



JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – APRIL 22, 2022



AGENDA



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

April 22, 2022 – 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 January 21, 2022 Meeting.
- III. LRP Investment Committee Chair Election
- IV. Investment Related Matters.
 - A. Presentation by Lexington Investment Company
 - B. Presentation by Hilliard Lyons Trust Company
- V. Reports by Executive Director.
 - A. Public Pension Oversight Board
 - B. 2022 Regular Session of the General Assembly
 - C. Audit Services RFP – *Potential Actionable Item*
 - D. 2022-23 Personal Service Contracts
 - E. SB 104 Implementation
 - F. Office & Technology Update
 - G. Administrative, Budget & Personnel – *Potential Actionable Item*
- VI. July 22, 2022 Meeting

Item II – Adoption of Minutes

- January 21, 2022

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

January 21, 2022

The Board of Trustees of the Kentucky Judicial Form Retirement System (JFRS), the Investment Committee for the Kentucky Judicial Retirement Plan (JRP), and the Investment Committee for the Kentucky Legislators Retirement Plan (LRP), convened at the Administrative Office of the Courts, 1001 Vandalay Drive, Frankfort, Kentucky 40601 on Friday, January 21, 2022, at 10:00 a.m. All Board members were present, with the exception of Senator Joe Bowen, who participated virtually via a Microsoft Team Meeting.

JFRS staff present included Bo Cracraft, Executive Director, and Rebecca Stephens, Retirement Programs Administrator. Guests attending the meeting virtually via Microsoft Teams video-conferencing included Don Asfahl, Andy Means, and John Watkins of Baird Trust Company, Kevin Hart and Kevin Hicks of Milliman, Inc, and Alan Pauw of McBrayer, PLLC.

Chairman Grise called the meeting to order at 10:01 a.m.

The trustees considered the adoption of the previously distributed *Minutes* from the October 22, 2021 meeting. Upon motion by Judge Douglas George, seconded by Justice Daniel Venters, the Board unanimously approved the *Minutes* of the October 22, 2021 meeting.

The next order of business was a review of the quarterly Lexington Investments LLC report. Chairman Grise recognized Mr. Cracraft, who informed the Board that Mr. Stan Kerrick would not be joining the quarterly meeting. Instead, Mr. Cracraft had prepared a staff report to highlight a Mr. Kerrick's *Report of the Kentucky Judicial & Legislators Retirement Funds* as of December 31, 2021, which was included in the meeting materials.

Mr. Cracraft began by pointing out Mr. Kerrick's compliance statement, which noted both Plans were within their prescribed asset allocation guidelines. He also highlighted that neither plan currently had individual equity positions that exceed the 8% maximum weighting. Next, Mr. Cracraft quickly drew attention to performance results, where both portfolios saw strong positive gains during the second quarter of the fiscal year. Longer-term both continued to provide above benchmark returns and had exceed the actuarially assumed rate of return. Lastly, Mr. Cracraft reviewed cash transaction reports, which included the sale of Microsoft, which was an equity holding that had slightly exceed the portfolio's max holding guideline during the prior quarter. He also informed the board that since the close of the quarter, during the first week of January, the team at Baird had executed a rebalancing trade and had drew down the overall equity allocation.

Chairman Grise welcomed members of Baird Trust Company (formerly known as Hilliard Lyons Trust Company), who joined the meeting virtually via Microsoft Teams at 10:13

a.m. Mr. Cracraft had previously distributed copies of Hilliard Lyons' *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated January 21, 2022

Mr. Andy Means began the quarterly review with a few comments regarding Baird's most recent quarterly Market Commentary, titled "The Main Thing," which tried to reconcile how investors had experienced a historically strong stock market in the face of two pandemic-laden years. First, Mr. Means pointed to the massive fiscal and monetary policy response to the pandemic, which flushed liquidity into markets and served to life asset values almost across the board. However, just as important, Mr. Means discussed the amazing growth of technological innovation, which has resulted in the United States becoming the undisputed leader of the digital revolution that is changing many aspects of how we work, communicate, and play. The massive moves to work-from-home and hybrid work environments have boosted the growth rate of the domestic technology industry and made the U.S. stock market the envy of the world.

Moving forward, Mr. Means reiterated Baird would focus on wading through the unknowable future, avoiding the many distractions that exist or will occur, and investing in productive assets the team believes will provide stable streams of income in all market cycles. He noted the past two years have served as an emphatic reminder that investors do not know the future, so the investment team was going to continue focusing their time on things that are knowable. He also pointed to the numerous distractions that had occurred and the need for investors to stay focused and disciplined in a rapidly changing and high speed markets. Lastly, Mr. Mean emphasized the team would remain focused on the main thing, which for them is finding high quality companies, with strong management teams, and not investing in areas outside their circle of competence. One such area is the broad and highly publicized area of nonproductive assets, which produce little to no cash flow and thus very limited downside protection.

Mr. Asfahl reviewed current asset allocation, annual estimated income, and the current yield on the JRP legacy portfolio. He discussed the fixed income portfolio and schedule of maturities. Mr. Means reviewed a snapshot of the portfolio, which included relative sector weightings, top performers and largest holdings. He reiterated the teams' goal was to materially outperform the index, which meant sector allocations would often look quite a bit different from the index. He emphasized sector weighting was not the result of any macro or top-down, decisions, but rather completely driven by the underlying stocks. He pointed out the portfolio was currently overweigh to discretionary, financials, real estate and industrials, versus underweights to technology and health care.

Next, Mr. John Watkins reviewed a couple of trades that had occurring during the quarter. After consecutive quarters with no turnover, the team made two small changes to the portfolio in November. First, after holding the stock for almost a decade, the team decided to exit their position in Northern Trust. Mr. Watkins noted the stock had been a strong performer for the portfolio historically, but an overall change in fundamentals had served as a catalyst to change their opinion on the stock. In exchange, the team added to an existing position in General Electric, which had been a very strong performer recently. Secondly, the team also trimmed their position in Microsoft, which had reached the 8% maximum position. Mr. Watkins stated it was the second time the stock was trimmed during the year and that proceeds were added to an existing position in Johnson & Johnson. Lastly, Mr. Watkins also informed the Board that the

equity portfolio had also be fully rebalanced during the first week of January to help reduce overall equity exposure and bring the portfolio back closer to the 70% target. A portion of the cash was withdrawn by JFRS staff for benefit payments, while the rest would be invested in fixed income.

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 period.

In response to a question from Mr. Cracraft regarding if a change in the assumed rate of return would result in Baird proposing revised asset allocation changes, both Mr. Asfahl and Mr. Means expressed confidence the team would not suggest major changes to the portfolio mix of equity and fixed. First, Mr. Asfahl referenced current interest rates and the headwind facing corporate bonds. Mr. Means added that the portfolio's current equity holdings also had a very strong income component and many were increasing dividends.

Mr. Steven LeLaurin and Mr. Ben Allison also pointed out that a change in the assumed rate of return would not necessary require a change in the portfolio's asset allocation and changing the assumption would have an impact in other areas, such as the calculation of each plans' accrued liability of future benefits.

In response to a question from Senator Bowen regarding dividends and if the Baird team targeted companies who provided, Mr. Means responded that it was not necessarily a target or requirement but generally a result of the companies the team chooses to hold. He noted the team looks for companies that generate consistent free cash flow and management teams that utilize that cash flow successfully. While in many cases this has led to consistent and growing dividends, there are companies that will instead reinvest that cash flow and grow the business.

Lastly, Mr. Asfahl quickly reviewed allocation, returns, and holdings for the smaller Cash Balance portfolios. He referenced the Board recent decision to diversify the portfolios and pointed to the most recent quarterly performance as evidence of how the tracking error between the two portfolios had really tightened.

Mr. Mean's and Mr. Watkins left the meeting at 10:55 a.m., while Mr. Asfahl remained online to participate in the next agenda item.

Chairman Grise recognized Mr. Cracraft to report on the next item, a review of proposed changes to the JFRS Investment Policy Statement.

Mr. Cracraft began by referencing an *Investment Policy – January 2022 Update* that was included in the Board materials. He reminded the trustees of a discussion during the October meeting regarding some needed updates and revisions to the policies. Since October, the committee chairs, along with Mr. Allison have put together a revised policy.

Mr. Cracraft walked through each of the individual changes, which fell into one of three primary categories. First, several changes were made to incorporate the Board's recent decision to diversify the cash balance portfolios to add active management and better mirror the

investment strategy employed in the larger legacy assets. Secondly, staff had requested a handful of technical changes to better align with current day-to-day administration and monitoring of the portfolios. Third, after a review of the proposed changes, the Baird investment team had requested a few additional changes.

Following a healthy discussion, Mr. Stephen LeLaurin made a motion on behalf of the Investment Committee for the Judicial Retirement Fund, which was seconded by Judge Douglas George, and Senator Joe Bowen made a motion on behalf of the Investment Committee for the Legislative Retirement Fund, which was seconded by Representative Brad Montell, to adopt the revised Investment Policy Statements. The motions passed both committees unanimously.

Mr. Asfahl left the meeting at 11:35 a.m.

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

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

November 22, 2021. Each state-administered retirement system presented annual valuation results, along with a review of fiscal year end performance and cash flow. JFRS also was given an opportunity to present a propose 2022 Housekeeping bill for the agency.

December 20, 2021. JFRS was not on the agenda, but the Board did approve their annual recommendations, which included the JFRS housekeeping legislative proposal. In addition, the oversight Board approved issuing a RFP to hire an actuarial firm to conduct a Level 1 (full scope) actuarial audit of all three pension administrators.

January 24, 2022. Meeting was scheduled for the following Monday. JFRS was no on the agenda, which only included an annual investment review by LRC staff.

(C) 2022 General Session. Mr. Cracraft referenced the *2022 Regular Session – Legislative Update* memo from staff included in the Board materials. He discussed the first couple of weeks of the Regular Session and highlighted a few retirement related proposals. Most notably, he informed the board that the JFRS housekeeping bill was filed as Senate Bill 32 and assigned to the Senate State and Local Government Committee. He expressed some hope that the committee would consider the bill in the coming week and with some favor, it could be voted on by the full Senate by early February. In addition, he reviewed the proposed Legislative and Judicial Branch budget bills, which had both been passed by the House of Representatives.

(F) Fiscal Year 2021 APA Audit Reports. Mr. Cracraft informed the Board that copies of the APA Audit Reports were included in the Board materials. He reminded the Board that the reports were also emailed to each Trustee in November upon receipt.

(G) Financial Disclosure Statements. Mr. Cracraft requested that each trustee complete a Financial Disclosure Report for calendar year 2021 on or before March 31, 2022 in order to comply with the annual mandated disclosure requirement. A copy of the disclosure had been emailed to each trustee and he provided hard copies to those members in attendance.

The meeting recessed for lunch at 12:00 p.m.

The meeting reconvened at 12:15 p.m. Mr. Cracraft continued his reports on administrative matters. The trustees discussed the items and took action when noted.

(C) 2022-2023 Personal Service Contracts.

1. **Investment Management.** The May 10, 2019 Personal Service Contract with Hilliard Lyons Trust Company contained an option to extend the contract for two additional one-year periods beginning on July 1, 2020 under the same terms and conditions at a fee of eight (8) basis points. In June of 2020 and 2021, the contract was extended for additional 1-year periods. With no remaining extensions, the current investment management contract is set to expire on June 30, 2022.

The investment counseling and management services for the assets of the two retirement plans were reviewed and discussed. Mr. Stephen LeLaurin made a motion on behalf of the Investment Committee for the Judicial Retirement Fund, which was seconded by Justice Daniel Venters, and Senator Joe Bowen made a motion on behalf of the Investment Committee for the Legislative Retirement Fund, which was seconded by Representative Scott Brinkman, to extend an offer to Baird Trust Company for management and counsel services for Judicial Form Retirement System's plan assets for the period of July 1, 2022 through June 30, 2024 under the same terms and conditions.

2. **Audit Services.** An RFP was issued in early 2018 and resulted in JFRS contracting with MCM CPAs & Advisors for auditing services for the period July 1, 2018 through June 30, 2019, at the annual fee of \$17,750.00. The contract provided for two additional one-year extensions, which were executed in June of 2019 and 2020.

During the April 2021 meeting, the Board approved engaging MCM for one additional year for the sole purpose of compiling fiscal year 2021 financial statements and assisting staff with the upcoming APA audit with an expectation that JFRS would then issue a full RFP in early 2022.

After a short discussion, Representative Brad Montell made a motion, seconded by Mr. Ben Allison, to issue a RFP for JFRS audit services in accordance with the Commonwealth's Model Procurement Code. The motion passed unanimously.

3. **Actuarial Consulting.** Both the Investment Committee for the Judicial and Legislators Retirement Funds entered into a contract with Findley, Inc. on June 26, 2018 for actuarial services which expired on June 30, 2020. The contract provided for two additional two-year extensions, with an initial extension agreed upon in May 2020.

Mr. Cracraft noted that both committees agreed to extend the original contract and on May 21, 2020, a two-year extension was agreed upon which will not expire until June 30, 2022.

The actuarial services for Judicial Form Retirement System were reviewed and discussed. Mr. Stephen LeLaurin made a motion on behalf of the Investment Committee for the Judicial Retirement Fund, which was seconded by Justice Daniel Venters, and Senator Joe Bowen made a motion on behalf of the Investment Committee for the Legislative Retirement Fund, which was seconded by Representative Scott Brink, to offer USI, Inc. (formerly known as Findley) a 2-year extension under the terms and conditions as outlined in a personal services contract extension dated June 26, 2018. Both Committees unanimously adopted.

4. **Custodian.** State Street remains the custodian of the Funds. The Commonwealth of Kentucky and State Street are the parties to the current contract, which was last extended for a 2-year period in 2019 and scheduled to expire June 30, 2021. The 2019 extension included services to JFRS as a named agency of the Commonwealth.

Mr. Cracraft noted the current extension was set to expire effective June 30, 2022. He advised that he was in process of trying to determine what the Commonwealth's future plans were and if JFRS could remain a named agency. Following discussion, it was the consensus of the trustees that JFRS continue to participate in the Commonwealth's custodian contract with State Street.

(D) JFRS Pension Administrative Software RFP. Mr. Cracraft referenced the *Pension Administration Software Recommendation* memo that was included in the Board materials.

Mr. Cracraft informed the Board the evaluation committee was excited to recommend the Board hire Milliman, Inc. to provide a new pension administrative system for JFRS. Member of the Milliman team were planning to join the meeting to provide a short demonstration of the firm's Milliman Actuarial Retirement Calculator ("MARC") software.

Mr. Cracraft quickly reviewed the process following during the process. He noted that JFRS received three proposals in response to the RFP. After a review of the written proposals, the Committee designated two firms as finalists for further evaluation. Mr. Cracraft noted the third response did meet the minimum qualifications of the RFP, but the proposed solution was a more complex and customizable approach that came at a cost that did not fit the project's expected budget. Next, the two finalists, Milliman Inc. and PensionSoft, provided virtual demonstrations of their software systems and the Committee met and interviewed key project team members. Following the interviews and software demonstrations, each member of the Committee scored both finalists independently based on criteria that included qualification, experience, implementation, functionality, and cost.

Mr. Cracraft stated the committee was impressed with both finalists and believed that either could meet the goals of the project. However, when each evaluator scored the two finalists, the Milliman MARC platform ranked higher than PensionSoft's DB Precision tool. He pointed to a few differentiating factors. First, the MARC solution was completely cloud-based, while the DB Precision solution offered by PensionSoft was a combination of both on-site and cloud-based storage. Given JFRS's small size and limited IT and security capabilities, the Committee favored the cloud-based option and experienced team that would service and maintain the MARC

platform. Secondly, while both platforms were out-of-the-box tools, the MARC system offers more customization and provides a testing environment that made it more adaptable to changes that could occur in the future. Given a history of legislative changes and plans that offer two very different tiers of benefits, the Committee believed Milliman provided a better long-term solution. Third, the Committee rated Milliman's team and experience providing PAS systems slightly higher than PensionSoft. Milliman has a significantly larger and more robust team, but importantly the key members assigned to JFRS have each been with the firm a minimum of 15 years and have experience working with pension plans similar in size to JFRS. Lastly, the user interface of the MARC system felt more organized and intuitive to staff, and the Committee rated the online member self-service portal higher between the two finalists.

In closing, Mr. Cracraft discussed the proposed cost for implementation and annual licensing fees. He noted the Milliman MARC platform did come as a slightly higher cost. The proposed annual licensing fee, while approximately 10% higher than PensionSoft, included maintenance and service on the fully cloud-based system. Furthermore, the Committee believed added features such as a testing environment merited the slightly higher annual cost. On the implementation side, Milliman's proposed maximum cost was also higher, but the Committee did not believe a marginally higher one-time cost outweighed the long-term improvements that would result from a system the entire Committee believed was the best solution for JFRS.

Next, Chairman Grise welcomed Kevin Hart and Kevin Hicks, from Milliman, Inc., who joined the meeting virtually via Microsoft Teams at 12:35 p.m. Mr. Hart provided a short demonstration of the MARC software platform, specifically focusing much of his time on the member self-service portal, retirement estimate process, document library and ability for member to share documents with JFRS in a secure and simple manner. Mr. Hart also provided a brief review of the administrative tool that staff would utilize on a daily basis.

In response to a question from Mr. Cracraft regarding the proposed timeline of implementation, Mr. Hart responded that most projects of this size take approximately nine months and do include a lot of calls, meetings, document reviews, and data verification. The Milliman team, which will be led by Mr. Hicks, will create a timeline and will work with JFRS staff on a daily basis.

In response to questions from Justice Venters and Judge Grise regarding security and access to the underlying member data, Mr. Hart emphasized that all data would be held securely and that Milliman does not share or use the underlying data for other purposes. Mr. Hart reassured the trustees that JFRS would have access to all member data, even in the event a relationship with Milliman was ended.

Mr. Hart and Mr. Hicks left the meeting at 1:10 p.m.

After a healthy discussion amongst the trustees regarding costs, expected improvements in benefit administration, and the opportunity to modernize the plan going forward, Judge Douglas George made a motion, seconded by Mr. Ben Allison, to engage Milliman, Inc. for the purpose of providing a Pension Administrative System pending successful contract negotiations and a legal review by JFRS' third-party legal counsel.

