

JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JULY 23, 2021



AGENDA



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

July 23, 2021 – 10:00 a.m. EST

**Administrative Office of the Courts, Meeting Room B
1001 Vandalay Drive, Frankfort, Kentucky**

AND

Video Conference using Microsoft Teams

- I. Call to Order.
- II. Adoption of the *Minutes* of the April 23, 2021 Meeting.
- III. Investment Related Matters.
 - A. Presentation by Lexington Investment Company.
 - B. Presentation by Hilliard Lyons Trust Company.
- IV. Reports by Executive Director.
 - A. Introduction of New Staff
 - B. Public Pension Oversight Board
 - C. District and Circuit Judicial Colleges
 - D. APA Fiscal Year 2021 End Audit.
 - E. 2021 Actuarial Valuations – *Actionable Item*
 - F. Special Circuit Judge Opinion – *Actionable Item*
 - G. 2017 SB 104 – Implementation – *Actionable Item*
 - H. Fiduciary Liability Insurance – *Actionable Item*
 - I. 2022 Retiree Health Insurance – *Actionable Item*
 - J. Pension Administration Software RFP.
- V. Executive Session.
- VI. October 22, 2021 Meeting

Item II – Adoption of Minutes

- April 23, 2021

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

April 23, 2021

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, January 22, 2021, at 10:00 a.m. All Board members were in attendance with the exception of Mr. Stephen LeLaurin. Bo Cracraft, Executive Director, Rebecca Stephens, Assistant to the Director, and Stan Kerrick, Lexington Investments participated in person. Mr. Don Asfahl, Mr. Tom Watkins, and Mr. Andy Means of Hilliard Lyons attended via video-conference. Mr. Wesley Wickenheiser and Mr. Matthew Widick of Findley, Inc. also participated by video-conference.

Chairman Grise called the meeting to order at 10:07 a.m.

The trustees considered the adoption of the previously distributed *Minutes* of the January 22, 2021 meeting. Upon motion by Justice Daniel Venters, seconded by Representative Brad Montell, the Board unanimously approved the *Minutes* of the January 22, 2021 meeting.

The next order of business was the report of Lexington Investments LLC. Chairman Grise recognized Mr. Kerrick. Mr. Cracraft previously distributed electronic copies of *Lexington Investments' Kentucky Judicial & Legislators Retirement Funds* as of March 31, 2021. In accordance with Board policy, the System maintains a copy of the *Reports*.

Mr. Kerrick confirmed the Funds were in compliance with the Investment Policy Statement with equity allocations for the Judicial Fund at 76.5% and Legislators Fund at 75.1%. He advised that more than 50% of each Fund's equity positions have paid dividends for the last five consecutive years. He also advised that there were no individual equity market values exceeding 8% of total equity market values as of March 31, 2021. Any time an individual equity value exceeds 8% of the Funds' total equity market, Mr. Kerrick advises the Executive Director of JFRS.

Next, Mr. Kerrick examined the rates of return in the Performance Analysis for each fund, pointing out that JFRS continued to experience strong positive performance and outperformed the policy benchmarks as of March 31, 2021. He discussed how indexes continued to climb, in the face of what was an eventful political and COVID related quarter, reaching

record highs during the month of February. Both the JFRS defined benefit (DB) plans had not only participated in this growth, but had significantly outperformed the S&P 500 index during the quarter. He reviewed the Portfolio Statement, Cash Reconciliation Reports and the Brokerage Fees Report for each fund. During this review, he pointed out that Hilliard Lyons had rebalanced the portfolios in late January, because the equity allocations in both funds had grown very close to an 80% maximum allocation. While reviewing the Legislators Fund, Mr. Kerrick advised that the Fund is nearly identical to the Judicial Retirement Fund.

In response to a question from Judge George regarding income and cash withdrawals, Mr. Kerrick stated that income generated is credited to the custodian account at State Street. Cash is reinvested by Hilliard Lyons unless it is needed for the purpose of paying retiree benefits or other system expenses. Staff periodically need to withdrawal cash from the custody account and those withdrawals are reflected in his Cash Reconciliation Report.

In response to a question from Senator Bowen regarding negative returns on cash, both Mr. Kerrick and Mr. Cracraft noted that cash was earning a very small amount of interest, but the administrative fees incurred had exceed interest recently and resulted in the reported negative return.

Lastly, in response to a question from Rep. Montell regarding any differences in the LRP and JRP portfolios, Mr. Kerrick advised that two portfolios are nearly identical. Given the smaller size, he noted the bond portfolios can look slightly different, but the equity portfolios and returns have been very similar.

Mr. Kerrick departed the meeting at 10:57 a.m.

Chairman Grise recognized the representatives of Hilliard Lyons Trust Company, who joined the meeting virtually via Microsoft Teams. Mr. Cracraft previously distributed copies of Hilliard Lyons' *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated April 23, 2021. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. Watkins began Hilliard's Market Commentary with a review of his quarterly article, "The Willing Suspension of Disbelief" which highlighted three general areas of excessive speculation. First, he highlighted how unprofitable technology companies were seeing extreme levels of valuations. Given the lack of profit, investors were valuing these companies based on total revenues, rather than cash flow or earnings, which Hilliard believes, is not logical. Secondly, he pointed to an increase in day trading and investors with a short-term gambling mentality. Lastly, he noted the rise in popularity of assets Hilliard calls nonproductive assets, or assets that do not produce cash flows, such as commodities, cryptocurrencies, and collectibles. He discussed how speculation was leading to a fear of missing out, but many of these assets have no intrinsic value, cannot be forecasted, and future gain relies on the hope that someone in the future will pay more than today's price. While Hilliard believes periods of speculation can last longer

than expected, they continue to choose not to participate and instead will continue to own profitable business that are run by talented leaders.

Mr. Asfahl reviewed the current asset allocation and discussed recent portfolio activity. He referenced a rebalance performed in late January because of equity allocations, but also stated the investment team was currently in process of taking some additional equity exposure out of the portfolio. He stated the goal was to reduce the portfolios overweight to equity and deploy those funds into the fixed income portfolio.

Mr. Means reviewed a snapshot of the portfolio, which included relative sector weightings, top performers and largest holdings. He pointed the investment team's long-term investment mentality, evidenced by the fact that no stock changes had been made to the portfolio outside of rebalancing for several months. The recent strong performance was the result of seeds planted months ago and a healthy balance between companies that well positioned in the early stages of COVID and others that have benefit from more recent re-opening efforts. He highlighted the portfolios current overweight to financials, discretionary, and communication services, while also pointing out the portfolio had zero holdings in five sectors.

In response to a question from Judge John Grise regarding Hilliard's lack of consumer staples and energy holdings, Mr. Means stated it was not a top-down, macro decision, but rather a result of the portfolio's bottom up approach and a lack of attractive businesses in those sectors. He noted the portfolio had owned consumer staple companies in the past, but current growth rates were fairly low, while valuations a bit high, so the team was finding better opportunities elsewhere.

Mr. Asfahl concluded the presentation with a short review of the fixed income portion of the portfolios, a summary of risk statistics, as well as trailing period performance of the portfolios. He advised that the portfolios were well-positioned, continued to produce strong risk adjusted results, and had outperformed the blended index over each measured time period.

Mr. Don Asfahl, Mr. Andrew Means, and Mr. Tom Watkins departed the video conference at 12:10.

The meeting recessed for lunch at 12:10 and reconvened at 12:30 p.m.

For the next agenda item, Chairman Grise recognized Mr. Wesley Wickenheiser and Mr. Matthew Widick of Findley, Inc., the Systems' Actuary. Mr. Cracraft previously distributed copies of Findley's *Pension Plan Experience Study* and *FY 2020 Actuarial Update* dated October 23, 2020.

Mr. Widick began reviewing of the results of the plan's experience study, which the board had initially reviewed during the October 2020 meeting. He outlined the various demographic and economic assumptions that were reviewed, including retirements, turnover,

retirement age, mortality rates, salary scales, and non-legislative compensation loads. He stated Findley was recommending modest changes to a few assumptions, which included the adoption of revised mortality tables.

In response to a question from Senator Bowen regarding the improvement scale incorporated into the mortality tables, Mr. Wickenheiser stated that Findley was recommending the use of a 2020 improvement scale, but was not recommending updating the improvement scale annual given the limited changes generally experienced and given JFRS conducts an experience study every five years

Senator Joe Bowen made a motion, seconded by Judge Douglas George, to approve the 2020 Experience Study and adopt revised assumptions as of July 1, 2021 and for use in the fiscal year 2021 annual funding valuations and benefit commencements on or after July 1, 2021. The motion passed unanimously.

Next, Mr. Wickenheiser began a discussion regarding the biennial funding valuation process that will begin after the close of the year. He referenced two unique approaches the Board had taken concerning the cash balance plans. First, the cash balance plans have been evaluated completely separate from the defined benefit plans actuarially. Secondly, the Board has adopted a lower assumed rate of return for the cash balance plans as compared to the larger, legacy plans. Mr. Wickenheiser discussed a few reasons the Board choose this route, which included a desire to account for the new plans properly and for the actuarial cost of the new plans to reflect actual cost in the early stages of their development.

Looking ahead to the July 1, 2021 valuations, Mr. Wickenheiser proposed consolidating those valuations into one report for JRP and LRP each. While the cash balance plans have been treated separately, he noted they were actually just a separate tier of benefits under either the Judicial Retirement Plan or Legislator Retirement Plan. Providing a consolidated report would more accurately reflect the current funding health of each system, while underlying data regarding the two separate tiers could continue to be reported.

Mr. Wickenheiser discussed two different methods the Board could choose to follow if they did decide to consolidate the valuations. First, the board could choose to use an additive approach, which would effectively take the current process of performing two separate valuations and then adding the results together to create a total JRP or total LRP result. Mr. Wickenheiser noted this would be the less evasive method of providing one report, but did point out it could create a situation where required contribution results did not necessarily reflect actual needs. The second method, which would involve a bit more change, would evaluate JRP or LRP, both defined benefit and cash balance, completely together to produce a consolidated or total funding level, liability, and required contribution. Mr. Wickenheiser reiterated the underlying tiers of benefits would continue to be evaluated and identifiable, but the most notable change under this method would be the usage of a consistent return assumption across both plans. It would result in a true consolidated report and would eliminate those potential pitfalls with the additive approach.

In response to a question regarding investment differences from Representative Brad Montell, Mr. Cracraft responded the defined benefit and cash balance assets were not invested together in single pool of assets. He stated that assets from each tier were held in separate accounts, but being managed to the same exact asset allocation targets. The cash balance plans have very limited assets at this point, so they were also being managed passively in exchange traded funds rather than individual stocks. Mr. Cracraft stated that he believed the assets could be held in a single account from a legal standpoint, but accounting for the allocation between the two tiers was an issue. All assets were JRP or LRP assets, but managing them in separate accounts help from an accounting standing.

After some discussion, the Board agreed to revisit this topic during the next quarterly meeting and finalize a plan for the upcoming funding valuations.

Mr. Wickenheiser and Mr. Widick departed the meeting at 1:35 p.m.

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

(A) Public Pension Oversight Board (PPOB). Mr. Cracraft gave a summary of the PPOB meetings since the last JFRS Board meeting.

- **February 22, 2021.** Each state-administered retirement system provided an investment and cash flow update as of December 31, 2020. Mr. LeLaurin joined Mr. Cracraft on behalf of JFRS.

The March meeting was cancelled and Mr. Cracraft stated JFRS was not on the agenda for the April meeting, which was schedule for Monday, April 25.

(B) 2021 Regular Session of the General Assembly. Mr. Cracraft provided a quick review and referenced the *2021 Regular Session Summary* that was included in the meeting materials.

(C) 2021 Personal Service Contracts. Mr. Cracraft provided an update since the January meeting. He state that Investment, Legal and Custody agreements were in process.

Audit Services. Mr. Cracraft stated the Board had adopted a motion to issue an RFP for audit services during the January meeting; however, Staff had since confirmed the Commonwealth's Auditor of Public Accounts (APA) is planning to conduct the FY2021 Audit. He stated the APA does not generally compile financial statements, but rather just audits completed ones. He stated that during the most recent APA audit in 2016, JFRS contracted with Blue and Company, who was serving as the systems auditor, to compile statements on the systems behalf.

Mr. Cracraft expressed some concern with conducting a RFP to hire a new audit firm and ask to compile financial statements and assist JFRS during the APA when they would be new to the account and would have little or no historical background or experience with the system.

Mr. Cracraft recommended that JFRS contract with their current accounting firm, MCM Advisors for one additional year for the sole purpose of compiling fiscal year 2021 financial statements and assisting staff with the upcoming APA audit. JFRS would then issue a full RFP in early 2022.

(D) Administrative and Personnel. Mr. Cracraft provided the Board with a summary of JFRS's organizational structure and a list of service providers as requested during the January meeting. He directed trustees to a one-page snapshot that was included in the meeting materials.

Mr. Cracraft also provided an update on the retirement and replacement of Ila Moody. He said staff had spent time revising and updating JFRS job descriptions and aligning them more accurately with the daily activities handled by each staff member. Staff of the Administrative Office of the Courts (AOC) reviewed the descriptions and Mr. Cracraft expected to have an open job positing when the next week.

(E) Senate Bill 104 Implementation. Mrs. Stephens provided an update on implementation of Senate Bill 104, passed during the 2017 Regular session.

During the June 2020 meeting, she had informed the Board that JFRS had received a Private Letter Ruling (PRL) and it was determined that only DB members with a contribution rate of 6.00% can transfer to the HBC plan because it, too, has a contribution rate of 6.00%. As of the date of the meeting, that would include 27 LRP members and 33 JRP members.

Mrs. Stephens discussed recent activity concerning implementation and notified the board that staff would be returning in July with some final steps for implementing.

(F) Technology Update. Mr. Cracraft provided the Board with a short update of several projects in process. First, he stated the phone system had been upgraded and staff had transitioned to a voice over internet phone system, which has given staff added flexibility and features. Secondly, he notified the Board that staff had engaged with Kentucky Interactive for the purpose of revising and refreshing the systems website, branding and logo. Lastly, he stated that staff had entered the very early stages of work on evaluating pension administration software and hoped to be in a position to issue a request for information or proposals during they July meeting.

There being no further business, the meeting adjourned at 2:32 p.m.

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

Stephen F. LeLaurin, Chairman
Judicial Retirement Fund Investment Committee

Joe R. Bowen, Chairman
Legislators Retirement Fund Investment Committee

Bo Cracraft, Executive Director

Item III – Investment Related Matters

A. Lexington Investment Company

LEXINGTON INVESTMENTS LLC

KENTUCKY JUDICIAL & LEGISLATORS RETIREMENT FUNDS

As of June 30, 2021

JUDICIAL

TIME-WEIGHTED RETURNS	1
PORTFOLIO STATEMENT	2
CASH RECONCILIATION (4/1/21 – 6/30/21)	7
BROKERAGE FEES (4/1/21 – 6/30/21)	9

LEGISLATORS

TIME-WEIGHTED RETURNS	10
PORTFOLIO STATEMENT	11
CASH RECONCILIATION (4/1/21 – 6/30/21)	16
BROKERAGE FEES (4/1/21 – 6/30/21)	18

COMPLIANCE STATEMENT

As of June 30, 2021 equity allocations for the Judicial Fund (72.4%) and Legislator's Fund (72.7%) were within the guidelines established by the Board on October 25, 2019. 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: Microsoft 8.15% (occurred June 30)
Legislators Fund: Microsoft 8.06% (" ")

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

July 23, 2021

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

(859) 224-7073 • (800) 264-7073

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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>	<u>FY to date</u>
Time Weighted (net)	5.82	13.55	36.89	17.79	15.13	13.44	36.89
Total Portfolio Target 70%--3	6.28	10.41	28.61	14.83	13.93	12.29	28.61
<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>	<u>FY to date</u>
Time Weighted (net)	7.39	18.72	50.76	22.38	19.58	17.50	50.76
S&P 500 TOTAL RETURN	8.55	15.25	40.79	18.67	17.65	14.84	40.79
<u>CORPORATES & AGENCI</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>	<u>FY to date</u>
Time Weighted (net)	1.36	(0.63)	0.70	4.61	2.73	2.72	0.70
BARCLAYS INTER GOVT/	0.98	(0.90)	0.19	4.70	2.63	2.76	0.19
<u>CASH AND CASH EQUIV</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>	<u>FY to date</u>
Time Weighted (net)	0.00	0.00	0.01	1.62	1.35	..	0.01
BARCLAYS 3 MO.TSY BIL	0.01	0.02	0.07	1.22	1.13	..	0.07

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

Portfolio Statement
As of 06/30/2021

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
EQUITIES												
Equities												
4.4%	ALPHABET INC-	10,095	03/31/2015	550.22	5,554,470.52	2,506.32	25,301,300.40	19,746,829.88	355.5	0.00	0.00%	
4.3%	APPLE COMPUT	183,400	04/25/2013	19.90	3,649,462.50	136.96	25,118,464.00	21,469,001.50	588.3	161,392.00	0.64%	
1.4%	BANKAMERICA C	200,600	08/28/2019	26.92	5,399,556.13	41.23	8,270,738.00	2,871,181.87	53.2	144,432.00	1.75%	
4.1%	BERKSHIRE HAT	84,625	02/14/2003	117.02	9,903,115.68	277.92	23,518,980.00	13,615,864.32	137.5	0.00	0.00%	
2.3%	CARMAX INC.	103,750	01/28/2019	59.76	6,200,447.31	129.15	13,399,312.50	7,198,865.19	116.1	0.00	0.00%	
1.0%	CISCO SYSTEMS	113,850	06/03/2005	17.00	1,935,071.53	53.00	6,034,050.00	4,098,978.47	211.8	168,498.00	2.79%	
4.2%	DISNEY (WALT)	137,200	09/06/2000	51.97	7,129,656.30	175.77	24,115,644.00	16,985,987.70	238.2	241,472.00	1.00%	
2.1%	EXPEDITORS IN	93,800	03/20/2013	37.93	3,557,453.94	126.60	11,875,080.00	8,317,626.06	233.8	108,808.00	0.92%	
2.3%	FACEBOOK INC	37,600	05/04/2020	218.26	8,206,598.24	347.71	13,073,896.00	4,867,297.76	59.3	0.00	0.00%	
2.5%	FASTENAL CO.	272,500	02/12/2015	20.77	5,660,909.52	52.00	14,170,000.00	8,509,090.48	150.3	305,200.00	2.15%	
1.4%	GENERAL ELECT Accrued Income	586,000	02/12/2008	15.09	8,840,326.55	13.46	7,887,560.00	(952,766.55)	(10.8)	23,440.00	0.30%	
4.7%	HOME DEPOT	84,550	06/03/2005	30.72	2,597,218.11	318.89	26,962,149.50	24,364,931.39	938.1	558,030.00	2.07%	
0.0%	iShares 1-3 YR T	1,560	06/23/2017	84.58	131,943.81	86.16	134,409.60	2,465.79	1.9	226.08	0.17%	
2.5%	JOHNSON & JOH	88,300	09/22/1995	40.95	3,615,831.25	164.74	14,546,542.00	10,930,710.75	302.3	374,392.00	2.57%	
4.5%	JP MORGAN	168,400	06/06/2008	50.65	8,529,704.70	155.54	26,192,936.00	17,663,231.30	207.1	606,240.00	2.31%	
5.9%	MICROSOFT CO	125,850	01/05/2006	25.74	3,239,606.50	270.90	34,092,765.00	30,853,158.50	952.4	281,904.00	0.83%	
1.2%	NORTHERN TRU Accrued Income	59,100	10/14/2010	49.44	2,921,872.53	115.62	6,833,142.00	3,911,269.47	133.9	165,480.00	2.42%	
2.5%	O'REILLY AUTOM	25,600	07/11/2017	178.19	4,561,619.35	566.21	14,494,976.00	9,933,356.65	217.8	0.00	0.00%	
2.0%	OMNICOM GROU Accrued Income	140,000	06/24/2003	48.36	6,770,649.28	79.99	11,198,600.00	4,427,950.72	65.4	392,000.00	3.50%	
1.7%	PFIZER INC	250,050	09/01/2011	25.20	6,300,151.51	39.16	9,791,958.00	3,491,806.49	55.4	390,078.00	3.98%	
4.1%	PROGRESSIVE C	240,750	05/23/2007	28.75	6,920,380.43	98.21	23,644,057.50	16,723,677.07	241.7	24,075.00	0.10%	
3.4%	SCHWAB (CHAS)	272,100	08/24/2020	35.35	9,617,510.55	72.81	19,811,601.00	10,194,090.45	106.0	195,912.00	0.99%	
2.9%	TE CONNECTIV	124,100	11/02/2007	28.47	3,533,221.65	135.21	16,779,561.00	13,246,339.35	374.9	248,200.00	1.48%	
1.9%	TJX COS INC NE	159,750	12/01/2004	6.36	1,015,477.39	67.42	10,770,345.00	9,754,867.61	960.6	166,140.00	1.54%	
2.1%	U S BANCORP Accrued Income	208,000	12/06/2000	25.95	5,398,177.93	56.97	11,849,760.00	6,451,582.07	119.5	349,440.00	2.95%	
1.9%	UNION PACIFIC	50,200	07/24/2015	93.91	4,714,268.23	219.93	11,040,486.00	6,326,217.77	134.2	214,856.00	1.95%	
1.3%	WELLS FARGO	166,500	05/27/2011	27.29	4,542,967.87	45.29	7,540,785.00	2,997,817.13	66.0	66,600.00	0.88%	
72.4%		35.22			140,447,669.31		418,681,688.50	278,001,429.19	197.9	5,186,815.08	1.24%	

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.4%	TOYOTA MOTOR 09/15/2021 3.40 Accrued Income	2,050,000	06/26/2012	102.12	2,093,535.66	100.65	2,063,277.77	(30,257.89)	(1.4)	69,700.00	3.38%	0.21
0.4%	MCDONALDS CO 01/15/2022 2.625 Accrued Income	2,000,000	11/15/2012	101.37	2,027,392.44	101.28	2,025,650.74	(1,731.70)	(0.1)	52,500.00	2.59%	0.53
0.6%	HSBC HOLDINGS 03/30/2022 4.00 Accrued Income	3,500,000	01/05/2016	102.99	3,604,591.64	102.68	3,593,811.20	(10,780.44)	(0.3)	140,000.00	3.90%	0.74
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	103.03	1,545,495.11	622.81	0.0	62,445.00	4.04%	1.47
0.4%	BERKSHIRE HAT 05/15/2022 3.00 Accrued Income	2,000,000	05/25/2012	100.08	2,001,517.25	102.37	2,047,301.34	45,784.09	2.3	60,000.00	2.93%	0.87
0.6%	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	102.88	3,600,882.18	(27,161.87)	(0.7)	133,000.00	3.69%	1.60
0.6%	PNC BKN 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	106.59	3,197,782.05	181,226.01	6.0	114,000.00	3.56%	2.42
0.6%	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	106.36	3,722,468.33	121,330.66	3.4	127,750.00	3.43%	2.61
0.7%	ORACLE CORP 07/15/2023 3.625 Accrued Income	3,500,000	06/08/2016	105.11	3,678,771.51	106.23	3,718,190.00	39,418.49	1.1	126,875.00	3.41%	1.95
0.6%	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	106.66	3,733,254.07	61,260.84	1.7	127,750.00	3.42%	2.78
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	107.38	3,221,287.89	179,619.99	5.9	108,750.00	3.38%	2.82
							4,833.33					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
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	107.74	3,232,092.42	135,735.14	4.4	112,500.00	3.48%	2.93
0.7%	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	107.69	3,768,988.34	116,629.14	3.2	129,500.00	3.44%	2.45
0.7%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	3,500,000	11/14/2017	105.19	3,681,626.54	108.40	3,794,154.21	112,527.67	3.1	140,000.00	3.69%	2.44
0.7%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	3,500,000	11/07/2017	104.00	3,639,883.20	107.74	3,770,764.97	130,881.77	3.6	126,875.00	3.36%	2.48
0.7%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	3,500,000	02/13/2017	103.94	3,638,019.92	108.18	3,786,426.18	148,406.26	4.1	126,875.00	3.35%	2.55
0.7%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	3,500,000	06/08/2016	104.79	3,667,590.41	108.31	3,790,965.08	123,374.67	3.4	120,750.00	3.19%	2.72
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	110.41	2,208,297.80	188,731.78	9.3	79,000.00	3.58%	3.71
0.7%	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	110.45	3,865,717.91	298,609.31	8.4	135,625.00	3.51%	4.14
0.7%	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	110.58	3,870,251.98	190,136.04	5.2	129,500.00	3.35%	4.19
0.7%	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	110.07	3,852,378.15	206,483.55	5.7	131,250.00	3.41%	4.35
0.7%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	3,500,000	08/18/2017	105.70	3,699,570.78	112.73	3,945,403.91	245,833.13	6.6	138,250.00	3.50%	4.01
							23,425.69					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.6%	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	110.54	3,316,205.28	139,505.28	4.4	108,000.00	3.26%	4.82
0.8%	ABBVIE INC 05/14/2026 3.20 Call 02/14/2026, 1 Accrued Income	4,500,000	06/23/2020	110.29	4,962,900.00	108.49	4,881,853.71	(81,046.29)	(1.6)	144,000.00	2.95%	4.94
0.8%	JPMORGAN CHA 10/01/2026 2.95 Call 07/01/2026, 1 Accrued Income	4,500,000	06/23/2020	110.14	4,956,075.00	107.74	4,848,339.24	(107,735.76)	(2.2)	132,750.00	2.74%	5.28
0.8%	VERIZON COMM 06/15/2026 2.625 Accrued Income	4,500,000	01/27/2021	108.70	4,891,350.00	106.33	4,784,971.77	(106,378.23)	(2.2)	118,125.00	2.47%	4.76
0.8%	BANK AMER CO 10/21/2027 3.248 Call 10/21/2026, 1 Accrued Income	4,500,000	02/25/2021	109.38	4,922,050.00	108.43	4,879,213.43	(42,836.57)	(0.9)	146,160.00	3.00%	6.10
0.8%	WELLS FARGO C 10/23/2026 3.00 Accrued Income	4,500,000	05/10/2021	108.69	4,891,050.00	107.89	4,855,124.21	(35,925.79)	(0.7)	135,000.00	2.78%	4.91
0.8%	PEPSICO INC 03/19/2027 2.625 Call 01/19/2027, 1 Accrued Income	4,500,000	09/01/2020	110.27	4,962,100.00	107.44	4,834,673.82	(127,426.18)	(2.6)	118,125.00	2.44%	5.72
0.9%	JOHNSON & JOH 01/15/2028 2.90 Call 10/15/2027, 1 Accrued Income	4,500,000	05/10/2021	109.49	4,927,250.00	109.36	4,920,978.56	(6,271.44)	(0.1)	130,500.00	2.65%	6.33
0.9%	MERCK & CO. IN 03/07/2029 3.40 Call 12/07/2028, 1 Accrued Income	4,500,000	02/25/2021	111.73	5,027,850.00	112.17	5,047,560.00	19,710.00	0.4	153,000.00	3.03%	7.15
0.8%	BLACKROCK INC 04/30/2029 3.25 Call 01/30/2029, 1 Accrued Income	4,000,000	06/23/2021	111.73	4,469,200.00	111.79	4,471,684.08	2,484.08	0.1	130,000.00	2.91%	6.95
0.8%	3M CO 06/26/2029 2.375 Call 05/26/2029, 1 Accrued Income	4,500,000	02/03/2021	106.04	4,771,650.00	104.73	4,712,740.16	(58,909.84)	(1.2)	106,875.00	2.27%	7.77
							37,109.38					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.8%	TEXAS INSTRUM 09/04/2029 2.25 Call 06/04/2029, 1 Accrued Income	4,500,000	01/27/2021	106.02	4,770,850.00	104.26	4,691,606.00	(79,244.00)	(1.7)	101,250.00	2.16%	7.83
0.8%	COMCAST CORP 02/01/2030 2.65 Call 11/01/2029, 1 Accrued Income	4,500,000	09/01/2020	108.49	4,882,250.00	105.33	4,739,659.25	(142,590.75)	(2.9)	119,250.00	2.52%	8.00
0.9%	KIMBERLY-CLAR 03/26/2030 3.10 Call 12/26/2029, 1 Accrued Income	4,500,000	05/10/2021	109.41	4,923,450.00	110.47	4,971,104.19	47,654.19	1.0	139,500.00	2.81%	8.04
0.9%	PROGRESSIVE C 03/26/2030 3.20 Call 12/26/2029, 1 Accrued Income	4,500,000	02/25/2021	110.16	4,957,075.00	109.91	4,945,887.86	(11,187.14)	(0.2)	144,000.00	2.91%	7.62
0.8%	PFIZER INC 04/01/2030 2.625 Call 01/01/2030, 1 Accrued Income	4,500,000	06/24/2020	109.09	4,908,850.00	106.57	4,795,778.48	(113,071.52)	(2.3)	118,125.00	2.46%	8.19
0.8%	EXXON MOBIL C 10/15/2030 2.61 Call 07/15/2030, 1 Accrued Income	4,500,000	07/24/2020	108.60	4,886,950.00	105.51	4,748,128.79	(138,821.21)	(2.8)	117,450.00	2.47%	8.61
0.8%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	4,500,000	07/24/2020	107.80	4,850,975.00	105.08	4,728,553.02	(122,421.98)	(2.5)	119,250.00	2.52%	8.34
27.5%		106.47		156,036,747.18			158,959,302.29	1,492,166.30	1.0	4,774,255.00	3.03%	4.86
CASH AND CASH EQUIVALENTS												
Cash and Money Funds												
0.1%	CASH	1.00			656,277.45		656,277.45			0.00	0.00%	
99.7%		104.59		297,140,693.94			576,634,289.43	279,493,595.49	94.1	9,961,070.08	1.73%	4.86
100.0%	Total Accrued Inc						1,662,978.81					
							578,297,268.24					

