Any purported assignment or delegation in violation of this MOU is void.
- D. This MOU shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky.
- E. The parties agree that any claim, action, or lawsuit arising under this MOU must be brought in Franklin Circuit Court in the Commonwealth of Kentucky.
- F. If any term or provision or any part of this MOU is declared invalid or unenforceable, the remainder of this MOU shall not be affected, and each term and provision of this MOU shall be valid and enforceable to the fullest extent permitted by the law.
- G. This MOU is the final and exclusive agreement between the parties. All prior negotiations and agreements are superseded by this MOU.
- H. This MOU may be amended by the AOC and the County as may be necessary. Any such amendment must be made in writing and agreed to by authorized representatives of each party.

**VIII. Signatures.** In witness whereof, the parties to this Memorandum of Understanding, through their duly-authorized representatives, have executed this Memorandum of Understanding on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Memorandum of Understanding as set forth herein.

The effective date of this Memorandum of Understanding is the date of the signatures last affixed to this page.

**ADMINISTRATIVE OFFICE OF THE COURTS      JUDICIAL FORM RETIREMENT SYSTEM**

Laurie Dudgeon Director, AOC	[NAME AND TITLE]
DATE	DATE

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[NAME AND TITLE]

DATE

Reviewed and Recommended by:

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Jason McGinnis  
Deputy Director, AOC

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Jenny Lafferty  
Director of Finance and Administration, AOC

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Charles Byers  
Chief Information Officer, AOC

Reviewed by:

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Legal Counsel, AOC

# Kentucky Judicial Form Retirement System

305 Ann Street  
Suite 302, Whitaker Bank Building  
Frankfort, Kentucky 40601

## ***Financial Disclosure Report***

**Please Include The Following Information For The Preceding Calendar Year:**

\_\_\_\_\_  
(Name of Trustee) (Date of Birth)

\_\_\_\_\_  
(Address where individual receives mail) (City-State-Zip)

\_\_\_\_\_  
(Name of Spouse) (Address where spouse receives mail) (City-State-Zip)

**DIRECTORSHIPS AND EMPLOYMENT:** List every office, directorship, or employment held by you, your spouse, and your dependents in any entity regardless of the income received or equity held, excepting such activities in political, religious or charitable entities if compensation of less than \$1,000 per year is received. You are not required to list the amount of the income received.

**ENTITY NAME AND DESCRIPTION WHERE OFFICES, DIRECTORSHIPS, AND EMPLOYMENT ARE HELD BY TRUSTEE AND TRUSTEE'S SPOUSE AND DEPENDENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **FINANCIAL INTERESTS THAT HAVE POTENTIAL FOR CONFLICT:**

**(A) DESCRIBE ANY FINANCIAL INTEREST THE TRUSTEE HAS IN ANY COMPANY OR FIRM THAT DOES BUSINESS WITH JFRS:**

\_\_\_\_\_  
\_\_\_\_\_

**(B) DESCRIBE ANY PERSONAL FINANCIAL INTERESTS, DIRECT OR INDIRECT, NOT LISTED IN (A) ABOVE, FOR THE TRUSTEE AND ANY IMMEDIATE FAMILY MEMBER (DEFINED AS A SPOUSE, PARENT, SIBLING, GRANDPARENT, GRANDCHILD OR CHILD), THAT COULD CONFLICT OR APPEAR TO CONFLICT WITH THE TRUSTEE'S DUTIES AND RESPONSIBILITIES TO JFRS:**

\_\_\_\_\_  
\_\_\_\_\_

**(C) DESCRIBE ANY EMPLOYMENT OR COMPENSATION THE TRUSTEE RECEIVES FROM ANY JFRS CONTRACTORS OR VENDORS:**

\_\_\_\_\_  
\_\_\_\_\_

**(D) DESCRIBE ANY INTEREST IN PROPERTY, TANGIBLE OR INTANGIBLE, OR ANY OTHER ASSETS OR BUSINESS THAT MAY CONSTITUTE OR CAUSE A CONFLICT OF INTEREST WITH THE TRUSTEE'S DUTIES:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Trustee, JFRS