(E) Non-Judicial or Non-Legislative Participation Date Discussion. Mr. Cracraft referenced the *Participation Date for Non-Judicial and Non-Legislative Service* memo that was included in the Board materials. He quickly provided some background and what led staff to request a legal opinion from Mr. Alan Pauw, who was also preparing to join the meeting to discuss and review his letter.

Mr. Alan Pauw, from McBrayer, PLLC joined the meeting virtually via Microsoft Teams at 1:30 p.m. Mr. Pauw quickly provided a review of his memo and the statutory references he believed applied to the question of participation, reciprocity, and eligibility of JRP or LRP members who also had prior service at another state-administered pension plan.

In response to a question from Judge Douglas George regarding the agency's current interpretation and administration of such situations, Mr. Pauw responded that he did believe staff was administering in a manner that was consistent and could be supported by the statutory language he reviewed.

There was a discussion amongst the trustees regarding Mr. Pauw's letter and the agency's current policy of administrating situations. Following the discussion, it was the consensus of the trustees that JFRS would continue to follow current policy when counseling new and prospective members.

The next agenda item was Executive Session. Upon motion by Justice Daniel Venters, seconded by Representative Brad Montell, the Board unanimously agreed to go into Executive Session for the purpose of discussing personnel and confidential member information of an employee. The motion passed unanimously.

Upon motion by Judge Douglas George, seconded by Mr. Stephen LeLaurin, the Board unanimously agreed to come out of Executive Session. No action was taken in Executive Session.

Upon motion by Mr. Steven LeLaurin, seconded by Judge Douglas George, the Board unanimously authorized a raise in the salary of Carlos "Bo" Cracraft as the Executive Director of JFRS effective 02/01/2022 to an annual salary of \$130,000 per year, paid semi-monthly on the 15th and the 30th of each month.

There being no further business, the meeting adjourned at 2:44 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

** deceased March 8, 2022*

Bo Cracraft, Executive Director

DRAFT

Item IV – Investment Related Matters

A. Lexington Investment Company

LEXINGTON INVESTMENTS LLC

KENTUCKY JUDICIAL & LEGISLATORS RETIREMENT FUNDS

As of March 31, 2022

JUDICIAL

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LEGISLATORS

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COMPLIANCE STATEMENT

As of March 31, 2022 equity allocations for the Judicial Fund (73.4%) and Legislator's Fund (72.9%) 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: None

Legislators Fund: None

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.

April 22, 2022

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Kentucky Judicial and Legislators Compliance with IPS

As of March 31, 2022

1. Equity allocation in each Fund has a target allocation of 70% of the total portfolio market value, excluding cash and equivalent balances, within a range of 60% to 80%. Equity allocation for Judicial was 74.1%, and Legislators was 75.6%. Both within the guidelines.
2. Fixed Income allocation in each Fund has a target allocation of 30% of the total portfolio market value, excluding cash and equivalent balances, within a range of 20% to 40%. Fixed Income allocation for Judicial was 25.9%, and Legislators was 24.4%. Both within the guidelines.
3. Each Fund's equity investments meet the statutory standards for investment of trust funds and all equity investments in the fund have paid dividends for at least five consecutive year with the exceptions of Meta Platforms (Facebook), Carmax, O'Reilly Automotive, Berkshire Hathaway, and Alphabet Inc. CL C. These equities represent 21.6% of the total equity portfolio in the Judicial Fund and 21.6% in the Legislators Fund.
4. When the market value of any equity position in either Fund reaches 8% of the value of the total value of the equity market value of that Fund the Manager will contact the applicable Investment Committee, or its designee, to determine a course of action. As of March 31, the Judicial Fund 8% level was \$33,918,259, the Legislators Fund 8% level was \$9,726,804. None of the positions in either fund were at those market value levels.

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>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(6.01)	2.17	8.60	16.38	13.10	12.40	8.48	2.62
Total Portfolio Target 70%--30%	(4.57)	2.63	9.72	14.24	12.45	12.00	..	3.07
<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>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(6.64)	4.71	13.16	21.72	17.18	16.30	9.73	5.37
S&P 500 TOTAL RETURN	(4.60)	5.92	15.65	18.92	15.99	14.64	9.25	6.54
<u>CORPORATES & AGENCIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>	<u>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(4.44)	(4.94)	(3.73)	1.36	1.77	1.82	3.17	(5.03)
BARCLAYS INTER GOVT/CREDIT	(4.52)	(5.05)	(4.10)	1.50	1.81	1.85	..	(5.03)
<u>CASH AND CASH EQUIVALENTS</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>	<u>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	0.00	0.00	0.00	1.07	1.30	..	..	0.00
BARCLAYS 3 MO.TSY BILL INDEX	0.00	0.01	0.03	0.65	1.07	..	..	0.03

Returns for periods exceeding 12 months are annualized

All returns net of fees

Portfolio Statement

As of 03/31/2022

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												
4.7%	ALPHABET INC-	9,820	03/31/2015	550.22	5,403,125.37	2,792.99	27,427,161.80	22,024,036.43	407.6	0.00	0.00%	
5.4%	APPLE COMPUT	178,350	04/25/2013	20.05	3,575,554.14	174.61	31,141,693.50	27,566,139.36	771.0	156,948.00	0.50%	
1.4%	BANKAMERICA C	195,100	08/28/2019	26.92	5,251,512.47	41.22	8,042,022.00	2,790,509.53	53.1	163,884.00	2.04%	
5.0%	BERKSHIRE HAT	82,300	02/14/2003	119.18	9,808,345.17	352.91	29,044,493.00	19,236,147.83	196.1	0.00	0.00%	
1.7%	CARMAX INC.	100,900	01/28/2019	59.76	6,030,121.77	96.48	9,734,832.00	3,704,710.23	61.4	0.00	0.00%	
1.1%	CISCO SYSTEMS	110,700	06/03/2005	16.92	1,873,207.42	55.76	6,172,632.00	4,299,424.58	229.5	163,836.00	2.65%	
3.2%	DISNEY (WALT)	133,425	09/06/2000	52.34	6,982,886.20	137.16	18,300,573.00	11,317,686.80	162.1	234,828.00	1.28%	
1.6%	EXPEDITORS IN	91,200	03/20/2013	37.95	3,460,730.56	103.16	9,408,192.00	5,947,461.44	171.9	105,792.00	1.12%	
2.7%	FASTENAL CO.	265,000	02/12/2015	20.76	5,502,480.27	59.40	15,741,000.00	10,238,519.73	186.1	328,600.00	2.09%	
2.2%	GENERAL ELECT Accrued Income	137,350	02/12/2008	109.00	14,971,549.11	91.50	12,567,525.00 10,988.00	(2,404,024.11)	(16.1)	43,952.00	0.35%	
4.3%	HOME DEPOT	82,225	06/03/2005	30.46	2,504,419.69	299.33	24,612,409.25	22,107,989.56	882.8	624,910.00	2.54%	
0.0%	iShares 1-3 YR T	1,560	06/23/2017	84.58	131,943.81	83.35	130,026.00	(1,917.81)	(1.5)	475.56	0.37%	
3.9%	JOHNSON & JOH	126,700	09/22/1995	81.71	10,352,435.05	177.23	22,455,041.00	12,102,605.95	116.9	537,208.00	2.39%	
3.9%	JP MORGAN	163,750	06/06/2008	50.94	8,341,414.57	136.32	22,322,400.00	13,980,985.43	167.6	655,000.00	2.93%	
1.4%	META PLATFOR	36,575	05/04/2020	218.66	7,997,637.84	222.36	8,132,817.00	135,179.16	1.7	0.00	0.00%	
5.4%	MICROSOFT CO	101,950	01/05/2006	25.43	2,592,633.50	308.31	31,432,204.50	28,839,571.00	1112.4	252,836.00	0.80%	
2.9%	O'REILLY AUTOM	24,900	07/11/2017	178.28	4,439,160.15	684.96	17,055,504.00	12,616,343.85	284.2	0.00	0.00%	
2.0%	OMNICOM GROU Accrued Income	136,150	06/24/2003	48.70	6,630,066.72	84.88	11,556,412.00 95,305.00	4,926,345.28	74.3	381,220.00	3.30%	
2.2%	PFIZER INC	243,200	09/01/2011	25.40	6,176,565.40	51.77	12,590,464.00	6,413,898.60	103.8	389,120.00	3.09%	
4.6%	PROGRESSIVE C	234,150	05/23/2007	28.90	6,767,354.15	113.99	26,690,758.50	19,923,404.35	294.4	23,415.00	0.09%	
3.9%	SCHWAB (CHAS)	264,600	08/24/2020	35.35	9,352,419.30	84.31	22,308,426.00	12,956,006.70	138.5	211,680.00	0.95%	
2.7%	TE CONNECTIVI	120,400	11/02/2007	28.25	3,401,851.30	130.98	15,769,992.00	12,368,140.70	363.6	240,800.00	1.53%	
1.6%	TJX COS INC NE	155,350	12/01/2004	6.37	988,827.69	60.58	9,411,103.00	8,422,275.31	851.7	161,564.00	1.72%	
1.9%	U S BANCORP Accrued Income	202,300	12/06/2000	26.13	5,286,191.86	53.15	10,752,245.00 93,058.00	5,466,053.14	103.4	372,232.00	3.46%	
2.3%	UNION PACIFIC	48,800	07/24/2015	93.91	4,582,794.61	273.21	13,332,648.00	8,749,853.39	190.9	230,336.00	1.73%	
1.4%	WELLS FARGO	161,900	05/27/2011	27.26	4,413,205.09	48.46	7,845,674.00	3,432,468.91	77.8	161,900.00	2.06%	
73.4%				43.07	146,818,433.21		424,177,599.55	277,159,815.34	188.8	5,440,536.56	1.28%	

Portfolio Statement

As of 03/31/2022

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												
0.3%	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	100.08	1,501,134.83	(43,737.47)	(2.8)	62,445.00	4.16%	0.76
							13,182.83					
0.4%	BERKSHIRE HAT 05/15/2022 3.00 Accrued Income	2,000,000	05/25/2012	100.08	2,001,517.25	100.24	2,004,707.56	3,190.31	0.2	60,000.00	2.99%	0.12
							22,666.67					
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	100.31	3,510,675.28	(117,368.77)	(3.2)	133,000.00	3.79%	0.89
							11,083.33					
0.5%	PNC BK N A PITT 07/25/2023 3.80 Call 06/25/2023, 1 Accrued Income	3,000,000	06/07/2018	100.55	3,016,556.04	101.73	3,051,754.44	35,198.40	1.2	114,000.00	3.74%	1.74
							20,900.00					
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	101.22	3,542,814.45	(58,323.22)	(1.6)	127,750.00	3.61%	1.88
							63,875.00					
0.6%	ORACLE CORP 07/15/2023 3.625 Accrued Income	3,500,000	06/08/2016	105.11	3,678,771.51	101.39	3,548,662.36	(130,109.15)	(3.5)	126,875.00	3.58%	1.25
							26,784.72					
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	101.67	3,558,374.02	(113,619.21)	(3.1)	127,750.00	3.59%	2.05
							42,583.33					
0.5%	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	102.69	3,080,712.03	39,044.13	1.3	108,750.00	3.53%	2.09
							32,020.83					
0.5%	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	102.26	3,067,841.10	(28,516.18)	(0.9)	112,500.00	3.67%	2.25
							14,375.00					
0.6%	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	102.24	3,578,478.93	(73,880.27)	(2.0)	129,500.00	3.62%	1.76
							21,943.06					
0.6%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	3,500,000	11/14/2017	105.19	3,681,626.54	102.00	3,569,863.89	(111,762.65)	(3.0)	140,000.00	3.92%	1.75
							23,722.22					

Portfolio Statement

As of 03/31/2022

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%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	3,500,000	11/07/2017	104.00	3,639,883.20	101.94	3,567,737.32	(72,145.88)	(2.0)	126,875.00	3.56%	1.79
							17,269.10					
0.6%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	3,500,000	02/13/2017	103.94	3,638,019.92	102.42	3,584,696.61	(53,323.31)	(1.5)	126,875.00	3.54%	1.85
							9,515.63					
0.6%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	3,500,000	06/08/2016	104.79	3,667,590.41	102.27	3,579,400.20	(88,190.21)	(2.4)	120,750.00	3.37%	1.99
							48,635.42					
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	102.30	2,045,940.00	26,373.98	1.3	79,000.00	3.86%	3.05
							16,677.78					
0.6%	CVS HEALTH CO 07/20/2025 3.875 Call 04/20/2025, 1 Accrued Income	3,500,000	11/13/2017	101.92	3,557,108.60	102.13	3,574,395.72	7,287.12	0.2	135,625.00	3.79%	3.49
							26,748.26					
0.6%	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	102.49	3,587,310.44	(92,805.50)	(2.5)	129,500.00	3.61%	3.53
							22,302.78					
0.6%	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	101.63	3,556,931.14	(88,963.46)	(2.4)	131,250.00	3.69%	3.63
							65,625.00					
0.8%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	4,500,000	08/18/2017	105.80	4,761,170.78	102.63	4,618,328.22	(142,842.56)	(3.0)	177,750.00	3.85%	3.28
							74,556.25					
0.5%	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	101.22	3,035,642.30	(140,057.70)	(4.4)	108,000.00	3.56%	4.09
							49,800.00					
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	100.39	4,517,425.49	(445,474.51)	(9.0)	144,000.00	3.19%	4.21
							54,800.00					
0.8%	VERIZON COMM 08/15/2026 2.625 Accrued Income	4,500,000	01/27/2021	108.70	4,891,350.00	97.90	4,405,589.46	(485,760.54)	(9.9)	118,125.00	2.68%	4.08
							15,093.75					

Portfolio Statement

As of 03/31/2022

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%	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	99.36	4,471,257.96	(484,817.04)	(9.8)	132,750.00	2.97%	4.12
							66,375.00					
0.8%	WELLS FARGO C 10/23/2026 3.00 Accrued Income	4,500,000	05/10/2021	108.69	4,891,050.00	98.75	4,443,532.61	(447,517.39)	(9.1)	135,000.00	3.04%	4.17
							59,250.00					
0.9%	PEPSICO INC 03/19/2027 2.625 Call 01/19/2027, 1 Accrued Income	5,000,000	09/01/2020	109.51	5,475,650.00	99.42	4,970,779.85	(504,870.15)	(9.2)	131,250.00	2.64%	4.62
							4,375.00					
0.9%	JOHNSON & JOH 01/15/2028 2.90 Call 10/15/2027, 1 Accrued Income	5,000,000	05/10/2021	108.94	5,446,950.00	100.60	5,030,199.10	(416,750.90)	(7.7)	145,000.00	2.88%	5.68
							30,611.11					
0.9%	BANK AMER CO 10/21/2027 3.248 Call 10/21/2026, 1 Accrued Income	5,000,000	02/25/2021	108.72	5,435,750.00	99.70	4,984,797.40	(450,952.60)	(8.3)	162,400.00	3.26%	5.38
							72,177.78					
0.8%	SCHWAB CHARL 01/25/2028 3.20 Call 10/25/2027, 1 Accrued Income	4,500,000	01/11/2022	106.38	4,787,060.00	99.62	4,482,900.41	(304,159.59)	(6.4)	144,000.00	3.21%	5.24
							26,400.00					
0.4%	UNITED STATES 11/15/2028 3.125 Accrued Income	2,000,000	03/08/2022	108.18	2,163,500.00	104.23	2,084,688.00	(78,812.00)	(3.6)	62,500.00	3.00%	5.91
							23,611.11					
0.8%	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	102.28	4,602,514.32	(425,335.68)	(8.5)	153,000.00	3.32%	6.53
							10,200.00					
0.8%	BLACKROCK INC 04/30/2029 3.25 Call 01/30/2029, 1 Accrued Income	4,500,000	06/23/2021	110.98	4,994,200.00	101.52	4,568,520.33	(425,679.67)	(8.5)	146,250.00	3.20%	6.21
							61,343.75					
0.7%	3M CO 08/26/2029 2.375 Call 05/26/2029, 1 Accrued Income	4,500,000	02/03/2021	106.04	4,771,650.00	95.11	4,279,909.19	(491,740.81)	(10.3)	106,875.00	2.50%	6.69
							10,390.63					
0.7%	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	95.09	4,278,930.26	(491,919.74)	(10.3)	101,250.00	2.37%	6.75
							7,593.75					

Portfolio Statement

As of 03/31/2022

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%	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	96.00	4,320,066.69	(562,183.31)	(11.5)	119,250.00	2.76%	6.96
							19,875.00					
0.8%	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	99.67	4,485,331.71	(438,118.29)	(8.9)	139,500.00	3.11%	7.02
							1,937.50					
0.8%	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	99.12	4,460,499.23	(496,575.77)	(10.0)	144,000.00	3.23%	6.99
							2,000.00					
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	97.25	4,376,080.62	(532,769.38)	(10.9)	118,125.00	2.70%	7.05
							59,062.50					
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	96.40	4,337,965.58	(548,984.42)	(11.2)	117,450.00	2.71%	7.48
							54,157.50					
0.7%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	4,500,000	07/24/2020	107.80	4,850,975.00	95.51	4,297,860.00	(553,115.00)	(11.4)	119,250.00	2.77%	7.70
							25,837.50					
25.9%				106.66	158,395,337.44		149,794,608.14	(9,830,088.39)	(6.2)	4,818,170.00	3.24%	4.30
CASH AND CASH EQUIVALENTS												
Cash and Money Funds												
0.7%	CASH			1.00	4,268,960.76		4,268,960.76			0.00	0.00%	
99.8%				105.24	309,482,731.41		576,812,458.36	267,329,726.95	86.4	10,258,706.56	1.78%	4.30
	Total Accrued Inc						1,428,710.09					
100.0%							578,241,168.45					