Cash Reconciliation Report
From 04/01/2021 to 06/30/2021

KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
04/01/2021		CASH Beginning Balance		1,561,679.81
04/01/2021	04/01/2021	Sell WELLS FARGO CO MTN BE -2000000.00	2,046,000.00	3,607,679.81
04/01/2021		Interest JPMORGAN CHASE & CO	44,250.00	3,651,929.81
04/01/2021		Interest PFIZER INC	45,937.50	3,697,867.31
04/01/2021		Interest CUMMINS INC	63,875.00	3,761,742.31
04/01/2021		Interest SYSCO CORP	65,625.00	3,827,367.31
04/01/2021		Dividend NORTHERN TRUST	44,450.00	3,871,817.31
04/08/2021		Dividend iShares 1-3 YR TSY ETF	30.13	3,871,847.44
04/08/2021		Dividend OMNICOM GROUP	105,280.00	3,977,127.44
04/15/2021		Interest EXXON MOBIL CORP	45,675.00	4,022,802.44
04/15/2021		Interest OMNICOM GROUP INC	54,000.00	4,076,802.44
04/15/2021		Dividend PROGRESSIVE CORP-OHIO	25,860.00	4,102,662.44
04/15/2021		Dividend U S BANCORP	93,828.00	4,196,490.44
04/21/2021		Interest BANK AMER CORP	56,840.00	4,253,330.44
04/23/2021	04/27/2021	Sell TE CONNECTIVITY LTD -9200.00	1,229,457.80	5,482,788.24
04/23/2021	04/27/2021	Sell ALPHABET INC- CL C -750.00	1,738,118.91	7,220,907.15
04/23/2021	04/27/2021	Sell APPLE COMPUTER -13600.00	1,834,489.20	9,055,396.35
04/23/2021	04/27/2021	Sell BANKAMERICA CORP. -14900.00	583,533.17	9,638,929.52
04/23/2021	04/27/2021	Sell BERKSHIRE HATH-B -6275.00	1,705,312.91	11,344,242.43
04/23/2021	04/27/2021	Sell CARMAX INC. -7700.00	1,006,384.09	12,350,626.52
04/23/2021	04/27/2021	Sell CISCO SYSTEMS INC -8450.00	438,647.40	12,789,273.92
04/23/2021	04/27/2021	Sell DISNEY (WALT) CO. -10200.00	1,870,961.15	14,660,235.07
04/23/2021	04/27/2021	Sell EXPEDITORS INTERNATIONAL -6950.00	771,196.56	15,431,431.63
04/23/2021	04/27/2021	Sell FACEBOOK INC CL-A -2800.00	843,707.37	16,275,139.00
04/23/2021	04/27/2021	Sell FASTENAL CO. -20200.00	1,057,959.50	17,333,098.50
04/23/2021	04/27/2021	Sell GENERAL ELECTRIC -43400.00	584,833.71	17,917,932.21
04/23/2021	04/27/2021	Sell HOME DEPOT -6250.00	2,026,979.04	19,944,911.25
04/23/2021	04/27/2021	Sell JP MORGAN -12500.00	1,880,702.90	21,825,614.15
04/23/2021	04/27/2021	Sell JOHNSON & JOHNSON -6550.00	1,085,045.85	22,910,660.00
04/23/2021	04/27/2021	Sell MICROSOFT CORP -9350.00	2,438,474.11	25,349,134.11
04/23/2021	04/27/2021	Sell NORTHERN TRUST -4400.00	481,002.02	25,830,136.13
04/23/2021	04/27/2021	Sell O'REILLY AUTOMOTIVE INC. -1900.00	1,015,640.95	26,845,777.08
04/23/2021	04/27/2021	Sell OMNICOM GROUP -10400.00	842,167.94	27,687,945.02
04/23/2021	04/27/2021	Sell PFIZER INC -18500.00	715,012.10	28,402,957.12
04/23/2021	04/27/2021	Sell PROGRESSIVE CORP-OHIO -17850.00	1,795,479.50	30,198,436.62
04/23/2021	04/27/2021	Sell SCHWAB (CHAS) -20200.00	1,350,215.65	31,548,652.27
04/23/2021	04/27/2021	Sell TJX COS INC NEW -11850.00	831,689.19	32,380,341.46
04/23/2021	04/27/2021	Sell U S BANCORP -15400.00	885,889.71	33,266,231.17
04/23/2021	04/27/2021	Sell UNION PACIFIC -3700.00	826,977.23	34,093,208.40
04/23/2021	04/27/2021	Sell WELLS FARGO -12300.00	540,150.51	34,633,358.91
04/26/2021		Dividend GENERAL ELECTRIC	6,294.00	34,639,652.91
04/28/2021		Dividend CISCO SYSTEMS INC	45,251.00	34,684,903.91
04/30/2021		Interest NORTHERN TR CORP	69,125.00	34,754,028.91
04/30/2021		Dividend JP MORGAN	162,810.00	34,916,838.91
05/06/2021		Interest APPLE INC NOTE	60,375.00	34,977,213.91
05/08/2021		Dividend iShares 1-3 YR TSY ETF	19.10	34,977,233.01
05/10/2021	05/12/2021	Buy KIMBERLY-CLARK CORP 4500000.00	(4,941,275.00)	30,035,958.01
05/10/2021	05/12/2021	Buy WELLS FARGO CO NEW 4500000.00	(4,898,175.00)	25,137,783.01
05/10/2021	05/12/2021	Buy JOHNSON & JOHNSON 3250000.00	(3,586,131.25)	21,551,651.76
05/10/2021	05/12/2021	Buy MERCK & CO. INC 2500000.00	(2,803,597.22)	18,748,054.54
05/10/2021	05/12/2021	Buy ABBVIE INC 1500000.00	(1,659,483.33)	17,088,571.21
05/10/2021	05/12/2021	Buy JPMORGAN CHASE & CO 1500000.00	(1,631,339.58)	15,457,231.63
05/10/2021	05/12/2021	Buy BANK AMER CORP 1000000.00	(1,094,594.67)	14,362,636.96
05/10/2021	05/12/2021	Buy VERIZON COMMUNICATIONS 1000000.00	(1,075,343.75)	13,287,293.21
05/10/2021	05/12/2021	Buy COMCAST CORP NEW 1000000.00	(1,047,834.72)	12,239,458.49
05/10/2021	05/12/2021	Buy 3M CO 1000000.00	(1,040,413.89)	11,199,044.60
05/10/2021	05/12/2021	Buy EXXON MOBIL CORP 1000000.00	(1,038,957.50)	10,160,087.10
05/10/2021	05/12/2021	Buy TEXAS INSTRUMENTS 1000000.00	(1,031,850.00)	9,128,237.10
05/10/2021	05/12/2021	Buy PEPSICO INC 500000.00	(543,832.29)	8,584,404.81
05/11/2021	05/13/2021	Buy PROGRESSIVE CORP 1000000.00	(1,091,477.78)	7,492,927.03
05/11/2021	05/13/2021	Buy PFIZER INC 1000000.00	(1,054,262.50)	6,438,664.53
05/11/2021	05/13/2021	Buy DISNEY WALT CO 1000000.00	(1,041,233.33)	5,397,431.20
05/12/2021		Withdrawal CASH	(4,000,000.00)	1,397,431.20
05/13/2021		Dividend APPLE COMPUTER	40,348.00	1,437,779.20
05/14/2021		Interest ABBVIE INC	72,000.00	1,509,779.20
05/15/2021		Interest BERKSHIRE HATHAWAY FIN CORP	30,000.00	1,539,779.20

Cash Reconciliation Report
From 04/01/2021 to 06/30/2021

KENTUCKY JUDICIAL

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
05/19/2021	05/19/2021	Sell GOOGLE INC -2000000.00	2,000,000.00	3,539,779.20
05/19/2021		Interest GOOGLE INC	36,250.00	3,576,029.20
05/24/2021	05/24/2021	Sell BLACKROCK INC SR -2000000.00	2,000,000.00	5,576,029.20
05/24/2021		Interest BLACKROCK INC SR	42,500.00	5,618,529.20
05/25/2021		Dividend FASTENAL CO.	81,956.00	5,700,485.20
05/28/2021		Dividend SCHWAB (CHAS)	48,978.00	5,749,463.20
06/01/2021		Interest SCHLUMBERGER INVT SA	63,875.00	5,813,338.20
06/01/2021		Dividend WELLS FARGO	16,650.00	5,829,988.20
06/02/2021		Withdrawal CASH	(94.37)	5,829,893.83
06/03/2021		Dividend TJX COS INC NEW	41,535.00	5,871,428.83
06/04/2021		Dividend TE CONNECTIVITY LTD	62,050.00	5,933,478.83
06/04/2021		Dividend PFIZER INC	97,519.50	6,030,998.33
06/07/2021		Dividend iShares 1-3 YR TSY ETF	18.84	6,031,017.17
06/08/2021		Dividend JOHNSON & JOHNSON	93,598.00	6,124,615.17
06/10/2021		Dividend MICROSOFT CORP	70,476.00	6,195,091.17
06/15/2021		Interest MICROSOFT CORP	54,375.00	6,249,466.17
06/15/2021		Dividend EXPEDITORS INTERNATIONAL	54,404.00	6,303,870.17
06/17/2021		Dividend HOME DEPOT	139,507.50	6,443,377.67
06/23/2021	06/25/2021	Buy BLACKROCK INC 4000000.00	(4,489,061.11)	1,954,316.56
06/23/2021	06/25/2021	Buy JOHNSON & JOHNSON 1250000.00	(1,387,861.11)	566,455.45
06/25/2021		Dividend BANKAMERICA CORP.	36,108.00	602,563.45
06/30/2021		Dividend UNION PACIFIC	53,714.00	656,277.45
06/30/2021		CASH Ending Balance		656,277.45

Brokerage Fees Report
From 04/01/2021 to 06/30/2021

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>
Broker: No Broker									
04/01/2021	Sell	WELLS FARGO	2,000,000	2,046,000.00	2,000,000.00	0.00	0.00	0.00%	CB
04/23/2021	Sell	ALPHABET IN	750	1,738,118.91	1,738,150.28	22.50	0.03	0.00%	EQ
04/23/2021	Sell	APPLE COMPU	13,600	1,834,489.20	1,834,906.56	408.00	0.03	0.02%	EQ
04/23/2021	Sell	BANKAMERIC	14,900	583,533.17	583,983.15	447.00	0.03	0.08%	EQ
04/23/2021	Sell	BERKSHIRE H	6,275	1,705,312.91	1,705,509.86	188.25	0.03	0.01%	EQ
04/23/2021	Sell	CARMAX INC.	7,700	1,006,384.09	1,006,620.23	231.00	0.03	0.02%	EQ
04/23/2021	Sell	CISCO SYSTE	8,450	438,647.40	438,903.14	253.50	0.03	0.06%	EQ
04/23/2021	Sell	DISNEY (WAL	10,200	1,870,961.15	1,871,276.70	306.00	0.03	0.02%	EQ
04/23/2021	Sell	EXPEDITORS I	6,950	771,196.56	771,409.00	208.50	0.03	0.03%	EQ
04/23/2021	Sell	FACEBOOK IN	2,800	843,707.37	843,795.68	84.00	0.03	0.01%	EQ
04/23/2021	Sell	FASTENAL CO.	20,200	1,057,959.50	1,058,570.90	606.00	0.03	0.06%	EQ
04/23/2021	Sell	GENERAL ELE	43,400	584,833.71	586,138.70	1,302.00	0.03	0.22%	EQ
04/23/2021	Sell	HOME DEPOT	6,250	2,026,979.04	2,027,176.88	187.50	0.03	0.01%	EQ
04/23/2021	Sell	JOHNSON & JO	6,550	1,085,045.85	1,085,247.89	196.50	0.03	0.02%	EQ
04/23/2021	Sell	JP MORGAN	12,500	1,880,702.90	1,881,087.50	375.00	0.03	0.02%	EQ
04/23/2021	Sell	MICROSOFT C	9,350	2,438,474.11	2,438,767.05	280.50	0.03	0.01%	EQ
04/23/2021	Sell	NORTHERN TR	4,400	481,002.02	481,136.48	132.00	0.03	0.03%	EQ
04/23/2021	Sell	O'REILLY AUT	1,900	1,015,640.95	1,015,703.14	57.00	0.03	0.01%	EQ
04/23/2021	Sell	OMNICOM GR	10,400	842,167.94	842,484.24	312.00	0.03	0.04%	EQ
04/23/2021	Sell	PFIZER INC	18,500	715,012.10	715,570.75	555.00	0.03	0.08%	EQ
04/23/2021	Sell	PROGRESSIVE	17,850	1,795,479.50	1,796,024.16	535.50	0.03	0.03%	EQ
04/23/2021	Sell	SCHWAB (CHA	20,200	1,350,215.65	1,350,828.54	606.00	0.03	0.04%	EQ
04/23/2021	Sell	TE CONNECTI	9,200	1,229,457.80	1,229,740.08	276.00	0.03	0.02%	EQ
04/23/2021	Sell	TJX COS INC N	11,850	831,689.19	832,048.94	355.50	0.03	0.04%	EQ
04/23/2021	Sell	U S BANCORP	15,400	885,889.71	886,356.24	462.00	0.03	0.05%	EQ
04/23/2021	Sell	UNION PACIFI	3,700	826,977.23	827,092.45	111.00	0.03	0.01%	EQ
04/23/2021	Seil	WELLS FARGO	12,300	540,150.51	540,522.27	369.00	0.03	0.07%	EQ
05/10/2021	Buy	3M CO	1,000,000	(1,040,413.89)	1,034,900.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	ABBVIE INC	1,500,000	(1,659,483.33)	1,635,000.00	750.00	0.50	0.05%	CB
05/10/2021	Buy	BANK AMER C	1,000,000	(1,094,594.67)	1,092,200.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	COMCAST CO	1,000,000	(1,047,834.72)	1,039,900.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	EXXON MOBI	1,000,000	(1,038,957.50)	1,036,500.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	JOHNSON & JO	3,250,000	(3,586,131.25)	3,553,875.00	1,625.00	0.50	0.05%	CB
05/10/2021	Buy	JPMORGAN C	1,500,000	(1,631,339.58)	1,625,550.00	750.00	0.50	0.05%	CB
05/10/2021	Buy	KIMBERLY-CL	4,500,000	(4,941,275.00)	4,921,200.00	2,250.00	0.50	0.05%	CB
05/10/2021	Buy	MERCK & CO.	2,500,000	(2,803,597.22)	2,787,000.00	1,250.00	0.50	0.04%	CB
05/10/2021	Buy	PEPSICO INC	500,000	(543,832.29)	541,650.00	250.00	0.50	0.05%	CB
05/10/2021	Buy	TEXAS INSTR	1,000,000	(1,031,850.00)	1,027,100.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	VERIZON COM	1,000,000	(1,075,343.75)	1,068,500.00	500.00	0.50	0.05%	CB
05/10/2021	Buy	WELLS FARGO	4,500,000	(4,898,175.00)	4,888,800.00	2,250.00	0.50	0.05%	CB
05/11/2021	Buy	DISNEY WALT	1,000,000	(1,041,233.33)	1,031,900.00	500.00	0.50	0.05%	CB
05/11/2021	Buy	PFIZER INC	1,000,000	(1,054,262.50)	1,050,700.00	500.00	0.50	0.05%	CB
05/11/2021	Buy	PROGRESSIVE	1,000,000	(1,091,477.78)	1,086,800.00	500.00	0.50	0.05%	CB
05/19/2021	Seil	GOOGLE INC	2,000,000	2,000,000.00	2,000,000.00	0.00	0.00	0.00%	CB
05/24/2021	Seil	BLACKROCK I	2,000,000	2,000,000.00	2,000,000.00	0.00	0.00	0.00%	CB
06/23/2021	Buy	BLACKROCK I	4,000,000	(4,489,061.11)	4,467,200.00	2,000.00	0.50	0.04%	CB
06/23/2021	Buy	JOHNSON & JO	1,250,000	(1,387,861.11)	1,371,125.00	625.00	0.50	0.05%	CB
Total: No Broke				969,304.44	71,648,950.81	25,117.25	0.08	0.04%	

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>	<u>FY to date</u>
Time Weighted (net)	5.78	13.38	36.94	17.71	15.04	13.36	36.94
Total Portfolio Target 70%--3	6.28	10.41	28.61	14.83	13.93	12.29	28.61
<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>	<u>FY to date</u>
Time Weighted (net)	7.38	18.73	50.80	22.36	19.53	17.40	50.80
S&P 500 TOTAL RETURN	8.55	15.25	40.79	18.67	17.65	14.84	40.79
<u>CORPORATES & AGENCI</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>	<u>FY to date</u>
Time Weighted (net)	1.38	(0.64)	0.62	4.50	2.67	2.80	0.62
BARCLAYS INTER GOVT/	0.98	(0.90)	0.19	4.70	2.63	2.76	0.19
<u>CASH AND CASH EQUIV</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>	<u>FY to date</u>
Time Weighted (net)	0.00	0.00	(0.02)	1.14	1.12	..	(0.02)
BARCLAYS 3 MO.TSY BIL	0.01	0.02	0.07	1.22	1.13	..	0.07

Returns for periods exceeding 12 months are annualized

All returns net of fees

Portfolio Statement
As of 06/30/2021

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
EQUITIES												
Equities												
4.4%	ALPHABET INC-	2,950	03/31/2015	548.50	1,618,087.08	2,506.32	7,393,644.00	5,775,556.92	356.9	0.00	0.00%	
4.4%	APPLE COMPUT	53,300	04/25/2013	26.15	1,393,745.51	136.96	7,299,968.00	5,906,222.49	423.8	46,904.00	0.64%	
1.4%	BANKAMERICA C	58,400	08/28/2019	26.92	1,571,954.53	41.23	2,407,832.00	835,877.47	53.2	42,048.00	1.75%	
4.1%	BERKSHIRE HAT	24,675	02/14/2003	122.16	3,014,243.11	277.92	6,857,676.00	3,843,432.89	127.5	0.00	0.00%	
2.3%	CARMAX INC.	29,600	01/28/2019	59.76	1,768,995.08	129.15	3,822,840.00	2,053,844.92	116.1	0.00	0.00%	
1.1%	CISCO SYSTEMS	33,275	12/09/2008	21.59	718,354.47	53.00	1,763,575.00	1,045,220.53	145.5	49,247.00	2.79%	
4.2%	DISNEY (WALT)	39,700	08/09/1999	59.62	2,367,038.20	175.77	6,978,069.00	4,611,030.80	194.8	59,872.00	1.00%	
2.0%	EXPEDITORS IN	27,000	03/20/2013	39.75	1,073,197.51	126.60	3,418,200.00	2,345,002.49	218.5	31,320.00	0.92%	
2.3%	FACEBOOK INC	11,000	05/04/2020	217.20	2,389,245.00	347.71	3,824,810.00	1,435,565.00	60.1	0.00	0.00%	
2.5%	FASTENAL CO.	78,950	02/12/2015	20.77	1,639,908.79	52.00	4,105,400.00	2,465,491.21	150.3	88,424.00	2.15%	
1.4%	GENERAL ELECT Accrued Income	170,800	12/07/2008	15.03	2,566,875.56	13.46	2,298,968.00	(267,907.56)	(10.4)	6,832.00	0.30%	
4.7%	HOME DEPOT	24,400	06/03/2005	54.86	1,338,675.46	318.89	7,780,916.00	6,442,240.54	481.2	161,040.00	2.07%	
0.1%	iShares 1-3 YR T	1,760	06/23/2017	84.58	148,859.67	86.16	151,641.60	2,781.93	1.9	255.00	0.17%	
2.5%	JOHNSON & JOH	25,600	07/01/1993	41.23	1,055,498.84	164.74	4,217,344.00	3,161,845.16	299.6	108,544.00	2.57%	
4.5%	JP MORGAN	48,550	06/06/2008	55.85	2,711,508.39	155.54	7,551,467.00	4,839,958.61	178.5	174,780.00	2.31%	
5.9%	MICROSOFT CO	36,150	01/05/2006	30.02	1,085,358.00	270.90	9,793,035.00	8,707,677.00	802.3	80,976.00	0.83%	
1.3%	NORTHERN TRU Accrued Income	18,025	10/14/2010	54.25	977,907.43	115.62	2,084,050.50	1,106,143.07	113.1	50,470.00	2.42%	
2.5%	O'REILLY AUTOM	7,400	07/11/2017	178.33	1,319,662.20	566.21	4,189,954.00	2,870,291.80	217.5	0.00	0.00%	
2.0%	OMNICOM GROU Accrued Income	40,750	10/05/2004	53.67	2,187,168.60	79.99	3,259,592.50	1,072,423.90	49.0	114,100.00	3.50%	
1.7%	PFIZER INC	72,200	09/01/2011	27.32	1,972,200.18	39.16	2,827,352.00	855,151.82	43.4	112,632.00	3.98%	
4.1%	PROGRESSIVE C	70,150	05/23/2007	29.61	2,077,251.18	98.21	6,889,431.50	4,812,180.32	231.7	7,015.00	0.10%	
3.4%	SCHWAB (CHAS)	78,750	08/24/2020	35.35	2,783,458.12	72.81	5,733,787.50	2,950,329.38	106.0	56,700.00	0.99%	
3.0%	TE CONNECTIVI	37,000	11/02/2007	37.96	1,404,582.47	135.21	5,002,770.00	3,598,187.53	256.2	74,000.00	1.48%	
1.9%	TJX COS INC NE	46,400	12/01/2004	12.82	594,892.44	67.42	3,128,288.00	2,533,395.56	425.9	48,256.00	1.54%	
2.0%	U S BANCORP Accrued Income	58,500	12/07/2000	28.79	1,683,961.66	56.97	3,332,745.00	1,648,783.34	97.9	98,280.00	2.95%	
1.9%	UNION PACIFIC	14,575	07/24/2015	93.91	1,368,734.25	219.93	3,205,479.75	1,836,745.50	134.2	62,381.00	1.95%	
1.3%	WELLS FARGO	47,900	05/27/2011	32.97	1,579,170.57	45.29	2,169,391.00	590,220.43	37.4	19,160.00	0.88%	
72.7%		38.36			44,410,534.30		121,555,647.85	77,077,693.05	173.6	1,503,236.00	1.24%	

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.4%	TOYOTA MOTOR 09/15/2021 3.40 Accrued Income	700,000	06/26/2012	101.53	710,709.72	100.65	704,533.87	(6,175.85)	(0.9)	23,800.00	3.36%	0.21
0.5%	INTEL CORP 10/01/2021 3.30 Accrued Income	750,000	12/04/2012	102.09	765,672.75	100.76	756,735.90	(9,936.85)	(1.3)	24,750.00	3.27%	0.25
0.6%	MCDONALDS CO 01/15/2022 2.625 Accrued Income	1,000,000	12/03/2012	100.80	1,007,984.73	101.28	1,012,830.37	4,845.64	0.5	26,250.00	2.59%	0.53
0.6%	BERKSHIRE HAT 01/31/2022 3.40 Accrued Income	1,000,000	06/07/2018	101.58	1,015,781.70	101.82	1,018,241.53	2,459.83	0.2	34,000.00	3.34%	0.57
0.6%	HSBC HOLDINGS 03/30/2022 4.00 Accrued Income	1,000,000	06/10/2015	102.80	1,028,045.68	102.68	1,026,803.20	(1,242.48)	(0.1)	40,000.00	3.90%	0.74
0.6%	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	102.88	1,028,823.48	(7,609.73)	(0.7)	38,000.00	3.69%	1.60
0.6%	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	106.59	1,065,927.35	59,829.00	5.9	38,000.00	3.56%	2.42
0.6%	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	106.36	1,063,562.38	36,331.99	3.5	36,500.00	3.43%	2.61
0.6%	ORACLE CORP 07/15/2023 3.625 Accrued Income	1,000,000	06/08/2016	105.13	1,051,308.99	106.23	1,062,340.00	11,031.01	1.0	36,250.00	3.41%	1.95
0.6%	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	106.66	1,066,644.02	24,655.71	2.4	36,500.00	3.42%	2.78
0.6%	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	107.38	1,073,762.63	44,144.70	4.3	36,250.00	3.38%	2.82
							3,041.67					
							1,611.11					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
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	107.74	1,077,364.14	25,326.57	2.4	37,500.00	3.48%	2.93
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	107.69	1,076,853.81	29,321.01	2.8	37,000.00	3.44%	2.45
0.7%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	1,000,000	11/14/2017	105.18	1,051,633.80	108.40	1,084,044.06	32,210.26	3.1	40,000.00	3.69%	2.44
0.7%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	1,000,000	11/07/2017	104.00	1,039,966.60	107.74	1,077,361.42	37,394.82	3.6	36,250.00	3.36%	2.48
0.7%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	1,000,000	02/13/2017	103.89	1,038,928.24	108.18	1,081,836.05	42,907.81	4.1	36,250.00	3.35%	2.55
0.6%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	950,000	06/08/2016	104.59	993,598.44	108.31	1,028,976.24	35,377.80	3.6	32,775.00	3.19%	2.72
0.6%	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	110.41	993,734.01	103,478.56	11.6	35,550.00	3.58%	3.71
0.7%	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	110.45	1,104,490.83	85,966.63	8.4	38,750.00	3.51%	4.14
0.7%	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	110.07	1,100,679.47	58,995.27	5.7	37,500.00	3.41%	4.35
0.7%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	1,000,000	06/23/2017	105.51	1,055,087.20	112.73	1,127,256.26	72,171.06	6.8	39,500.00	3.50%	4.01
0.7%	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	110.54	1,105,401.76	46,501.76	4.4	36,000.00	3.26%	4.82
							7,600.00					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.8%	JPMORGAN CHA 10/01/2026 2.95 Call 07/01/2026, 1 Accrued Income	1,250,000	02/26/2021	108.58	1,357,250.00	107.74	1,346,760.90	(10,489.10)	(0.8)	36,875.00	2.74%	5.28
0.8%	VERIZON COMM 08/15/2026 2.625 Accrued Income	1,250,000	01/27/2021	108.75	1,359,350.00	106.33	1,329,158.83	(30,191.17)	(2.2)	32,812.50	2.47%	4.76
0.8%	BANK AMER CO 10/21/2027 3.248 Call 10/21/2026, 1 Accrued Income	1,250,000	02/25/2021	109.38	1,367,275.00	108.43	1,355,337.06	(11,937.94)	(0.9)	40,600.00	3.00%	6.10
0.8%	WELLS FARGO C 10/23/2026 3.00 Accrued Income	1,250,000	05/10/2021	108.69	1,358,625.00	107.89	1,348,645.61	(9,979.39)	(0.7)	37,500.00	2.78%	4.91
0.8%	PEPSICO INC 03/19/2027 2.625 Call 01/19/2027, 1 Accrued Income	1,250,000	09/01/2020	110.34	1,379,225.00	107.44	1,342,964.95	(36,260.05)	(2.6)	32,812.50	2.44%	5.72
0.8%	JOHNSON & JOH 01/15/2028 2.90 Call 10/15/2027, 1 Accrued Income	1,250,000	05/10/2021	109.40	1,367,500.00	109.36	1,366,938.49	(561.51)	0.0	36,250.00	2.65%	6.33
0.8%	MERCK & CO. IN 03/07/2029 3.40 Call 12/07/2028, 1 Accrued Income	1,250,000	02/25/2021	111.89	1,398,625.00	112.17	1,402,100.00	3,475.00	0.2	42,500.00	3.03%	7.15
0.7%	BLACKROCK INC 04/30/2029 3.25 Call 01/30/2029, 1 Accrued Income	1,000,000	06/23/2021	111.73	1,117,300.00	111.79	1,117,921.02	621.02	0.1	32,500.00	2.91%	6.95
0.8%	3M CO 08/26/2029 2.375 Call 05/26/2029, 1 Accrued Income	1,250,000	02/03/2021	106.11	1,326,350.00	104.73	1,309,094.49	(17,255.51)	(1.3)	29,687.50	2.27%	7.77
0.8%	TEXAS INSTRUM 09/04/2029 2.25 Call 06/04/2029, 1 Accrued Income	1,250,000	01/27/2021	106.11	1,326,400.00	104.26	1,303,223.89	(23,176.11)	(1.7)	28,125.00	2.16%	7.83
0.8%	COMCAST CORP 02/01/2030 2.65 Call 11/01/2029, 1 Accrued Income	1,250,000	09/01/2020	108.87	1,360,900.00	105.33	1,316,572.01	(44,327.99)	(3.3)	33,125.00	2.52%	8.00
							13,802.08					