Cash Reconciliation Report
From 01/01/2022 to 03/31/2022

KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
01/01/2022		CASH Beginning Balance		2,129,896.09
01/05/2022	01/07/2022	Sell TE CONNECTIVITY LTD -3700.00	606,724.38	2,736,620.47
01/05/2022	01/07/2022	Sell ALPHABET INC- CL C -275.00	774,198.41	3,510,818.88
01/05/2022	01/07/2022	Sell APPLE COMPUTER -5050.00	902,907.62	4,413,726.50
01/05/2022	01/07/2022	Sell BANKAMERICA CORP. -5500.00	264,582.19	4,678,308.69
01/05/2022	01/07/2022	Sell BERKSHIRE HATH--B -2325.00	727,088.66	5,405,397.35
01/05/2022	01/07/2022	Sell CARMAX INC. -2850.00	351,011.61	5,756,408.96
01/05/2022	01/07/2022	Sell CISCO SYSTEMS INC -3150.00	191,798.11	5,948,207.07
01/05/2022	01/07/2022	Sell DISNEY (WALT) CO. -3775.00	596,357.86	6,544,564.93
01/05/2022	01/07/2022	Sell EXPEDITORS INTERNATIONAL -2600.00	340,288.86	6,884,853.79
01/05/2022	01/07/2022	Sell META PLATFORMS INC CL A -1025.00	339,663.89	7,224,517.68
01/05/2022	01/07/2022	Sell FASTENAL CO. -7500.00	468,106.36	7,692,624.04
01/05/2022	01/07/2022	Sell GENERAL ELECTRIC NEW -3900.00	391,638.34	8,084,262.38
01/05/2022	01/07/2022	Sell HOME DEPOT -2325.00	954,481.80	9,038,744.18
01/05/2022	01/07/2022	Sell JP MORGAN -4650.00	775,310.07	9,814,054.25
01/05/2022	01/07/2022	Sell JOHNSON & JOHNSON -3600.00	622,736.34	10,436,790.59
01/05/2022	01/07/2022	Sell MICROSOFT CORP -2900.00	931,508.59	11,368,299.18
01/05/2022	01/07/2022	Sell O'REILLY AUTOMOTIVE INC. -700.00	489,131.25	11,857,430.43
01/05/2022	01/07/2022	Sell OMNICOM GROUP -3850.00	293,959.85	12,151,390.28
01/05/2022	01/07/2022	Sell PFIZER INC -6850.00	381,262.89	12,532,653.17
01/05/2022	01/07/2022	Sell PROGRESSIVE CORP-OHIO -6600.00	682,326.29	13,214,979.46
01/05/2022	01/07/2022	Sell SCHWAB (CHAS) -7500.00	675,553.80	13,890,533.26
01/05/2022	01/07/2022	Sell TJX COS INC NEW -4400.00	338,343.31	14,228,876.57
01/05/2022	01/07/2022	Sell U S BANCORP -5700.00	336,129.36	14,565,006.13
01/05/2022	01/07/2022	Sell UNION PACIFIC -1400.00	355,664.96	14,920,671.09
01/05/2022	01/07/2022	Sell WELLS FARGO -4600.00	242,481.32	15,163,152.41
01/11/2022		Dividend OMNICOM GROUP	98,000.00	15,261,152.41
01/11/2022	01/13/2021	Buy SCHWAB CHARLES CORP 4000000.00	(4,324,133.33)	10,937,019.08
01/12/2022		Withdrawal CASH	(5,300,000.00)	5,437,019.08
01/13/2022		Interest DISNEY WALT CO	59,625.00	5,496,644.08
01/14/2022		Dividend PROGRESSIVE CORP-OHIO	23,415.00	5,520,059.08
01/15/2022	01/15/2022	Sell MCDONALDS CORP MTN BE -2000000.00	2,000,000.00	7,520,059.08
01/15/2022		Interest MCDONALDS CORP MTN BE	26,250.00	7,546,309.08
01/15/2022		Interest UNION PAC CORP	31,222.50	7,577,531.58
01/15/2022		Interest AT&T INC	39,500.00	7,617,031.58
01/15/2022		Interest ORACLE CORP	63,437.50	7,680,469.08
01/15/2022		Interest JOHNSON & JOHNSON	65,250.00	7,745,719.08
01/18/2022		Dividend U S BANCORP	95,680.00	7,841,399.08
01/20/2022		Interest CVS HEALTH CORP	67,812.50	7,909,211.58
01/25/2022		Interest PNC BK N A PITTSBURGH	57,000.00	7,966,211.58
01/25/2022		Interest SCHWAB CHARLES CORP	64,000.00	8,030,211.58
01/25/2022		Dividend GENERAL ELECTRIC NEW	11,300.00	8,041,511.58
01/26/2022		Dividend CISCO SYSTEMS INC	42,124.50	8,083,636.08
01/29/2022		Interest INTEL CORP	64,750.00	8,148,386.08
01/30/2022		Interest U S BANCORP MTNS BE	64,750.00	8,213,136.08
01/31/2022		Interest ALTRIA GROUP INC	70,000.00	8,283,136.08
01/31/2022		Dividend JP MORGAN	168,400.00	8,451,536.08
02/01/2022		Interest COMCAST CORP NEW	59,625.00	8,511,161.08
02/07/2022		Dividend iShares 1-3 YR TSY ETF	36.34	8,511,197.42
02/10/2022		Dividend APPLE COMPUTER	39,237.00	8,550,434.42
02/12/2022		Interest INTERNATIONAL BUS MACH	63,437.50	8,613,871.92
02/15/2022		Interest HOME DEPOT INC	56,250.00	8,670,121.92
02/15/2022		Interest VERIZON COMMUNICATIONS	59,062.50	8,729,184.42
02/25/2022		Dividend SCHWAB (CHAS)	52,920.00	8,782,104.42
02/26/2022		Interest 3M CO	53,437.50	8,835,541.92
02/28/2022	03/02/2022	Buy NORTHERN TR CORP 1000000.00	(1,074,986.11)	7,760,555.81
02/28/2022	03/02/2022	Buy BLACKROCK INC 500000.00	(530,506.94)	7,230,048.87
02/28/2022	03/02/2022	Buy SCHWAB CHARLES CORP 500000.00	(524,304.44)	6,705,744.43
02/28/2022	03/02/2022	Buy JOHNSON & JOHNSON 500000.00	(521,593.06)	6,184,151.37
02/28/2022	03/02/2022	Buy BANK AMER CORP 500000.00	(519,609.56)	5,664,541.81
02/28/2022	03/02/2022	Buy PEPSICO INC 500000.00	(519,492.71)	5,145,049.10
03/01/2022		Interest O REILLY AUTOMOTIVE IN	66,500.00	5,211,549.10
03/01/2022		Dividend WELLS FARGO	40,475.00	5,252,024.10
03/02/2022		Dividend FASTENAL CO.	82,150.00	5,334,174.10
03/03/2022		Dividend TJX COS INC NEW	40,391.00	5,374,565.10
03/04/2022		Interest TEXAS INSTRUMENTS	50,625.00	5,425,190.10

Cash Reconciliation Report
From 01/01/2022 to 03/31/2022

KENTUCKY JUDICIAL

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
03/04/2022		Interest CISCO SYS INC	63,437.50	5,488,627.60
03/04/2022		Dividend TE CONNECTIVITY LTD	60,200.00	5,548,827.60
03/04/2022		Dividend PFIZER INC	97,280.00	5,646,107.60
03/07/2022		Interest MERCK & CO. INC	76,500.00	5,722,607.60
03/07/2022		Dividend iShares 1-3 YR TSY ETF	39.63	5,722,647.23
03/08/2022		Dividend JOHNSON & JOHNSON	134,302.00	5,856,949.23
03/08/2022	03/10/2022	Buy UNITED STATES TREAS NT 2000000.00	(2,183,354.97)	3,673,594.26
03/10/2022		Dividend MICROSOFT CORP	63,209.00	3,736,803.26
03/15/2022		Withdrawal CASH	(3,500,000.00)	236,803.26
03/19/2022		Interest PEPSICO INC	65,625.00	302,428.26
03/24/2022		Dividend HOME DEPOT	156,227.50	458,655.76
03/25/2022		Dividend BANKAMERICA CORP.	40,971.00	499,626.76
03/26/2022		Interest KIMBERLY-CLARK CORP	69,750.00	569,376.76
03/26/2022		Interest PROGRESSIVE CORP	72,000.00	641,376.76
03/30/2022	03/30/2022	Sell HSBC HOLDINGS PLC -3500000.00	3,500,000.00	4,141,376.76
03/30/2022		Interest HSBC HOLDINGS PLC	70,000.00	4,211,376.76
03/31/2022		Dividend UNION PACIFIC	57,584.00	4,268,960.76
03/31/2022		CASH Ending Balance		4,268,960.76

April 22, 2022

Brokerage Fees Report
From 01/01/2022 to 03/31/2022

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									
01/05/2022	Sell	ALPHABET IN	275	774,198.41	774,216.11	13.75	0.05	0.00%	EQ
01/05/2022	Sell	APPLE COMPU	5,050	902,907.62	903,164.73	252.50	0.05	0.03%	EQ
01/05/2022	Sell	BANKAMERIC	5,500	264,582.19	264,858.55	275.00	0.05	0.10%	EQ
01/05/2022	Sell	BERKSHIRE H	2,325	727,088.66	727,208.62	116.25	0.05	0.02%	EQ
01/05/2022	Sell	CARMAX INC.	2,850	351,011.61	351,155.91	142.50	0.05	0.04%	EQ
01/05/2022	Sell	CISCO SYSTE	3,150	191,798.11	191,956.59	157.50	0.05	0.08%	EQ
01/05/2022	Sell	DISNEY (WAL	3,775	596,357.86	596,549.66	188.75	0.05	0.03%	EQ
01/05/2022	Sell	EXPEDITORS I	2,600	340,288.86	340,420.60	130.00	0.05	0.04%	EQ
01/05/2022	Sell	FASTENAL CO.	7,500	468,106.36	468,483.75	375.00	0.05	0.08%	EQ
01/05/2022	Sell	GENERAL ELE	3,900	391,638.34	391,835.34	195.00	0.05	0.05%	EQ
01/05/2022	Sell	HOME DEPOT	2,325	954,481.80	954,602.92	116.25	0.05	0.01%	EQ
01/05/2022	Sell	JOHNSON & JO	3,600	622,736.34	622,919.52	180.00	0.05	0.03%	EQ
01/05/2022	Sell	JP MORGAN	4,650	775,310.07	775,546.53	232.50	0.05	0.03%	EQ
01/05/2022	Sell	META PLATFO	1,025	339,663.89	339,716.88	51.25	0.05	0.02%	EQ
01/05/2022	Sell	MICROSOFT C	2,900	931,508.59	931,658.35	145.00	0.05	0.02%	EQ
01/05/2022	Sell	O'REILLY AUT	700	489,131.25	489,168.75	35.00	0.05	0.01%	EQ
01/05/2022	Sell	OMNICOM GR	3,850	293,959.85	294,153.86	192.50	0.05	0.07%	EQ
01/05/2022	Sell	PFIZER INC	6,850	381,262.89	381,607.34	342.50	0.05	0.09%	EQ
01/05/2022	Sell	PROGRESSIVE	6,600	682,326.29	682,659.78	330.00	0.05	0.05%	EQ
01/05/2022	Sell	Schwab (CHA	7,500	675,553.80	675,932.25	375.00	0.05	0.06%	EQ
01/05/2022	Sell	TE CONNECTI	3,700	606,724.38	606,912.48	185.00	0.05	0.03%	EQ
01/05/2022	Sell	TJX COS INC N	4,400	338,343.31	338,565.04	220.00	0.05	0.06%	EQ
01/05/2022	Sell	U S BANCORP	5,700	336,129.56	336,416.28	285.00	0.05	0.08%	EQ
01/05/2022	Sell	UNION PACIFI	1,400	355,664.96	355,736.78	70.00	0.05	0.02%	EQ
01/05/2022	Sell	WELLS FARGO	4,600	242,481.32	242,712.56	230.00	0.05	0.09%	EQ
01/11/2022	Buy	Schwab CHA	4,000,000	(4,324,133.33)	4,260,800.00	3,600.00	0.90	0.08%	CB
01/15/2022	Sell	MCDONALDS	2,000,000	2,000,000.00	2,000,000.00	0.00	0.00	0.00%	CB
02/28/2022	Buy	BANK AMER C	500,000	(519,609.56)	513,300.00	400.00	0.80	0.08%	CB
02/28/2022	Buy	BLACKROCK I	500,000	(530,506.94)	524,650.00	350.00	0.70	0.07%	CB
02/28/2022	Buy	JOHNSON & JO	500,000	(521,593.06)	519,300.00	400.00	0.80	0.08%	CB
02/28/2022	Buy	NORTHERN TR	1,000,000	(1,074,986.11)	1,060,900.00	700.00	0.70	0.07%	CB
02/28/2022	Buy	PEPSICO INC	500,000	(519,492.71)	513,150.00	400.00	0.80	0.08%	CB
02/28/2022	Buy	Schwab CHA	500,000	(524,304.44)	522,310.00	350.00	0.70	0.07%	CB
03/08/2022	Buy	UNITED STAT	2,000,000	(2,183,354.97)	2,162,000.00	1,500.00	0.75	0.07%	CB
03/30/2022	Sell	HSBC HOLDIN	3,500,000	3,500,000.00	3,500,000.00	0.00	0.00	0.00%	CB
Total: No Broke				8,335,275.20	28,614,569.18	12,536.25	0.11	0.04%	

Portfolio Position Analysis

As of 03/31/2022

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
EQUITIES							
COMMUNICATION SERVICES							
3.2%	DISNEY (WALT) C	133,425	09/06/2000	6,982,886.20	18,300,573.00	2,377,602	777.36%
1.4%	META PLATFORMS	36,575	05/04/2020	7,997,637.84	8,132,817.00	0	10.50%
4.6%				14,980,524.04	26,433,390.00	2,377,602	
CONSUMER DISCRETIONARY							
1.7%	CARMAX INC.	100,900	01/28/2019	6,030,121.77	9,734,832.00	0	76.04%
4.3%	HOME DEPOT	82,225	06/03/2005	2,504,419.69	24,612,409.25	5,654,356	1564.78%
3.0%	O'REILLY AUTOMO	24,900	07/11/2017	4,439,160.15	17,055,504.00	0	324.90%
1.6%	TJX COS INC NEW	155,350	12/01/2004	988,827.69	9,411,103.00	1,578,501	1816.53%
10.6%				13,962,529.30	60,813,848.25	7,232,857	
FINANCIALS							
1.4%	BANKAMERICA CO	195,100	08/28/2019	5,251,512.47	8,042,022.00	451,581	63.21%
5.1%	BERKSHIRE HATH--	82,300	02/14/2003	9,808,345.17	29,044,493.00	0	745.40%
3.9%	JP MORGAN	163,750	06/06/2008	8,341,414.57	22,322,400.00	4,673,450	447.93%
4.7%	PROGRESSIVE COR	234,150	05/23/2007	6,767,354.15	26,690,758.50	5,245,918	743.93%
3.9%	SCHWAB (CHAS)	264,600	08/24/2020	9,352,419.30	22,308,426.00	307,764	154.81%
1.9%	U S BANCORP	202,300	02/28/2001	5,286,191.86	10,752,245.00	4,433,237	417.01%
1.4%	WELLS FARGO	161,900	05/27/2011	4,413,205.09	7,845,674.00	2,851,010	178.00%
22.2%				49,220,442.61	127,006,018.50	17,962,959	
HEALTH CARE							
3.9%	JOHNSON & JOHNS	126,700	09/22/1995	10,352,435.05	22,455,041.00	5,703,675	7699.01%
2.2%	PFIZER INC	243,200	11/17/2020	6,176,565.40	12,590,464.00	4,551,393	248.42%
6.1%				16,529,000.45	35,045,505.00	10,255,068	
INFORMATION TECHNOLOGY							
5.4%	APPLE COMPUTER	178,350	04/25/2013	3,575,554.14	31,141,693.50	2,218,878	1311.65%
1.1%	CISCO SYSTEMS IN	110,700	06/03/2005	1,873,207.42	6,172,632.00	2,136,927	257.34%
5.5%	MICROSOFT CORP	101,950	01/05/2006	2,592,633.50	31,432,204.50	3,573,572	1181.51%
2.0%	OMNICOM GROUP	136,150	06/24/2003	6,630,066.72	11,556,412.00	3,187,510	322.75%
2.8%	TE CONNECTIVITY	120,400	11/02/2007	3,401,851.30	15,769,992.00	2,658,073	514.23%
16.8%				18,073,313.08	96,072,934.00	13,774,960	
SHORT TSY ETF							
0.0%	iShares I-3 YR TSY E	1,560	06/23/2017	131,943.81	130,026.00	7,566	4.44%
COMMUNICATION							
4.8%	ALPHABET INC- CL	9,820	03/31/2015	5,403,125.37	27,427,161.80	0	402.61%
INDUSTRIAL							
1.6%	EXPEDITORS INTE	91,200	03/20/2013	3,460,730.56	9,408,192.00	853,410	226.48%
2.7%	FASTENAL CO.	265,000	02/12/2015	5,502,480.27	15,741,000.00	1,991,938	226.54%
2.2%	GENERAL ELECTRI	137,350	02/12/2008	14,971,549.11	12,567,525.00	1,441,174	-56.39%

Portfolio Position Analysis

As of 03/31/2022

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
EQUITIES							
INDUSTRIAL							
2.3%	UNION PACIFIC	48,800	07/24/2015	4,582,794.61	13,332,648.00	1,277,602	222.23%
8.9%				28,517,554.55	51,049,365.00	5,564,124	
74.1%				146,818,433.21	423,978,248.55	57,175,135	
CORPORATES & AGENCIES							
0.7%	3M CO	4,500,000	02/03/2021	4,771,650.00	4,279,909.19	148,438	-8.53%
	08/26/2029 2.375% Call 05/26/2029, 100.						
0.8%	ABBVIE INC	4,500,000	06/23/2020	4,962,900.00	4,517,425.49	192,000	-7.38%
	05/14/2026 3.20% Call 02/14/2026, 100.						
0.6%	ALTRIA GROUP INC	3,500,000	11/14/2017	3,681,626.54	3,569,863.89	630,000	11.93%
	01/31/2024 4.00%						
0.6%	APPLE INC NOTE	3,500,000	06/08/2016	3,667,590.41	3,579,400.20	627,900	13.06%
	05/06/2024 3.45%						
0.4%	AT&T INC	2,000,000	06/13/2018	2,019,566.02	2,045,940.00	276,500	16.54%
	01/15/2025 3.95% Call 10/15/2024, 100.						
0.9%	BANK AMER CORP	5,000,000	02/25/2021	5,435,750.00	4,984,797.40	129,920	-7.82%
	10/21/2027 3.248% Call 10/21/2026, 100.						
0.4%	BERKSHIRE HATHA	2,000,000	05/25/2012	2,001,517.25	2,004,707.56	570,000	32.59%
	05/15/2022 3.00%						
0.8%	BLACKROCK INC	4,500,000	06/23/2021	4,994,200.00	4,568,520.33	65,000	-8.55%
	04/30/2029 3.25% Call 01/30/2029, 100.						
0.6%	CISCO SYS INC	3,500,000	02/13/2017	3,638,019.92	3,584,696.61	661,563	15.26%
	03/04/2024 3.625%						
0.8%	COMCAST CORP NE	4,500,000	09/01/2020	4,882,250.00	4,320,066.69	165,625	-9.80%
	02/01/2030 2.65% Call 11/01/2029, 100.						
0.6%	CUMMINS INC	3,500,000	12/21/2018	3,601,137.67	3,542,814.45	383,250	8.20%
	10/01/2023 3.65% Call 07/01/2023, 100.						
0.6%	CVS HEALTH CORP	3,500,000	11/13/2017	3,567,108.60	3,574,395.72	610,313	16.68%
	07/20/2025 3.875% Call 04/20/2025, 100.						
0.8%	DISNEY WALT CO	4,500,000	07/24/2020	4,850,975.00	4,297,860.00	172,250	-10.09%
	01/13/2031 2.65%						
0.8%	EXXON MOBIL COR	4,500,000	07/24/2020	4,886,950.00	4,337,965.58	143,550	-10.64%
	10/15/2030 2.61% Call 07/15/2030, 100.						
0.5%	HOME DEPOT INC	3,000,000	11/14/2017	3,096,357.28	3,067,841.10	412,500	14.10%
	02/15/2024 3.75% Call 11/15/2023, 100.						
0.6%	INTEL CORP	3,500,000	08/18/2017	3,680,115.94	3,587,310.44	582,750	12.28%
	07/29/2025 3.70% Call 04/29/2025, 100.						
0.6%	INTERNATIONAL B	3,500,000	11/07/2017	3,639,883.20	3,567,737.32	570,938	12.10%
	02/12/2024 3.625%						

Portfolio Position Analysis

As of 03/31/2022

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
CORPORATES & AGENCIES							
0.9%	JOHNSON & JOHNS 01/15/2028 2.90% Call 10/15/2027, 100.	5,000,000	05/10/2021	5,446,950.00	5,030,199.10	130,500	-7.01%
0.8%	JPMORGAN CHASE 10/01/2026 2.95% Call 07/01/2026, 100.	4,500,000	06/23/2020	4,956,075.00	4,471,257.96	154,875	-9.23%
0.8%	KIMBERLY-CLARK 03/26/2030 3.10% Call 12/26/2029, 100.	4,500,000	05/10/2021	4,923,450.00	4,485,331.71	139,500	-6.46%
0.8%	MERCK & CO. INC 03/07/2029 3.40% Call 12/07/2028, 100.	4,500,000	02/25/2021	5,027,850.00	4,602,514.32	187,000	-6.38%
0.5%	MICROSOFT CORP 12/15/2023 3.625% Call 09/15/2023, 100.	3,000,000	08/20/2018	3,041,667.90	3,080,712.03	380,625	13.61%
0.8%	NORTHERN TR COR 10/30/2025 3.95%	4,500,000	08/18/2017	4,761,170.78	4,618,328.22	592,500	10.33%
0.6%	O REILLY AUTOMO 09/01/2022 3.80% Call 06/01/2022, 100.	3,500,000	11/14/2017	3,628,044.05	3,510,675.28	598,500	11.31%
0.5%	OMNICOM GROUP I 04/15/2026 3.60% Call 01/15/2026, 100.	3,000,000	09/24/2019	3,176,700.00	3,036,642.30	270,000	2.66%
0.6%	ORACLE CORP 07/15/2023 3.625%	3,500,000	06/08/2016	3,678,771.51	3,548,662.36	706,875	12.54%
0.9%	PEPSICO INC 03/19/2027 2.625% Call 01/19/2027, 100.	5,000,000	09/01/2020	5,475,650.00	4,970,779.85	210,000	-7.81%
0.8%	PFIZER INC 04/01/2030 2.625% Call 01/01/2030, 100.	4,500,000	06/24/2020	4,908,850.00	4,376,080.62	145,250	-10.14%
0.5%	PNC BK N A PITTSB 07/25/2023 3.80% Call 06/25/2023, 100.	3,000,000	06/07/2018	3,016,556.04	3,051,754.44	456,000	15.64%
0.8%	PROGRESSIVE COR 03/26/2030 3.20% Call 12/26/2029, 100.	4,500,000	02/25/2021	4,957,075.00	4,460,499.23	200,000	-7.39%
0.6%	SCHLUMBERGER I 12/01/2023 3.65% Call 09/01/2023, 100.	3,500,000	10/17/2016	3,671,993.23	3,558,374.02	666,125	12.31%
0.8%	SCHWAB CHARLES 01/25/2028 3.20% Call 10/25/2027, 100.	4,500,000	01/11/2022	4,787,060.00	4,482,900.41	64,000	-6.72%
0.6%	SYSCO CORP 10/01/2025 3.75% Call 07/01/2025, 100.	3,500,000	11/08/2017	3,645,894.60	3,556,931.14	525,000	11.15%
0.7%	TEXAS INSTRUMEN 09/04/2029 2.25% Call 06/04/2029, 100.	4,500,000	01/27/2021	4,770,850.00	4,278,930.26	140,625	-8.60%
0.6%	U S BANCORP MTN 01/30/2024 3.70% Call 12/29/2023, 100.	3,500,000	03/02/2016	3,652,359.20	3,578,478.93	721,500	17.00%

Portfolio Position Analysis

As of 03/31/2022

KENTUCKY JUDICIAL

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
CORPORATES & AGENCIES							
0.3%	UNION PAC CORP 07/15/2022 4.163% Call 04/15/2022, 100.	1,500,000	08/20/2018	1,544,872.30	1,501,134.83	218,558	10.69%
0.4%	UNITED STATES TR 11/15/2028 3.125%	2,000,000	03/08/2022	2,163,500.00	2,084,688.00	0	-4.52%
0.8%	VERIZON COMMUN 08/15/2026 2.625%	4,500,000	01/27/2021	4,891,350.00	4,405,589.46	164,063	-8.03%
0.8%	WELLS FARGO CO 10/23/2026 3.00%	4,500,000	05/10/2021	4,891,050.00	4,443,532.61	67,500	-7.96%
<u>25.9%</u>				<u>158,395,337.44</u>	<u>148,565,249.05</u>	<u>13,081,490</u>	
CASH AND CASH EQUIVALENTS							
0.0%	CASH			0.00	0.00	0	
<u>100.0%</u>				<u>305,213,770.65</u>	<u>572,543,497.60</u>	<u>70,256,625</u>	

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>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(5.86)	2.44	8.77	16.44	13.09	12.36	8.42	2.82
Total Portfolio Target 70%--30%	(4.57)	2.63	9.72	14.24	12.45	12.00	..	3.07
<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>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(6.59)	4.77	13.20	21.73	17.16	16.22	9.73	5.42
S&P 500 TOTAL RETURN	(4.60)	5.92	15.65	18.92	15.99	14.64	9.25	6.54
<u>CORPORATES & AGENCIES</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>	<u>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	(4.43)	(4.91)	(3.68)	1.31	1.73	1.97	3.38	(4.99)
BARCLAYS INTER GOVT/CREDIT	(4.52)	(5.05)	(4.10)	1.50	1.81	1.85	..	(5.03)
<u>CASH AND CASH EQUIVALENTS</u>	<u>3 MO.</u>	<u>6 MO.</u>	<u>1 YR.</u>	<u>3 YR.</u>	<u>5 YR.</u>	<u>10 YR.</u>	<u>20 YR.</u>	<u>fytd</u>
Time Weighted (net)	0.00	0.00	0.00	0.51	1.06	..	..	0.00
BARCLAYS 3 MO.TSY BILL INDEX	0.00	0.01	0.03	0.65	1.07	..	..	0.03

Returns for periods exceeding 12 months are annualized

All returns net of fees

Portfolio Statement

As of 03/31/2022

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
EQUITIES												
Equities												
4.8%	ALPHABET INC-	2,850	03/31/2015	548.45	1,563,084.27	2,792.99	7,960,021.50	6,396,937.23	409.3	0.00	0.00%	
5.4%	APPLE COMPUT	51,175	04/23/2015	26.62	1,362,202.37	174.61	8,935,666.75	7,573,464.38	556.0	45,034.00	0.50%	
1.4%	BANKAMERICA C	56,050	08/28/2019	26.92	1,508,699.51	41.22	2,310,381.00	801,681.49	53.1	47,082.00	2.04%	
5.0%	BERKSHIRE HAT	23,700	02/14/2003	125.51	2,974,500.63	352.91	8,363,967.00	5,389,466.37	181.2	0.00	0.00%	
1.6%	CARMAX INC.	28,400	01/28/2019	59.76	1,697,279.06	96.48	2,740,032.00	1,042,752.94	61.4	0.00	0.00%	
1.1%	CISCO SYSTEMS	31,950	12/09/2008	21.77	695,426.27	55.76	1,781,532.00	1,086,105.73	156.2	47,286.00	2.65%	
3.1%	DISNEY (WALT)	38,125	08/09/1999	61.04	2,326,976.93	137.16	5,229,225.00	2,902,248.07	124.7	67,100.00	1.28%	
1.6%	EXPEDITORS IN	25,900	03/20/2013	39.86	1,032,276.08	103.16	2,671,844.00	1,639,567.92	158.8	30,044.00	1.12%	
2.7%	FASTENAL CO.	75,800	02/12/2015	20.76	1,573,368.51	59.40	4,502,520.00	2,929,151.49	186.2	93,992.00	2.09%	
2.2%	GENERAL ELECT Accrued Income	39,900	04/23/2015	108.49	4,328,930.62	91.50	3,650,850.00 3,192.00	(678,080.62)	(15.7)	12,768.00	0.35%	
4.2%	HOME DEPOT	23,425	06/03/2005	55.49	1,299,759.99	299.33	7,011,805.25	5,712,045.26	439.5	178,030.00	2.54%	
0.1%	iShares 1-3 YR T	1,760	06/23/2017	84.58	148,859.67	83.35	146,696.00	(2,163.67)	(1.5)	536.52	0.37%	
3.8%	JOHNSON & JOH	36,200	07/01/1993	82.87	3,000,005.90	177.23	6,415,726.00	3,415,720.10	113.9	153,488.00	2.39%	
3.8%	JP MORGAN	46,600	06/06/2008	56.49	2,632,548.02	136.32	6,352,512.00	3,719,963.98	141.3	186,400.00	2.93%	
1.4%	META PLATFOR	10,550	05/04/2020	217.77	2,297,506.29	222.36	2,345,898.00	48,391.71	2.1	0.00	0.00%	
5.4%	MICROSOFT CO	29,050	09/05/2006	30.96	899,346.50	308.31	8,956,405.50	8,057,059.00	895.9	72,044.00	0.80%	
2.9%	O'REILLY AUTOM	7,100	07/11/2017	178.48	1,267,179.68	684.96	4,863,216.00	3,596,036.32	283.8	0.00	0.00%	
2.0%	OMNICOM GROU Accrued Income	39,125	10/05/2004	54.36	2,126,719.17	84.88	3,320,930.00 27,387.50	1,194,210.83	56.2	109,550.00	3.30%	
2.2%	PFIZER INC	69,300	09/01/2011	27.70	1,919,879.14	51.77	3,587,661.00	1,667,781.86	86.9	110,880.00	3.09%	
4.6%	PROGRESSIVE C	67,350	05/23/2007	29.88	2,012,330.94	113.99	7,677,226.50	5,664,895.56	281.5	6,735.00	0.09%	
3.8%	SCHWAB (CHAS)	75,600	08/24/2020	35.35	2,672,119.80	84.31	6,373,836.00	3,701,716.20	138.5	60,480.00	0.95%	
2.8%	TE CONNECTIVI	35,500	11/02/2007	38.07	1,351,324.22	130.98	4,649,790.00	3,298,465.78	244.1	71,000.00	1.53%	
1.6%	TJX COS INC NE	44,550	12/01/2004	13.10	583,667.45	60.58	2,698,839.00	2,115,151.55	362.4	46,332.00	1.72%	
1.8%	U S BANCORP Accrued Income	56,150	12/07/2000	29.15	1,636,808.77	53.15	2,984,372.50 25,829.00	1,347,563.73	82.3	103,316.00	3.46%	
2.3%	UNION PACIFIC	14,000	07/24/2015	93.91	1,314,736.16	273.21	3,824,940.00	2,510,203.84	190.9	66,080.00	1.73%	
1.3%	WELLS FARGO	46,000	05/27/2011	33.16	1,525,572.90	48.46	2,229,160.00	703,587.10	46.1	46,000.00	2.06%	
72.9%				46.87	45,751,128.85		121,641,461.50	75,833,924.15	165.8	1,554,177.52	1.28%	

Portfolio Statement
As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
CORPORATES & AGENCIES												
Fixed Income												
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	100.31	1,003,050.08	(33,383.13)	(3.2)	38,000.00	3.79%	0.89
							3,166.67					
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	101.73	1,017,251.48	11,153.13	1.1	38,000.00	3.74%	1.74
							6,966.67					
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	101.22	1,012,232.70	(14,997.69)	(1.5)	36,500.00	3.61%	1.88
							18,250.00					
0.6%	ORACLE CORP 07/15/2023 3.625 Accrued Income	1,000,000	06/08/2016	105.13	1,051,308.99	101.39	1,013,903.53	(37,405.46)	(3.6)	36,250.00	3.58%	1.25
							7,652.78					
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	101.67	1,016,678.29	(25,310.02)	(2.4)	36,500.00	3.59%	2.05
							12,166.67					
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	102.69	1,026,904.01	(2,713.92)	(0.3)	36,250.00	3.53%	2.09
							10,673.61					
0.6%	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	102.26	1,022,613.70	(29,423.87)	(2.8)	37,500.00	3.67%	2.25
							4,791.67					
0.6%	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	102.24	1,022,422.55	(25,110.25)	(2.4)	37,000.00	3.62%	1.76
							6,269.44					
0.6%	ALTRIA GROUP I 01/31/2024 4.00 Accrued Income	1,000,000	11/14/2017	105.18	1,051,833.80	102.00	1,019,961.11	(31,872.69)	(3.0)	40,000.00	3.92%	1.75
							6,777.78					
0.6%	INTERNATIONAL 02/12/2024 3.625 Accrued Income	1,000,000	11/07/2017	104.00	1,039,966.60	101.94	1,019,353.52	(20,613.08)	(2.0)	36,250.00	3.56%	1.79
							4,934.03					
0.6%	CISCO SYS INC 03/04/2024 3.625 Accrued Income	1,000,000	02/13/2017	103.89	1,038,928.24	102.42	1,024,199.03	(14,729.21)	(1.4)	36,250.00	3.54%	1.85
							2,718.75					

Portfolio Statement

As of 03/31/2022

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%	APPLE INC NOTE 05/06/2024 3.45 Accrued Income	950,000	06/08/2016	104.59	993,598.44	102.27	971,551.48	(22,046.96)	(2.2)	32,775.00	3.37%	1.99
							13,201.04					
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	102.30	920,673.00	30,417.55	3.4	35,550.00	3.86%	3.05
							7,505.00					
0.6%	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	102.13	1,021,255.92	2,731.72	0.3	38,750.00	3.79%	3.49
							7,642.36					
0.6%	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	101.63	1,016,266.04	(25,418.16)	(2.4)	37,500.00	3.69%	3.63
							18,750.00					
0.8%	NORTHERN TR C 10/30/2025 3.95 Accrued Income	1,250,000	06/23/2017	105.64	1,320,487.20	102.63	1,282,868.95	(37,618.25)	(2.8)	49,375.00	3.85%	3.28
							20,710.07					
0.8%	OMNICOM GROU 04/15/2026 3.60 Call 01/15/2026, 1 Accrued Income	1,250,000	09/24/2019	105.67	1,320,850.00	101.22	1,265,267.63	(55,582.37)	(4.2)	45,000.00	3.56%	4.09
							20,750.00					
0.7%	VERIZON COMM 08/15/2026 2.625 Accrued Income	1,250,000	01/27/2021	108.75	1,359,350.00	97.90	1,223,774.85	(135,575.15)	(10.0)	32,812.50	2.68%	4.08
							4,192.71					
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	99.36	1,242,016.10	(115,233.90)	(8.5)	36,875.00	2.97%	4.12
							18,437.50					
0.7%	WELLS FARGO C 10/23/2026 3.00 Accrued Income	1,250,000	05/10/2021	108.69	1,358,625.00	98.75	1,234,314.61	(124,310.39)	(9.1)	37,500.00	3.04%	4.17
							16,458.33					
0.7%	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	99.42	1,242,694.96	(136,530.04)	(9.9)	32,812.50	2.64%	4.62
							1,093.75					
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	100.60	1,257,549.78	(109,950.22)	(8.0)	36,250.00	2.88%	5.68
							7,652.78					

Portfolio Statement

As of 03/31/2022

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%	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	99.70	1,246,199.35	(121,075.65)	(8.9)	40,600.00	3.26%	5.38
							18,044.44					
0.8%	Schwab CHARL 01/25/2028 3.20 Call 10/25/2027, 1 Accrued Income	1,250,000	01/11/2022	106.19	1,327,430.00	99.62	1,245,250.11	(82,179.89)	(6.2)	40,000.00	3.21%	5.24
							7,333.33					
0.6%	UNITED STATES 11/15/2028 3.125 Accrued Income	1,000,000	03/08/2022	108.18	1,081,750.00	104.23	1,042,344.00	(39,406.00)	(3.6)	31,250.00	3.00%	5.91
							11,805.56					
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	102.28	1,278,476.20	(120,148.80)	(8.6)	42,500.00	3.32%	6.53
							2,833.33					
0.8%	BLACKROCK INC 04/30/2029 3.25 Call 01/30/2029, 1 Accrued Income	1,250,000	06/23/2021	110.38	1,379,800.00	101.52	1,269,033.43	(110,766.57)	(8.0)	40,625.00	3.20%	6.21
							17,039.93					
0.7%	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	95.11	1,188,863.66	(137,486.34)	(10.4)	29,687.50	2.50%	6.69
							2,886.28					
0.7%	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	95.09	1,188,591.74	(137,808.26)	(10.4)	28,125.00	2.37%	6.75
							2,109.38					
0.7%	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	96.00	1,200,018.53	(160,881.47)	(11.8)	33,125.00	2.76%	6.96
							5,520.83					
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	94.71	947,120.88	(125,979.12)	(11.7)	24,000.00	2.53%	7.04
							3,733.33					
0.7%	PROGRESSIVE C 03/26/2030 3.20 Call 12/26/2029, 1 Accrued Income	1,250,000	02/25/2021	110.20	1,377,475.00	99.12	1,239,027.56	(138,447.44)	(10.1)	40,000.00	3.23%	6.99
							555.56					