Portfolio Statement
As of 06/30/2021

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
CORPORATES & AGENCIES												
Fixed Income												
0.6%	UNION PACIFIC 02/05/2030 2.40 Call 11/05/2029, 1 Accrued Income	1,000,000	01/27/2021	107.31	1,073,100.00	103.33	1,033,316.88	(39,783.12)	(3.7)	24,000.00	2.32%	8.09
0.8%	PROGRESSIVE C 03/26/2030 3.20 Call 12/28/2029, 1 Accrued Income	1,250,000	02/25/2021	110.20	1,377,475.00	109.91	1,373,857.74	(3,617.26)	(0.3)	40,000.00	2.91%	7.52
0.8%	PFIZER INC 04/01/2030 2.625 Call 01/01/2030, 1 Accrued Income	1,250,000	01/27/2021	108.78	1,359,700.00	106.57	1,332,160.69	(27,539.31)	(2.0)	32,812.50	2.46%	8.19
0.8%	EXXON MOBIL C 10/15/2030 2.61 Call 07/15/2030, 1 Accrued Income	1,250,000	09/01/2020	108.56	1,357,000.00	105.51	1,318,924.66	(38,075.34)	(2.8)	32,625.00	2.47%	8.61
0.8%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	1,250,000	09/01/2020	107.97	1,349,650.00	105.08	1,313,486.95	(36,163.05)	(2.7)	33,125.00	2.52%	8.34
26.3%				105.99	43,244,945.26		44,057,264.90	402,723.69	0.9	1,322,725.00	3.03%	4.63
CASH AND CASH EQUIVALENTS												
Cash and Money Funds												
1.0%	CASH			1.00	1,669,090.69		1,669,090.69			0.00	0.00%	
99.7%				104.13	89,324,570.25		166,804,986.99	77,480,416.74	86.7	2,825,961.00	1.69%	4.63
100.0%	Total Accrued Inc						477,016.45					
							167,282,003.44					

Cash Reconciliation Report

From 04/01/2021 to 06/30/2021

KENTUCKY LEGISLATORS

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
04/01/2021		CASH Beginning Balance		1,008,061.58
04/01/2021	04/01/2021	Sell WELLS FARGO CO MTN BE -670000.00	685,410.00	1,693,471.58
04/01/2021		Interest INTEL CORP	12,375.00	1,705,846.58
04/01/2021		Interest PFIZER INC	13,125.00	1,718,971.58
04/01/2021		Interest JPMORGAN CHASE & CO	14,750.00	1,733,721.58
04/01/2021		Interest CUMMINS INC	18,250.00	1,751,971.58
04/01/2021		Interest SYSCO CORP	18,750.00	1,770,721.58
04/01/2021		Dividend NORTHERN TRUST	13,370.00	1,784,091.58
04/08/2021		Dividend iShares 1-3 YR TSY ETF	33.99	1,784,125.57
04/08/2021		Dividend OMNICOM GROUP	30,205.00	1,814,330.57
04/13/2021		Withdrawal CASH	(1,400,000.00)	414,330.57
04/15/2021		Interest EXXON MOBIL CORP	13,050.00	427,380.57
04/15/2021		Interest OMNICOM GROUP INC	18,000.00	445,380.57
04/15/2021		Dividend PROGRESSIVE CORP-OHIO	7,430.00	452,810.57
04/15/2021		Dividend U S BANCORP	26,040.00	478,850.57
04/21/2021		Interest BANK AMER CORP	16,240.00	495,090.57
04/23/2021	04/27/2021	Sell TE CONNECTIVITY LTD -2200.00	294,000.78	789,091.35
04/23/2021	04/27/2021	Sell ALPHABET INC- CL C -175.00	405,561.08	1,194,652.43
04/23/2021	04/27/2021	Sell APPLE COMPUTER -3200.00	431,644.51	1,626,296.94
04/23/2021	04/27/2021	Sell BANKAMERICA CORP. -3450.00	135,113.39	1,761,410.33
04/23/2021	04/27/2021	Sell BERKSHIRE HATH--B -1475.00	400,850.44	2,162,260.77
04/23/2021	04/27/2021	Sell CARMAX INC. -1750.00	228,723.66	2,390,984.43
04/23/2021	04/27/2021	Sell CISCO SYSTEMS INC -1975.00	102,524.09	2,493,508.52
04/23/2021	04/27/2021	Sell DISNEY (WALT) CO. -2350.00	431,054.78	2,924,563.30
04/23/2021	04/27/2021	Sell EXPEDITORS INTERNATIONAL -1600.00	177,541.65	3,102,104.95
04/23/2021	04/27/2021	Sell FACEBOOK INC CL-A -650.00	195,860.64	3,297,965.59
04/23/2021	04/27/2021	Sell FASTENAL CO. -4700.00	246,158.89	3,544,124.48
04/23/2021	04/27/2021	Sell GENERAL ELECTRIC -10200.00	137,449.39	3,681,573.87
04/23/2021	04/27/2021	Sell HOME DEPOT -1450.00	470,259.14	4,151,833.01
04/23/2021	04/27/2021	Sell JP MORGAN -2900.00	436,323.07	4,588,156.08
04/23/2021	04/27/2021	Sell JOHNSON & JOHNSON -1500.00	248,483.78	4,836,639.86
04/23/2021	04/27/2021	Sell MICROSOFT CORP -2150.00	560,718.65	5,397,358.51
04/23/2021	04/27/2021	Sell NORTHERN TRUST -1075.00	117,517.54	5,514,876.05
04/23/2021	04/27/2021	Sell O'REILLY AUTOMOTIVE INC. -450.00	240,546.54	5,755,422.59
04/23/2021	04/27/2021	Sell OMNICOM GROUP -2400.00	194,346.44	5,949,769.03
04/23/2021	04/27/2021	Sell PFIZER INC -4300.00	166,192.00	6,115,961.03
04/23/2021	04/27/2021	Sell PROGRESSIVE CORP-OHIO -4150.00	417,436.41	6,533,397.44
04/23/2021	04/27/2021	Sell SCHWAB (CHAS) -4700.00	314,159.08	6,847,556.52
04/23/2021	04/27/2021	Sell TJX COS INC NEW -2750.00	193,008.04	7,040,564.56
04/23/2021	04/27/2021	Sell U S BANCORP -3500.00	201,338.57	7,241,903.13
04/23/2021	04/27/2021	Sell UNION PACIFIC -850.00	189,981.26	7,431,884.39
04/23/2021	04/27/2021	Sell WELLS FARGO -2850.00	125,156.83	7,557,041.22
04/26/2021		Dividend GENERAL ELECTRIC	1,810.00	7,558,851.22
04/28/2021		Dividend CISCO SYSTEMS INC	13,042.50	7,571,893.72
04/30/2021		Interest NORTHERN TR CORP	19,750.00	7,591,643.72
04/30/2021		Dividend JP MORGAN	46,305.00	7,637,948.72
05/04/2021		Other Expense CASH UNKNOWN BY STT	(44.44)	7,637,904.28
05/06/2021		Interest APPLE INC NOTE	16,387.50	7,654,291.78
05/08/2021		Dividend iShares 1-3 YR TSY ETF	21.55	7,654,313.33
05/10/2021	05/12/2021	Buy JOHNSON & JOHNSON 1250000.00	(1,379,281.25)	6,275,032.08
05/10/2021	05/12/2021	Buy WELLS FARGO CO NEW 1250000.00	(1,360,604.17)	4,914,427.91
05/10/2021	05/12/2021	Buy MERCK & CO. INC 250000.00	(280,359.72)	4,634,068.19
05/10/2021	05/12/2021	Buy BANK AMER CORP 250000.00	(273,648.67)	4,360,419.52
05/10/2021	05/12/2021	Buy JPMORGAN CHASE & CO 250000.00	(271,889.93)	4,088,529.59
05/10/2021	05/12/2021	Buy VERIZON COMMUNICATIONS 250000.00	(268,835.94)	3,819,693.65
05/10/2021	05/12/2021	Buy COMCAST CORP NEW 250000.00	(261,958.68)	3,557,734.97
05/10/2021	05/12/2021	Buy 3M CO 250000.00	(260,103.47)	3,297,631.50
05/10/2021	05/12/2021	Buy EXXON MOBIL CORP 250000.00	(259,739.38)	3,037,892.12
05/10/2021	05/12/2021	Buy TEXAS INSTRUMENTS 250000.00	(257,962.50)	2,779,929.62
05/11/2021	05/13/2021	Buy PROGRESSIVE CORP 250000.00	(272,869.44)	2,507,060.18
05/11/2021	05/13/2021	Buy PFIZER INC 250000.00	(263,565.63)	2,243,494.55
05/11/2021	05/13/2021	Buy DISNEY WALT CO 250000.00	(260,308.33)	1,983,186.22
05/13/2021		Dividend APPLE COMPUTER	11,726.00	1,994,912.22
05/19/2021	05/19/2021	Sell GOOGLE INC -750000.00	750,000.00	2,744,912.22
05/19/2021		Interest GOOGLE INC	13,593.75	2,758,505.97
05/24/2021	05/26/2021	Sell BLACKROCK INC SR -750000.00	750,000.00	3,508,505.97

Cash Reconciliation Report
From 04/01/2021 to 06/30/2021

KENTUCKY LEGISLATORS

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
05/24/2021		Interest BLACKROCK INC SR	15,937.50	3,524,443.47
05/25/2021		Dividend FASTENAL CO.	23,422.00	3,547,865.47
05/28/2021		Dividend SCHWAB (CHAS)	14,175.00	3,562,040.47
06/01/2021		Interest SCHLUMBERGER INVT SA	18,250.00	3,580,290.47
06/01/2021		Dividend WELLS FARGO	4,790.00	3,585,080.47
06/03/2021		Dividend TJX COS INC NEW	12,064.00	3,597,144.47
06/04/2021		Dividend TE CONNECTIVITY LTD	18,500.00	3,615,644.47
06/04/2021		Dividend PFIZER INC	28,158.00	3,643,802.47
06/07/2021		Dividend iShares 1-3 YR TSY ETF	21.25	3,643,823.72
06/08/2021		Dividend JOHNSON & JOHNSON	27,136.00	3,670,959.72
06/10/2021		Dividend MICROSOFT CORP	20,244.00	3,691,203.72
06/15/2021		Interest MICROSOFT CORP	18,125.00	3,709,328.72
06/15/2021		Dividend EXPEDITORS INTERNATIONAL	15,660.00	3,724,988.72
06/17/2021		Dividend HOME DEPOT	40,260.00	3,765,248.72
06/17/2021		Withdrawal CASH	(1,000,000.00)	2,765,248.72
06/23/2021	06/25/2021	Buy BLACKROCK INC 1000000.00	(1,122,265.28)	1,642,983.44
06/25/2021		Dividend BANKAMERICA CORP.	10,512.00	1,653,495.44
06/30/2021		Dividend UNION PACIFIC	15,595.25	1,669,090.69
06/30/2021		CASH Ending Balance		1,669,090.69

Brokerage Fees Report
From 04/01/2021 to 06/30/2021

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>
Broker: No Broker									
04/01/2021	Sell	WELLS FARGO	670,000	685,410.00	670,000.00	0.00	0.00	0.00%	CB
04/23/2021	Sell	ALPHABET IN	175	405,561.08	405,568.40	5.25	0.03	0.00%	EQ
04/23/2021	Sell	APPLE COMPU	3,200	431,644.51	431,742.72	96.00	0.03	0.02%	EQ
04/23/2021	Sell	BANKAMERIC	3,450	135,113.39	135,217.58	103.50	0.03	0.08%	EQ
04/23/2021	Sell	BERKSHIRE H	1,475	400,850.44	400,896.74	44.25	0.03	0.01%	EQ
04/23/2021	Sell	CARMAX INC.	1,750	228,723.66	228,777.33	52.50	0.03	0.02%	EQ
04/23/2021	Sell	CISCO SYSTE	1,975	102,524.09	102,583.87	59.25	0.03	0.06%	EQ
04/23/2021	Sell	DISNEY (WAL	2,350	431,054.78	431,127.48	70.50	0.03	0.02%	EQ
04/23/2021	Sell	EXPEDITORS I	1,600	177,541.65	177,590.56	48.00	0.03	0.03%	EQ
04/23/2021	Sell	FACEBOOK IN	650	195,860.64	195,881.14	19.50	0.03	0.01%	EQ
04/23/2021	Sell	FASTENAL CO.	4,700	246,158.89	246,301.15	141.00	0.03	0.06%	EQ
04/23/2021	Sell	GENERAL ELE	10,200	137,449.39	137,756.10	306.00	0.03	0.22%	EQ
04/23/2021	Sell	HOME DEPOT	1,450	470,259.14	470,305.04	43.50	0.03	0.01%	EQ
04/23/2021	Sell	JOHNSON & JO	1,500	248,483.78	248,530.05	45.00	0.03	0.02%	EQ
04/23/2021	Sell	JP MORGAN	2,900	436,323.07	436,412.30	87.00	0.03	0.02%	EQ
04/23/2021	Sell	MICROSOFT C	2,150	560,718.65	560,786.01	64.50	0.03	0.01%	EQ
04/23/2021	Sell	NORTHERN TR	1,075	117,517.54	117,550.39	32.25	0.03	0.03%	EQ
04/23/2021	Sell	O'REILLY AUT	450	240,546.54	240,561.27	13.50	0.03	0.01%	EQ
04/23/2021	Sell	OMNICOM GR	2,400	194,346.44	194,419.44	72.00	0.03	0.04%	EQ
04/23/2021	Sell	PFIZER INC	4,300	166,192.00	166,321.85	129.00	0.03	0.08%	EQ
04/23/2021	Sell	PROGRESSIVE	4,150	417,436.41	417,563.04	124.50	0.03	0.03%	EQ
04/23/2021	Sell	SCHWAB (CHA	4,700	314,159.08	314,301.69	141.00	0.03	0.04%	EQ
04/23/2021	Sell	TE CONNECTI	2,200	294,000.78	294,068.28	66.00	0.03	0.02%	EQ
04/23/2021	Sell	TJX COS INC N	2,750	193,008.04	193,091.53	82.50	0.03	0.04%	EQ
04/23/2021	Sell	U S BANCORP	3,500	201,338.57	201,444.60	105.00	0.03	0.05%	EQ
04/23/2021	Sell	UNION PACIFI	850	189,981.26	190,007.73	25.50	0.03	0.01%	EQ
04/23/2021	Sell	WELLS FARGO	2,850	125,156.83	125,242.97	85.50	0.03	0.07%	EQ
05/10/2021	Buy	3M CO	250,000	(260,103.47)	258,725.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	BANK AMER C	250,000	(273,648.67)	273,050.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	COMCAST CO	250,000	(261,958.68)	259,975.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	EXXON MOBI	250,000	(259,739.38)	259,125.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	JOHNSON & JO	1,250,000	(1,379,281.25)	1,366,875.00	625.00	0.50	0.05%	CB
05/10/2021	Buy	JPMORGAN C	250,000	(271,889.93)	270,925.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	MERCK & CO.	250,000	(280,359.72)	278,700.00	125.00	0.50	0.04%	CB
05/10/2021	Buy	TEXAS INSTR	250,000	(257,962.50)	256,775.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	VERIZON COM	250,000	(268,835.94)	267,125.00	125.00	0.50	0.05%	CB
05/10/2021	Buy	WELLS FARGO	1,250,000	(1,360,604.17)	1,358,000.00	625.00	0.50	0.05%	CB
05/11/2021	Buy	DISNEY WALT	250,000	(260,308.33)	257,975.00	125.00	0.50	0.05%	CB
05/11/2021	Buy	PFIZER INC	250,000	(263,565.63)	262,675.00	125.00	0.50	0.05%	CB
05/11/2021	Buy	PROGRESSIVE	250,000	(272,869.44)	271,700.00	125.00	0.50	0.05%	CB
05/19/2021	Sell	GOOGLE INC	750,000	750,000.00	750,000.00	0.00	0.00	0.00%	CB
05/24/2021	Sell	BLACKROCK I	750,000	750,000.00	750,000.00	0.00	0.00	0.00%	CB
06/23/2021	Buy	BLACKROCK I	1,000,000	(1,122,265.28)	1,116,800.00	500.00	0.50	0.04%	CB
Total: No Broke				2,453,968.26	15,992,474.26	5,187.50	0.07	0.03%	

Item III – Investment Related Matters

B. Hilliard Lyons Trust Company



Investment Review

KY Judicial Retirement Fund

KY Legislator Retirement Fund

July 23, 2021



Contacts

Hilliard Lyons Trust – A Baird Company
500 West Jefferson Street
Louisville, Kentucky 40202
888-878-7845 | hilliardtrust.com

Donald L. Asfahl, J.D., CFA®
Chairman
Portfolio Manager
502-588-8631
dasfahl@hilliard.com

John Watkins III, CFA®
Vice President
Equity Portfolio Manager/Analyst
502-588-8694
jwatkins@hilliard.com

Andrew W. Means, CFA®
Senior Vice President
Director of Investments
502-588-8633
ameans@hilliard.com

Victoria Gagel, CWA®, CRSP
Vice President
Trust Officer
502-588-1294
vgagel@hilliard.com



Why all this talk about inflation?

Ross A. Demmerle
Vice President
Equity Analyst

In June, Ohio amusement park Cedar Point was forced to close its doors to the public for many weekdays because it could not find enough employees to run the park. In response, it raised hourly wages 100% from \$10 to \$20 and offered a \$500 signing bonus. Thrill-seekers were disappointed by fewer operating days and even more so if the park chooses to raise prices.

Economists refer to this circumstance as wage push inflation. As measured by the Consumer Price Index (CPI), inflation increased at an annualized rate of 5.0% in May. This is a meaningful increase over the average annual 1.75% increase in CPI over the last ten years. Given recent media headlines, we think clients should have a better understanding of how inflation could impact their investments and why WIN buttons from the 1970s should remain a thing of the past.

Broad-based Inflation is Evident

Higher inflation is currently most visible in commodities (lumber, steel, copper, oil, grains, etc.) and in wages. But the impact is widespread as the price of gasoline, airfares, hotel rooms, and used cars are also increasing rapidly. In recent months, numerous public company management teams emphasized the rising cost of doing business.



Toward the end of 1974, the federal government instituted a campaign to promote higher levels of personal savings, frugality, decreased consumer spending and energy conservation. Citizens were encouraged to wear a WIN button indicating their support to beat the 11% average inflation harming the nation in 1974.

There are several drivers behind today's high inflation. Substantial government stimulus and unemployment insurance bolstered personal savings and income over the past 15 months. As consumers emerge from the pandemic with excess cash in their pockets, demand for goods and services is exploding. At the same time, global supply chain disruptions caused by economic shutdowns are reducing the supply of goods available for consumption. One of the first things aspiring economists learn in Econ 101 is that limited supply combined with exploding demand leads to rising prices, sometimes rapidly.

Will it be transitory?

The Federal Reserve believes the current increase in inflation will prove to be “transitory” or not permanent. It very well could be. Many of the drivers of today's higher inflation are due to the pandemic and might be self-correcting. Government assistance will fade in a few months. More people will be incentivized to re-join the labor force when enhanced unemployment payments come to an end. After a spending spree, personal savings and income should trend toward historical norms. Companies will be able to increase their supply of goods as their ability to source components necessary to make a final product stabilizes. Moreover, the Fed has the ability to raise interest rates to dampen inflation if it proves to linger longer than expected.

Accurate Forecasting is a Challenge

Still, even professionals have difficulty predicting inflation. Many experts predicted rampant inflation coming out of the 2008-2009 global financial crisis, which never materialized. In June, the Fed raised its 2021 median inflation estimate to 3.4%, nearly double their 1.8% estimate only six months prior in December 2020. Wall Street economists, who have a mixed track record, think inflation will peak in 2021 and then moderate. Even the most recent University of Michigan Survey indicated an inflation outlook of 4.6% over the next year, although consumers also have a weak track record of predictions. For those in the prediction business, the late economist Paul A. Samuelson had some wise words – “if you must forecast, forecast often”. With this quip, the Nobel prize winner recognized his own fallible opinions as well as others. In an effort to improve its own accuracy, the Fed changed its 2021 forecast three times over six months, proceeding just as Mr. Samuelson prescribed.

Deflationary Structural Changes

A certain amount of inflation is helpful to the economy. Modestly rising prices are viewed as a positive when it helps boost consumer demand and consumption, driving economic growth. With the caveat that we cannot accurately predict future inflation, we believe several structural changes make a return to the WIN buttons of the 1970s unlikely.

In decades past, the U.S. was more reliant on foreign sources for oil. With the help of hydraulic fracturing, the U.S. became a net energy exporter in 2019, achieving energy independence. An abrupt reduction in petroleum imports, similar to the 1973 oil embargo, would have less impact on oil and gasoline prices as compared to the past. Secondly, the economies and cultures of the world have become more intertwined. Globalization more easily allows production to flow to the lowest cost geographies, acting as a deflationary force. Finally, with information at our fingertips, the internet has radically increased price transparency for millions of consumers spurring greater price competition and lower prices across goods and services. Entrepreneurs now have the tools to make an impact more quickly when there is a mismatch between supply and demand.

Our Path Forward

We readily admit our inability to predict the future inflation rate, yet we believe your portfolios are well prepared for the uncertainty ahead. High inflation can wreak havoc on cash and bonds, rapidly eroding their real value. Fortunately, we typically seek to be fully invested with limited excess cash and aim to invest only in high-quality short and intermediate-term fixed-income products. While these instruments are not immune to high inflation, they are less impacted than lower quality and longer-term fixed-income vehicles.

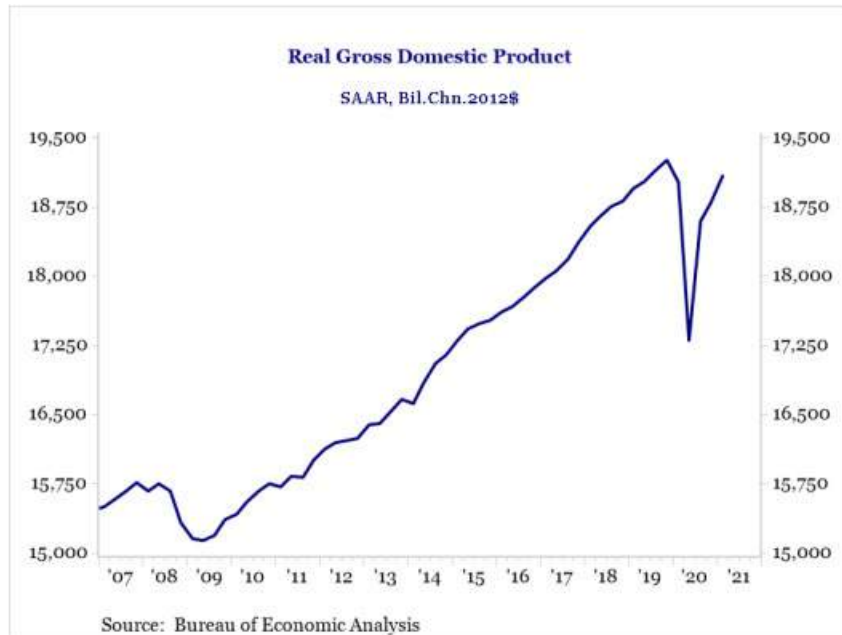
In equities, we seek out well-managed industry-leading companies with sustainable competitive advantages. Because of these advantages, they typically exhibit some degree of pricing power, which allows them to increase prices as input costs rise. During periods of high inflation, businesses with pricing power are often less impacted than businesses without pricing power.

Our investment philosophy is to think and act like long-term business owners. Because our intention is to own businesses for long periods of time, we must acknowledge up front that many uncertainties will arise that we cannot predict. Over any five-to-ten-year period, there could be recessions, trade wars, deflation, or high inflation. We focus on investing in businesses that can manage through many different environments, including the elevated inflation we see today. Regardless of the inevitable price changes ahead, we strongly believe the best path forward is to stick to our time-tested process and focus on the long-term compounding of your wealth.

Thank you for your relationship with Hilliard Lyons Trust. We appreciate the confidence you place in us as stewards of your financial assets. Our ultimate goal is to serve your needs and grow your wealth over time.

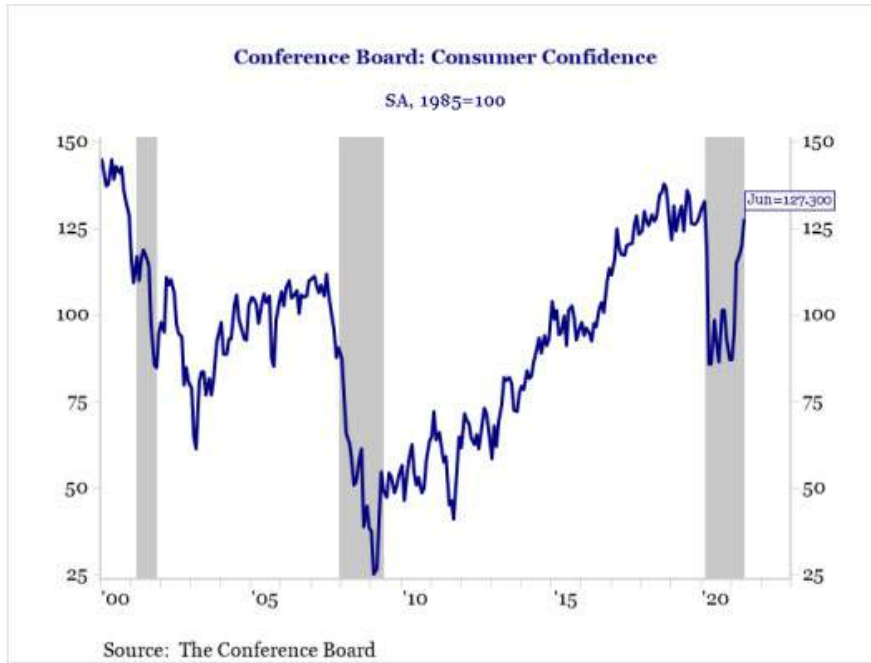
Disclosure - Past performance is not a predictor of future success. All investing involves the risk of loss. Hilliard Lyons Trust Company does not provide tax or legal advice. This market commentary is not meant to be advice for all investors. Please consult with your Baird financial advisor about your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

The Economy is Recovering

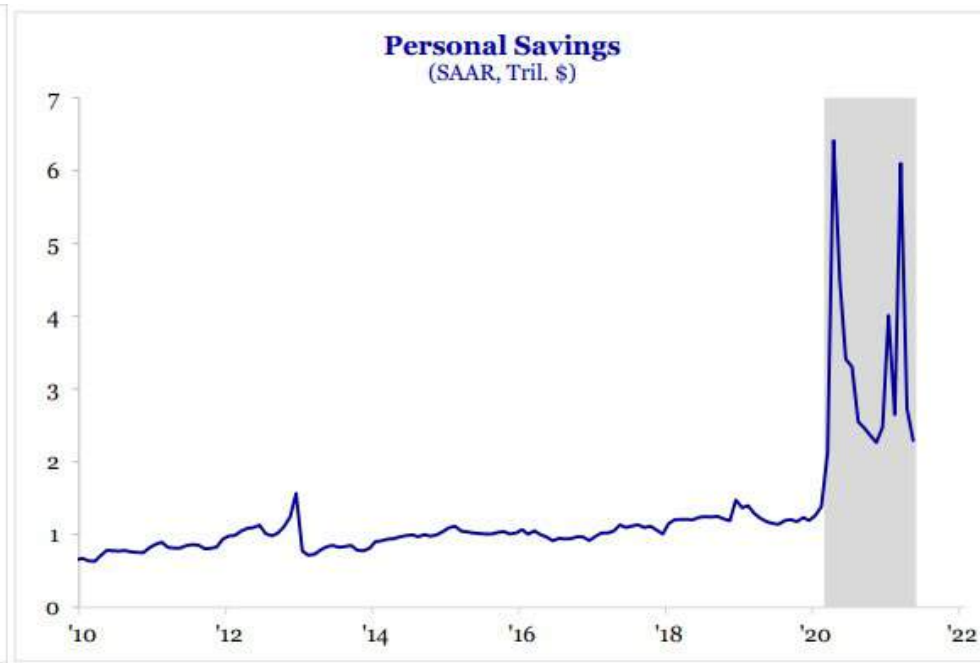


Source: Strategas Research Partners

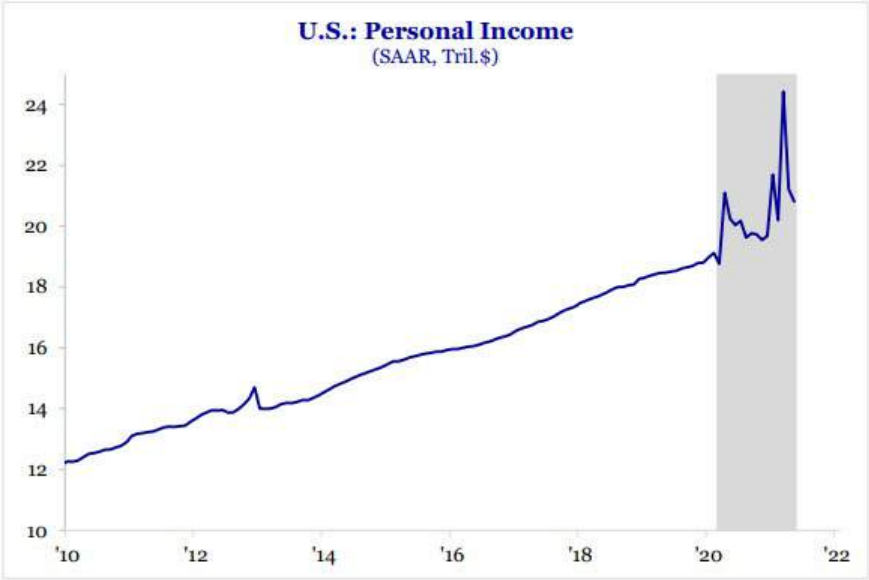
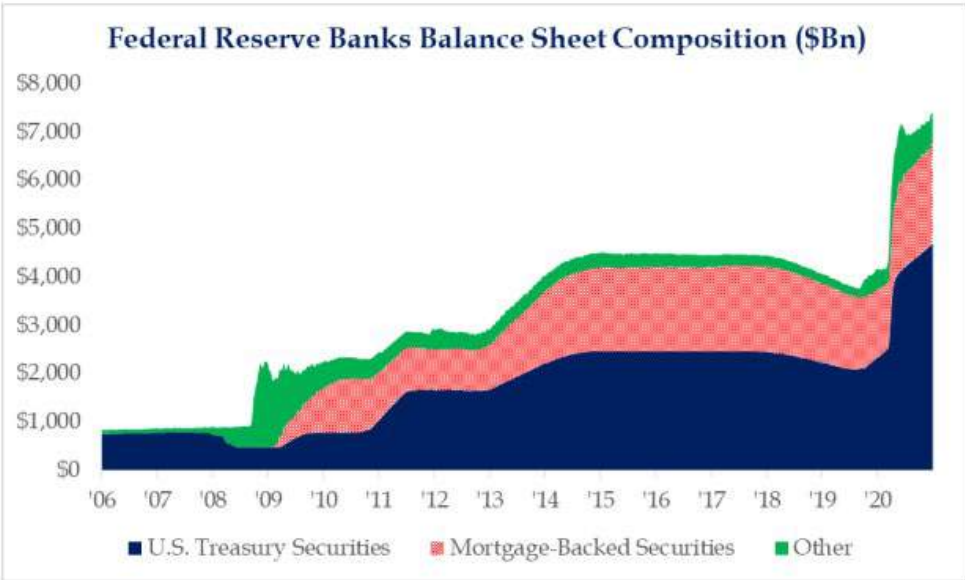
The Consumer Is In Good Shape



Source: Strategas Research Partners



Fed Balance Sheet & Personal Income



Source: Strategas Research Partners

10 Year Yield Dipped in Q2



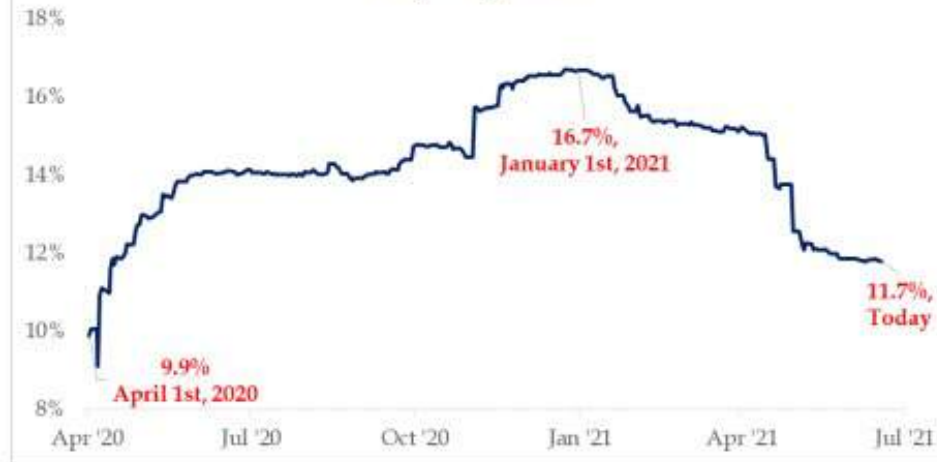
Source: Strategas Research Partners

S&P 500 Valuations (Currently: 22.5x Forward PE)

S&P 500 Trailing Twelve Month EPS
(Source: Refinitiv, Strategas)



2022 S&P 500 Year-Over Year Earnings Growth Rate Daily Progression

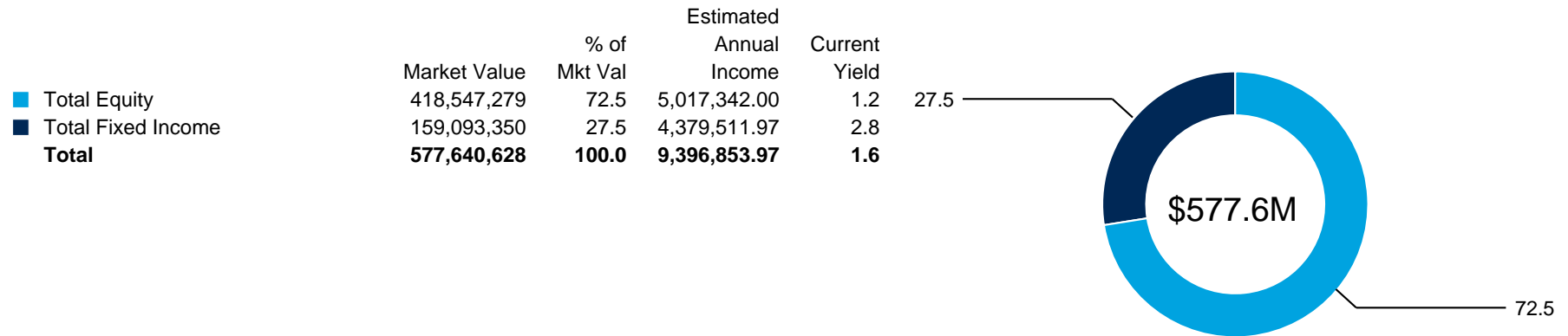


Source: Strategas Research Partners

Client Investment Review

Investment activity through 06/30/2021

Asset Allocation Summary



Investment Summary

	Fiscal Year to Date (1 Year)
Beginning Account Value	437,394,859.35
Net Contributions/Withdrawals	-18,907,890.76
Income Earned	10,458,552.11
Market Appreciation	148,695,107.77
Ending Account Value	577,640,628.47

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

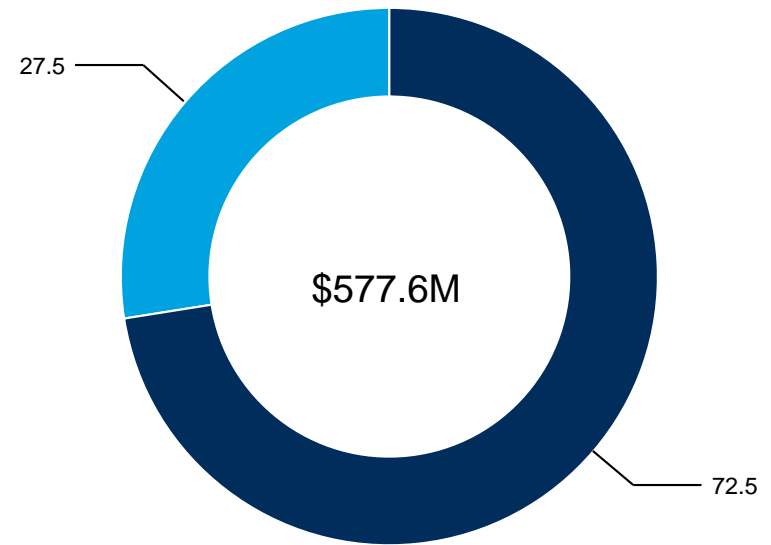
Market Value by Asset Class

Ending: June 30, 2021

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

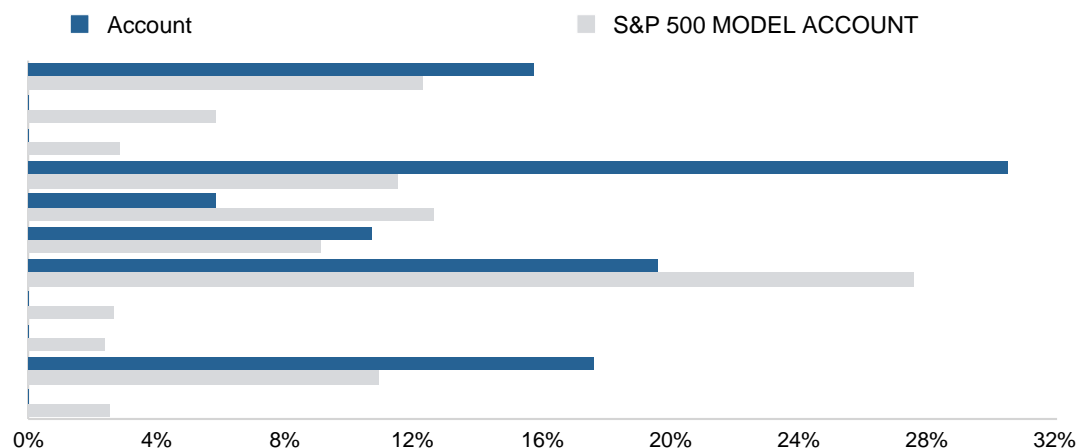
Managed since: January 01, 1993

	Market Value	% of Mkt Val
■ Core Equity	418,547,279	72.5
■ Taxable Fixed Income	158,958,944	27.5
■ Short Government	134,406	.0
Total	577,640,628	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.7	12.3
Consumer Staples	.0	5.8
Energy	.0	2.8
Financials	30.5	11.5
Health Care	5.8	12.6
Industrials	10.7	9.1
Information Tech	19.6	27.6
Materials	.0	2.6
Real Estate	.0	2.4
Communication Serv	17.6	10.9
Utilities	.0	2.5



Top 10 Performers

	Market Value	% of Mkt Val	Return
SCHWAB CHARLES CORP NEW C	19,811,601	3.4	107.13
GENERAL ELEC CO COM	7,893,420	1.4	97.41
WELLS FARGO & CO NEW COM	7,540,785	1.3	78.59
ALPHABET INC CAP STK CL C	25,301,300	4.4	77.46
BANK OF AMERICA CORP COM	8,270,738	1.4	77.07
JPMORGAN CHASE & CO COM	26,192,936	4.5	70.35
EXPEDITORS INTL WASH INC	11,875,080	2.1	68.35
TE CONNECTIVITY LTD REG S	16,779,561	2.9	68.19
US BANCORP DEL COM NEW	11,937,120	2.1	59.81
DISNEY WALT CO COM	24,115,644	4.2	57.43

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	34,092,765	5.9	34.39
HOME DEPOT INC COM	26,962,150	4.7	30.37
JPMORGAN CHASE & CO COM	26,192,936	4.5	70.35
ALPHABET INC CAP STK CL C	25,301,300	4.4	77.46
APPLE INC COM	25,118,464	4.3	52.62
DISNEY WALT CO COM	24,115,644	4.2	57.43
PROGRESSIVE CORP OH COM	23,644,058	4.1	28.95
BERKSHIRE HATHAWAY INC DE	23,518,980	4.1	55.56
SCHWAB CHARLES CORP NEW C	19,811,601	3.4	107.13
TE CONNECTIVITY LTD REG S	16,779,561	2.9	68.19

Fixed Income Maturity Overview

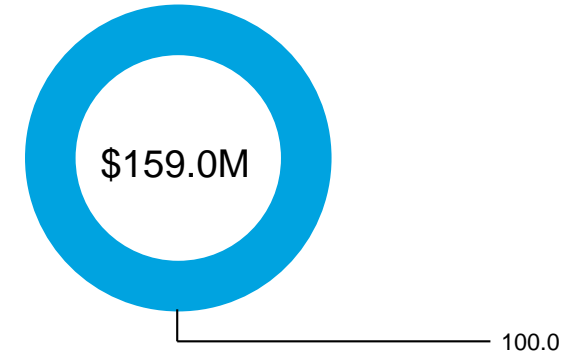
Ending: June 30, 2021

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

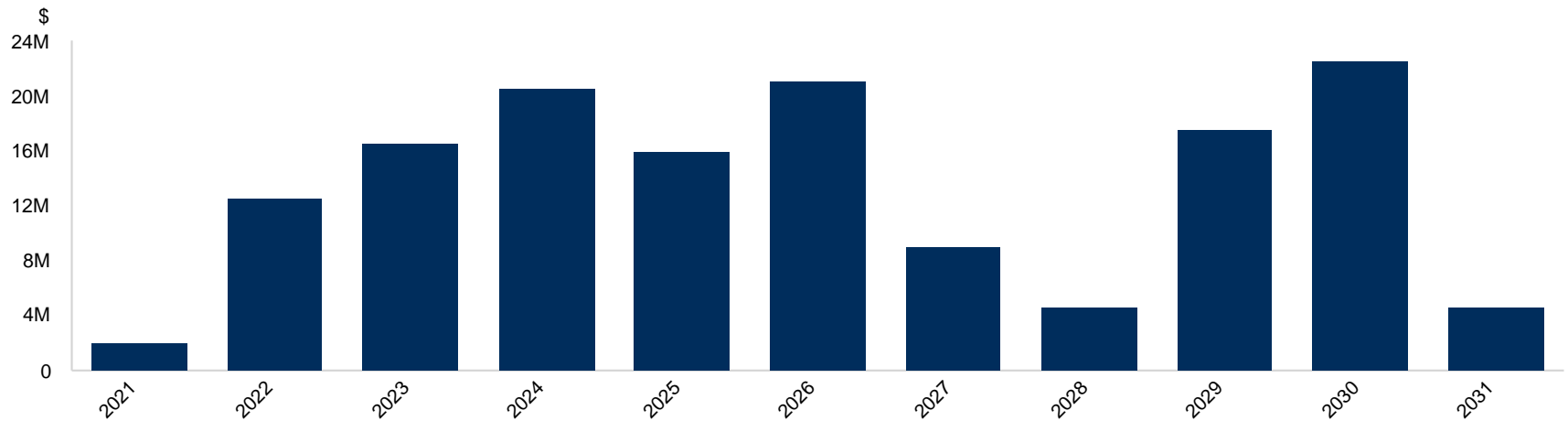
Managed since: January 01, 1993

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
■ Taxable Fixed Income	158,958,944	100.0	4,378,962.85	2.8
Total	158,958,944	100.0	4,378,962.85	2.8



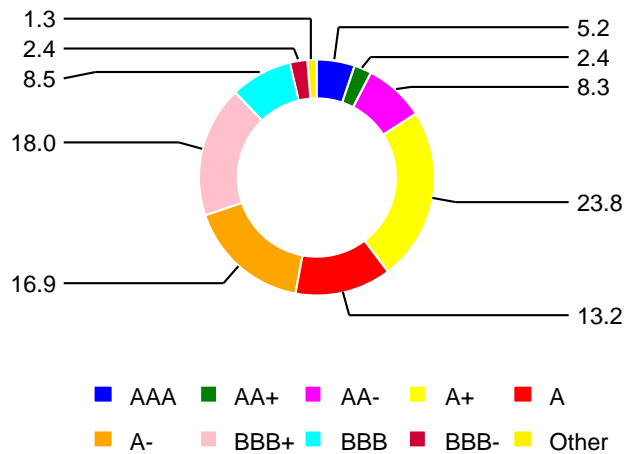
Fixed Income Maturity Schedule



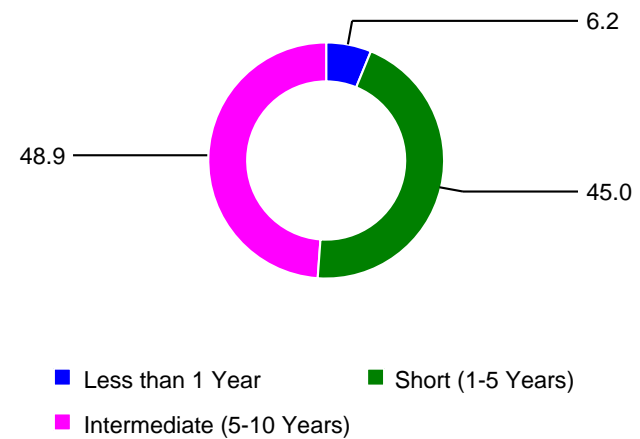
Fixed Income Analysis

	06/30/2021	Barclays Gov't/Credit Interm Bond Index
Coupon	2.99	2.02
Current Yield	2.78	1.94
Yield to Maturity	.99	.94
Maturity	5.11	4.48
Duration	4.74	4.18
Face Amount	146,550,000	
Market Value	157,528,944	
Cost	156,036,747	

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
Matures 2031									
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	4,500,000.000	107.800	105.079	4,784,205.00	BBB+			119,250.00
Total Matures 2031					4,784,205.00				119,250.00
Matures 2030									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	108.600	105.514	4,772,925.00	AA-	07/15/2030		117,450.00
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	4,500,000.000	109.090	106.573	4,825,316.25	A+	01/01/2030		118,125.00
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.410	110.469	5,007,917.50	A	12/26/2029		139,500.00
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	4,500,000.000	110.160	109.909	4,983,905.00	A	12/26/2029		144,000.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	108.490	105.326	4,789,357.50	A-	11/01/2029		119,250.00
Total Matures 2030					24,379,421.25				638,325.00
Matures 2029									
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	4,500,000.000	106.020	104.258	4,724,516.25	A+	06/04/2029		101,250.00
3M CO SR GLBL NT 2.375%08/26/2029	08/26/2029	4,500,000.000	106.040	104.728	4,749,869.38	A+	05/26/2029		106,875.00
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	4,000,000.000	111.730	111.792	4,493,707.78	AA-	01/30/2029		130,000.00
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	4,500,000.000	111.730	112.168	5,096,010.00	A+	12/07/2028		153,000.00
Total Matures 2029					19,064,103.41				491,125.00
Matures 2028									
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	4,500,000.000	109.490	109.355	4,981,150.00	AAA	10/15/2027		130,500.00
Total Matures 2028					4,981,150.00				130,500.00
Matures 2027									
BANK AMER CORP FR .032%10/21/2027	10/21/2027	4,500,000.000	109.380	108.427	4,907,635.00	A-	10/21/2026		1,461.60
PEPSICO INC SR NT .026%03/19/2027	03/19/2027	4,500,000.000	110.270	107.437	4,868,133.75	A+	01/19/2027 100.000		1,181.25
Total Matures 2027					9,775,768.75				2,642.85

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
Matures 2026									
WELLS FARGO CO NEW SR NT .030%10/23/2026	10/23/2026	4,500,000.000	108.690	107.892	4,880,640.00	BBB+			1,350.00
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	110.140	107.741	4,881,532.50	A-	07/01/2026 100.000		132,750.00
VERIZON COMMUNICATIONS INC SR GLOBL 2.625%08/15/2026	08/15/2026	4,500,000.000	108.700	106.333	4,829,610.00	BBB+			118,125.00
ABBVIE INC SR GLOBL 3.200%05/14/2026	05/14/2026	4,500,000.000	110.290	108.486	4,900,670.01	BBB+	02/14/2026		144,000.00
OMNICOM GROUP INC SR GLOBL 3.600%04/15/2026	04/15/2026	3,000,000.000	105.890	110.540	3,339,000.00	BBB+	01/15/2026		108,000.00
Total Matures 2026					22,831,452.51				504,225.00
Matures 2025									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	3,500,000.000	105.700	112.726	3,968,835.70	A			138,250.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	3,500,000.000	104.170	110.068	3,885,192.50	BBB-	07/01/2025		131,250.00
INTEL CORP SR GLOBL 3.700%07/29/2025	07/29/2025	3,500,000.000	105.150	110.579	3,924,942.77	A+	04/29/2025		129,500.00
CVS HEALTH CORP SR GLOBL NT 3.875%07/20/2025	07/20/2025	3,500,000.000	101.920	110.449	3,926,369.51	BBB	04/20/2025		135,625.00
AT&T INC SR GLOBL NT 3.950%01/15/2025	01/15/2025	2,000,000.000	100.980	110.415	2,244,727.78	BBB	10/15/2024		79,000.00
Total Matures 2025					17,950,068.26				613,625.00
Matures 2024									
APPLE INC SR GLOBL NT 3.450%05/06/2024	05/06/2024	3,500,000.000	104.790	108.313	3,809,402.91	AA+			120,750.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	3,500,000.000	103.940	108.184	3,827,674.37	AA-			126,875.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	3,000,000.000	103.210	107.736	3,274,580.01	A	11/15/2023		112,500.00
INTERNATIONAL BUSINESS MACHS SR GLOBL 3.625%02/12/2024	02/12/2024	3,500,000.000	104.000	107.736	3,819,747.85	A-			126,875.00
ALTRIA GROUP INC SR GLOBL NT 4.000%01/31/2024	01/31/2024	3,500,000.000	105.190	108.404	3,852,473.33	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	107.685	3,823,293.05	A+	12/29/2023		129,500.00
Total Matures 2024					22,407,171.52				756,500.00

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
Matures 2023									
MICROSOFT CORP NT 3.625%12/15/2023	12/15/2023	3,000,000.000	101.390	107.376	3,226,113.33	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	106.664	3,743,885.84	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	106.356	3,754,397.50	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	106.593	3,247,190.00	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	106.234	3,776,693.47	BBB+			126,875.00
Total Matures 2023					17,748,280.14				605,125.00
Matures 2022									
O REILLY AUTOMOTIVE INC NEW SR NT 3.800%09/01/2022	09/01/2022	3,500,000.000	103.660	102.882	3,645,203.33	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	103.033	1,574,289.08	A-	04/15/2022		62,445.00
BERKSHIRE HATHAWAY FIN CORP SR NT 3.000%05/15/2022	05/15/2022	2,000,000.000	100.080	102.365	2,054,966.67	AA			60,000.00
HSBC HLDGS PLC SR NT 4.000%03/30/2022	03/30/2022	3,500,000.000	102.990	102.680	3,629,188.89	A-			140,000.00
MCDONALDS CORP MED TERM NT SR NT 2.625%01/15/2022	01/15/2022	2,000,000.000	101.370	101.283	2,049,868.33	BBB+			52,500.00
Total Matures 2022					12,953,516.30				447,945.00
Matures 2021									
TOYOTA MTR CRD CORP MTN FR 3.400%09/15/2021	09/15/2021	2,050,000.000	102.120	100.648	2,083,806.78	A+			69,700.00
Total Matures 2021					2,083,806.78				69,700.00
No Maturity									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	86.160	134,405.65	NR			
Total No Maturity					134,405.65				
Total					159,093,349.57				4,378,962.85

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	10,095.000	550.24	5,554,660.78	2,506.32	25,301,300.40	4.4	.00	.00	.000
DISNEY WALT CO COM	137,200.000	51.15	7,018,275.50	175.77	24,115,644.00	4.2	.00	.00	.000
FACEBOOK INC CL A	37,600.000	218.26	8,206,598.24	347.71	13,073,896.00	2.3	.00	.00	.000
OMNICOM GROUP INC COM	140,000.000	48.36	6,770,649.28	79.99	11,296,600.00	2.0	2.80	392,000.00	3.500
Total for Communication Services			27,550,183.80		73,787,440.40	12.8		392,000.00	.532
Consumer Disc									
CARMAX INC COM	103,750.000	59.76	6,200,447.31	129.15	13,399,312.50	2.3	.00	.00	.000
HOME DEPOT INC COM	84,550.000	30.07	2,542,752.71	318.89	26,962,149.50	4.7	6.60	558,030.00	2.070
O REILLY AUTOMOTIVE INC NEW COM	25,600.000	178.19	4,561,619.35	566.21	14,494,976.00	2.5	.00	.00	.000
TJX COS INC NEW COM	159,750.000	6.36	1,015,477.39	67.42	10,770,345.00	1.9	1.04	166,140.00	1.543
Total for Consumer Disc			14,320,296.76		65,626,783.00	11.4		724,170.00	1.103
Financials									
BANK OF AMERICA CORP COM	200,600.000	26.92	5,399,556.13	41.23	8,270,738.00	1.4	.72	144,432.00	1.746
BERKSHIRE HATHAWAY INC DEL CL B NEW	84,625.000	117.02	9,903,115.68	277.92	23,518,980.00	4.1	.00	.00	.000
JPMORGAN CHASE & CO COM	168,400.000	50.65	8,529,704.70	155.54	26,192,936.00	4.5	3.60	606,240.00	2.315
NORTHERN TR CORP COM	59,100.000	49.44	2,921,872.53	115.62	6,874,512.00	1.2	2.80	165,480.00	2.422
PROGRESSIVE CORP OH COM	240,750.000	28.75	6,920,380.43	98.21	23,644,057.50	4.1	.40	96,300.00	.407
SCHWAB CHARLES CORP NEW COM	272,100.000	35.35	9,617,510.55	72.81	19,811,601.00	3.4	.72	195,912.00	.989
US BANCORP DEL COM NEW	208,000.000	25.95	5,398,177.93	56.97	11,937,120.00	2.1	1.68	349,440.00	2.949
WELLS FARGO & CO NEW COM	166,500.000	27.29	4,542,967.87	45.29	7,540,785.00	1.3	.40	66,600.00	.883
Total for Financials			53,233,285.82		127,790,729.50	22.1		1,624,404.00	1.272
Health Care									
JOHNSON & JOHNSON COM	88,300.000	40.95	3,615,831.25	164.74	14,546,542.00	2.5	4.24	374,392.00	2.574
PFIZER INC COM	250,050.000	26.58	6,645,729.44	39.16	9,791,958.00	1.7	1.56	390,078.00	3.984
Total for Health Care			10,261,560.69		24,338,500.00	4.2		764,470.00	3.141

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Industrials									
EXPEDITORS INTL WASH INC COM	93,800.000	37.93	3,557,453.94	126.60	11,875,080.00	2.1	1.16	108,808.00	.916
FASTENAL CO COM	272,500.000	20.77	5,660,909.52	52.00	14,170,000.00	2.5	1.12	305,200.00	2.154
GENERAL ELEC CO COM	586,000.000	16.70	9,787,707.84	13.46	7,893,420.00	1.4	.04	23,440.00	.297
UNION PAC CORP COM	50,200.000	93.91	4,714,268.23	219.93	11,040,486.00	1.9	4.28	214,856.00	1.946
Total for Industrials			23,720,339.53		44,978,986.00	7.8		652,304.00	1.450
Information Tech									
APPLE INC COM	183,400.000	19.90	3,649,462.50	136.96	25,118,464.00	4.3	.88	161,392.00	.643
CISCO SYS INC COM	113,850.000	17.38	1,978,612.69	53.00	6,034,050.00	1.0	1.48	168,498.00	2.792
MICROSOFT CORP COM	125,850.000	25.74	3,239,606.50	270.90	34,092,765.00	5.9	2.24	281,904.00	.827
TE CONNECTIVITY LTD REG SHS	124,100.000	28.47	3,533,221.65	135.21	16,779,561.00	2.9	2.00	248,200.00	1.479
Total for Information Tech			12,400,903.34		82,024,840.00	14.2		859,994.00	1.048
Total: Total Equity			141,486,569.94		418,547,278.90	72.5		5,017,342.00	1.199
Total Fixed Income									
Corporate Bonds									
AT& T INC SR GLBL NT 3.950% 01/15/2025	2,000,000.000	100.98	2,019,565.52	110.42	2,244,727.78	.4	3.95	79,000.00	3.577
ABBVIE INC SR GLBL 3.200% 05/14/2026	4,500,000.000	110.29	4,962,900.00	108.49	4,900,670.01	.8	3.20	144,000.00	2.950
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	3,500,000.000	105.19	3,681,626.54	108.40	3,852,473.33	.7	4.00	140,000.00	3.690
APPLE INC SR GLBL NT 3.450% 05/06/2024	3,500,000.000	104.79	3,667,590.41	108.31	3,809,402.91	.7	3.45	120,750.00	3.185
BANK AMER CORP FR .032% 10/21/2027	4,500,000.000	109.38	4,922,050.00	108.43	4,907,635.00	.8	.03	1,461.60	.030
BERKSHIRE HATHAWAY FIN CORP SR NT	2,000,000.000	100.08	2,001,517.25	102.36	2,054,966.67	.4	3.00	60,000.00	2.931