Portfolio Statement

As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Unit Cost</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Modified Duration Market</u>
CORPORATES & AGENCIES												
Fixed Income												
0.7%	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	97.25	1,215,577.95	(144,122.05)	(10.6)	32,812.50	2.70%	7.05
							16,406.25					
0.7%	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	96.40	1,204,990.44	(152,009.56)	(11.2)	32,625.00	2.71%	7.48
							15,043.75					
0.7%	DISNEY WALT C 01/13/2031 2.65 Accrued Income	1,250,000	09/01/2020	107.97	1,349,650.00	95.51	1,193,850.00	(155,800.00)	(11.5)	33,125.00	2.77%	7.70
							7,177.08					
<u>23.8%</u>				<u>106.52</u>	<u>41,915,780.68</u>		<u>39,667,397.83</u>	<u>(2,579,633.51)</u>	<u>(6.2)</u>	<u>1,272,175.00</u>	<u>3.23%</u>	<u>4.35</u>
CASH AND CASH EQUIVALENTS												
Cash and Money Funds												
3.3%	CASH			1.00	5,544,304.88		5,544,304.88			0.00	0.00%	
<u>99.8%</u>				<u>105.08</u>	<u>93,211,214.41</u>		<u>166,465,505.05</u>	<u>73,254,290.64</u>	<u>78.6</u>	<u>2,826,352.52</u>	<u>1.70%</u>	<u>4.35</u>
	Total Accrued Inc						<u>387,659.16</u>					
<u>100.0%</u>							<u>166,853,164.21</u>					

Cash Reconciliation Report
From 01/01/2022 to 03/31/2022

KENTUCKY LEGISLATORS

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
01/01/2022		CASH Beginning Balance		1,561,604.76
01/05/2022	01/07/2022	Sell TE CONNECTIVITY LTD -1500.00	245,969.34	1,807,574.10
01/05/2022	01/07/2022	Sell ALPHABET INC- CL C -100.00	281,526.69	2,089,100.79
01/05/2022	01/07/2022	Sell APPLE COMPUTER -2125.00	379,936.37	2,469,037.16
01/05/2022	01/07/2022	Sell BANKAMERICA CORP. -2350.00	113,048.76	2,582,085.92
01/05/2022	01/07/2022	Sell CISCO SYSTEMS INC -1325.00	80,676.98	2,662,762.90
01/05/2022	01/07/2022	Sell BERKSHIRE HATH-B -975.00	304,908.14	2,967,671.04
01/05/2022	01/07/2022	Sell CARMAX INC. -1200.00	147,794.36	3,115,465.40
01/05/2022	01/07/2022	Sell DISNEY (WALT) CO. -1575.00	248,811.56	3,364,276.96
01/05/2022	01/07/2022	Sell EXPEDITORS INTERNATIONAL -1100.00	143,968.36	3,508,245.32
01/05/2022	01/07/2022	Sell META PLATFORMS INC CL A -450.00	149,120.73	3,657,366.05
01/05/2022	01/07/2022	Sell FASTENAL CO. -3150.00	196,604.67	3,853,970.72
01/05/2022	01/07/2022	Sell GENERAL ELECTRIC NEW -1650.00	165,693.14	4,019,663.86
01/05/2022	01/07/2022	Sell HOME DEPOT -975.00	400,266.55	4,419,930.41
01/05/2022	01/07/2022	Sell JP MORGAN -1950.00	325,130.03	4,745,060.44
01/05/2022	01/07/2022	Sell O'REILLY AUTOMOTIVE INC. -300.00	209,627.88	4,954,688.32
01/05/2022	01/07/2022	Sell OMNICOM GROUP -1625.00	124,073.96	5,078,762.28
01/05/2022	01/07/2022	Sell PFIZER INC -2900.00	161,410.56	5,240,172.84
01/05/2022	01/07/2022	Sell PROGRESSIVE CORP-OHIO -2800.00	289,471.76	5,529,644.60
01/05/2022	01/07/2022	Sell SCHWAB (CHAS) -3150.00	283,732.60	5,813,377.20
01/05/2022	01/07/2022	Sell TJX COS INC NEW -1850.00	142,257.98	5,955,635.18
01/05/2022	01/07/2022	Sell U S BANCORP -2350.00	138,579.73	6,094,214.91
01/05/2022	01/07/2022	Sell UNION PACIFIC -575.00	146,076.68	6,240,291.59
01/05/2022	01/07/2022	Sell WELLS FARGO -1900.00	100,155.32	6,340,446.91
01/05/2022	01/07/2022	Sell JOHNSON & JOHNSON -1500.00	259,473.47	6,599,920.38
01/05/2022	01/07/2022	Sell MICROSOFT CORP -1200.00	385,451.83	6,985,372.21
01/11/2022		Dividend OMNICOM GROUP	28,525.00	7,013,897.21
01/11/2022	01/13/2022	Buy SCHWAB CHARLES CORP 1000000.00	(1,081,033.33)	5,932,863.88
01/13/2022		Interest DISNEY WALT CO	16,562.50	5,949,426.38
01/14/2022		Dividend PROGRESSIVE CORP-OHIO	6,735.00	5,956,161.38
01/15/2022	01/18/2022	Sell MCDONALDS CORP MTN BE -1000000.00	1,000,000.00	6,956,161.38
01/15/2022		Interest MCDONALDS CORP MTN BE	13,125.00	6,969,286.38
01/15/2022		Interest AT&T INC	17,775.00	6,987,061.38
01/15/2022		Interest JOHNSON & JOHNSON	18,125.00	7,005,186.38
01/15/2022		Interest ORACLE CORP	18,125.00	7,023,311.38
01/18/2022		Dividend U S BANCORP	26,910.00	7,050,221.38
01/20/2022		Interest CVS HEALTH CORP	19,375.00	7,069,596.38
01/25/2022		Interest SCHWAB CHARLES CORP	16,000.00	7,085,596.38
01/25/2022		Interest PNC BK N A PITTSBURGH	19,000.00	7,104,596.38
01/25/2022		Dividend GENERAL ELECTRIC NEW	3,324.00	7,107,920.38
01/26/2022		Dividend CISCO SYSTEMS INC	12,311.75	7,120,232.13
01/30/2022		Interest U S BANCORP MTNS BE	18,500.00	7,138,732.13
01/31/2022	01/31/2022	Sell BERKSHIRE HATHAWAY INC -1000000.00	1,000,000.00	8,138,732.13
01/31/2022		Interest BERKSHIRE HATHAWAY INC	17,000.00	8,155,732.13
01/31/2022		Interest ALTRIA GROUP INC	20,000.00	8,175,732.13
01/31/2022		Dividend JP MORGAN	48,550.00	8,224,282.13
02/01/2022		Interest COMCAST CORP NEW	16,562.50	8,240,844.63
02/05/2022		Interest UNION PACIFIC CORP	12,000.00	8,252,844.63
02/07/2022		Dividend iShares 1-3 YR TSY ETF	41.00	8,252,885.63
02/10/2022		Dividend APPLE COMPUTER	11,258.50	8,264,144.13
02/12/2022		Interest INTERNATIONAL BUS MACH	18,125.00	8,282,269.13
02/14/2022		Withdrawal CASH	(2,000,000.00)	6,282,269.13
02/15/2022		Interest VERIZON COMMUNICATIONS	16,406.25	6,298,675.38
02/15/2022		Interest HOME DEPOT INC	18,750.00	6,317,425.38
02/25/2022		Dividend SCHWAB (CHAS)	15,120.00	6,332,545.38
02/26/2022		Interest 3M CO	14,843.75	6,347,389.13
02/28/2022	03/02/2022	Buy NORTHERN TR CORP 250000.00	(268,746.53)	6,078,642.60
02/28/2022	03/02/2022	Buy OMNICOM GROUP INC 250000.00	(265,375.00)	5,813,267.60
02/28/2022	03/02/2022	Buy BLACKROCK INC 250000.00	(265,253.47)	5,548,014.13
02/28/2022	03/02/2022	Buy SCHWAB CHARLES CORP 250000.00	(262,152.22)	5,285,861.91
03/01/2022		Interest O REILLY AUTOMOTIVE IN	19,000.00	5,304,861.91
03/01/2022		Dividend WELLS FARGO	11,500.00	5,316,361.91
03/02/2022		Dividend FASTENAL CO.	23,498.00	5,339,859.91
03/03/2022		Dividend TJX COS INC NEW	11,583.00	5,351,442.91
03/04/2022		Interest TEXAS INSTRUMENTS	14,062.50	5,365,505.41
03/04/2022		Interest CISCO SYS INC	18,125.00	5,383,630.41

Cash Reconciliation Report
From 01/01/2022 to 03/31/2022

KENTUCKY LEGISLATORS

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
03/04/2022		Dividend TE CONNECTIVITY LTD	17,750.00	5,401,380.41
03/04/2022		Dividend PFIZER INC	27,720.00	5,429,100.41
03/07/2022		Interest MERCK & CO. INC	21,250.00	5,450,350.41
03/07/2022		Dividend iShares 1-3 YR TSY ETF	44.71	5,450,395.12
03/08/2022		Dividend JOHNSON & JOHNSON	38,372.00	5,488,767.12
03/08/2022	03/10/2022	Buy UNITED STATES TREAS NT 1000000.00	(1,091,677.49)	4,397,089.63
03/10/2022		Dividend MICROSOFT CORP	18,011.00	4,415,100.63
03/19/2022		Interest PEPSICO INC	16,406.25	4,431,506.88
03/24/2022		Dividend HOME DEPOT	44,507.50	4,476,014.38
03/25/2022		Dividend BANKAMERICA CORP.	11,770.50	4,487,784.88
03/26/2022		Interest PROGRESSIVE CORP	20,000.00	4,507,784.88
03/30/2022	03/30/2022	Sell HSBC HOLDINGS PLC -1000000.00	1,000,000.00	5,507,784.88
03/30/2022		Interest HSBC HOLDINGS PLC	20,000.00	5,527,784.88
03/31/2022		Dividend UNION PACIFIC	16,520.00	5,544,304.88
03/31/2022		CASH Ending Balance		5,544,304.88

April 22, 2022

Brokerage Fees Report

From 01/01/2022 to 03/31/2022

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									
01/05/2022	Sell	ALPHABET IN	100	281,526.69	281,533.13	5.00	0.05	0.00%	EQ
01/05/2022	Sell	APPLE COMPU	2,125	379,936.37	380,044.56	106.25	0.05	0.03%	EQ
01/05/2022	Sell	BANKAMERIC	2,350	113,048.76	113,166.84	117.50	0.05	0.10%	EQ
01/05/2022	Sell	BERKSHIRE H	975	304,908.14	304,958.45	48.75	0.05	0.02%	EQ
01/05/2022	Sell	CARMAX INC.	1,200	147,794.36	147,855.12	60.00	0.05	0.04%	EQ
01/05/2022	Sell	CISCO SYSTE	1,325	80,676.98	80,743.65	66.25	0.05	0.08%	EQ
01/05/2022	Sell	DISNEY (WAL	1,575	248,811.56	248,891.58	78.75	0.05	0.03%	EQ
01/05/2022	Sell	EXPEDITORS I	1,100	143,968.36	144,024.10	55.00	0.05	0.04%	EQ
01/05/2022	Sell	FASTENAL CO.	3,150	196,604.67	196,763.18	157.50	0.05	0.08%	EQ
01/05/2022	Sell	GENERAL ELE	1,650	165,693.14	165,776.49	82.50	0.05	0.05%	EQ
01/05/2022	Sell	HOME DEPOT	975	400,266.55	400,317.35	48.75	0.05	0.01%	EQ
01/05/2022	Sell	JOHNSON & JO	1,500	259,473.47	259,549.80	75.00	0.05	0.03%	EQ
01/05/2022	Sell	JP MORGAN	1,950	325,130.03	325,229.19	97.50	0.05	0.03%	EQ
01/05/2022	Sell	META PLATFO	450	149,120.73	149,144.00	22.50	0.05	0.02%	EQ
01/05/2022	Sell	MICROSOFT C	1,200	385,451.83	385,513.80	60.00	0.05	0.02%	EQ
01/05/2022	Sell	O'REILLY AUT	300	209,627.88	209,643.75	15.00	0.05	0.01%	EQ
01/05/2022	Sell	OMNICOM GR	1,625	124,073.96	124,155.85	81.25	0.05	0.07%	EQ
01/05/2022	Sell	PFIZER INC	2,900	161,410.56	161,556.39	145.00	0.05	0.09%	EQ
01/05/2022	Sell	PROGRESSIVE	2,800	289,471.76	289,613.24	140.00	0.05	0.05%	EQ
01/05/2022	Sell	SCHWAB (CHA	3,150	283,732.60	283,891.55	157.50	0.05	0.06%	EQ
01/05/2022	Sell	TE CONNECTI	1,500	245,969.34	246,045.60	75.00	0.05	0.03%	EQ
01/05/2022	Sell	TIJX COS INC N	1,850	142,257.98	142,351.21	92.50	0.05	0.06%	EQ
01/05/2022	Sell	U S BANCORP	2,350	138,579.73	138,697.94	117.50	0.05	0.08%	EQ
01/05/2022	Sell	UNION PACIFI	575	146,076.68	146,106.18	28.75	0.05	0.02%	EQ
01/05/2022	Sell	WELLS FARGO	1,900	100,155.32	100,250.84	95.00	0.05	0.09%	EQ
01/11/2022	Buy	SCHWAB CHA	1,000,000	(1,081,033.33)	1,065,200.00	900.00	0.90	0.08%	CB
01/15/2022	Sell	MCDONALDS	1,000,000	1,000,000.00	1,000,000.00	0.00	0.00	0.00%	CB
01/31/2022	Sell	BERKSHIRE H	1,000,000	1,000,000.00	1,000,000.00	0.00	0.00	0.00%	CB
02/28/2022	Buy	BLACKROCK I	250,000	(265,253.47)	262,325.00	175.00	0.70	0.07%	CB
02/28/2022	Buy	NORTHERN TR	250,000	(268,746.53)	265,225.00	175.00	0.70	0.07%	CB
02/28/2022	Buy	OMNICOM GR	250,000	(265,375.00)	261,750.00	200.00	0.80	0.08%	CB
02/28/2022	Buy	SCHWAB CHA	250,000	(262,152.22)	261,155.00	175.00	0.70	0.07%	CB
03/08/2022	Buy	UNITED STAT	1,000,000	(1,091,677.49)	1,081,050.00	700.00	0.70	0.06%	CB
03/30/2022	Sell	HSBC HOLDIN	1,000,000	1,000,000.00	1,000,000.00	0.00	0.00	0.00%	CB
Total: No Broke				5,189,529.41	11,622,528.79	4,353.75	0.09	0.04%	

Portfolio Position Analysis

As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
EQUITIES							
COMMUNICATION SERVICES							
3.2%	DISNEY (WALT) C	38,125	08/09/1999	2,326,976.93	5,229,225.00	624,806	924.77%
1.5%	META PLATFORMS	10,550	05/04/2020	2,297,506.29	2,345,898.00	0	11.95%
4.7%				4,624,483.22	7,575,123.00	624,806	
CONSUMER DISCRETIONARY							
1.7%	CARMAX INC.	28,400	01/28/2019	1,697,279.06	2,740,032.00	0	76.90%
4.4%	HOME DEPOT	23,425	06/03/2005	1,299,759.99	7,011,805.25	1,548,985	1408.81%
3.0%	O'REILLY AUTOMO	7,100	07/11/2017	1,267,179.68	4,863,216.00	0	325.60%
1.7%	TJX COS INC NEW	44,550	12/01/2004	583,687.45	2,698,839.00	423,262	1203.74%
10.8%				4,847,906.18	17,313,892.25	1,972,246	
FINANCIALS							
1.4%	BANKAMERICA CO	56,050	08/28/2019	1,508,699.51	2,310,381.00	131,330	62.95%
5.2%	BERKSHIRE HATH--	23,700	02/14/2003	2,974,500.63	8,363,967.00	0	786.60%
3.9%	JP MORGAN	46,600	06/06/2008	2,632,548.02	6,352,512.00	1,284,660	467.89%
4.8%	PROGRESSIVE COR	67,350	05/23/2007	2,012,330.94	7,677,226.50	1,405,701	774.93%
4.0%	SCHWAB (CHAS)	75,600	08/24/2020	2,672,119.80	6,373,836.00	88,605	155.21%
1.9%	U S BANCORP	56,150	12/07/2000	1,636,808.77	2,984,372.50	1,220,398	480.53%
1.4%	WELLS FARGO	46,000	05/27/2011	1,525,572.90	2,229,160.00	784,046	144.41%
22.6%				14,962,580.57	36,291,455.00	4,914,740	
HEALTH CARE							
4.0%	JOHNSON & JOHNS	36,200	07/01/1993	3,000,005.90	6,415,726.00	1,555,086	4491.17%
2.2%	PFIZER INC	69,300	11/17/2020	1,919,879.14	3,587,661.00	1,206,258	156.95%
6.2%				4,919,885.04	10,003,387.00	2,761,344	
INFORMATION TECHNOLOGY							
5.6%	APPLE COMPUTER	51,175	04/23/2015	1,362,202.37	8,935,666.75	623,845	1254.34%
1.1%	CISCO SYSTEMS IN	31,950	12/09/2008	695,426.27	1,781,532.00	608,694	257.29%
5.6%	MICROSOFT CORP	29,050	09/05/2006	899,346.50	8,956,405.50	969,045	1350.05%
2.1%	OMNICOM GROUP	39,125	10/05/2004	2,126,719.17	3,320,930.00	865,628	321.00%
2.9%	TE CONNECTIVITY	35,500	11/02/2007	1,351,324.22	4,649,790.00	745,175	488.58%
17.2%				6,435,018.53	27,644,324.25	3,812,386	
SHORT TSY ETF							
0.1%	iShares 1-3 YR TSY E	1,760	06/23/2017	148,859.67	146,696.00	8,556	4.42%
COMMUNICATION							
4.9%	ALPHABET INC- CL	2,850	03/31/2015	1,563,084.27	7,960,021.50	0	403.96%
INDUSTRIAL							
1.7%	EXPEDITORS INTE	25,900	03/20/2013	1,032,276.08	2,671,844.00	240,083	226.58%
2.8%	FASTENAL CO.	75,800	02/12/2015	1,573,368.51	4,502,520.00	580,753	228.25%
2.3%	GENERAL ELECTRI	39,900	04/23/2015	4,328,930.62	3,650,850.00	767,977	-43.84%

Portfolio Position Analysis
As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
EQUITIES							
INDUSTRIAL							
2.4%	UNION PACIFIC	14,000	07/24/2015	1,314,736.16	3,824,940.00	371,932	222.00%
9.1%				8,249,311.37	14,650,154.00	1,960,745	
75.6%				45,751,128.85	121,585,053.00	16,054,822	
CORPORATES & AGENCIES							
0.7%	3M CO	1,250,000	02/03/2021	1,326,350.00	1,188,863.66	41,563	-8.54%
	08/26/2029 2.375% Call 05/26/2029, 100.						
0.6%	ALTRIA GROUP INC	1,000,000	11/14/2017	1,051,833.80	1,019,961.11	180,000	11.93%
	01/31/2024 4.00%						
0.6%	APPLE INC NOTE	950,000	06/08/2016	993,598.44	971,551.48	171,638	13.43%
	05/06/2024 3.45%						
0.6%	AT&T INC	900,000	06/13/2018	890,255.45	920,673.00	142,200	19.20%
	01/15/2025 3.95% Call 10/15/2024, 100.						
0.8%	BANK AMER CORP	1,250,000	02/25/2021	1,367,275.00	1,246,199.35	36,540	-7.40%
	10/21/2027 3.248% Call 10/21/2026, 100.						
0.8%	BLACKROCK INC	1,250,000	06/23/2021	1,379,800.00	1,269,033.43	16,250	-8.93%
	04/30/2029 3.25% Call 01/30/2029, 100.						
0.6%	CISCO SYS INC	1,000,000	02/13/2017	1,038,928.24	1,024,199.03	190,313	15.35%
	03/04/2024 3.625%						
0.7%	COMCAST CORP NE	1,250,000	09/01/2020	1,360,900.00	1,200,018.53	46,375	-9.61%
	02/01/2030 2.65% Call 11/01/2029, 100.						
0.6%	CUMMINS INC	1,000,000	12/21/2018	1,027,230.39	1,012,232.70	109,500	8.42%
	10/01/2023 3.65% Call 07/01/2023, 100.						
0.6%	CVS HEALTH CORP	1,000,000	11/13/2017	1,018,524.20	1,021,255.92	174,375	16.68%
	07/20/2025 3.875% Call 04/20/2025, 100.						
0.7%	DISNEY WALT CO	1,250,000	09/01/2020	1,349,650.00	1,193,850.00	50,792	-9.41%
	01/13/2031 2.65%						
0.7%	EXXON MOBIL COR	1,250,000	09/01/2020	1,357,000.00	1,204,990.44	42,413	-9.74%
	10/15/2030 2.61% Call 07/15/2030, 100.						
0.6%	HOME DEPOT INC	1,000,000	11/14/2017	1,052,037.57	1,022,613.70	140,625	11.36%
	02/15/2024 3.75% Call 11/15/2023, 100.						
0.6%	INTERNATIONAL B	1,000,000	11/07/2017	1,039,966.60	1,019,353.52	163,125	12.10%
	02/12/2024 3.625%						
0.8%	JOHNSON & JOHNS	1,250,000	05/10/2021	1,367,500.00	1,257,549.78	36,250	-6.28%
	01/15/2028 2.90% Call 10/15/2027, 100.						
0.8%	JPMORGAN CHASE	1,250,000	02/26/2021	1,357,250.00	1,242,016.10	33,188	-7.33%
	10/01/2026 2.95% Call 07/01/2026, 100.						

Portfolio Position Analysis
As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
CORPORATES & AGENCIES							
0.8%	MERCK & CO. INC 03/07/2029 3.40% Call 12/07/2028, 100.	1,250,000	02/25/2021	1,398,625.00	1,278,476.20	59,500	-5.88%
0.6%	MICROSOFT CORP 12/15/2023 3.625% Call 09/15/2023, 100.	1,000,000	11/07/2018	1,029,617.93	1,026,904.01	117,813	10.87%
0.8%	NORTHERN TR COR 10/30/2025 3.95%	1,250,000	06/23/2017	1,320,487.20	1,282,868.95	167,875	11.21%
0.6%	O REILLY AUTOMO 09/01/2022 3.80% Call 06/01/2022, 100.	1,000,000	11/14/2017	1,036,433.21	1,003,050.08	171,000	11.33%
0.8%	OMNICOM GROUP I 04/15/2026 3.60% Call 01/15/2026, 100.	1,250,000	09/24/2019	1,320,850.00	1,265,267.63	90,000	1.44%
0.6%	ORACLE CORP 07/15/2023 3.625%	1,000,000	06/08/2016	1,051,308.99	1,013,903.53	203,906	12.50%
0.8%	PEPSICO INC 03/19/2027 2.625% Call 01/19/2027, 100.	1,250,000	09/01/2020	1,379,225.00	1,242,694.96	59,063	-7.02%
0.8%	PFIZER INC 04/01/2030 2.625% Call 01/01/2030, 100.	1,250,000	01/27/2021	1,359,700.00	1,215,577.95	29,531	-9.62%
0.6%	PNC BK N A PITTSB 07/25/2023 3.80% Call 06/25/2023, 100.	1,000,000	06/07/2018	1,006,098.35	1,017,251.48	152,000	15.54%
0.8%	PROGRESSIVE COR 03/26/2030 3.20% Call 12/26/2029, 100.	1,250,000	02/25/2021	1,377,475.00	1,239,027.56	56,000	-7.38%
0.6%	SCHLUMBERGER I 12/01/2023 3.65% Call 09/01/2023, 100.	1,000,000	10/17/2016	1,041,988.31	1,016,678.29	182,500	13.70%
0.8%	SCHWAB CHARLES 01/25/2028 3.20% Call 10/25/2027, 100.	1,250,000	01/11/2022	1,327,430.00	1,245,250.11	16,000	-6.97%
0.6%	SYSCO CORP 10/01/2025 3.75% Call 07/01/2025, 100.	1,000,000	11/08/2017	1,041,684.20	1,016,266.04	150,000	11.15%
0.7%	TEXAS INSTRUMEN 09/04/2029 2.25% Call 06/04/2029, 100.	1,250,000	01/27/2021	1,326,400.00	1,188,591.74	39,375	-8.63%
0.6%	U S BANCORP MTN 01/30/2024 3.70% Call 12/29/2023, 100.	1,000,000	03/02/2016	1,047,532.80	1,022,422.55	203,500	16.20%
0.6%	UNION PACIFIC CO 02/05/2030 2.40% Call 11/05/2029, 100.	1,000,000	01/27/2021	1,073,100.00	947,120.88	36,000	-9.54%
0.6%	UNITED STATES TR 11/15/2028 3.125%	1,000,000	03/08/2022	1,081,750.00	1,042,344.00	0	-4.52%
0.8%	VERIZON COMMUN 08/15/2026 2.625%	1,250,000	01/27/2021	1,359,350.00	1,223,774.85	45,938	-8.02%

Portfolio Position Analysis
As of 03/31/2022

KENTUCKY LEGISLATORS

<u>Weight</u>	<u>Description</u>	<u>Quantity</u>	<u>Acquisition Date</u>	<u>Cost Basis</u>	<u>Current Value</u>	<u>Cumulative Income</u>	<u>Actual Net (IRR)</u>
CORPORATES & AGENCIES							
0.8%	WELLS FARGO CO	1,250,000	05/10/2021	1,358,625.00	1,234,314.61	18,750	-7.96%
	10/23/2026 3.00%						
24.4%				41,915,780.68	39,336,147.17	3,373,894	
CASH AND CASH EQUIVALENTS							
0.0%	CASH			0.00	0.00	0	
100.0%				43,276,669.09	40,921,200.17	3,392,694	

Item IV – Investment Related Matters

B. Baird Trust Company



Investment Review
KY Judicial Retirement Fund
KY Legislator Retirement Fund
April 22, 2022

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Investing in Uncertain Times

John C. Watkins III, CFA®
Senior Vice President
Equity Portfolio Manager

“We underrate the unpredictability of the future, because we overrate the inevitability of the past.”

*– Marc Andreessen, Co-Founder of VC firm
Andreessen Horowitz*

Today’s investment environment feels more uncertain than ever. Inflation is surging, interest rates are rising, there’s a war in Europe, commodity prices are climbing rapidly, and stock volatility has returned. Even though the future is always uncertain, there are times when the range of future outcomes seems wider than normal. Elevated uncertainty often leaves investors confused and uneasy about their portfolios.

While there are many contributing factors, we believe there are two key drivers of today’s uncertainty. First, the Federal Reserve (Fed) is at the beginning of a radical policy shift to tackle rising inflation. Second, Russia’s invasion of Ukraine introduced substantial geopolitical upheaval after a long period of relative calm.

The End of an Era

The past 15 years were characterized by highly accommodative monetary policy from the Fed – quantitative easing (QE) and near-zero interest rates. In fact, the Fed Funds rate was below 1% for 71% of this 15-year period (128 out of 180 months) and was above 1% and rising only 11% of the time (19 months). Additionally, the Fed’s aggressive bond purchasing through QE expanded its balance sheet 10-fold from \$900 billion in 2007 to nearly \$9 trillion today. This period of accommodative policy began with the onset of the 2008/2009 Global Financial Crisis and, aside from a brief period in 2017/2018, continued through the COVID-19 pandemic.

Low rates act as an accelerant to business activity as consumers and businesses can borrow cheaply and refinance existing debt at a lower cost. Low rates also boost stock prices. They make bonds less attractive, encouraging money to shift from bonds to stocks. And they allow businesses to be valued more richly because the present value of future cash flow is worth more when rates are low. Low rates are not the only reason for the strong performance of the stock market since 2008, but they provided a helpful tailwind.

However, with inflation at a 40-year high and moving higher, the future path of Fed policy is likely to look very different than that of the past 15 years. The Fed recently indicated it would “do whatever it takes” to combat inflation, which means higher interest rates, perhaps materially, and the withdrawal of QE. The tailwinds many investors became accustomed to since 2008 are likely to reverse going forward, creating potential headwinds to business activity and stock prices.

War in Europe

In addition to the shifting monetary policy environment, the geopolitical environment is becoming more complicated. This marks a significant shift from the relative global stability and increasing globalization of the past 15+ years, which ended emphatically with the Russian invasion of Ukraine.

This conflict, combined with COVID-19 driven supply chain disruptions, laid bare the downsides of too much globalization. Because of this, many countries are reevaluating the economic and national security impacts of global interdependence, and we may be entering a period of de-globalization. It is impossible to predict what the impacts will be, but the next decade will likely see companies bringing production closer to home.

Furthermore, the invasion exacerbated the domestic inflation issues as energy and commodity prices surged higher. The Fed must now adjust its policy faster than what was expected just 6 weeks ago while also being careful not to go too far and cause a recession. Threading this needle and avoiding a policy error, whether that be prolonged inflation or a recession, will be extraordinarily difficult.

Return of Market Volatility

These two profound shifts drove uncertainty to the forefront of investors' minds in the first quarter of 2022. Elevated uncertainty often coincides with elevated stock market volatility, which was on display with stocks gyrating wildly in the quarter.

After reaching an all-time high of 4,796 on January 3rd, the S&P 500 fell 10% by January 27th, rebounded 6% by February 2nd, and then fell another 9% to 4,170 by March 8, down 13% from the high. However, in the face of rising pessimism, the S&P 500 rallied sharply through the end of March to end the quarter at 4,530 – up 9% from its low and only down 4.6% on the year.

This price movement is in stark contrast to the benign volatility in 2021 where the largest peak-to-trough drawdown was only 5%, and there were 70 new all-time highs. With uncertainty over Fed policy and the conflict in Europe remaining elevated, it is likely we will see continued stock market volatility for the foreseeable future.

Prognostications are Unreliable

However, we believe it is important to remember that guesses about the future are just that – guesses. The range of future outcomes is always wide, and today's environment is no different. We do not know precisely how the shifting Fed policy or the geopolitical upheaval will impact the economy or the stock market.

It is easy to assume uncertainty is always bad for stock prices. On the surface, rising inflation and rising interest rates *seem* like they should disrupt markets. And a war that has the potential to develop into a broader global conflict *seems* like it would be obviously bad for stocks.

However, using history as a guide, this relationship is not clear. The S&P 500 generated positive returns in many of the rising rate environments of the past 50 years. And U.S. stocks performed well through some past geopolitical conflicts when measured from beginning to end, including major conflicts like WWI and WWII, albeit with volatility along the way. For example, from September 1, 1939, through August 31, 1945, the Dow Jones Industrial Average increased 50% or roughly 7% annually.

Human nature craves certainty, even if it is false certainty. This is why prognosticators and macro strategists get so much air time in the press despite their abysmal track record of accurate predictions. And it's especially true with predictions of doom and gloom. At the end of the day, we believe stock market prognostications should be ignored, and we agree with Warren Buffett when he said, "I have long felt that the only value of stock forecasters is to make fortune tellers look good."

Embracing Uncertainty

How does today's elevated uncertainty impact our investment process? In short, it doesn't. Investors never know with certainty what the future holds. The events of the past 5 years are a stark reminder of this fact. Although the feeling tends to ebb and flow over time, future uncertainty is always high, and the range of future outcomes is always wide.

We aim to embrace this idea, stay humble about our ability to predict the future, and build it into our investment process. As the father of value investing, Ben Graham, said in his 1949 classic *The Intelligent Investor*, "At heart, uncertainty and investing are synonyms.

The next 10 years will likely hold many surprises that we can't predict or understand today. It is easy, especially during times of market volatility, to focus on the negative – a Fed policy error or geopolitical disruption – and become pessimistic about the future.

But what about the positive surprises? The technological and medical breakthroughs that fundamentally improve our lives. The new businesses that will be formed that revolutionize industries for the better and even create entirely new industries. In the short term, the dynamism of the U.S. economy is often underappreciated, but for investors with a long-term time horizon, it has always paid to be optimistic about the future.

Preparing for Uncertainty

Because we know that the future will hold surprises, we focus on building client portfolios with high-quality investments that are sturdy enough to make it through any environment. In fixed income, we aim to own high-grade bonds that will act as a port in the storm during market volatility. In equities, we aim to own high-quality businesses that have sustainable competitive advantages, that are run by talented and honest CEOs and that trade at attractive prices. Furthermore, we often seek businesses that benefit from long-term tailwinds that will help fuel their growth over decades.

Fortunately, successful long-term investing does not require us to accurately predict the future of the economy or geopolitics. Over the past 30 years we have managed client portfolios through many turbulent times – the technology bubble of the late 90s and its subsequent collapse, the September 11th terrorist attack, a commodity bubble and collapse, a housing bubble and collapse, a global credit crisis, wildly different political environments, a trade war, and a global pandemic.

Our success was not determined by predicting these events – we didn't – but by sticking to our time-tested process, which is built to endure all sorts of diverse environments. By always striving to own companies that can navigate the inevitable uncertainties, we are prepared for both the tough times and the good times before they arrive.

Our ultimate goal is to help you compound your wealth at attractive rates over the long term. This is easier said than done, but it is our true north. We thank you for the trust you place in us as we remain steadfastly committed to this goal every day.