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
3.000% 05/15/2022									
BLACKROCK INC SR GLBL NT	4,000,000.000	111.73	4,469,200.00	111.79	4,493,707.78	.8	3.25	130,000.00	2.907
3.250% 04/30/2029									
CVS HEALTH CORP SR GLBL NT	3,500,000.000	101.92	3,567,108.60	110.45	3,926,369.51	.7	3.88	135,625.00	3.508
3.875% 07/20/2025									
CISCO SYS INC SR NT	3,500,000.000	103.94	3,638,019.92	108.18	3,827,674.37	.7	3.63	126,875.00	3.351
3.625% 03/04/2024									
COMCAST CORP NEW GLBL NT	4,500,000.000	108.49	4,882,250.00	105.33	4,789,357.50	.8	2.65	119,250.00	2.516
2.650% 02/01/2030									
CUMMINS INC SR GLBL NT	3,500,000.000	102.89	3,601,137.67	106.36	3,754,397.50	.6	3.65	127,750.00	3.432
3.650% 10/01/2023									
DISNEY WALT CO SR GLBL NT	4,500,000.000	107.80	4,850,975.00	105.08	4,784,205.00	.8	2.65	119,250.00	2.522
2.650% 01/13/2031									
EXXON MOBIL CORP SR GLBL COCO	4,500,000.000	108.60	4,886,950.00	105.51	4,772,925.00	.8	2.61	117,450.00	2.474
2.610% 10/15/2030									
HSBC HLDGS PLC SR NT	3,500,000.000	102.99	3,604,591.64	102.68	3,629,188.89	.6	4.00	140,000.00	3.896
4.000% 03/30/2022									
HOME DEPOT INC SR NT	3,000,000.000	103.21	3,096,357.28	107.74	3,274,580.01	.6	3.75	112,500.00	3.481
3.750% 02/15/2024									
INTEL CORP SR GLBL	3,500,000.000	105.15	3,680,115.94	110.58	3,924,942.77	.7	3.70	129,500.00	3.346
3.700% 07/29/2025									
INTERNATIONAL BUSINESS MACHS SR GLBL	3,500,000.000	104.00	3,639,883.20	107.74	3,819,747.85	.7	3.63	126,875.00	3.365
3.625% 02/12/2024									
JPMORGAN CHASE & CO SR NT	4,500,000.000	110.14	4,956,075.00	107.74	4,881,532.50	.8	2.95	132,750.00	2.738
2.950% 10/01/2026									
JOHNSON & JOHNSON SR GLBL	4,500,000.000	109.49	4,927,250.00	109.36	4,981,150.00	.9	2.90	130,500.00	2.652
2.900% 01/15/2028									
KIMBERLY CLARK CORP SR GLBL	4,500,000.000	109.41	4,923,450.00	110.47	5,007,917.50	.9	3.10	139,500.00	2.806
3.100% 03/26/2030									
MCDONALDS CORP MED TERM NT SR NT	2,000,000.000	101.37	2,027,392.44	101.28	2,049,868.33	.4	2.63	52,500.00	2.592
2.625% 01/15/2022									

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
MERCK & CO INC SR GLBL 3.400% 03/07/2029	4,500,000.000	111.73	5,027,850.00	112.17	5,096,010.00	.9	3.40	153,000.00	3.031
MICROSOFT CORP NT 3.625% 12/15/2023	3,000,000.000	101.39	3,041,667.90	107.38	3,226,113.33	.6	3.63	108,750.00	3.376
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	3,500,000.000	105.70	3,699,570.78	112.73	3,968,835.70	.7	3.95	138,250.00	3.504
O REILLY AUTOMOTIVE INC NEW SR NT 3.800% 09/01/2022	3,500,000.000	103.66	3,628,044.05	102.88	3,645,203.33	.6	3.80	133,000.00	3.694
OMNICOM GROUP INC SR GLBL 3.600% 04/15/2026	3,000,000.000	105.89	3,176,700.00	110.54	3,339,000.00	.6	3.60	108,000.00	3.257
ORACLE CORP SR NT 3.625% 07/15/2023	3,500,000.000	105.11	3,678,771.51	106.23	3,776,693.47	.7	3.63	126,875.00	3.412
PNC BK N A PITTSBURGH PA SUB NT 3.800% 07/25/2023	3,000,000.000	100.55	3,016,556.04	106.59	3,247,190.00	.6	3.80	114,000.00	3.565
PEPSICO INC SR NT .026% 03/19/2027	4,500,000.000	110.27	4,962,100.00	107.44	4,868,133.75	.8	.03	1,181.25	.024
PFIZER INC GLBL NT 2.625% 04/01/2030	4,500,000.000	109.09	4,908,850.00	106.57	4,825,316.25	.8	2.63	118,125.00	2.463
PROGRESSIVE CORP SR GLBL 3.200% 03/26/2030	4,500,000.000	110.16	4,957,075.00	109.91	4,983,905.00	.9	3.20	144,000.00	2.911
SCHLUMBERGER INVT SA SR NT 3.650% 12/01/2023	3,500,000.000	104.91	3,671,993.23	106.66	3,743,885.84	.6	3.65	127,750.00	3.422
SYSCO CORP SR NT 3.750% 10/01/2025	3,500,000.000	104.17	3,645,894.60	110.07	3,885,192.50	.7	3.75	131,250.00	3.407
TEXAS INSTRS INC SR GLBL NT 2.250% 09/04/2029	4,500,000.000	106.02	4,770,850.00	104.26	4,724,516.25	.8	2.25	101,250.00	2.158
3M CO SR GLBL NT 2.375% 08/26/2029	4,500,000.000	106.04	4,771,650.00	104.73	4,749,869.38	.8	2.38	106,875.00	2.268
TOYOTA MTR CRD CORP MTN FR 3.400% 09/15/2021	2,050,000.000	102.12	2,093,535.66	100.65	2,083,806.78	.4	3.40	69,700.00	3.378
UNION PAC CORP SR NT	1,500,000.000	102.99	1,544,872.30	103.03	1,574,289.08	.3	4.16	62,445.00	4.040

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
4.163% 07/15/2022									
U S BANCORP MTNS BK ENT FR	3,500,000.000	104.35	3,652,359.20	107.69	3,823,293.05	.7	3.70	129,500.00	3.436
3.700% 01/30/2024									
VERIZON COMMUNICATIONS INC SR GLBL	4,500,000.000	108.70	4,891,350.00	106.33	4,829,610.00	.8	2.63	118,125.00	2.469
2.625% 08/15/2026									
WELLS FARGO CO NEW SR NT	4,500,000.000	108.69	4,891,050.00	107.89	4,880,640.00	.8	.03	1,350.00	.028
.030% 10/23/2026									
Total for Corporate Bonds			156,036,746.68		158,958,943.92	27.5		4,378,962.85	2.780
Short Government									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	86.16	134,405.65	.0	.35	549.12	.409
Total for Short Government			131,943.81		134,405.65	.0		549.12	.409
Total: Total Fixed Income			156,168,690.49		159,093,349.57	27.5		4,379,511.97	2.778
Total			297,655,260.43		577,640,628.47	100.0		9,396,853.97	1.631

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

	Market Value	Fiscal Year to Date (1 Year)	3 Years	5 Years	10 Years	20 Years	Inception to Date 01/01/1993
Total Portfolio - Gross	577,640,628	37.23	17.99	15.26	13.56	8.51	9.38
Total Portfolio - Net	577,640,628	37.15	17.90	15.17	13.50	8.45	9.34
70% SP500 30% Barclays Int Govt Cr		27.49	14.72	13.21	11.31	7.49	9.04
Total Equity	418,547,279	50.34	22.28	19.49	17.49	9.56	11.43
S P 500 Index		40.79	18.67	17.65	14.84	8.61	10.53
Total Fixed Income	159,093,350	.79	4.66	2.74	2.67	3.74	4.54
Barclays US Government/Credit Interm Bond		.19	4.70	2.63	2.76	4.05	4.81

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	13.56	11.31
Standard Deviation	10.70	9.50
Beta	1.09	
Alpha	1.22	
R-Squared	.93	
Sharpe Ratio	1.21	1.12
Treynor Ratio	11.85	10.67
Tracking Error	2.89	
Information Ratio	.74	
Downside Deviation	6.27	5.58
Downside Standard Deviation	8.00	7.01
Sortino Ratio	2.27	2.12
Upside Capture	1.15	
Downside Capture	1.05	
Batting Average	.58	
Annualized Excess Return	2.25	
Cumulative Excess Return	64.69	
Turnover %	139.22	
M-Squared	12.11	
Residual Risk	.82	
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	8.51	7.49
Standard Deviation	9.94	10.30
Beta	.91	
Alpha	1.47	
R-Squared	.89	
Sharpe Ratio	.72	.60
Treynor Ratio	7.88	6.15
Tracking Error	3.37	
Information Ratio	.27	
Downside Deviation	6.27	6.81
Downside Standard Deviation	7.42	7.83
Sortino Ratio	1.44	1.18
Upside Capture	.96	
Downside Capture	.87	
Batting Average	.53	
Annualized Excess Return	1.01	
Cumulative Excess Return	87.48	
Turnover %	189.83	
M-Squared	8.77	
Residual Risk	.96	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.34	

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

Purchases

Date	Amount	Security	Purchase Price	Total Cost
01/27/2021	500,000.00	COMCAST CORP NEW GLBL NT	107.89	539,450.00
01/27/2021	500,000.00	DISNEY WALT CO SR GLBL NT	108.65	543,250.00
01/27/2021	500,000.00	EXXON MOBIL CORP SR GLBL COCO	107.74	538,700.00
01/27/2021	500,000.00	PEPSICO INC SR NT	110.07	550,350.00
01/27/2021	500,000.00	PFIZER INC GLBL NT	109.69	548,450.00
01/27/2021	3,500,000.00	TEXAS INSTRS INC SR GLBL NT	106.95	3,743,250.00
01/27/2021	3,500,000.00	VERIZON COMMUNICATIONS INC SR GLBL	109.21	3,822,350.00
02/03/2021	3,500,000.00	3M CO SR GLBL NT	106.75	3,736,250.00
02/25/2021	3,500,000.00	BANK AMER CORP FR	109.41	3,829,350.00
02/25/2021	2,000,000.00	MERCK & CO INC SR GLBL	111.98	2,239,600.00
02/25/2021	3,500,000.00	PROGRESSIVE CORP SR GLBL	110.56	3,869,775.00
03/19/2021	500,000.00	PEPSICO INC SR NT	107.13	535,650.00
05/10/2021	1,500,000.00	ABBVIE INC SR GLBL	109.05	1,635,750.00
05/10/2021	1,000,000.00	BANK AMER CORP FR	109.27	1,092,700.00
05/10/2021	1,000,000.00	COMCAST CORP NEW GLBL NT	104.04	1,040,400.00
05/10/2021	1,000,000.00	EXXON MOBIL CORP SR GLBL COCO	103.70	1,037,000.00
05/10/2021	1,500,000.00	JPMORGAN CHASE & CO SR NT	108.42	1,626,300.00
05/10/2021	2,500,000.00	JOHNSON & JOHNSON SR GLBL	109.40	2,735,000.00
05/10/2021	4,500,000.00	KIMBERLY CLARK CORP SR GLBL	109.41	4,923,450.00
05/10/2021	2,500,000.00	MERCK & CO INC SR GLBL	111.53	2,788,250.00
05/10/2021	500,000.00	PEPSICO INC SR NT	108.38	541,900.00
05/10/2021	1,000,000.00	TEXAS INSTRS INC SR GLBL NT	102.76	1,027,600.00
05/10/2021	1,000,000.00	3M CO SR GLBL NT	103.54	1,035,400.00
05/10/2021	1,000,000.00	VERIZON COMMUNICATIONS INC SR GLBL	106.90	1,069,000.00
05/10/2021	4,500,000.00	WELLS FARGO CO NEW SR NT	108.69	4,891,050.00
05/10/2021	750,000.00	JOHNSON & JOHNSON SR GLBL	109.40	820,500.00
05/11/2021	1,000,000.00	DISNEY WALT CO SR GLBL NT	103.24	1,032,400.00
05/11/2021	1,000,000.00	PFIZER INC GLBL NT	105.12	1,051,200.00
05/11/2021	1,000,000.00	PROGRESSIVE CORP SR GLBL	108.73	1,087,300.00
06/23/2021	4,000,000.00	BLACKROCK INC SR GLBL NT	111.73	4,469,200.00
06/23/2021	1,250,000.00	JOHNSON & JOHNSON SR GLBL	109.74	1,371,750.00
				59,772,575.00

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/21/2021	-10,000.00	APPLE INC COM	135.91	1,359,091.95	04/25/2013	14.64	146,353.18	1,212,738.77
01/21/2021	-11,000.00	BANK OF AMERICA CORP COM	31.75	349,243.37	08/30/2019	26.92	296,087.32	53,156.05
01/21/2021	-4,600.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	234.91	1,080,586.49	02/20/2003	40.76	187,502.96	893,083.53
01/21/2021	-6,050.00	CISCO SYS INC COM	44.84	271,306.85	09/07/2011	15.82	95,711.00	175,595.85
01/21/2021	-7,500.00	DISNEY WALT CO COM	171.89	1,289,193.00	03/17/1997	38.88	291,596.23	997,596.77
01/21/2021	-5,100.00	EXPEDITORS INTL WASH INC COM	94.31	480,999.43	03/25/2013	37.20	189,726.63	291,272.80
01/21/2021	-2,050.00	FACEBOOK INC CL A	272.35	558,315.40	05/06/2020	203.86	417,920.79	140,394.61
01/21/2021	-14,900.00	FASTENAL CO COM	48.08	716,411.91	02/12/2015	21.12	314,746.11	401,665.80
01/21/2021	-32,000.00	GENERAL ELEC CO COM	11.14	356,510.49	05/17/2018	15.07	482,209.60	-125,699.11
01/21/2021	-550.00	ALPHABET INC CAP STK CL C	1,908.19	1,049,505.17	10/05/2015	550.24	302,631.35	746,873.82
01/21/2021	-4,600.00	HOME DEPOT INC COM	278.57	1,281,443.35	03/21/2005	23.74	109,209.52	1,172,233.83
01/21/2021	-4,800.00	JOHNSON & JOHNSON COM	160.89	772,278.44	08/13/1993	18.39	88,260.00	684,018.44
01/21/2021	-9,200.00	JPMORGAN CHASE & CO COM	134.53	1,237,689.11	06/06/2008	40.49	372,531.00	865,158.11
01/21/2021	-5,650.00	CARMAX INC COM	120.63	681,535.39	01/30/2019	59.76	337,662.91	343,872.48
01/21/2021	-6,900.00	MICROSOFT CORP COM	224.92	1,551,935.08	01/05/2006	27.07	186,783.00	1,365,152.08
01/21/2021	-2,900.00	NORTHERN TR CORP COM	94.46	273,944.18	10/19/2010	49.08	142,337.80	131,606.38
01/21/2021	-7,650.00	OMNICOM GROUP INC COM	63.48	485,649.51	04/23/2003	36.52	279,339.37	206,310.14
01/21/2021	-1,400.00	O REILLY AUTOMOTIVE INC NEW COM	469.57	657,397.46	07/11/2017	174.94	244,918.41	412,479.05
01/21/2021	-13,650.00	PFIZER INC COM	36.25	494,785.17	03/21/2005	34.09	465,345.01	29,440.16
01/21/2021	-13,100.00	PROGRESSIVE CORP OH COM	95.29	1,248,241.27	05/23/2007	23.19	303,733.98	944,507.29
01/21/2021	-14,900.00	SCHWAB CHARLES CORP NEW COM	58.52	871,934.67	08/26/2020	35.35	526,647.95	345,286.72
01/21/2021	-6,900.00	TE CONNECTIVITY LTD REG SHS	130.24	898,661.66	11/07/2007	35.51	244,987.95	653,673.71
01/21/2021	-8,700.00	TJX COS INC NEW COM	68.25	593,815.80	12/06/2004	6.06	52,693.73	541,122.07
01/21/2021	-2,750.00	UNION PAC CORP COM	209.19	575,267.21	07/24/2015	93.91	258,251.75	317,015.46
01/21/2021	-11,400.00	US BANCORP DEL COM NEW	45.45	518,133.35	12/06/2000	19.65	223,972.15	294,161.20
01/21/2021	-9,100.00	WELLS FARGO & CO NEW COM	31.97	290,916.92	06/02/2011	28.21	256,704.63	34,212.29
01/22/2021	-1,950,000.00	FEDERAL HOME LOAN BKS CONS BDS	100.00	1,950,000.00	08/07/2019	1.03	1,999,335.00	-49,335.00
02/16/2021	-3,500,000.00	TENNESSEE VALLEY AUTH PWR BD	100.00	3,500,000.00	02/14/2014	1.02	3,575,651.74	0.00
04/01/2021	-2,000,000.00	WELLS FARGO CO MTN SR NT	100.00	2,000,000.00	05/31/2012	1.02	2,037,997.85	-37,997.85
04/28/2021	-9,200.00	TE CONNECTIVITY LTD REG SHS	133.64	1,229,457.80	11/07/2007	35.51	326,650.60	0.00
04/28/2021	-750.00	ALPHABET INC CAP STK CL C	2,317.49	1,738,118.91	10/05/2015	550.24	412,679.11	0.00
04/28/2021	-13,600.00	APPLE INC COM	134.89	1,834,489.20	04/25/2013	14.64	199,040.32	0.00

Portfolio Turnover

December 31, 2020 to June 30, 2021

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

Managed since: January 01, 1993

Date	Amount	Security	Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
04/28/2021	-14,900.00	BANK OF AMERICA CORP COM	39.16	583,533.17	08/30/2019	26.92	401,063.74	0.00
			Sale		Acquisition	Purchase	Cost	
04/28/2021	-6,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	271.76	1,705,312.91	02/20/2003	40.76	255,778.49	0.00
04/28/2021	-7,700.00	CARMAX INC COM	130.70	1,006,384.09	01/30/2019	59.76	460,177.78	0.00
04/28/2021	-8,450.00	CISCO SYS INC COM	51.91	438,647.40	09/07/2011	19.64	165,952.93	0.00
04/28/2021	-10,200.00	DISNEY WALT CO COM	183.43	1,870,961.15	03/17/1997	26.24	267,698.24	0.00
04/28/2021	-6,950.00	EXPEDITORS INTL WASH INC COM	110.96	771,196.56	03/25/2013	37.20	258,549.03	0.00
04/28/2021	-2,800.00	FACEBOOK INC CL A	301.32	843,707.37	05/06/2020	203.86	570,818.64	0.00
04/28/2021	-20,200.00	FASTENAL CO COM	52.37	1,057,959.50	02/12/2015	21.12	426,702.78	0.00
04/28/2021	-43,400.00	GENERAL ELEC CO COM	13.48	584,833.71	05/17/2018	4.32	187,500.42	0.00
04/28/2021	-6,250.00	HOME DEPOT INC COM	324.32	2,026,979.04	03/21/2005	32.93	205,841.17	0.00
04/28/2021	-12,500.00	JPMORGAN CHASE & CO COM	150.46	1,880,702.90	06/06/2008	40.49	506,156.25	0.00
04/28/2021	-6,550.00	JOHNSON & JOHNSON COM	165.66	1,085,045.85	08/13/1993	17.90	117,233.43	0.00
04/28/2021	-9,350.00	MICROSOFT CORP COM	260.80	2,438,474.11	01/05/2006	27.07	253,104.50	0.00
04/28/2021	-4,400.00	NORTHERN TR CORP COM	109.32	481,002.02	10/19/2010	49.08	215,960.80	0.00
04/28/2021	-1,900.00	O REILLY AUTOMOTIVE INC NEW COM	534.55	1,015,640.95	07/11/2017	174.94	332,389.27	0.00
04/28/2021	-10,400.00	OMNICOM GROUP INC COM	80.98	842,167.94	04/23/2003	33.27	346,032.36	0.00
04/28/2021	-18,500.00	PFIZER INC COM	38.65	715,012.10	03/21/2005	26.63	492,599.52	0.00
04/28/2021	-17,850.00	PROGRESSIVE CORP OH COM	100.59	1,795,479.50	05/23/2007	23.19	413,866.53	0.00
04/28/2021	-20,200.00	SCHWAB CHARLES CORP NEW COM	66.84	1,350,215.65	08/26/2020	35.35	713,979.10	0.00
04/28/2021	-11,850.00	TJX COS INC NEW COM	70.18	831,689.19	12/06/2004	6.06	71,772.49	0.00
04/28/2021	-15,400.00	US BANCORP DEL COM NEW	57.53	885,889.71	12/06/2000	19.65	302,558.86	0.00
04/28/2021	-3,700.00	UNION PAC CORP COM	223.51	826,977.23	07/24/2015	93.91	347,465.98	0.00
04/28/2021	-12,300.00	WELLS FARGO & CO NEW COM	43.91	540,150.51	06/02/2011	28.21	346,974.39	0.00
05/20/2021	-2,000,000.00	GOOGLE INC NT	100.00	2,000,000.00	07/20/2012	1.03	2,058,215.38	0.00
05/24/2021	-2,000,000.00	BLACKROCK INC SR NT	100.00	2,000,000.00	06/04/2012	1.02	2,040,607.00	-40,607.00
				<u>61,774,821.10</u>			<u>27,128,218.03</u>	<u>12,998,988.45</u>

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.

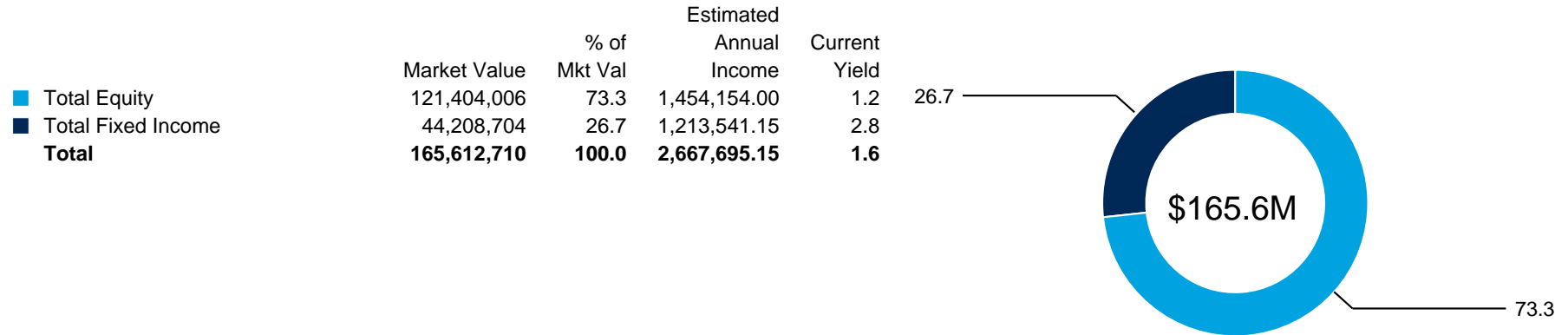
Information contained in this report has been provided at your request. If you have questions regarding this information, please contact your Baird Financial Advisor or HLT Portfolio Manager.

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.

Client Investment Review

Investment activity through 06/30/2021

Asset Allocation Summary



Investment Summary

	Fiscal Year to Date (1 Year)
Beginning Account Value	126,303,368.43
Net Contributions/Withdrawals	-6,658,295.55
Income Earned	2,981,458.09
Market Appreciation	42,986,179.31
Ending Account Value	165,612,710.28

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

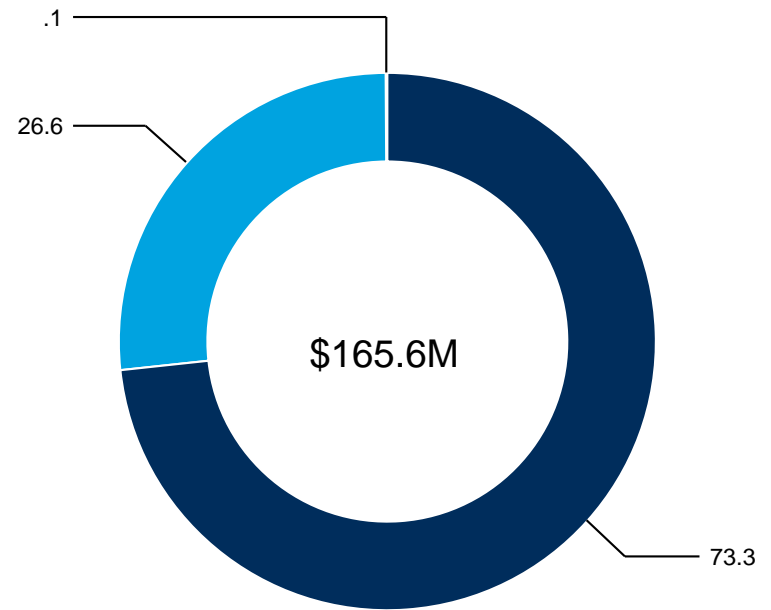
Market Value by Asset Class

Ending: June 30, 2021

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

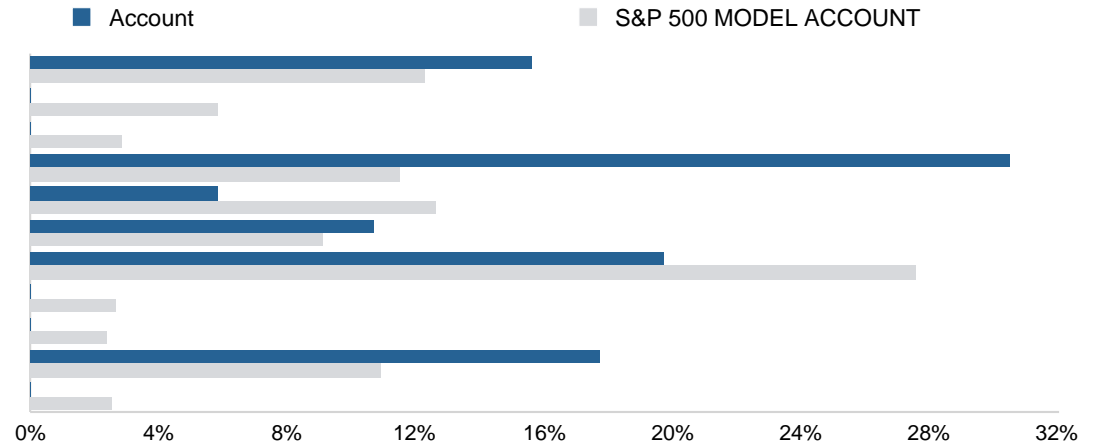
Managed since: January 01, 1993

	Market Value	% of Mkt Val
■ Core Equity	121,404,006	73.3
■ Taxable Fixed Income	44,057,062	26.6
■ Short Government	151,642	.1
Total	165,612,710	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.6	12.3
Consumer Staples	.0	5.8
Energy	.0	2.8
Financials	30.5	11.5
Health Care	5.8	12.6
Industrials	10.7	9.1
Information Tech	19.7	27.6
Materials	.0	2.6
Real Estate	.0	2.4
Communication Serv	17.7	10.9
Utilities	.0	2.5



Top 10 Performers

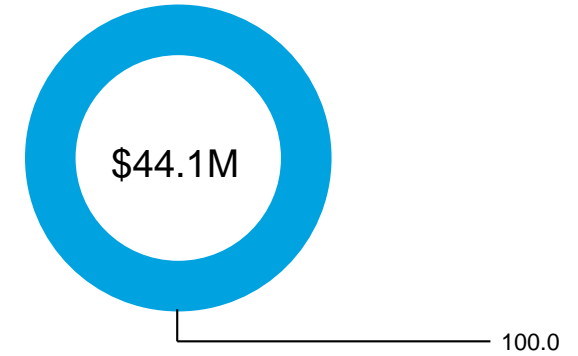
	Market Value	% of Mkt Val	Return
Schwab Charles Corp New C	5,733,788	3.5	107.56
General Elec Co Com	2,300,676	1.4	93.58
Wells Fargo & Co New Com	2,169,391	1.3	78.84
Alphabet Inc Cap Stk Cl C	7,393,644	4.5	77.39
Bank of America Corp Com	2,407,832	1.4	77.19
JPMorgan Chase & Co Com	7,551,467	4.6	70.38
Expeditors Intl Wash Inc	3,418,200	2.1	68.28
TE Connectivity Ltd Reg S	5,002,770	3.0	68.18
US Bancorp Del Com New	3,357,315	2.0	59.91
Disney Walt Co Com	6,978,069	4.2	57.44