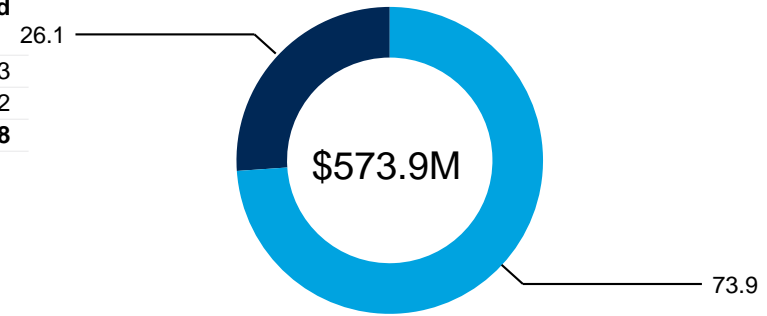
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Client Investment Review

Investment activity through 03/31/2022

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
■ Total Equity	424,047,574	73.9	5,330,551.00	1.3
■ Total Fixed Income	149,817,808	26.1	4,818,491.36	3.2
Total	573,865,382	100.0	10,149,042.36	1.8

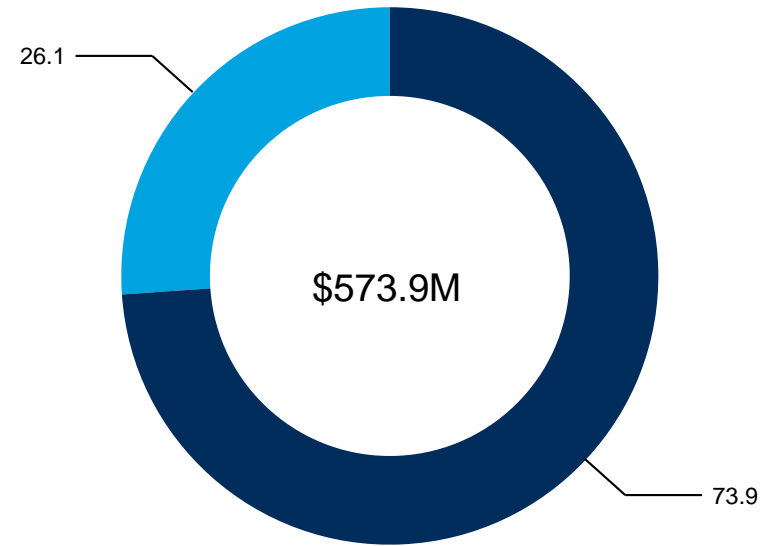


Investment Summary

	Fiscal Year to Date (9 Months)
Beginning Account Value	577,640,628.47
Net Contributions/Withdrawals	-19,108,288.31
Income Earned	7,796,388.03
Market Appreciation	7,536,653.70
Ending Account Value	573,865,381.89

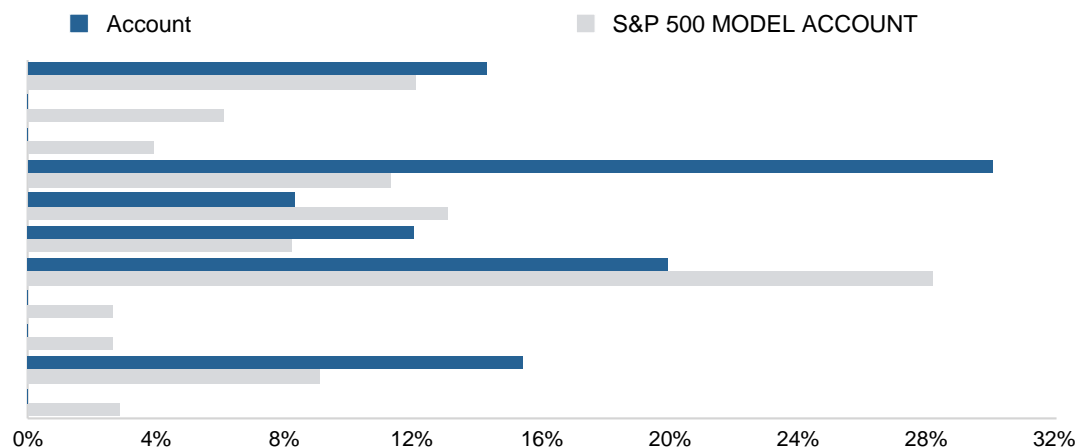
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	424,047,574	73.9
● Taxable Fixed Income	149,687,782	26.1
● Taxable Bond Funds	130,026	.0
Total	573,865,382	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.3	12.1
Consumer Staples	.0	6.1
Energy	.0	3.9
Financials	30.0	11.3
Health Care	8.3	13.1
Industrials	12.0	8.2
Information Tech	19.9	28.2
Materials	.0	2.6
Real Estate	.0	2.6
Communication Servic	15.4	9.1
Utilities	.0	2.8



Top 10 Performers

	Market Value	% of Mkt Val	Return
PFIZER INC COM	12,590,464	2.2	47.97
APPLE INC COM	31,141,694	5.4	43.82
BERKSHIRE HATHAWAY INC DE	29,044,493	5.1	38.12
O REILLY AUTOMOTIVE INC N	17,055,504	3.0	35.07
ALPHABET INC CAP STK CL C	27,427,162	4.8	34.97
MICROSOFT CORP COM	31,432,205	5.5	32.45
SCHWAB CHARLES CORP NEW C	22,308,426	3.9	30.19
UNION PAC CORP COM	13,332,648	2.3	26.31
WELLS FARGO & CO NEW COM	7,845,674	1.4	25.78
PROGRESSIVE CORP OH COM	26,690,759	4.7	21.54

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	31,432,205	5.5	32.45
APPLE INC COM	31,141,694	5.4	43.82
BERKSHIRE HATHAWAY INC DE	29,044,493	5.1	38.12
ALPHABET INC CAP STK CL C	27,427,162	4.8	34.97
PROGRESSIVE CORP OH COM	26,690,759	4.7	21.54
HOME DEPOT INC COM	24,612,409	4.3	.16
JOHNSON & JOHNSON COM	22,455,041	3.9	10.48
JPMORGAN CHASE & CO COM	22,322,400	3.9	-8.28
SCHWAB CHARLES CORP NEW C	22,308,426	3.9	30.19
DISNEY WALT CO COM	18,300,573	3.2	-25.67

Large Cap Equity Attribution

Sector	Qtr
Financials	1.10
Health Care	0.70
Information Technology	0.28
Real Estate	0.15
Materials	0.00
Communication Services	-0.10
Industrials	-0.24
Consumer Staples	-0.30
Utilities	-0.30
Energy	-0.98
Consumer Discretionary	-1.88
Total	-1.83

Sector	1 Year
Information Technology	1.00
Health Care	0.43
Utilities	0.14
Real Estate	0.12
Materials	0.04
Industrials	-0.05
Financials	-0.15
Consumer Staples	-0.15
Energy	-1.10
Communication Services	-1.37
Consumer Discretionary	-1.54
Total	-2.88

Sector	5 Years
Energy	0.51
Information Technology	0.48
Financials	0.23
Consumer Staples	0.21
Industrials	0.20
Utilities	0.17
Real Estate	0.11
Materials	0.05
Communication Services	0.01
Health Care	-0.41
Consumer Discretionary	-0.73
Total	0.83

Ky Judicial Retirement DB Top & Bottom Contributors

Top Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
BRK	Berkshire Hathaway	6.85	18.08	0.98
PGR	Progressive	6.29	11.19	0.59
OMC	Omnicom	2.75	16.78	0.37
UNP	Union Pacific	3.14	8.94	0.24
JNJ	Johnson & Johnson	5.30	4.28	0.20

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.41	32.45	2.56
AAPL	Apple	7.34	43.82	2.43
BRK	Berkshire Hathaway	6.85	38.12	2.01
GOOG	Alphabet	6.47	34.97	1.83
SCHW	Charles Schwab	5.26	30.19	1.34

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	7.34	38.90	2.77
MSFT	Microsoft	7.41	37.83	2.43
PGR	Progressive	6.29	27.84	1.41
GOOG	Alphabet	6.47	27.49	1.35
HD	Home Depot	5.80	17.91	1.18

Bottom Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	5.80	-27.45	-2.06
FB	Meta Platform	1.92	-33.92	-0.96
TEL	TE Connectivity	3.72	-18.52	-0.79
KMX	CarMax	2.30	-25.93	-0.75
JPM	JP Morgan Chase	5.26	-13.33	-0.75

1 Year

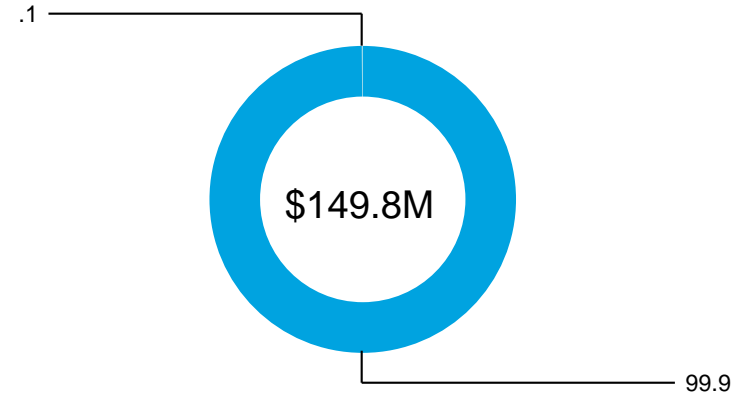
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	4.32	-25.67	-1.57
KMX	CarMax	2.30	-27.38	-0.90
FB	Meta Platform	1.92	-24.58	-0.63
JPM	JP Morgan Chase	5.26	-8.28	-0.47
GE	General Electric	2.97	-11.19	-0.44

5 Years

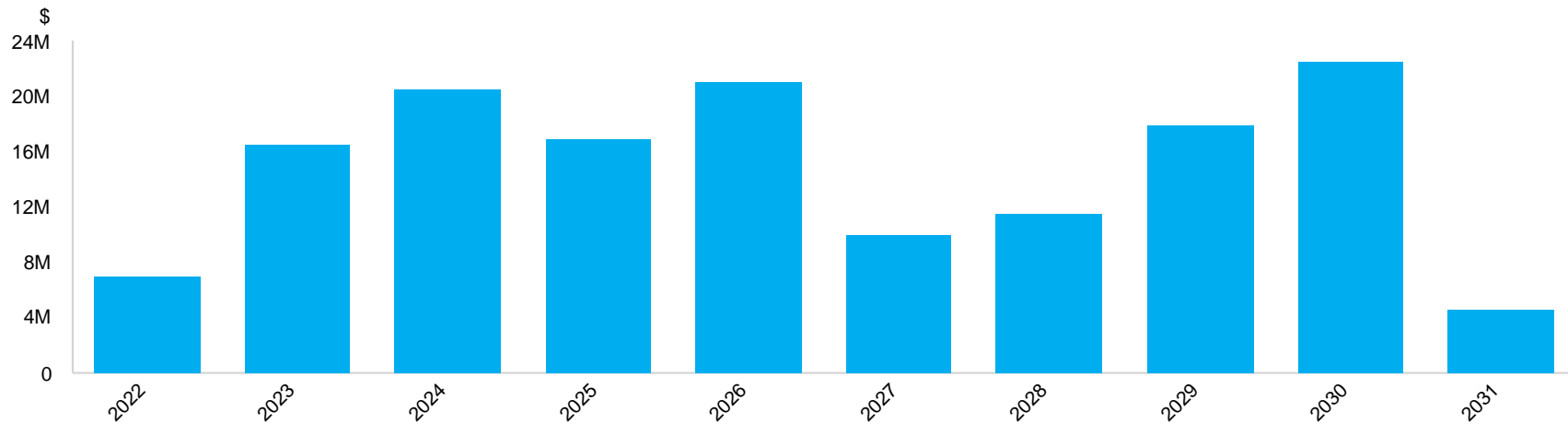
Ticker	Company	Ending Allocation	Total Return	Contribution
GE	General Electric	2.97	-11.19	-0.11
WFC	Wells Fargo	1.85	0.20	-0.03
FB	Meta Platform	1.92	3.22	0.05
USB	US Bancorp	2.56	3.73	0.13
OMC	Omnicom	2.75	3.59	0.16

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	149,687,782	99.9	4,818,170.00	3.2
● Taxable Bond Funds	130,026	.1	321.36	.2
Total	149,817,808	100.0	4,818,491.36	3.2



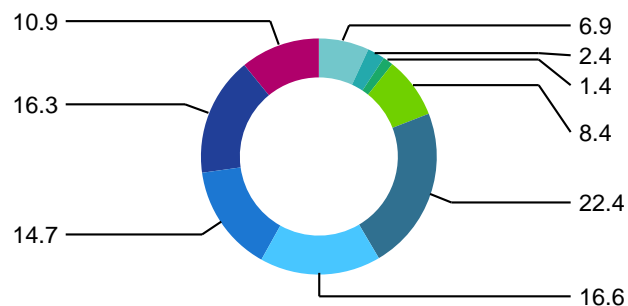
Fixed Income Maturity Schedule



Fixed Income Analysis

	03/31/2022	Barclays Gov't/Credit Interm Bond Index
Coupon	3.25	1.94
Current Yield	3.25	2.00
Yield to Maturity	2.95	2.70
Maturity	4.62	4.40
Duration	4.27	4.05
Face Amount	148,500,000	
Market Value	148,458,770	
Total Accrual	1,229,012	
Cost	157,026,784	

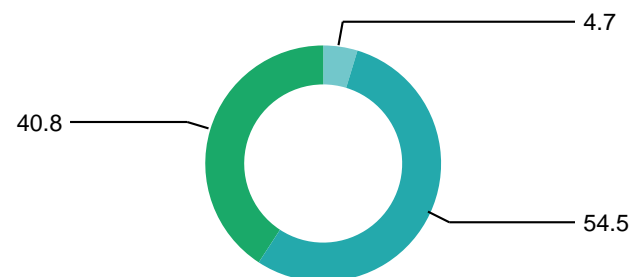
Quality Allocation by Market Value



■ AAA ■ AA+ ■ AA ■ AA- ■ A+
■ A ■ A- ■ BBB+ ■ BBB

NR=Not rated by S&P

Maturity Allocation by Market Value



■ Less than 1 Year ■ Short (1-5 Years)
■ Intermediate (5-10 Years)

	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	107.230	95.495	4,323,112.50	BBB+			119,250.00
Total Matures 2031					4,323,112.50				119,250.00
Matures 2030									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	96.386	4,391,527.50	AA-	07/15/2030		117,450.00
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	4,500,000.000	108.330	97.087	4,427,977.50	A+	01/01/2030		118,125.00
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	99.661	4,486,682.50	A	12/26/2029		139,500.00
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	4,500,000.000	109.830	99.110	4,461,950.00	A	12/26/2029		144,000.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	95.989	4,339,380.00	A-	11/01/2029		119,250.00
Total Matures 2030					22,107,517.50				638,325.00
Matures 2029									
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	4,500,000.000	105.750	95.076	4,286,013.75	A+	06/04/2029		101,250.00
3M CO SR GLBL NT 2.375%08/26/2029	08/26/2029	4,500,000.000	105.780	95.098	4,289,800.63	A+	05/26/2029		106,875.00
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	4,500,000.000	110.960	101.511	4,629,338.75	AA-	01/30/2029		146,250.00
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	4,500,000.000	111.400	102.267	4,612,215.00	A+	12/07/2028		153,000.00
Total Matures 2029					17,817,368.13				507,375.00
Matures 2028									
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	2,000,000.000	108.180	104.141	2,106,473.31	AAA			62,500.00
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	4,500,000.000	106.380	99.449	4,501,605.00	A	10/25/2027		144,000.00
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	5,000,000.000	108.810	100.308	5,046,011.11	AAA	10/15/2027		145,000.00
Total Matures 2028					11,654,089.42				351,500.00
Matures 2027									
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	5,000,000.000	108.340	99.532	5,048,777.78	A-	10/21/2026		162,400.00
PEPSICO INC SR NT	03/19/2027	5,000,000.000	108.550	99.378	4,973,275.00	A+	01/19/2027		131,250.00

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
2.625%03/19/2027							100.000		
Total Matures 2027					10,022,052.78				293,650.00
Matures 2026									
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	4,500,000.000	108.470	98.609	4,496,655.00	BBB+			135,000.00
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	108.980	99.226	4,531,545.00	A-	07/01/2026 100.000		132,750.00
VERIZON COMMUNICATIONS INC SR GLBL 2.625%08/15/2026	08/15/2026	4,500,000.000	108.120	97.765	4,414,518.75	BBB+			118,125.00
ABBVIE INC SR GLBL 3.200%05/14/2026	05/14/2026	4,500,000.000	109.020	100.269	4,566,905.00	BBB+	02/14/2026		144,000.00
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	3,000,000.000	104.300	101.209	3,086,070.00	BBB+	01/15/2026		108,000.00
Total Matures 2026					21,095,693.75				637,875.00
Matures 2025									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	4,500,000.000	104.400	102.497	4,686,921.26	A			177,750.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	3,500,000.000	102.850	101.506	3,618,335.00	BBB	07/01/2025		131,250.00
INTEL CORP SR GLBL 3.700%07/29/2025	07/29/2025	3,500,000.000	103.450	102.418	3,606,932.78	A+	04/29/2025		129,500.00
CVS HEALTH CORP SR GLBL NT 3.875%07/20/2025	07/20/2025	3,500,000.000	101.290	102.012	3,597,168.20	BBB	04/20/2025		135,625.00
AT& T INC SR GLBL NT 3.950%01/15/2025	01/15/2025	2,000,000.000	100.620	102.218	2,061,037.78	BBB	10/15/2024		79,000.00
Total Matures 2025					17,570,395.02				653,125.00
Matures 2024									
APPLE INC SR GLBL NT 3.450%05/06/2024	05/06/2024	3,500,000.000	102.810	102.151	3,623,920.41	AA+			120,750.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	3,500,000.000	102.240	102.348	3,591,695.62	AA-			126,875.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	3,000,000.000	101.890	102.186	3,079,955.01	A	11/15/2023		112,500.00
INTERNATIONAL BUSINESS MACHS SR GLBL 3.625%02/12/2024	02/12/2024	3,500,000.000	102.280	101.808	3,580,549.10	A-			126,875.00
ALTRIA GROUP INC SR GLBL NT 4.000%01/31/2024	01/31/2024	3,500,000.000	102.900	101.928	3,590,813.33	BBB			140,000.00
U S BANCORP MTNS BK ENT FR 3.700%01/30/2024	01/30/2024	3,500,000.000	102.460	102.172	3,597,963.05	A+	12/29/2023		129,500.00
Total Matures 2024					21,064,896.52				756,500.00

	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	100.770	102.707	3,113,230.83	AAA	09/15/2023		108,750.00
SCHLUMBERGER INVNT SA SR NT 3.650%12/01/2023	12/01/2023	3,500,000.000	102.720	101.615	3,599,108.34	A	09/01/2023		127,750.00
CUMMINS INC SR GLBL NT 3.650%10/01/2023	10/01/2023	3,500,000.000	101.530	101.392	3,612,595.00	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	100.280	101.654	3,070,520.00	A-	06/25/2023		114,000.00
ORACLE CORP SR NT 3.625%07/15/2023	07/15/2023	3,500,000.000	102.600	101.342	3,573,754.72	BBB+			126,875.00
Total Matures 2023					16,969,208.89				605,125.00
Matures 2022									
O REILLY AUTOMOTIVE INC NEW SR NT 3.800%09/01/2022	09/01/2022	3,500,000.000	101.340	100.305	3,521,758.33	BBB	06/01/2022		133,000.00
UNION PAC CORP SR NT 4.163%07/15/2022	07/15/2022	1,500,000.000	101.010	100.076	1,514,322.83	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	100.020	100.235	2,027,366.67	AA			60,000.00
HSBC HLDGS PLC SR NT 4.000%03/30/2022	03/30/2022	.000	.000	.000	.00	WR			.00
Total Matures 2022					7,063,447.83				255,445.00
No Maturity									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	83.350	130,026.00	NR			
Total No Maturity					130,026.00				
Total					149,817,808.34				4,818,170.00