Largest 10 Holdings by Market Value

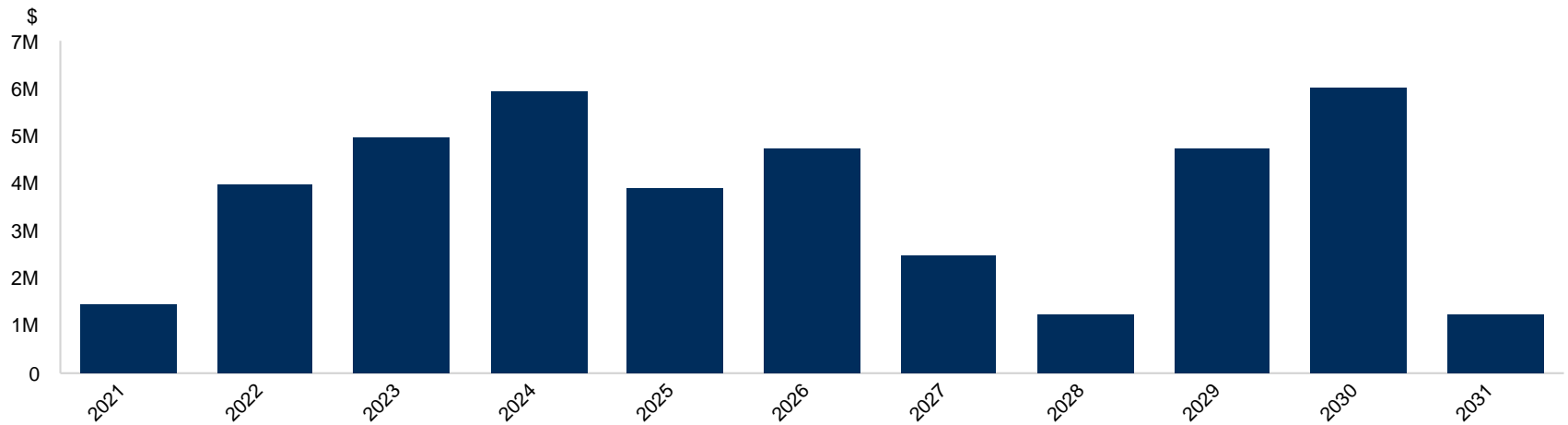
	Market Value	% of Mkt Val	Return
Microsoft Corp Com	9,793,035	5.9	34.41
Home Depot Inc Com	7,780,916	4.7	30.40
JPMorgan Chase & Co Com	7,551,467	4.6	70.38
Alphabet Inc Cap Stk Cl C	7,393,644	4.5	77.39
Apple Inc Com	7,299,968	4.4	52.65
Disney Walt Co Com	6,978,069	4.2	57.44
Progressive Corp OH Com	6,889,432	4.2	28.93
Berkshire Hathaway Inc DE	6,857,676	4.1	55.66
Schwab Charles Corp New C	5,733,788	3.5	107.56
TE Connectivity Ltd Reg S	5,002,770	3.0	68.18

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
■ Taxable Fixed Income	44,057,062	100.0	1,212,921.63	2.8
Total	44,057,062	100.0	1,212,921.63	2.8



Fixed Income Maturity Schedule



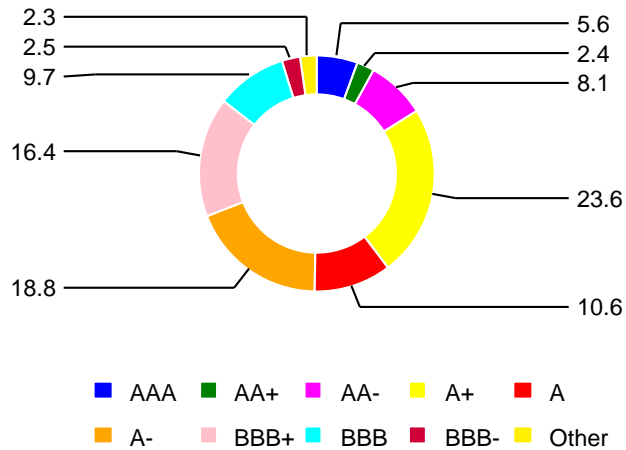
KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

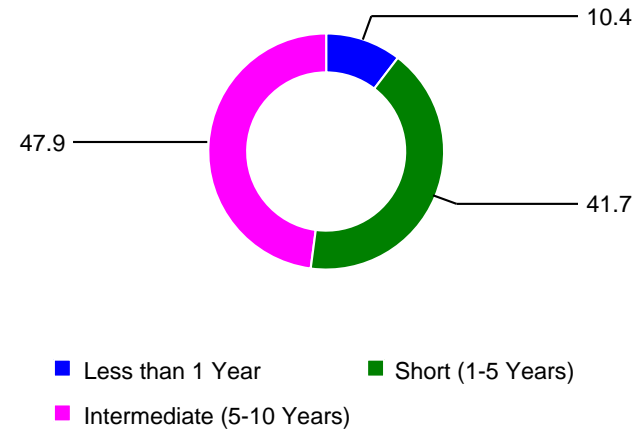
Fixed Income Analysis

	06/30/2021	Barclays Gov't/Credit Interm Bond Index
Coupon	2.98	2.02
Current Yield	2.78	1.94
Yield to Maturity	.94	.94
Maturity	4.88	4.48
Duration	4.54	4.18
Face Amount	40,800,000	
Market Value	43,647,672	
Cost	43,244,945	

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
Matures 2031									
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	1,250,000.000	107.970	105.079	1,328,945.84	BBB+			33,125.00
Total Matures 2031					1,328,945.84				33,125.00
Matures 2030									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	108.560	105.514	1,325,812.50	AA-	07/15/2030		32,625.00
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.780	106.573	1,340,365.62	A+	01/01/2030		32,812.50
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	110.200	109.909	1,384,418.05	A	12/26/2029		40,000.00
UNION PAC CORP SR GLBL 2.400%02/05/2030	02/05/2030	1,000,000.000	107.310	103.332	1,043,053.33	A-	11/05/2029		24,000.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.870	105.326	1,330,377.09	A-	11/01/2029		33,125.00
Total Matures 2030					6,424,026.59				162,562.50
Matures 2029									
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	1,250,000.000	106.110	104.258	1,312,365.63	A+	06/04/2029		28,125.00
3M CO SR GLBL NT 2.375%08/26/2029	08/26/2029	1,250,000.000	106.110	104.728	1,319,408.16	A+	05/26/2029		29,687.50
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	1,000,000.000	111.730	111.792	1,123,426.94	AA-	01/30/2029		32,500.00
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.890	112.168	1,415,558.34	A+	12/07/2028		42,500.00
Total Matures 2029					5,170,759.07				132,812.50
Matures 2028									
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.400	109.355	1,383,652.78	AAA	10/15/2027		36,250.00
Total Matures 2028					1,383,652.78				36,250.00
Matures 2027									
BANK AMER CORP FR .032%10/21/2027	10/21/2027	1,250,000.000	109.380	108.427	1,363,231.95	A-	10/21/2026		406.00
PEPSICO INC SR NT .026%03/19/2027	03/19/2027	1,250,000.000	110.340	107.437	1,352,259.37	A+	01/19/2027 100.000		328.13
Total Matures 2027					2,715,491.32				734.13

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
Matures 2026									
WELLS FARGO CO NEW SR NT .030%10/23/2026	10/23/2026	1,250,000.000	108.690	107.892	1,355,733.33	BBB+			375.00
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	1,250,000.000	108.580	107.741	1,355,981.25	A-	07/01/2026 100.000		36,875.00
VERIZON COMMUNICATIONS INC SR GLOBL 2.625%08/15/2026	08/15/2026	1,250,000.000	108.750	106.333	1,341,558.34	BBB+			32,812.50
OMNICOM GROUP INC SR GLOBL 3.600%04/15/2026	04/15/2026	1,000,000.000	105.890	110.540	1,113,000.00	BBB+	01/15/2026		36,000.00
Total Matures 2026					5,166,272.92				106,062.50
Matures 2025									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	1,000,000.000	105.510	112.726	1,133,953.06	A			39,500.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	1,000,000.000	104.170	110.068	1,110,055.00	BBB-	07/01/2025		37,500.00
CVS HEALTH CORP SR GLOBL NT 3.875%07/20/2025	07/20/2025	1,000,000.000	101.850	110.449	1,121,819.86	BBB	04/20/2025		38,750.00
AT&T INC SR GLOBL NT 3.950%01/15/2025	01/15/2025	900,000.000	98.920	110.415	1,010,127.50	BBB	10/15/2024		35,550.00
Total Matures 2025					4,375,955.42				151,300.00
Matures 2024									
APPLE INC SR GLOBL NT 3.450%05/06/2024	05/06/2024	950,000.000	104.590	108.313	1,033,980.80	AA+			32,775.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	1,000,000.000	103.890	108.184	1,093,621.25	AA-			36,250.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	1,000,000.000	105.200	107.736	1,091,526.66	A	11/15/2023		37,500.00
INTERNATIONAL BUSINESS MACHS SR GLOBL 3.625%02/12/2024	02/12/2024	1,000,000.000	104.000	107.736	1,091,356.53	A-			36,250.00
ALTRIA GROUP INC SR GLOBL NT 4.000%01/31/2024	01/31/2024	1,000,000.000	105.180	108.404	1,100,706.67	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	107.685	1,092,369.44	A+	12/29/2023		37,000.00
Total Matures 2024					6,503,561.35				219,775.00
Matures 2023									
MICROSOFT CORP NT	12/15/2023	1,000,000.000	102.960	107.376	1,075,371.12	AAA	09/15/2023		36,250.00

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
3.625%12/15/2023 SCHLUMBERGER INVT SA SR NT	12/01/2023	1,000,000.000	104.200	106.664	1,069,681.67	A	09/01/2023		36,500.00
3.650%12/01/2023 CUMMINS INC SR GLBL NT	10/01/2023	1,000,000.000	102.720	106.356	1,072,685.00	A+	07/01/2023		36,500.00
3.650%10/01/2023 PNC BK N A PITTSBURGH PA SUB NT	07/25/2023	1,000,000.000	100.610	106.593	1,082,396.67	A-	06/25/2023		38,000.00
3.800%07/25/2023 ORACLE CORP SR NT	07/15/2023	1,000,000.000	105.130	106.234	1,079,055.28	BBB+			36,250.00
3.625%07/15/2023									
Total Matures 2023					5,379,189.74				183,500.00
Matures 2022									
O REILLY AUTOMOTIVE INC NEW SR NT	09/01/2022	1,000,000.000	103.640	102.882	1,041,486.67	BBB	06/01/2022		38,000.00
3.800%09/01/2022									
HSBC HLDGS PLC SR NT	03/30/2022	1,000,000.000	102.800	102.680	1,036,911.12	A-			40,000.00
4.000%03/30/2022									
BERKSHIRE HATHAWAY INC DEL SR NT	01/31/2022	1,000,000.000	101.580	101.824	1,032,406.67	AA			34,000.00
3.400%01/31/2022									
MCDONALDS CORP MED TERM NT SR NT	01/15/2022	1,000,000.000	100.800	101.283	1,024,934.16	BBB+			26,250.00
2.625%01/15/2022									
Total Matures 2022					4,135,738.62				138,250.00
Matures 2021									
INTEL CORP SR NT	10/01/2021	750,000.000	102.090	100.765	761,925.00	A+			24,750.00
3.300%10/01/2021									
TOYOTA MTR CRD CORP MTN FR	09/15/2021	700,000.000	101.530	100.648	711,543.78	A+			23,800.00
3.400%09/15/2021									
Total Matures 2021					1,473,468.78				48,550.00
No Maturity									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	86.160	151,641.60	NR			
Total No Maturity					151,641.60				
Total					44,208,704.03				1,212,921.63

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	2,950.000	548.74	1,618,793.56	2,506.32	7,393,644.00	4.5	.00	.00	.000
DISNEY WALT CO COM	39,700.000	54.71	2,171,854.79	175.77	6,978,069.00	4.2	.00	.00	.000
FACEBOOK INC CL A	11,000.000	217.20	2,389,245.00	347.71	3,824,810.00	2.3	.00	.00	.000
OMNICOM GROUP INC COM	40,750.000	51.84	2,112,527.16	79.99	3,288,117.50	2.0	2.80	114,100.00	3.500
Total for Communication Services			8,292,420.51		21,484,640.50	13.0		114,100.00	.532
Consumer Disc									
CARMAX INC COM	29,600.000	59.76	1,768,995.08	129.15	3,822,840.00	2.3	.00	.00	.000
HOME DEPOT INC COM	24,400.000	45.66	1,114,096.04	318.89	7,780,916.00	4.7	6.60	161,040.00	2.070
O REILLY AUTOMOTIVE INC NEW COM	7,400.000	178.33	1,319,662.20	566.21	4,189,954.00	2.5	.00	.00	.000
TJX COS INC NEW COM	46,400.000	11.07	513,552.54	67.42	3,128,288.00	1.9	1.04	48,256.00	1.543
Total for Consumer Disc			4,716,305.86		18,921,998.00	11.4		209,296.00	1.106
Financials									
BANK OF AMERICA CORP COM	58,400.000	26.92	1,571,954.53	41.23	2,407,832.00	1.5	.72	42,048.00	1.746
BERKSHIRE HATHAWAY INC DEL CL B NEW	24,675.000	116.21	2,867,471.81	277.92	6,857,676.00	4.1	.00	.00	.000
JPMORGAN CHASE & CO COM	48,550.000	55.85	2,711,508.40	155.54	7,551,467.00	4.6	3.60	174,780.00	2.315
NORTHERN TR CORP COM	18,025.000	54.25	977,907.43	115.62	2,096,668.00	1.3	2.80	50,470.00	2.422
PROGRESSIVE CORP OH COM	70,150.000	29.61	2,077,251.18	98.21	6,889,431.50	4.2	.40	28,060.00	.407
SCHWAB CHARLES CORP NEW COM	78,750.000	35.35	2,783,458.13	72.81	5,733,787.50	3.5	.72	56,700.00	.989
US BANCORP DEL COM NEW	58,500.000	28.76	1,682,574.95	56.97	3,357,315.00	2.0	1.68	98,280.00	2.949
WELLS FARGO & CO NEW COM	47,900.000	32.97	1,579,170.57	45.29	2,169,391.00	1.3	.40	19,160.00	.883
Total for Financials			16,251,297.00		37,063,568.00	22.4		469,498.00	1.268
Health Care									
JOHNSON & JOHNSON COM	25,600.000	41.23	1,055,536.34	164.74	4,217,344.00	2.5	4.24	108,544.00	2.574
PFIZER INC COM	72,200.000	28.81	2,080,380.56	39.16	2,827,352.00	1.7	1.56	112,632.00	3.984
Total for Health Care			3,135,916.90		7,044,696.00	4.3		221,176.00	3.140

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Industrials									
EXPEDITORS INTL WASH INC COM	27,000.000	39.75	1,073,197.52	126.60	3,418,200.00	2.1	1.16	31,320.00	.916
FASTENAL CO COM	78,950.000	20.77	1,639,908.80	52.00	4,105,400.00	2.5	1.12	88,424.00	2.154
GENERAL ELEC CO COM	170,800.000	16.32	2,787,911.65	13.46	2,300,676.00	1.4	.04	6,832.00	.297
UNION PAC CORP COM	14,575.000	93.91	1,368,734.25	219.93	3,205,479.75	1.9	4.28	62,381.00	1.946
Total for Industrials			6,869,752.22		13,029,755.75	7.9		188,957.00	1.450
Information Tech									
APPLE INC COM	53,300.000	26.15	1,393,745.51	136.96	7,299,968.00	4.4	.88	46,904.00	.643
CISCO SYS INC COM	33,275.000	21.70	722,149.02	53.00	1,763,575.00	1.1	1.48	49,247.00	2.792
MICROSOFT CORP COM	36,150.000	30.02	1,085,358.00	270.90	9,793,035.00	5.9	2.24	80,976.00	.827
TE CONNECTIVITY LTD REG SHS	37,000.000	37.96	1,404,582.47	135.21	5,002,770.00	3.0	2.00	74,000.00	1.479
Total for Information Tech			4,605,835.00		23,859,348.00	14.4		251,127.00	1.053
Total: Total Equity			43,871,527.49		121,404,006.25	73.3		1,454,154.00	1.198
Total Fixed Income									
Corporate Bonds									
AT& T INC SR GLBL NT 3.950% 01/15/2025	900,000.000	98.92	890,255.45	110.42	1,010,127.50	.6	3.95	35,550.00	3.577
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	1,000,000.000	105.18	1,051,833.80	108.40	1,100,706.67	.7	4.00	40,000.00	3.690
APPLE INC SR GLBL NT 3.450% 05/06/2024	950,000.000	104.59	993,598.44	108.31	1,033,980.80	.6	3.45	32,775.00	3.185
BANK AMER CORP FR .032% 10/21/2027	1,250,000.000	109.38	1,367,275.00	108.43	1,363,231.95	.8	.03	406.00	.030
BERKSHIRE HATHAWAY INC DEL SR NT 3.400% 01/31/2022	1,000,000.000	101.58	1,015,781.70	101.82	1,032,406.67	.6	3.40	34,000.00	3.339
BLACKROCK INC SR GLBL NT	1,000,000.000	111.73	1,117,300.00	111.79	1,123,426.94	.7	3.25	32,500.00	2.907

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
3.250% 04/30/2029									
CVS HEALTH CORP SR GLBL NT	1,000,000.000	101.85	1,018,524.20	110.45	1,121,819.86	.7	3.88	38,750.00	3.508
3.875% 07/20/2025									
CISCO SYS INC SR NT	1,000,000.000	103.89	1,038,928.24	108.18	1,093,621.25	.7	3.63	36,250.00	3.351
3.625% 03/04/2024									
COMCAST CORP NEW GLBL NT	1,250,000.000	108.87	1,360,900.00	105.33	1,330,377.09	.8	2.65	33,125.00	2.516
2.650% 02/01/2030									
CUMMINS INC SR GLBL NT	1,000,000.000	102.72	1,027,230.39	106.36	1,072,685.00	.6	3.65	36,500.00	3.432
3.650% 10/01/2023									
DISNEY WALT CO SR GLBL NT	1,250,000.000	107.97	1,349,650.00	105.08	1,328,945.84	.8	2.65	33,125.00	2.522
2.650% 01/13/2031									
EXXON MOBIL CORP SR GLBL COCO	1,250,000.000	108.56	1,357,000.00	105.51	1,325,812.50	.8	2.61	32,625.00	2.474
2.610% 10/15/2030									
HSBC HLDGS PLC SR NT	1,000,000.000	102.80	1,028,045.68	102.68	1,036,911.12	.6	4.00	40,000.00	3.896
4.000% 03/30/2022									
HOME DEPOT INC SR NT	1,000,000.000	105.20	1,052,037.57	107.74	1,091,526.66	.7	3.75	37,500.00	3.481
3.750% 02/15/2024									
INTEL CORP SR NT	750,000.000	102.09	765,672.75	100.77	761,925.00	.5	3.30	24,750.00	3.275
3.300% 10/01/2021									
INTERNATIONAL BUSINESS MACHS SR GLBL	1,000,000.000	104.00	1,039,966.60	107.74	1,091,356.53	.7	3.63	36,250.00	3.365
3.625% 02/12/2024									
JPMORGAN CHASE & CO SR NT	1,250,000.000	108.58	1,357,250.00	107.74	1,355,981.25	.8	2.95	36,875.00	2.738
2.950% 10/01/2026									
JOHNSON & JOHNSON SR GLBL	1,250,000.000	109.40	1,367,500.00	109.36	1,383,652.78	.8	2.90	36,250.00	2.652
2.900% 01/15/2028									
MCDONALDS CORP MED TERM NT SR NT	1,000,000.000	100.80	1,007,984.73	101.28	1,024,934.16	.6	2.63	26,250.00	2.592
2.625% 01/15/2022									
MERCK & CO INC SR GLBL	1,250,000.000	111.89	1,398,625.00	112.17	1,415,558.34	.9	3.40	42,500.00	3.031
3.400% 03/07/2029									
MICROSOFT CORP NT	1,000,000.000	102.96	1,029,617.93	107.38	1,075,371.12	.6	3.63	36,250.00	3.376
3.625% 12/15/2023									

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	1,000,000.000	105.51	1,055,087.20	112.73	1,133,953.06	.7	3.95	39,500.00	3.504
O REILLY AUTOMOTIVE INC NEW SR NT 3.800% 09/01/2022	1,000,000.000	103.64	1,036,433.21	102.88	1,041,486.67	.6	3.80	38,000.00	3.694
OMNICOM GROUP INC SR GBL 3.600% 04/15/2026	1,000,000.000	105.89	1,058,900.00	110.54	1,113,000.00	.7	3.60	36,000.00	3.257
ORACLE CORP SR NT 3.625% 07/15/2023	1,000,000.000	105.13	1,051,308.99	106.23	1,079,055.28	.7	3.63	36,250.00	3.412
PNC BK N A PITTSBURGH PA SUB NT 3.800% 07/25/2023	1,000,000.000	100.61	1,006,098.35	106.59	1,082,396.67	.7	3.80	38,000.00	3.565
PEPSICO INC SR NT .026% 03/19/2027	1,250,000.000	110.34	1,379,225.00	107.44	1,352,259.37	.8	.03	328.13	.024
PFIZER INC GBL NT 2.625% 04/01/2030	1,250,000.000	108.78	1,359,700.00	106.57	1,340,365.62	.8	2.63	32,812.50	2.463
PROGRESSIVE CORP SR GBL 3.200% 03/26/2030	1,250,000.000	110.20	1,377,475.00	109.91	1,384,418.05	.8	3.20	40,000.00	2.911
SCHLUMBERGER INVT SA SR NT 3.650% 12/01/2023	1,000,000.000	104.20	1,041,988.31	106.66	1,069,681.67	.6	3.65	36,500.00	3.422
SYSCO CORP SR NT 3.750% 10/01/2025	1,000,000.000	104.17	1,041,684.20	110.07	1,110,055.00	.7	3.75	37,500.00	3.407
TEXAS INSTRS INC SR GBL NT 2.250% 09/04/2029	1,250,000.000	106.11	1,326,400.00	104.26	1,312,365.63	.8	2.25	28,125.00	2.158
3M CO SR GBL NT 2.375% 08/26/2029	1,250,000.000	106.11	1,326,350.00	104.73	1,319,408.16	.8	2.38	29,687.50	2.268
TOYOTA MTR CRD CORP MTN FR 3.400% 09/15/2021	700,000.000	101.53	710,709.72	100.65	711,543.78	.4	3.40	23,800.00	3.378
UNION PAC CORP SR GBL 2.400% 02/05/2030	1,000,000.000	107.31	1,073,100.00	103.33	1,043,053.33	.6	2.40	24,000.00	2.323
U S BANCORP MTNS BK ENT FR 3.700% 01/30/2024	1,000,000.000	104.75	1,047,532.80	107.69	1,092,369.44	.7	3.70	37,000.00	3.436
VERIZON COMMUNICATIONS INC SR GBL	1,250,000.000	108.75	1,359,350.00	106.33	1,341,558.34	.8	2.63	32,812.50	2.469

Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
2.625% 08/15/2026									
WELLS FARGO CO NEW SR NT	1,250,000.000	108.69	1,358,625.00	107.89	1,355,733.33	.8	.03	375.00	.028
.030% 10/23/2026									
Total for Corporate Bonds			43,244,945.26		44,057,062.43	26.6		1,212,921.63	2.779
Short Government									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.67	86.16	151,641.60	.1	.35	619.52	.409
Total for Short Government			148,859.67		151,641.60	.1		619.52	.409
Total: Total Fixed Income			43,393,804.93		44,208,704.03	26.7		1,213,541.15	2.771
Total			87,265,332.42		165,612,710.28	100.0		2,667,695.15	1.615

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

	Market Value	Fiscal Year to Date (1 Year)	3 Years	5 Years	10 Years	20 Years	Inception to Date 01/01/1993
Total Portfolio - Gross	165,612,710	37.32	17.93	15.20	13.60	8.50	9.33
Total Portfolio - Net	165,612,710	37.24	17.84	15.11	13.54	8.44	9.28
70% SP500 30% Barclays Int Govt Cr		27.49	14.72	13.21	11.31	7.49	9.04
Total Equity	121,404,006	50.37	22.26	19.45	17.46	9.56	11.21
S P 500 Index		40.79	18.67	17.65	14.84	8.61	10.53
Total Fixed Income	44,208,704	.71	4.51	2.68	2.71	3.73	4.48
Barclays US Government/Credit Interm Bond		.19	4.70	2.63	2.76	4.05	4.81

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	13.60	11.31
Standard Deviation	10.67	9.50
Beta	1.09	
Alpha	1.28	
R-Squared	.93	
Sharpe Ratio	1.21	1.12
Treynor Ratio	11.89	10.67
Tracking Error	2.87	
Information Ratio	.76	
Downside Deviation	6.24	5.58
Downside Standard Deviation	7.97	7.01
Sortino Ratio	2.28	2.12
Upside Capture	1.15	
Downside Capture	1.05	
Batting Average	.58	
Annualized Excess Return	2.29	
Cumulative Excess Return	66.00	
Turnover %	131.97	
M-Squared	12.18	
Residual Risk	.82	
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	8.50	7.49
Standard Deviation	9.93	10.30
Beta	.91	
Alpha	1.47	
R-Squared	.90	
Sharpe Ratio	.72	.60
Treynor Ratio	7.87	6.15
Tracking Error	3.34	
Information Ratio	.27	
Downside Deviation	6.24	6.81
Downside Standard Deviation	7.40	7.83
Sortino Ratio	1.45	1.18
Upside Capture	.97	
Downside Capture	.88	
Batting Average	.54	
Annualized Excess Return	1.01	
Cumulative Excess Return	87.25	
Turnover %	183.29	
M-Squared	8.77	
Residual Risk	.91	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.34	

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

Purchases

Date	Amount	Security	Purchase Price	Total Cost
01/27/2021	1,000,000.00	PFIZER INC GBL NT	109.69	1,096,900.00
01/27/2021	1,000,000.00	TEXAS INSTRS INC SR GBL NT	106.95	1,069,500.00
01/27/2021	1,000,000.00	UNION PAC CORP SR GBL	107.31	1,073,100.00
01/27/2021	1,000,000.00	VERIZON COMMUNICATIONS INC SR GBL	109.21	1,092,100.00
02/03/2021	1,000,000.00	3M CO SR GBL NT	106.75	1,067,500.00
02/25/2021	1,000,000.00	BANK AMER CORP FR	109.41	1,094,100.00
02/25/2021	1,000,000.00	MERCK & CO INC SR GBL	111.98	1,119,800.00
02/25/2021	1,000,000.00	PROGRESSIVE CORP SR GBL	110.56	1,105,650.00
02/26/2021	1,000,000.00	JPMORGAN CHASE & CO SR NT	108.62	1,086,200.00
02/26/2021	-1,000,000.00	JPMORGAN CHASE & CO SR NT	108.62	-1,086,200.00
02/26/2021	1,000,000.00	JPMORGAN CHASE & CO SR NT	108.62	1,086,200.00
03/19/2021	250,000.00	PEPSICO INC SR NT	107.13	267,825.00
05/10/2021	250,000.00	BANK AMER CORP FR	109.27	273,175.00
05/10/2021	250,000.00	COMCAST CORP NEW GBL NT	104.04	260,100.00
05/10/2021	250,000.00	EXXON MOBIL CORP SR GBL COCO	103.70	259,250.00
05/10/2021	250,000.00	JPMORGAN CHASE & CO SR NT	108.42	271,050.00
05/10/2021	1,250,000.00	JOHNSON & JOHNSON SR GBL	109.40	1,367,500.00
05/10/2021	250,000.00	MERCK & CO INC SR GBL	111.53	278,825.00
05/10/2021	250,000.00	TEXAS INSTRS INC SR GBL NT	102.76	256,900.00
05/10/2021	250,000.00	3M CO SR GBL NT	103.54	258,850.00
05/10/2021	250,000.00	VERIZON COMMUNICATIONS INC SR GBL	106.90	267,250.00
05/10/2021	1,250,000.00	WELLS FARGO CO NEW SR NT	108.69	1,358,625.00
05/11/2021	250,000.00	DISNEY WALT CO SR GBL NT	103.24	258,100.00
05/11/2021	250,000.00	PFIZER INC GBL NT	105.12	262,800.00
05/11/2021	250,000.00	PROGRESSIVE CORP SR GBL	108.73	271,825.00
06/23/2021	1,000,000.00	BLACKROCK INC SR GBL NT	111.73	1,117,300.00
				<u>16,834,225.00</u>

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/21/2021	-3,500.00	APPLE INC COM	135.91	475,682.18	04/25/2013	14.64	51,223.61	424,458.57
01/21/2021	-3,800.00	BANK OF AMERICA CORP COM	31.75	120,647.71	08/30/2019	26.92	102,284.71	18,363.00
01/21/2021	-1,600.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	234.91	375,856.17	04/23/2015	40.76	65,218.42	310,637.75
01/21/2021	-2,150.00	CISCO SYS INC COM	44.84	96,414.83	06/03/2005	17.30	37,204.24	59,210.59
01/21/2021	-2,600.00	DISNEY WALT CO COM	171.89	446,920.24	04/23/2015	25.44	66,132.88	380,787.36
01/21/2021	-1,750.00	EXPEDITORS INTL WASH INC COM	94.31	165,048.83	03/25/2013	37.20	65,102.27	99,946.56
01/21/2021	-700.00	FACEBOOK INC CL A	272.35	190,644.28	05/06/2020	203.86	142,704.66	47,939.62
01/21/2021	-5,150.00	FASTENAL CO COM	48.08	247,618.88	02/12/2015	21.12	108,788.08	138,830.80
01/21/2021	-11,000.00	GENERAL ELEC CO COM	11.14	122,550.48	05/15/1994	15.07	165,759.55	-43,209.07
01/21/2021	-200.00	ALPHABET INC CAP STK CL C	1,908.19	381,638.24	10/05/2015	548.74	109,748.72	271,889.52
01/21/2021	-1,600.00	HOME DEPOT INC COM	278.57	445,719.42	04/23/2015	113.55	181,673.44	264,045.98
01/21/2021	-1,650.00	JOHNSON & JOHNSON COM	160.89	265,470.72	05/19/1993	10.23	16,881.56	248,589.16
01/21/2021	-3,150.00	JPMORGAN CHASE & CO COM	134.53	423,773.99	06/06/2008	40.49	127,551.37	296,222.62
01/21/2021	-1,900.00	CARMAX INC COM	120.63	229,188.89	01/30/2019	59.76	113,550.36	115,638.53
01/21/2021	-2,350.00	MICROSOFT CORP COM	224.92	528,557.60	01/05/2006	27.07	63,614.50	464,943.10
01/21/2021	-1,150.00	NORTHERN TR CORP COM	94.46	108,633.03	10/19/2010	49.08	56,444.30	52,188.73
01/21/2021	-2,650.00	OMNICOM GROUP INC COM	63.48	168,231.52	06/29/2020	51.93	137,603.63	30,627.89
01/21/2021	-500.00	O REILLY AUTOMOTIVE INC NEW COM	469.57	234,784.81	07/11/2017	174.94	87,470.86	147,313.95
01/21/2021	-4,700.00	PFIZER INC COM	36.25	170,365.59	08/30/2000	42.17	198,222.50	-27,856.91
01/21/2021	-4,550.00	PROGRESSIVE CORP OH COM	95.29	433,549.45	05/23/2007	23.19	105,495.39	328,054.06
01/21/2021	-5,100.00	SCHWAB CHARLES CORP NEW COM	58.52	298,447.43	08/26/2020	35.35	180,262.05	118,185.38
01/21/2021	-2,400.00	TE CONNECTIVITY LTD REG SHS	130.24	312,577.96	11/07/2007	35.51	85,213.20	227,364.76
01/21/2021	-3,000.00	TJX COS INC NEW COM	68.25	204,764.07	04/23/2015	33.17	99,510.15	105,253.92
01/21/2021	-950.00	UNION PAC CORP COM	209.19	198,728.67	07/24/2015	93.91	89,214.24	109,514.43
01/21/2021	-3,800.00	US BANCORP DEL COM NEW	45.45	172,711.11	12/07/2000	19.90	75,604.60	97,106.51
01/21/2021	-3,100.00	WELLS FARGO & CO NEW COM	31.97	99,103.56	06/02/2011	28.21	87,448.83	11,654.73
02/16/2021	-1,000,000.00	TENNESSEE VALLEY AUTH PWR BD	100.00	1,000,000.00	02/14/2014	1.02	1,021,582.37	0.00
04/01/2021	-670,000.00	WELLS FARGO CO MTN SR NT	100.00	670,000.00	06/15/2011	1.01	679,239.42	-9,239.42
04/27/2021	-2,200.00	TE CONNECTIVITY LTD REG SHS	133.64	294,000.78	11/07/2007	35.51	78,112.10	0.00
04/27/2021	-175.00	ALPHABET INC CAP STK CL C	2,317.49	405,561.08	10/05/2015	548.74	96,030.13	0.00
04/27/2021	-3,200.00	APPLE INC COM	134.89	431,644.51	04/25/2013	14.64	46,833.01	0.00
04/27/2021	-3,450.00	BANK OF AMERICA CORP COM	39.16	135,113.39	08/30/2019	26.92	92,863.75	0.00

Portfolio Turnover

December 31, 2020 to June 30, 2021

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

Managed since: January 01, 1993

Date	Amount	Security	Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
04/27/2021	-1,475.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	271.76	400,850.44	04/23/2015	40.76	60,123.23	0.00
			Sale		Acquisition	Purchase	Cost	
04/27/2021	-1,750.00	CARMAX INC COM	130.70	228,723.66	01/30/2019	59.76	104,585.86	0.00
04/27/2021	-1,975.00	CISCO SYS INC COM	51.91	102,524.09	06/03/2005	19.64	38,787.81	0.00
04/27/2021	-2,350.00	DISNEY WALT CO COM	183.43	431,054.78	04/23/2015	25.44	59,773.95	0.00
04/27/2021	-1,600.00	EXPEDITORS INTL WASH INC COM	110.96	177,541.65	03/25/2013	37.20	59,522.08	0.00
04/27/2021	-650.00	FACEBOOK INC CL A	301.32	195,860.64	05/06/2020	203.86	132,511.47	0.00
04/27/2021	-4,700.00	FASTENAL CO COM	52.37	246,158.89	02/12/2015	21.12	99,282.33	0.00
04/27/2021	-10,200.00	GENERAL ELEC CO COM	13.48	137,449.39	05/15/1994	13.94	142,144.05	0.00
04/27/2021	-1,450.00	HOME DEPOT INC COM	324.32	470,259.14	04/23/2015	39.91	57,874.28	0.00
04/27/2021	-2,900.00	JPMORGAN CHASE & CO COM	150.46	436,323.07	06/06/2008	40.49	117,428.25	0.00
04/27/2021	-1,500.00	JOHNSON & JOHNSON COM	165.66	248,483.78	05/19/1993	10.98	16,471.88	0.00
04/27/2021	-2,150.00	MICROSOFT CORP COM	260.80	560,718.65	01/05/2006	27.07	58,200.50	0.00
04/27/2021	-1,075.00	NORTHERN TR CORP COM	109.32	117,517.54	10/19/2010	49.08	52,763.15	0.00
04/27/2021	-450.00	O REILLY AUTOMOTIVE INC NEW COM	534.55	240,546.54	07/11/2017	174.94	78,723.77	0.00
04/27/2021	-2,400.00	OMNICOM GROUP INC COM	80.98	194,346.44	06/29/2020	36.51	87,635.88	0.00
04/27/2021	-4,300.00	PFIZER INC COM	38.65	166,192.00	08/30/2000	26.81	115,289.58	0.00
04/27/2021	-4,150.00	PROGRESSIVE CORP OH COM	100.59	417,436.41	05/23/2007	23.19	96,221.07	0.00
04/27/2021	-4,700.00	SCHWAB CHARLES CORP NEW COM	66.84	314,159.08	08/26/2020	35.35	166,123.85	0.00
04/27/2021	-2,750.00	TJX COS INC NEW COM	70.18	193,008.04	04/23/2015	6.06	16,656.06	0.00
04/27/2021	-3,500.00	US BANCORP DEL COM NEW	57.53	201,338.57	12/07/2000	19.90	69,635.82	0.00
04/27/2021	-850.00	UNION PAC CORP COM	223.51	189,981.26	07/24/2015	93.91	79,823.27	0.00
04/27/2021	-2,850.00	WELLS FARGO & CO NEW COM	43.91	125,156.83	06/02/2011	28.21	80,396.51	0.00
05/20/2021	-750,000.00	GOOGLE INC NT	100.00	750,000.00	07/20/2012	1.03	771,153.76	0.00
05/24/2021	-750,000.00	BLACKROCK INC SR NT	100.00	750,000.00	06/04/2012	1.02	768,521.50	-18,521.50
				<u>17,149,580.31</u>			<u>7,964,238.81</u>	<u>4,269,940.62</u>

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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.

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Glossary of Terms and Calculations

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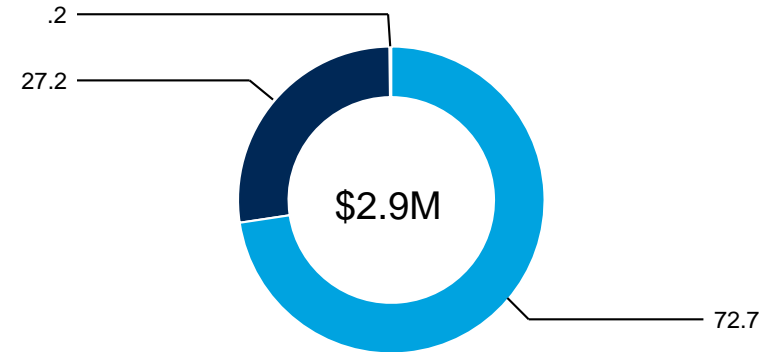
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Client Investment Review

Investment activity through 06/30/2021

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	2,143,896	72.7	28,597.17	1.3
Total Fixed Income	800,669	27.1	12,901.27	1.6
Cash & Equivalents	4,912	.2	2.67	.1
Total	2,949,477	100.0	41,501.12	1.4



Investment Summary

	Fiscal Year to Date (1 Year)
Beginning Account Value	1,828,543.83
Net Contributions/Withdrawals	538,028.82
Income Earned	36,606.03
Market Appreciation	546,298.42
Ending Account Value	2,949,477.10

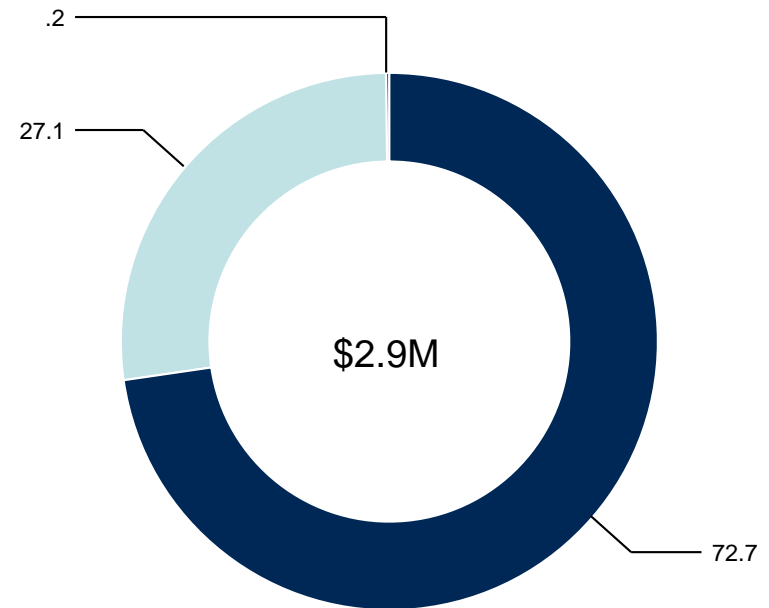
Market Value by Asset Class

Ending: June 30, 2021

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

	Market Value	% of Mkt Val
■ Large Cap Funds	2,143,896	72.7
■ Taxable Bond Funds	800,669	27.1
■ Cash & Equivalents	4,912	.2
Total	2,949,477	100.0



Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	44,475.070	1.00	44,475.07	1.00	44,475.10	1.5	.01	2.67	.006
Total for Money Markets			44,475.07		44,475.10	1.5		2.67	.006
Total: Cash & Equivalents			44,475.07		44,475.10	1.5		2.67	.006
Total Equity									
Large Cap Funds									
VANGUARD 500 INDEX FUND - ADM #540	5,404.871	263.61	1,424,764.10	396.66	2,143,896.13	71.7	5.29	28,597.17	1.334
Total for Large Cap Funds			1,424,764.10		2,143,896.13	71.7		28,597.17	1.334
Total: Total Equity			1,424,764.10		2,143,896.13	71.7		28,597.17	1.334
Total Fixed Income									
Taxable Bond Funds									
ISHARES INTERMEDIATE	6,925.000	114.87	795,458.51	115.62	800,668.50	26.8	186.30	12,901.27	1.611
Total for Taxable Bond Funds			795,458.51		800,668.50	26.8		12,901.27	1.611
Total: Total Fixed Income			795,458.51		800,668.50	26.8		12,901.27	1.611
Total			2,264,697.68		2,989,039.73	100.0		41,501.12	1.388

Performance Overview

Ending: June 30, 2021

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

Performance Overview

	Market Value	Fiscal Year to Date (1 Year)	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	2,949,477	28.90	15.22	13.59	11.42
Total Portfolio - Net	2,949,477	28.80	15.13	13.50	11.34
70% SP500 30% Barclays Int Govt Cr		27.49	14.72	13.21	11.23
Total Equity	2,143,896	40.76	18.61	17.53	14.58
S P 500 Index		40.79	18.67	17.65	14.66
Total Fixed Income	800,669	-.21	6.42	3.88	3.82
Barclays US Government/Credit Interm Bond		.19	4.70	2.63	2.77
Cash & Equivalents	4,912	.01	1.19	1.04	.88
3 Mos Treasury Bill Rate		.07	1.23	1.15	.97

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Managed since: June 01, 2015

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	13.59	13.21
Standard Deviation	10.96	10.51
Beta	1.04	
Alpha	-.11	
R-Squared	1.00	
Sharpe Ratio	1.13	1.14
Treynor Ratio	11.91	12.01
Tracking Error	.63	
Information Ratio	.61	
Downside Deviation	6.73	6.39
Downside Standard Deviation	8.30	7.92
Sortino Ratio	2.12	2.16
Upside Capture	1.04	
Downside Capture	1.04	
Batting Average	.67	
Annualized Excess Return	.38	
Cumulative Excess Return	3.13	
Turnover %	.37	
M-Squared	13.08	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.20	

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Vanguard 500 Index Fund Admiral Shares (VFIAX)

Sector	VFIAX	Category
Basic Material	2.3%	2.8%
Consumer Cyclical	12.0%	11.1%
Financial Services	14.2%	15.0%
Real Estate	2.6%	2.4%
Communication Services	11.1%	10.4%
Energy	2.8%	2.4%
Industrials	8.9%	10.3%
Technology	24.2%	22.7%
Consumer Defensive	6.3%	6.8%
Healthcare	13.1%	13.7%
Utilities	2.4%	2.1%

Source: Morningstar

As of June 30, 2021 | Category: Large Blend | Sector data is based on the rescaled long position of the equity holdings.

Source: Holdings-based calculations

Vanguard 500 Index Fund Admiral Shares (VFIAX)

Holdings	% Portfolio Weight	First Bought	Share Change	1 Year Return	P/E	Sector
Apple Inc	5.9%	June 30, 1984	-0.63	52.53	27.93	Technology
Microsoft Corp	5.6%	May 31, 1994	-0.17	38.75	33.75	Technology
Amazon.com Inc	4.1%	Dec 31, 2005	0.12	19.13	60.61	Consumer Cyclical
Facebook Inc A	2.2%	Dec 31, 2013	-0.42	41.60	28.82	Communication Services
Alphabet Inc A	2.0%	Mar 31, 2006	-0.10	67.63	31.55	Communication Services
Alphabet Inc Class C	2.0%	Oct 31, 2015	-1.17	73.71	32.57	Communication Services
Tesla Inc	1.4%	Dec 31, 2020	-0.33	114.65	163.93	Consumer Cyclical
Berkshire Hathaway Inc Class B	1.4%	Mar 31, 2010	-0.38	45.49	25.71	Financial Services
JPMorgan Chase & Co	1.3%	Mar 31, 2001	-0.84	55.49	12.12	Financial Services
NVIDIA Corp	1.4%	Dec 31, 2001	0.45	79.35	48.54	Technology

Source: Morningstar
Holdings as of June 30, 2021

iShares Intermediate Government/Credit Bond ETF (GVI)

	GVI	Barclays Intermediate Gov/Cr
Duration	4.13	4.18
Effective Maturity	4.42	4.48
Credit Rating	AA	AA2/AA3
Weighted Coupon	2.20	2.02
Weighted Price	105.41	103.99
Yield	0.94	1.94

Source: Morningstar
Fund as of July 14, 2021 | Category: Intermediate Core Bond as of June 30, 2021.

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 (64.11)	0.34	0.04	17.20	9.32	9.68	8.92	4.31	8.97
AA (3.60)	0.05	—	0.75	0.45	0.65	0.65	0.35	0.20
A (14.33)	0.04	0.09	1.98	2.17	2.23	2.06	1.83	1.37
BBB (17.87)	—	0.13	2.06	2.09	2.93	3.07	2.54	1.81
BB (0.08)	—	—	—	0.02	0.03	0.01	—	0.02
B	—	—	—	—	—	—	—	—
Below B	—	—	—	—	—	—	—	—
Not Rated (0.01)	—	—	—	—	—	—	—	—

Source: Morningstar

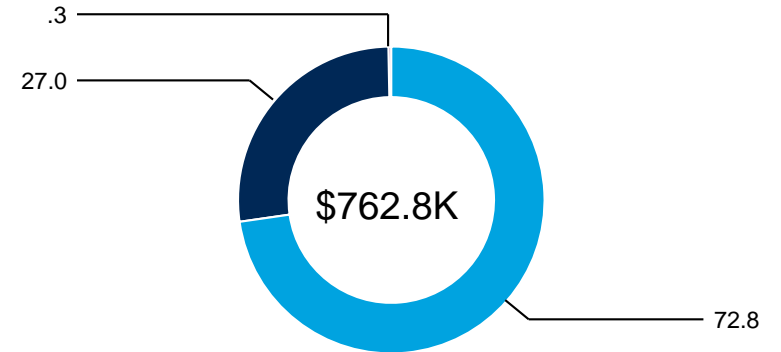
As of July 14, 2021 | Data is based on the long position of the holdings. Source: Holdings-based calculations..

Client Investment Review

Investment activity through 06/30/2021

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	554,932	72.8	7,402.17	1.3
Total Fixed Income	205,804	27.0	3,316.14	1.6
Cash & Equivalents	2,091	.3	.71	.0
Total	762,827	100.0	10,719.02	1.4



Investment Summary

	Fiscal Year to Date (1 Year)
Beginning Account Value	491,095.64
Net Contributions/Withdrawals	118,941.52
Income Earned	9,553.90
Market Appreciation	143,236.01
Ending Account Value	762,827.07

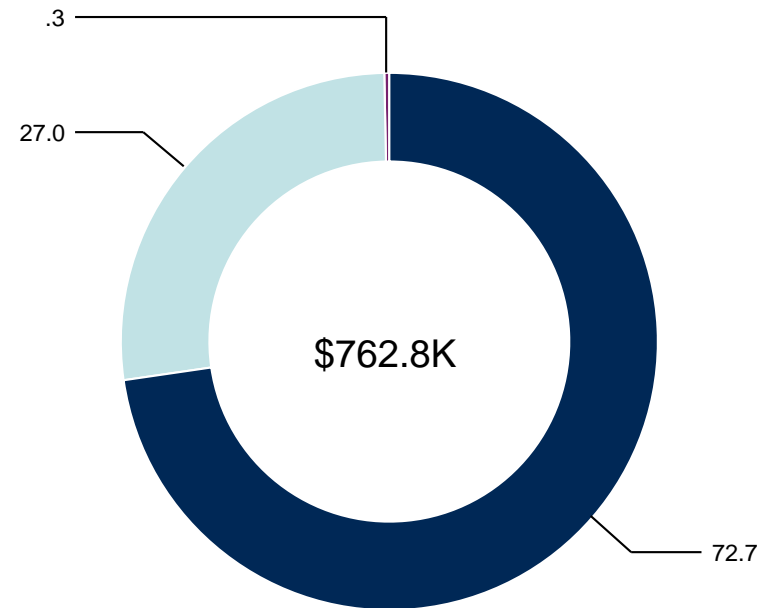
Market Value by Asset Class

Ending: June 30, 2021

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

	Market Value	% of Mkt Val
■ Large Cap Funds	554,932	72.7
■ Taxable Bond Funds	205,804	27.0
■ Cash & Equivalents	2,091	.3
Total	762,827	100.0



Portfolio Holdings by Asset Class

Ending: June 30, 2021

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
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	11,866.380	1.00	11,866.38	1.00	11,866.40	1.5	.01	.71	.006
Total for Money Markets			11,866.38		11,866.40	1.5		.71	.006
Total: Cash & Equivalents			11,866.38		11,866.40	1.5		.71	.006
Total Equity									
Large Cap Funds									
VANGUARD 500 INDEX FUND - ADM #540	1,399.012	260.04	363,803.85	396.66	554,932.10	71.8	5.29	7,402.17	1.334
Total for Large Cap Funds			363,803.85		554,932.10	71.8		7,402.17	1.334
Total: Total Equity			363,803.85		554,932.10	71.8		7,402.17	1.334
Total Fixed Income									
Taxable Bond Funds									
ISHARES INTERMEDIATE	1,780.000	114.83	204,404.34	115.62	205,803.60	26.6	186.30	3,316.14	1.611
Total for Taxable Bond Funds			204,404.34		205,803.60	26.6		3,316.14	1.611
Total: Total Fixed Income			204,404.34		205,803.60	26.6		3,316.14	1.611
Total			580,074.57		772,602.10	100.0		10,719.02	1.387

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

Performance Overview

	Market Value	Fiscal Year to Date (1 Year)	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	762,827	28.63	15.15	13.55	11.41
Total Portfolio - Net	762,827	28.53	15.06	13.46	11.32
70% SP500 30% Barclays Int Govt Cr		27.49	14.72	13.21	11.23
Total Equity	554,932	40.76	18.61	17.54	14.61
S P 500 Index		40.79	18.67	17.65	14.66
Total Fixed Income	205,804	-0.16	6.43	3.88	3.81
Barclays US Government/Credit Interm Bond		.19	4.70	2.63	2.77
Cash & Equivalents	2,091	.01	1.12	1.00	.85
3 Mos Treasury Bill Rate		.07	1.23	1.15	.97

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Managed since: June 01, 2015

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	13.55	13.21
Standard Deviation	10.98	10.51
Beta	1.04	
Alpha	-.16	
R-Squared	1.00	
Sharpe Ratio	1.12	1.14
Treynor Ratio	11.88	12.01
Tracking Error	.63	
Information Ratio	.57	
Downside Deviation	6.75	6.39
Downside Standard Deviation	8.32	7.92
Sortino Ratio	2.11	2.16
Upside Capture	1.04	
Downside Capture	1.05	
Batting Average	.65	
Annualized Excess Return	.34	
Cumulative Excess Return	2.83	
Turnover %	.37	
M-Squared	13.02	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.20	

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.

Investment Policy Statement (effective October 25, 2019)

This Investment Policy Statement amends and completely replaces the Investment Policy Statement of the **Investment Committees for the Kentucky Judicial Retirement Fund** and the **Kentucky Legislators Retirement Fund**, dated January 29, 2016.

The purpose of this ***Investment Policy Statement*** is to establish a clear understanding between the **Investment Committees for the Kentucky Judicial Retirement Fund** and the **Kentucky Legislators Retirement Fund**, hereinafter referred to as the “Committees,” and **Hilliard Lyons Trust Company, LLC**, hereinafter referred to as the “Manager,” of the investment policies and objectives of the Committees. This *Statement* will outline an overall philosophy that is specific enough for the Manager to know what is expected, but sufficiently flexible to allow for changing economic and securities markets. The Manager shall be responsible for individually managing the investments for the retirement plans administered by **Judicial Form Retirement System** (hereinafter referred to as JFRS), including the Defined Benefit Fund and the Hybrid Cash Balance Fund for the Kentucky Judicial Retirement Fund, and the Defined Benefit Fund and the Hybrid Cash Balance Fund for the Kentucky Legislators Retirement Fund.

OBJECTIVES

The assets of the two Defined Benefit Funds and the two Hybrid Cash Balance Funds (collectively the “Funds,” or individually a “Fund”) must be invested with the care, skill and diligence that a prudent person acting in this capacity would undertake. The Manager’s primary objective will be to provide growth of principal and income of each Fund’s assets. This objective should be pursued as a long-term goal designed to maximize portfolio results without exposure to undue risk, as defined herein. The Committees understand that fluctuating rates of return are characteristic of the securities markets, thus, the Manager’s greatest concern should be long-term appreciation of the Funds’ assets and consistency of total portfolio returns.

The Committees recognize that short-term market fluctuations may cause variations in performance in each Fund’s portfolios; however, over three-year rolling time periods, the Committees expect the total portfolios of each of the four Funds to achieve or exceed a total return equal to the composite performance of securities markets, as represented by broad market indexes similar to but not limited to the S&P 500 Index (Equity), and the Bloomberg Barclays Intermediate US Government/Credit Bond Index (Fixed Income).

POLICIES AND RESTRICTIONS

The Committees intend the investment policies and restrictions presented in this *Statement* to be used as a framework to help the Manager achieve the investment objectives of the Funds, at a level of risk the Committees deem acceptable. The Committees allow the Manager discretion in the asset allocation and diversification of the Funds, for the purposes of increasing investment

returns and/or reducing risk exposure in accordance with the policies and restrictions of this *Statement*. When appropriate and from time to time, the Committees may also give the Manager broad responsibility in writing to shift the commitment of any of the Funds' investments among asset classes, industry sectors, and individual securities or funds of securities to pursue opportunities presented by long-term secular changes within the capital markets.

All Fund investments shall be consistent with those permitted for Trust Funds by law in the Commonwealth of Kentucky. Investments shall be limited to readily marketable securities or funds of such securities, and no investment shall be made in mortgages.

ASSET ALLOCATION GUIDELINES

The Committees expect each of the four Fund's asset allocation policies to separately reflect, and be consistent with, the investment objectives and risk tolerances expressed throughout this *Statement*. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the highest probability of maximizing the Committees' return objectives while minimizing risk. Although dynamic capital markets may cause fluctuating risk and return opportunities over a market cycle, the following standards and limits will be used to evaluate the asset allocation (as measured at market value) over a three-year moving time period.

Each of the Fund's investments shall be separately managed under allocation rules as follows:

1. Cash and cash equivalent balances will be held separately for each Fund as a liquidity reserve for the payment of certain Fund expenses, pension or qualified refund payments, and insurance premium requirements. Such liquidity reserve balances will be held separately from a Fund's overall investment portfolio as managed by the Manager.
2. Equities (generally, common stock investments) in each Fund's investment portfolio will have a target allocation of 70% of the total portfolio market value of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 60% to 80% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.
3. Fixed income investments in each Fund's investment portfolio will have a target allocation of 30% of the total portfolio market value of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 20% to 40% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.
4. If a Fund's portfolio allocation falls outside of its targeted range, the Manager will notify the applicable Investment Committee of the status of the Fund's portfolio allocation percentages. Such Committee may direct the Manager to, on a timely basis,

adjust the Fund's applicable allocation percentage to bring the Fund's portfolio back into its targeted range. If the Committee does not make a rebalancing recommendation, the Manager, at its discretion, may or may not adjust the Fund's portfolio allocations. The Committees' designee will review all of the Funds' portfolio allocations on a weekly basis and make quarterly or more frequent reports to the Committees, if the target portfolio allocations fall outside of the parameters above.

EQUITY GUIDELINES

The Committees expect the Manager to maintain each Fund's equity portfolio at a risk level approximately equivalent to that of the domestic equity markets as a whole, with the objective of exceeding its results. Equity investments shall be selected from any security listed on the New York, American and Regional Stock Exchanges, or at the NASDAQ markets.

At the Manager's discretion, equity allocations may be achieved by the purchase of individual securities, shares of one or more registered mutual funds invested substantially in equities, and/or shares of one or more registered exchange traded funds invested substantially in equities. Should the Manager elect to invest in mutual funds or exchange traded funds for a Fund's equity allocation, the aggregate of such funds' investments must be consistent with the Equity Guidelines herein for such Fund, and must in the aggregate generally comply with the underlying diversification characteristics, risk and limits in the Equity Guidelines for such Fund as described herein.

At its discretion, the Manager may select for either or both of the Hybrid Cash Balance Funds' equity portfolios one or more low cost registered equity mutual funds or exchange traded funds utilizing an indexing strategy, and/or utilizing a targeted sector or style strategy, and/or utilizing an actively managed strategy, provided that in the aggregate such selected funds are consistent with such Hybrid Cash Balance Fund's overall equity benchmark and Equity Guidelines for such Fund as described herein.

The Manager is prohibited from investment in private placements, unregistered securities, hedge funds, letter stock, uncovered options, common trust funds or collective investment funds, or from engaging in short sales, margin transactions or other specialized investment activities. The Manager may write covered options against common stocks held by the Funds to increase investment returns and/or reduce risk. No investments shall be made in proprietary funds of the Manager without written consent of the Committees.

Within the above guidelines, the Committees give the Manager discretion for equity security and fund selection, timing, turnover, and benchmark selection for each of the four Funds, subject to the following limitations:

1. Each Fund's investment in equities (generally, common stocks) shall be from those stocks that meet the statutory standards for investment of trust funds, except that 50% of the total equity portfolio of each Fund may not be invested in common stocks with a dividend payment history of less than five years.

2. Investment in an individual security at time of purchase shall not exceed 5% of a Fund's then current market value of such Fund's equity portfolio. At a time when a security's value reaches 8% of such Fund's equity portfolio market value, the Manager shall promptly notify the applicable Investment Committee. Upon notification of a security value reaching 8%, the Committee may recommend a course of action to the Manager; absent a Committee recommendation to reduce the equity holding, the Manager, at its discretion, may or may not reduce the equity holding.
3. Investment in a particular industry shall not exceed 25% of a Fund's market value of its equity portfolio.
4. Any equity benchmark selected by the Manager for any Fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such Fund's equity portfolio.

Unless corrective actions are otherwise provided for in these Equity Guidelines, or unless a Committee provides corrective or rebalancing directions to the Manager, should any Fund's equity portfolio no longer comply with the Equity limits and requirements as described immediately above, the Manager shall take, with notice to the applicable Committee, reasonable steps to bring such Fund's equity investments into compliance with these Equity Guidelines.

FIXED INCOME GUIDELINES

The Committees expect the Manager to maintain each Fund's fixed income portfolio at a risk level approximately equivalent to that of the domestic fixed income markets as a whole, with the objective of exceeding its results.

At the Manager's discretion, fixed income allocations may be achieved by purchase of individual securities, shares of one or more registered mutual funds investing substantially in fixed income, and/or shares of one or more registered exchange traded funds investing substantially in fixed income. Should the Manager elect to invest in mutual funds or exchange traded funds for a Fund's fixed income allocation, the aggregate of such funds' investments must be consistent with the Fixed Income Guidelines herein for such Fund, and must in the aggregate generally comply with the underlying diversification characteristics, risk and limits in the Fixed Income Guidelines for such Fund as described herein.

At its discretion, the Manager may select for either or both of the Hybrid Cash Balance Funds' fixed income portfolios one or more low cost registered fixed income mutual funds or exchange traded funds utilizing an indexing strategy, and/or utilizing a targeted sector or style strategy, and/or utilizing an actively managed strategy, provided that in the aggregate such selected funds are consistent with the Hybrid Cash Balance Fund's overall fixed income benchmark and Fixed Income Guidelines for such Fund as described herein.

The Manager is prohibited from investing in private placements, from speculating in fixed income or interest rate futures, and from arbitrage or any other specialized investments. No investments shall be made in proprietary funds of the Manager without written consent of the Committees.

Investments in fixed income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings and maturity premiums. The Manager may select from appropriately liquid preferred stocks, corporate debt securities, obligations of the U.S. Government and its Agencies and issues convertible to equities.

Within the above guidelines, the Committees give the Manager discretion for fixed income security and fund selection, timing, turnover, and benchmark selection for each of the four Funds, subject to the following limitations:

1. No individual fixed income security (with the exception of those of the U.S. Government and its Agencies) may be purchased with a modified duration of more than 15 years at time of purchase.
2. Investments in individual fixed income securities of the U.S. Government and its Agencies may be purchased with a maturity of up to 30 years at time of purchase, but the weighted average maturity of those securities in each Fund shall not exceed ten years.
3. Investments for any Fund in an individual security at time of purchase of a single issuer (with the exception of U.S. Government and its Agencies) must not exceed 5% of the market value of such Fund's fixed income portfolio.
4. Only corporate debt issues that meet or exceed a credit rating of BBB from Standard & Poor's and/or a Baa rating from Moody's, may be purchased.
5. Preferred stocks must be rated A or better, by Moody's and/or Standard & Poor's at the time of purchase.
6. Investment in bonds will be limited to those eligible for purchase by national banks.
7. Bond maturities will be reasonably spaced with due consideration given to call provisions.
8. Each Fund's fixed income portfolio duration, defined as the weighted average of the modified durations of all of the Fund's fixed income investments, shall at all times be generally consistent with the duration of its fixed income benchmark, plus or minus one year.
9. Any fixed income benchmark selected by the Manager for any Fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such Fund's fixed income portfolio.

Unless corrective actions are otherwise provided for in these Fixed Income Guidelines, or unless a Committee has provided corrective or rebalancing directions to the Manager, should any Fund's fixed income portfolio no longer comply with the Fixed Income limits and requirements described immediately above, the Manager shall take, with notice to the applicable Committee, reasonable steps to bring such Fund's fixed income investments into compliance with these Fixed Income Guidelines.

CASH AND CASH EQUIVALENT GUIDELINES

The Committees expect the Manager to invest each Fund's portfolios substantially in equity and fixed income investments as described in this *Statement*. As noted in the Asset Allocation Guidelines above, certain cash and cash equivalent balances will be held as liquidity reserves separately from each Fund's investment portfolios, as necessary to provide for certain Fund expenses, insurance premiums, and underlying plan participant cash flow and pension payment requirements. The Manager may also maintain cash and cash equivalent balances as part of a Fund's portfolio allocations in anticipation of liquidity reserve needs or as temporary Fund investments pending longer term portfolio investments.

Any cash and cash equivalent investments held in the liquidity reserves or within Fund portfolios may be made in the following types of short term investments, with limits and requirements as described below:

1. Treasury bills;
2. Commercial paper investments and marketable short-term money market securities, each with time of purchase ratings of as least A-2 or P-2 by Standard & Poor's or Moody's, respectively, and each with time of purchase maturities of no longer than 270 days;
3. Marketable short-term money market funds of marketable short term securities, under the following limits for each such fund:
 - a. fund ratings at least AAA or Aaa by Standard & Poor's or Moody's, respectively, at time of purchase;
 - b. final maturities of underlying fund investments of no longer than 13 months from dates of acquisition;
 - c. fund weighted average maturity of underlying fund investments of no longer than 60 days at all times;
4. Corporate cash equivalent investments with maturities no longer than one year, provided any such investment shall be restricted to not more than 7% per issuer;
5. Repurchase agreements relating to and consistent with the instruments described in these Cash and Cash Equivalent Guidelines provided such agreements have a maturity

deemed to be no longer than the scheduled maturity period remaining on the underlying securities covered by such agreement; and/or

6. All other cash and cash equivalent investments with maturities no longer than one year from their dates of acquisition.

Additionally, the Manager may invest no more than 10% of the market values of either of the two Defined Benefit Funds' portfolios, and no more than 5% of the market values of either of the two Hybrid Cash Balance Funds' portfolios, in cash or cash equivalents of a single government agency other than U.S Government agencies. Investment in obligations of the U.S. Government and its agencies are not restricted.

Unless corrective actions are otherwise provided for in these Cash and Cash Equivalent Guidelines, or unless a Committee has provided corrective or rebalancing directions to the Manager, should any Fund's portfolio no longer comply with the Cash and Cash Equivalent limits or requirements described immediately above, the Manager shall take, with notice to the applicable Committee, reasonable steps to bring such Fund's short term investments into compliance with these Cash and Cash Equivalent Guidelines.

OTHER ASSETS

The Manager will not purchase assets other than those described herein without the prior written consent of the Committees. Investments in contracts of financial futures, commodities and currency exchange are strictly prohibited. Investments not specifically addressed by this *Statement* are forbidden by the Committees without prior written consent.

SALES AND PURCHASES

All equity transactions shall be handled through the brokerage company selected by the Committees. The Manager shall have discretion in selecting the institution through which to purchase fixed income and cash equivalents. The Manager shall immediately notify the JFRS Executive Director of all transactions, with specific data as to settlement and delivery instructions. The JFRS Executive Director will in turn notify the custodian of the Funds to execute such sales and purchases.

COMMUNICATIONS AND COMPLIANCE

The JFRS Executive Director will maintain daily contact with the Manager to advise the Manager of available funds for reinvestment with respect to each of the Funds. The Manager is required to give the Committees monthly Fund portfolio appraisals, and to give the Committees promptly at the end of each quarter a quarterly account review. Such quarterly account reviews shall include but not limited to detail regarding each Fund's value and investment characteristics, each Fund's time-weighted investment performance and strategy, and each Fund's compliance

with investment guidelines. The Committees also must receive information about changes in the Manager's investment philosophy, management, ownership and key personnel in a timely fashion.

Meetings will be held on a quarterly basis between the Committees and the Manager to discuss:

1. Each Fund's holdings and characteristics, investment performance and risk levels in light of the stated objectives, policies, guidelines, and benchmarks.
2. A review of each Fund's portfolio investment positions during the prior quarter in comparison to the guidelines of this *Statement*, along with any exceptions. The Manager shall include an assessment of the financial effects of any compliance exceptions and proposals for corrective actions.
3. The Manager's view on any important recent or anticipated developments within the economy and the securities markets, and their potential effect on investment strategy and Fund performance.
4. The effects of any recent or anticipated changes within the Manager's organization on investment philosophy, strategy and performance.
5. Amendments to the policies and objectives presented in this *Statement* as desired by the Committees or recommended by the Manager.

In addition to requiring that the Manager provide compliance reporting as described above, JFRS may also engage an independent third party to provide the Committees with a periodic compliance assessment for each Fund.

The Committees may call more frequent meetings if significant concerns arise about the Manager's performance, strategy, personnel and organizational structure.


By **executing** this *Investment Policy Statement*, the Manager agrees to its terms and conditions. Should the Manager believe at any time that changes, additions or deletions to this *Statement* are advisable, it will be the Manager's full responsibility to recommend them to the Committees on a timely basis.

Executed on this, the 25th day of October, 2019.

**Investment Committee
Kentucky Judicial Retirement Plan**

By 
Stephen F. LeLaurin, Chairman

**Investment Committee
Kentucky Legislators Retirement Plan**

By 
Joe R. Bowen, Chairman

Hilliard Lyons Trust Company

By 
Donald L. Asfahl, Chairman

Item IV – Administrative Reports

- A. Introduction of New Staff
- B. Public Pension Oversight Board
- C. District and Circuit Judicial Colleges
- D. APA Fiscal Year 2021 End Audit
- E. 2021 Actuarial Valuations – *Memo Included*
- F. Special Circuit Judge Opinion – *Memo Included*
- G. 2017 SB 104 – Implementation – *Memo Included*
- H. Fiduciary Liability Insurance
- I. 2022 Retiree Health Insurance
- J. Pension Administration Software RFP



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

John R. Grise, Chairman
Board of Trustees

Bo Cracraft
Executive Director

Memo

TO: Members of the Judicial Form Retirement System Board of Trustees

FROM: Bo Cracraft, Executive Director

DATE: July 23, 2021

SUBJECT: July 1, 2021 Biennial Funding Valuations

During the April 23, 2021 Board of Trustees meeting, a discussion regarding the July 2021 funding valuations was held with the system's actuary, Findley, regarding a proposal to produce single valuation reports for the Judicial Retirement Plan (JRP) and Legislator Retirement Plan (LRP). The Board agreed to revisit the topic during the July 2021 meeting.

Findley noted two unique approaches the Board had taken when initially implementing the cash balance tier of benefits. First, the Board decided to evaluate the new tier of benefits separate from the legacy tier actuarially and produce standalone reports. Secondly, the Board adopted a lower assumed rate of return for the cash balance tier valuations, which Findley noted was primarily driven by a desire to ensure the actuarial cost (i.e. normal cost) of the new tier reflected actual cost in its early stages.

Looking ahead to the July 1, 2021 valuations, Findley proposed combining the two separate valuation reports (for CB and Legacy tiers) into a single report for JRP and LRP each. Providing a single report would provide a more comprehensive review and would produce funding information in total across the entire plan, while underlying data regarding the two separate tiers could be included in the report.

If the Board agreed to produce a single, combined report for each plan, Findley discussed two different approaches the Board could choose to follow:

- **Additive Approach:** The Board could use the current process of evaluating the tiers separately and then add the results together to create a total JRP or total LRP result. Findley noted this was a less evasive method of providing a single report, but also pointed out it could lead to situations where required contribution results did not necessarily reflect actual needs of the plans.
- **Consolidated Approach:** The board could evaluate JRP or LRP, both defined benefit and cash balance, completely together to produce a consolidated report with a total funding level, liability, and required contribution. Findley noted this method would involve a bit more change and would require a change in the assumed rate of return for the CB plan, but would eliminate the potential pitfall with the additive approach noted above. Findley pointed out the underlying tiers of benefits would continue to be evaluated and identifiable, but the two tiers would be truly consolidated.

Findley noted it was likely, based on current projections, that in the future the cash balance tier could have an unfunded liability, while the legacy tier would have excess assets. In this situation, using the additive approach could lead to the system requesting additional employer contributions, while a consolidated approach would result in a lower request or no additional contributions.

Findley did note that changing the assumed rate of return was an important consideration, but pointed out the Board had discussed previously on several occasions and expected to revisit as the plans developed. They pointed out a couple of factors to consider when considering a change. First, beginning with the 2020 fiscal year, upside sharing had begun and active CB member accounts were receiving an interest credit beyond the 4% guarantee. Secondly, cash balance assets, while managed passively, shared the same policy asset allocation as legacy assets and actual performance has exceeded the current assumption.

Conclusion. Given full funding valuations are only conducted every two years, in coordination with the Commonwealth's biennial budget process, staff is asking the Investment Committees of JRP and LRP to adopt the recommendation and produce a single valuation report for both JRP and LRP beginning with the July 1, 2021 valuations.



Memo

TO: Members of the Judicial Form Retirement System Board of Trustees

FROM: Bo Cracraft, Executive Director

DATE: July 23, 2021

SUBJECT: Special Circuit Judge Compensation

Please find attached a letter and opinion from Alan Pauw concerning Special Circuit Judges and the question of how additional compensation received while serving as a special judge is utilized at retirement.

Background. While rare (currently only two active JRP members are impacted), there are times where a sitting District Court judge is appointed by the Chief Justice of the Supreme Court as a Special Circuit Court judge (in addition to their District Court duties). In this situation, the judge's salary increases to the Circuit Court level.

In June of 2021, JFRS staff held a counseling session with a judge who had been serving as a Special Circuit Judge since May 2018. The member's appointment as a special judge was set to expire and he was considering the decision to retire or seek re-election in 2022. The member asked staff if the additional compensation received as a Special Circuit Judge would be included in his final compensation and used to calculate benefits at retirement.

Per staff research, it appears JFRS's position in the past has been that the higher salary could not be utilized in the calculation of the member's final compensation, but it also does not appear this situation has affected any current JRP retirees at the time of their retirement (i.e. last 60 months of service did not include special judge assignment). Staff did seek a legislative change to KRS 21.345 during the 2019 General Assembly, but the legislation was not passed.

Conclusion. Because of the member's request, JFRS staff requested a discussion with Mr. Pauw and he has provided the attached opinion. Staff agrees with Mr. Pauw's conclusion and does believe if an impacted member were to retire and his or her final 60 months included compensation as a Special Circuit Judge, the final compensation used for retirement purposes should include any additional compensation received as a special judge.



July 8, 2021

VIA EMAIL

Bo Cracraft, Executive Director
Kentucky Judicial Form Retirement System
Whitaker Bank Bldg., Suite 302
305 Ann Street
Frankfort, KY 40601

Bo.Cracraft@ky.gov

Re: Special Judges – Compensation

Dear Bo:

This is in follow-up to our call on June 14.

The issue presented is how to calculate the pension benefit for a member of the Judicial Retirement Plan who has been appointed a Special Circuit Court Judge and who, as a result, earns additional compensation. In particular, in computation of a retirement allowance under KRS 21.400(1), does JRP use the member's original salary (not including compensation as a special judge) or his higher salary (including special judge compensation)? As explained below, we conclude that his higher salary should be used.

Background. Kentucky created the office of Special Circuit Judge in 1954 as a way for regular judges to retire and fill the role of special judge to serve in court assignments throughout the Commonwealth. In effect, a judge retired from his office and changed his status to a special judge. These rules have since changed, and a regular judge may now serve contemporaneously as a special judge.

The Chief Justice of the Kentucky Supreme Court may appoint special judges to fill court vacancies and assist with workload in accordance with KRS 26A.020. A special judge has all the powers and responsibilities of a regular judge. According to Kentucky Supreme Court Amended Order 2018-02, a retired judge appointed on temporary assignment does not accrue any retirement benefit based on his salary as a temporary judge. I did not find any Kentucky Supreme Court Order stating, likewise, that no retirement benefits accrue for an active judge appointed as a special judge.

By KRS 48.195, the General Assembly sets the compensation levels for judges, and upon his election, a judge earns a salary based on the budget-approved amount. Upon appointment as a special judge, the member receives additional salary set by the Kentucky Supreme Court pursuant to KRS 48.195. See KRS 21A.110 which uses the term "salary" to describe compensation. KRS 21A.110 does not refer to retirement or describe any consequence for a member's pension

Bo Cracraft
July 8, 2021
Page 2

calculation. The Kentucky Administrative Office of Courts (AOC) treats both original salary and special judge compensation as W-2 earnings subject to applicable income tax withholdings and FICA.

To attain JRP benefits, a member must make monthly contributions. According to KRS 21.360, a judge who begins in JRP prior to September 1, 2008 (Tier 1 members) must contribute 5% of his monthly “official salary.” This percentage contribution is treated as a pre-tax “pick-up” in accordance with IRC 414(h). The term “official salary” is not defined in KRS Chapter 21.

JFRS’ administrative position has been to apply the pick-up percentage to the special judge’s higher salary, and JFRS has previously determined that a special judge’s higher salary should not be used for calculating his retirement allowance, that is, not included in his “final compensation” (see below). Most recently by HB 206 in the 2019 General Assembly, JFRS had proposed a statutory change to amend KRS 21.345 to include temporary service as a Special Circuit Court Judge by an active District Court judge in the definition of “service” but only for service exceeding three months. HB 206 did not become law.

A member’s pension calculation is found in KRS 21.400 and referred to as a “retirement allowance.” According to KRS 21.400(1), a member’s retirement allowance equals a percentage of his “final compensation” multiplied by his years of service. Final compensation is defined in KRS 21.400(1) as a member’s average monthly compensation for the 60 months of service immediately preceding retirement. Final compensation is not otherwise defined. Service includes time as a special judge according to KRS 21.345(2). Note that the term “final compensation” differs from the term “official salary” which is used in KRS 21.360 for pick-ups.

Analysis. Although not defined in JRP, final compensation is defined for purposes of the Legislators’ Retirement Plan and KERS. Final compensation for LRP means the amount of compensation used to calculate a member’s pension – like JRP. Specifically by KRS 6.520(1), final compensation for LRP means the average monthly creditable compensation as determined in KRS 61.510(13). Under KRS 61.510(13), final compensation means the “creditable compensation” of a member which is all salary includible as taxable wages reported on Form W-2. In effect, for LRP, the pick-up percentage is applied to the same compensation which is used for the retirement allowance calculation. JRP does not cross-reference the definition of creditable compensation to the KERS definition.

The rules for a “bona fide promotion or career advancement” under KRS 21.372 are informative. These rules were designed to exclude from the benefit formula compensation which represented an increased level of compensation for little if any change in job duties – to eliminate the “pension spike” which increased compensation in the years immediately before retirement. The pension spike statute was established in 2017, by KRS 21.372, well after JRP’s pension formula in KRS 21.400 was enacted. According to KRS 21.372(2)(c), if a member’s compensation

Bo Cracraft
July 8, 2021
Page 3

is reduced by application of these rules, he would get a refund attributable to the reduction in his creditable compensation – suggesting that he should not pay a pick-up on compensation not used for benefit accrual. Note the term “creditable compensation” (defined for LRP and KERS as W-2 compensation) is used in this statute, though it does not appear in KRS 21.400 – the pension formula.

KRS 21.400(1) defines “final compensation” simply as average monthly compensation. The term official salary is not used for this purpose. In view of the AOC’s treatment of special judge compensation as additional W-2 income and as reported as such to the member and treated as such for other tax purposes (income tax, withholding and FICA), a fair interpretation of KRS 21.400(1) is that special judge compensation should be considered part of final compensation. This conclusion is consistent with KRS 21.360(1)(b) which stops a member’s pick-up contributions when his vested service equals 100% final compensation. The logic must be, in that case, that a member’s pick-up should be based on the same compensation which is used for benefit calculations or, at least, a member should not be charged on compensation which is not used to calculate his benefit. Note as well KRS 21.372(2)(c) which refunds a member’s pick-up contributions upon reduction of a member’s final compensation due to application of the bona fide promotion rules suggesting the same logic – pick-up compensation should equal final compensation.

Conclusion. A fair reading of these statutes suggests that special judge compensation should be included in a member’s final pension calculation. If JFRS continues its policy of collecting pick-ups on special judge compensation, then it should also report special judge compensation to the JRP actuary for inclusion in its funding calculations. Should JFRS elect not to include special judge compensation in a member’s final compensation, then it should refund a member’s pick-up contributions made with respect to special judge compensation.

Statutory Fix. A separate question is whether a statutory “fix” is needed to clarify these JRP statutory gaps, or whether JFRS could rectify this by promulgation of an administrative regulation. As explained above, there is some support for my conclusion about final compensation and special judge compensation. The closer question is whether JFRS should apply the pick-up percentage on a member’s special judge compensation and whether, indeed, his additional compensation should be considered his “official salary” thus triggering the pick-up obligation.

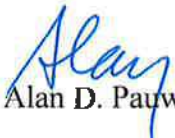
The JFRS Board is given authority to promulgate administrative regulations in five statutes under Chapter 21. Two of these statutes are not remotely relevant. One of the statutes, KRS 21.372 dealing with a bona fide promotion, does not authorize JFRS to define statutory terms or change the costs to members for purposes of their contributions. My recommendation would be to propose a statutory change to KRS 21.360 to clarify that special judge compensation is added to official salary for pick-up purposes.

Bo Cracraft
July 8, 2021
Page 4

I have not examined, nor was I asked, to review the actuarial impact of including special judge compensation for the retirement allowance calculation. Also, I do not have any information if JRP's actuary includes such compensation for purposes of JRP annual funding.

Please contact me with any questions.

Sincerely,


Alan D. Pauw

ADP:pjh



Memo

TO: Members of the Judicial Form Retirement System Board of Trustees

FROM: Bo Cracraft, Executive Director

DATE: July 23, 2021

SUBJECT: Senate Bill 104 –Voluntary Election to Participate in Cash Balance

Background. During the 2017 Regular Session, the General Assembly passed Senate Bill 104, which included a provision allowing for legacy defined benefit (DB) members the opportunity to make a one-time, irrevocable election to participate in the cash balance (CB) plan.

In September of 2019, JFRS received a Private Letter Ruling (PLR) and it was determined that only members who participate and contribute at a rate of 6.00% of their salary have the option to voluntarily elect to participate in the Cash Balance (CB) tier given it, too, requires a contribution rate of 6.00%.

As of April 2021, the total number of members impacted include 33 JRP members and 27 LRP members, 11 of which have purchased service that would be refunded if they elect participation in the CB plan.

Implementation. While we do not expect eligible members to elect participation in the CB plan, KRS 21.374 requires that “JFRS board provide the member with information detailing the potential results of the member’s election” before an election can be made.

Below is a summary of JFRS staff’s proposed process for notifying eligible members of their right, providing the needed information regarding the decision to elect, along with how any projected CB retirement benefits will be calculated in the event a member requests a comparison.

Step 1: JFRS is going draft and send a letter to the 60 eligible members advising of their one-time, irrevocable right to elect participation in the CB plan. Staff intends to provide this letter by the end of the fall. The letter will:

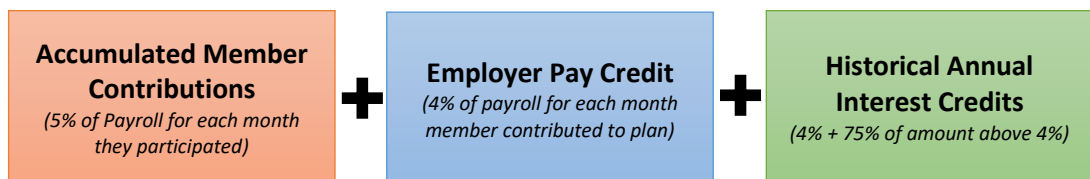
- Provide a summary of benefits for both plans
- Outline current benefits members would forfeit with an election
 - The 2.75% Benefit Factor
 - Early Retirement Eligibility (via age or with reduction)
 - Percentage-Based Insurance Coverage
 - Spouse and Dependent Health Insurance coverage
 - Any prior service credit purchases (contributions will be refunded)
 - Inviolable contract covering legacy plan
- Communicate other information regarding the process
 - Only active and deferred members have right to elect
 - There is no deadline to make the election
 - Election to participate in CB plan is irrevocable

The letter will direct members to contact the JFRS office for more information or if the member would like to compare projected benefits between the two tiers.

Step 2: If an eligible member contacts JFRS and requests a comparison of projected benefits, staff will use the following steps and assumptions to provide a projected benefit under the two tiers:

1. Determine Earliest Normal Retirement Date – consistent with eligibility requirements of the CB plan, this will be the date the member reaches Age 65 or the Rule of 87 (at least age 57 and have 30 years of service), whichever occurs first
2. Calculate “transfer” CB Account Balance - as of the request date, JFRS will calculate an accumulated account balance as if the member had initially elected to participate in the CB plan.

This represents the amount that would be “transferred” to the member’s account in the event they choose to elect participation in the CB plan. This account balance would be calculated by as:



3. Calculate a Projected Account Balance at Retirement - Using the earliest normal retirement date determined in step 1, JFRS will provide the member with an projected accumulated account balance at retirement by:
 - *Applying Annual Interest Credits:* the members account balance as of the prior June 30 will increase by the guaranteed 4% annual interest rate.
 - *Adding Future Contributions:* if the member is actively contributing to the plan, JFRS is going to assume the member continues to participate until the retirement date, thus 9% of their current payroll (5% employer + 4% employer) will be added monthly.

Staff will have to make some assumptions when calculating a future account balance. Most notably, staff will assume no future salary growth and will apply only the guaranteed 4% base interest credit. Given the unpredictable nature of both salary growth and investment returns, staff believe providing members with a conservative projection is prudent given the irrevocable nature of their decision. Staff have discussed with the Kentucky Public Pensions Authority regarding their process, and they are making similar assumptions.

4. Compare Annuitized CB benefit with Current Tier: Using the projected account balance, as provided in statute, staff will provide the member with an annuitized monthly benefit, which can be compared to the member’s projected monthly pension benefit under their current tier of benefits.

In order to calculate an annuitized monthly benefit, staff will have to request actuarial factors from Findley. The annuitized monthly benefit is determined by dividing the member’s projected account balance by the actuarial factor (which is based on the member’s age at retirement).

5. Health Insurance Comparison: the final step will be to address health insurance benefits and provide a comparison of the members projected coverage at retirement (based on total service at retirement). Staff will use current premiums from the Kentucky Employees Health Plan and JFRS's Humana Medicare Advantage plan.

Step 3: If an eligible member, after reviewing a comparison of projected benefits, notifies JFRS of an intent to exercise their right to elect participation in the CB plan, staff will provide the member with an Election to Participate form and will process their request.

Next Steps. If agreeable and approved by the Board, staff would like to begin the implementation process, as outline above, during the fall of 2021.

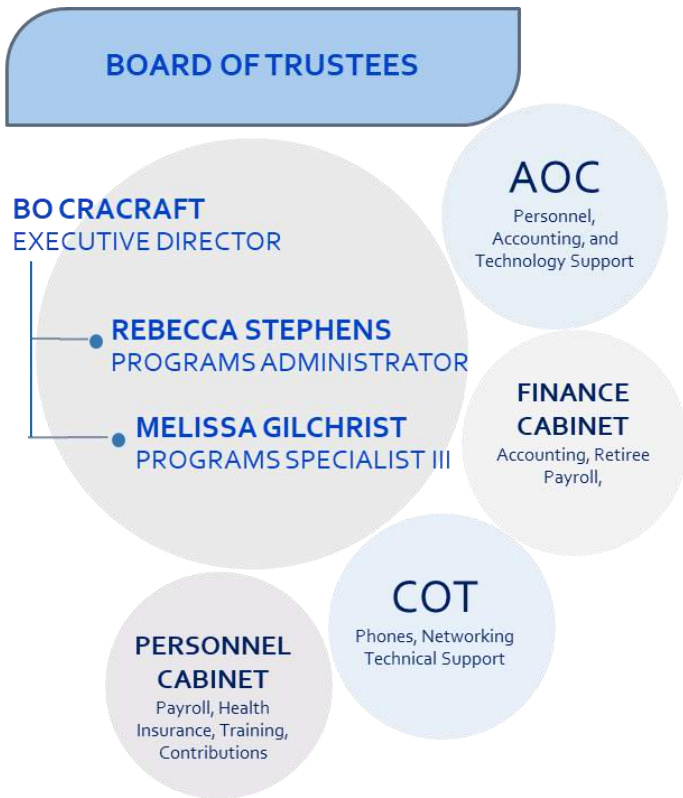
Appendix –

- Organization Chart & Service Providers



JUDICIAL FORM RETIREMENT SYSTEM

Organizational Structure



Service Providers