	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	9,820.000	550.22	5,403,159.87	2,792.99	27,427,161.80	4.8	.00	.00	.000
DISNEY WALT CO COM	133,425.000	50.15	6,690,613.05	137.16	18,300,573.00	3.2	.00	.00	.000
META PLATFORM, INC.	36,575.000	218.66	7,997,637.85	222.36	8,132,817.00	1.4	.00	.00	.000
OMNICOM GROUP INC COM	136,150.000	47.88	6,519,322.75	84.88	11,651,717.00	2.0	2.80	381,220.00	3.299
Total for Communication Services			26,610,733.52		65,512,268.80	11.4		381,220.00	.583
Consumer Disc									
CARMAX INC COM	100,900.000	59.76	6,030,121.77	96.48	9,734,832.00	1.7	.00	.00	.000
HOME DEPOT INC COM	82,225.000	30.32	2,493,155.32	299.33	24,612,409.25	4.3	7.60	624,910.00	2.539
O REILLY AUTOMOTIVE INC NEW COM	24,900.000	178.28	4,439,160.15	684.96	17,055,504.00	3.0	.00	.00	.000
TJX COS INC NEW COM	155,350.000	6.25	970,170.03	60.58	9,411,103.00	1.6	1.18	183,313.00	1.948
Total for Consumer Disc			13,932,607.27		60,813,848.25	10.6		808,223.00	1.329
Financials									
BANK OF AMERICA CORP COM	195,100.000	26.92	5,251,512.47	41.22	8,042,022.00	1.4	.84	163,884.00	2.038
BERKSHIRE HATHAWAY INC DEL CL B NEW	82,300.000	111.52	9,177,837.43	352.91	29,044,493.00	5.1	.00	.00	.000
JPMORGAN CHASE & CO COM	163,750.000	52.18	8,544,094.97	136.32	22,322,400.00	3.9	4.00	655,000.00	2.934
PROGRESSIVE CORP OH COM	234,150.000	29.69	6,950,809.21	113.99	26,690,758.50	4.7	.40	93,660.00	.351
SCHWAB CHARLES CORP NEW COM	264,600.000	35.35	9,352,419.30	84.31	22,308,426.00	3.9	.80	211,680.00	.949
US BANCORP DEL COM NEW	202,300.000	22.86	4,625,097.06	53.15	10,845,303.00	1.9	1.84	372,232.00	3.462
WELLS FARGO & CO NEW COM	161,900.000	27.26	4,413,205.09	48.46	7,845,674.00	1.4	1.00	161,900.00	2.064
Total for Financials			48,314,975.53		127,099,076.50	22.1		1,658,356.00	1.306
Health Care									
JOHNSON & JOHNSON COM	126,700.000	69.50	8,805,265.05	177.23	22,455,041.00	3.9	4.24	537,208.00	2.392
PFIZER INC COM	243,200.000	25.39	6,174,812.77	51.77	12,590,464.00	2.2	1.60	389,120.00	3.091
Total for Health Care			14,980,077.82		35,045,505.00	6.1		926,328.00	2.643
Industrials									
EXPEDITORS INTL WASH INC COM	91,200.000	37.95	3,460,730.56	103.16	9,408,192.00	1.6	1.16	105,792.00	1.124
FASTENAL CO COM	265,000.000	20.76	5,502,480.27	59.40	15,741,000.00	2.7	1.24	328,600.00	2.088

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GENERAL ELECTRIC CO COM NEW	137,350.000	107.93	14,823,621.94	91.50	12,578,513.00	2.2	.32	43,952.00	.350
UNION PAC CORP COM	48,800.000	93.91	4,582,794.61	273.21	13,332,648.00	2.3	4.72	230,336.00	1.728
Total for Industrials			28,369,627.38		51,060,353.00	8.9		708,680.00	1.388
Information Tech									
APPLE INC COM	178,350.000	20.05	3,575,554.14	174.61	31,141,693.50	5.4	.88	156,948.00	.504
CISCO SYS INC COM	110,700.000	17.35	1,920,469.93	55.76	6,172,632.00	1.1	1.52	168,264.00	2.726
MICROSOFT CORP COM	101,950.000	25.42	2,591,467.91	308.31	31,432,204.50	5.5	2.48	252,836.00	.804
TE CONNECTIVITY LTD REG SHS	120,400.000	31.41	3,781,222.56	130.98	15,769,992.00	2.7	2.24	269,696.00	1.710
Total for Information Tech			11,868,714.54		84,516,522.00	14.7		847,744.00	1.003
Total: Total Equity			144,076,736.06		424,047,573.55	73.9		5,330,551.00	1.258
Total Fixed Income									
Corporate Bonds									
AT& T INC SR GLBL NT 3.950% 01/15/2025	2,000,000.000	100.62	2,012,390.34	102.22	2,061,037.78	.4	3.95	79,000.00	3.864
ABBVIE INC SR GLBL 3.200% 05/14/2026	4,500,000.000	109.02	4,906,016.32	100.27	4,566,905.00	.8	3.20	144,000.00	3.191
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	3,500,000.000	102.90	3,601,329.95	101.93	3,590,813.33	.6	4.00	140,000.00	3.924
APPLE INC SR GLBL NT 3.450% 05/06/2024	3,500,000.000	102.81	3,598,323.99	102.15	3,623,920.41	.6	3.45	120,750.00	3.377
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	99.53	5,048,777.78	.9	3.25	162,400.00	3.263
BERKSHIRE HATHAWAY FIN CORP SR NT 3.000% 05/15/2022	2,000,000.000	100.02	2,000,446.04	100.23	2,027,366.67	.4	3.00	60,000.00	2.993
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	101.51	4,629,338.75	.8	3.25	146,250.00	3.202
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.29	3,545,260.35	102.01	3,597,168.20	.6	3.88	135,625.00	3.799
CISCO SYS INC SR NT 3.625% 03/04/2024	3,500,000.000	102.24	3,578,499.64	102.35	3,591,695.62	.6	3.63	126,875.00	3.542

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	4,500,000.000	107.85	4,853,306.19	95.99	4,339,380.00	.8	2.65	119,250.00	2.761
CUMMINS INC SR GLBL NT 3.650% 10/01/2023	3,500,000.000	101.53	3,553,563.05	101.39	3,612,595.00	.6	3.65	127,750.00	3.600
DISNEY WALT CO SR GLBL NT 2.650% 01/13/2031	4,500,000.000	107.23	4,825,574.74	95.50	4,323,112.50	.8	2.65	119,250.00	2.775
EXXON MOBIL CORP SR GLBL COCO 2.610% 10/15/2030	4,500,000.000	107.95	4,857,881.62	96.39	4,391,527.50	.8	2.61	117,450.00	2.708
HOME DEPOT INC SR NT 3.750% 02/15/2024	3,000,000.000	101.89	3,056,795.26	102.19	3,079,955.01	.5	3.75	112,500.00	3.670
INTEL CORP SR GLBL 3.700% 07/29/2025	3,500,000.000	103.45	3,620,596.70	102.42	3,606,932.78	.6	3.70	129,500.00	3.613
INTERNATIONAL BUSINESS MACHS SR GLBL 3.625% 02/12/2024	3,500,000.000	102.28	3,579,771.22	101.81	3,580,549.10	.6	3.63	126,875.00	3.561
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	4,500,000.000	108.98	4,903,950.28	99.23	4,531,545.00	.8	2.95	132,750.00	2.973
JOHNSON & JOHNSON SR GLBL 2.900% 01/15/2028	5,000,000.000	108.81	5,440,382.18	100.31	5,046,011.11	.9	2.90	145,000.00	2.891
KIMBERLY CLARK CORP SR GLBL 3.100% 03/26/2030	4,500,000.000	109.26	4,916,915.28	99.66	4,486,682.50	.8	3.10	139,500.00	3.111
MERCK & CO INC SR GLBL 3.400% 03/07/2029	4,500,000.000	111.40	5,012,820.28	102.27	4,612,215.00	.8	3.40	153,000.00	3.325
MICROSOFT CORP NT 3.625% 12/15/2023	3,000,000.000	100.77	3,022,956.85	102.71	3,113,230.83	.5	3.63	108,750.00	3.529
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	4,500,000.000	104.40	4,698,095.06	102.50	4,686,921.26	.8	3.95	177,750.00	3.854
O REILLY AUTOMOTIVE INC NEW SR NT 3.800% 09/01/2022	3,500,000.000	101.34	3,546,886.81	100.31	3,521,758.33	.6	3.80	133,000.00	3.788
OMNICOM GROUP INC SR GLBL 3.600% 04/15/2026	3,000,000.000	104.30	3,129,146.81	101.21	3,086,070.00	.5	3.60	108,000.00	3.557
ORACLE CORP SR NT 3.625% 07/15/2023	3,500,000.000	102.60	3,590,945.42	101.34	3,573,754.72	.6	3.63	126,875.00	3.577
PNC BK N A PITTSBURGH PA SUB NT 3.800% 07/25/2023	3,000,000.000	100.28	3,008,487.10	101.65	3,070,520.00	.5	3.80	114,000.00	3.738

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
PEPSICO INC SR NT 2.625% 03/19/2027	5,000,000.000	108.55	5,427,413.51	99.38	4,973,275.00	.9	2.63	131,250.00	2.641
PFIZER INC GLBL NT 2.625% 04/01/2030	4,500,000.000	108.33	4,874,850.53	97.09	4,427,977.50	.8	2.63	118,125.00	2.704
PROGRESSIVE CORP SR GLBL 3.200% 03/26/2030	4,500,000.000	109.83	4,942,133.37	99.11	4,461,950.00	.8	3.20	144,000.00	3.229
SCHLUMBERGER INVT SA SR NT 3.650% 12/01/2023	3,500,000.000	102.72	3,595,266.69	101.61	3,599,108.34	.6	3.65	127,750.00	3.592
SCHWAB CHARLES CORP SR GLBL 3.200% 01/25/2028	4,500,000.000	106.38	4,787,060.00	99.45	4,501,605.00	.8	3.20	144,000.00	3.218
SYSCO CORP SR NT 3.750% 10/01/2025	3,500,000.000	102.85	3,599,581.69	101.51	3,618,335.00	.6	3.75	131,250.00	3.694
TEXAS INSTRS INC SR GLBL NT 2.250% 09/04/2029	4,500,000.000	105.75	4,758,542.97	95.08	4,286,013.75	.7	2.25	101,250.00	2.367
3M CO SR GLBL NT 2.375% 08/26/2029	4,500,000.000	105.78	4,760,024.33	95.10	4,289,800.63	.7	2.38	106,875.00	2.497
UNION PAC CORP SR NT 4.163% 07/15/2022	1,500,000.000	101.01	1,515,181.32	100.08	1,514,322.83	.3	4.16	62,445.00	4.160
U S BANCORP MTNS BK ENT FR 3.700% 01/30/2024	3,500,000.000	102.46	3,586,048.69	102.17	3,597,963.05	.6	3.70	129,500.00	3.621
VERIZON COMMUNICATIONS INC SR GLBL 2.625% 08/15/2026	4,500,000.000	108.12	4,865,186.69	97.77	4,414,518.75	.8	2.63	118,125.00	2.685
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	4,500,000.000	108.47	4,881,224.62	98.61	4,496,655.00	.8	3.00	135,000.00	3.042
Total for Corporate Bonds			154,863,284.43		147,581,309.03	25.7		4,755,670.00	3.249
Governments									
US TREASURY NOTE 3.125% 11/15/2028	2,000,000.000	108.18	2,163,500.00	104.14	2,106,473.31	.4	3.13	62,500.00	3.001
Total for Governments			2,163,500.00		2,106,473.31	.4		62,500.00	3.001
Taxable Bond Funds									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	83.35	130,026.00	.0	.21	321.36	.247
Total for Taxable Bond Funds			131,943.81		130,026.00	.0		321.36	.247
Total: Total Fixed Income			157,158,728.24		149,817,808.34	26.1		4,818,491.36	3.243
Total			301,235,464.30		573,865,381.89	100.0		10,149,042.36	1.773

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	Inception to Date 01/01/1993
Total Portfolio - Gross	573,865,382	2.50	8.56	16.43	13.20	12.51	8.46	9.22
Total Portfolio - Net	573,865,382	2.44	8.47	16.34	13.11	12.44	8.40	9.18
70% SP500 30% Barclays Int Govt Cr		3.10	9.55	13.79	11.85	10.86	7.78	8.91
Total Equity	424,047,574	5.34	13.05	21.55	17.09	16.27	9.75	11.32
S P 500 Index		6.54	15.65	18.92	15.99	14.64	9.25	10.48
Total Fixed Income	149,817,808	-5.10	-3.79	1.24	1.76	1.79	3.21	4.24
Barclays US Government/Credit Interm Bond		-5.03	-4.10	1.50	1.81	1.85	3.55	4.49

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	12.51	10.86
Standard Deviation	10.60	9.29
Beta	1.00	
Alpha	1.53	
R-Squared	.99	
Sharpe Ratio	10.61	11.93
Treynor Ratio	112.51	110.86
Tracking Error	2.86	
Information Ratio	.56	
Downside Deviation	6.33	5.54
Downside Standard Deviation	7.94	6.93
Sortino Ratio	2.07	2.05
Upside Capture	1.14	
Downside Capture	1.07	
Batting Average	.56	
Annualized Excess Return	1.64	
Cumulative Excess Return	44.46	
Turnover %	135.67	
M-Squared	-1.39	
Residual Risk	.97	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	8.46	7.78
Standard Deviation	10.09	10.28
Beta	.99	
Alpha	.78	
R-Squared	.98	
Sharpe Ratio	10.75	10.48
Treynor Ratio	109.56	107.78
Tracking Error	3.22	
Information Ratio	.19	
Downside Deviation	6.37	6.77
Downside Standard Deviation	7.53	7.82
Sortino Ratio	1.42	1.23
Upside Capture	.97	
Downside Capture	.91	
Batting Average	.52	
Annualized Excess Return	.68	
Cumulative Excess Return	60.05	
Turnover %	190.06	
M-Squared	10.50	
Residual Risk	1.01	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

Purchases

Date	Amount	Security	Purchase Price	Total Cost
01/11/2022	4,000,000.00	SCHWAB CHARLES CORP SR GLOBL	106.61	4,264,400.00
02/28/2022	500,000.00	BANK AMER CORP FR	102.74	513,700.00
02/28/2022	500,000.00	BLACKROCK INC SR GLOBL NT	105.00	525,000.00
02/28/2022	500,000.00	JOHNSON & JOHNSON SR GLOBL	103.94	519,700.00
02/28/2022	1,000,000.00	NORTHERN TR CORP SUB NT	106.16	1,061,600.00
02/28/2022	500,000.00	PEPSICO INC SR NT	102.71	513,550.00
02/28/2022	500,000.00	SCHWAB CHARLES CORP SR GLOBL	104.53	522,660.00
02/28/2022	-500,000.00	BANK AMER CORP FR	102.74	-513,700.00
02/28/2022	-500,000.00	BLACKROCK INC SR GLOBL NT	105.00	-525,000.00
02/28/2022	-500,000.00	JOHNSON & JOHNSON SR GLOBL	103.94	-519,700.00
02/28/2022	-1,000,000.00	NORTHERN TR CORP SUB NT	106.16	-1,061,600.00
02/28/2022	-500,000.00	PEPSICO INC SR NT	102.71	-513,550.00
02/28/2022	-500,000.00	SCHWAB CHARLES CORP SR GLOBL	104.53	-522,660.00
02/28/2022	500,000.00	BANK AMER CORP FR	102.74	513,700.00
02/28/2022	500,000.00	BLACKROCK INC SR GLOBL NT	105.00	525,000.00
02/28/2022	500,000.00	JOHNSON & JOHNSON SR GLOBL	103.94	519,700.00
02/28/2022	1,000,000.00	NORTHERN TR CORP SUB NT	106.16	1,061,600.00
02/28/2022	500,000.00	PEPSICO INC SR NT	102.71	513,550.00
02/28/2022	500,000.00	SCHWAB CHARLES CORP SR GLOBL	104.53	522,660.00
03/08/2022	2,000,000.00	US TREASURY NOTE	108.17	2,163,500.00
				<u>10,084,110.00</u>

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/05/2022	-3,700.00	TE CONNECTIVITY LTD REG SHS	163.98	606,724.38	09/26/2011	30.90	114,315.01	492,409.37
01/05/2022	-275.00	ALPHABET INC CAP STK CL C	2,815.27	774,198.41	10/05/2015	550.22	151,310.49	622,887.92
01/05/2022	-5,050.00	APPLE INC COM	178.79	902,907.62	04/25/2013	14.64	73,908.36	828,999.26
01/05/2022	-5,500.00	BANK OF AMERICA CORP COM	48.11	264,582.19	08/30/2019	26.92	148,043.66	116,538.53
01/05/2022	-2,325.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	312.73	727,088.66	07/26/2011	48.71	113,258.14	613,830.52
01/05/2022	-2,850.00	CARMAX INC COM	123.16	351,011.61	01/30/2019	59.76	170,325.54	180,686.07
01/05/2022	-3,150.00	CISCO SYS INC COM	60.89	191,798.11	07/26/2011	18.22	57,392.25	134,405.86

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2021 to March 31, 2022

Managed since: January 01, 1993

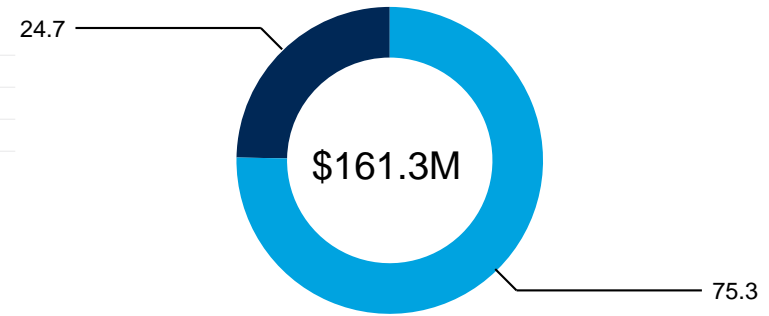
Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/05/2022	-3,775.00	DISNEY WALT CO COM	157.98	596,357.86	07/26/2011	25.61	96,677.53	499,680.33
01/05/2022	-2,600.00	EXPEDITORS INTL WASH INC COM	130.88	340,288.86	03/25/2013	37.20	96,723.38	243,565.48
01/05/2022	-1,025.00	META PLATFORM, INC.	331.38	339,663.89	05/06/2020	203.86	208,960.39	130,703.50
01/05/2022	-7,500.00	FASTENAL CO COM	62.41	468,106.36	02/12/2015	21.12	158,429.25	309,677.11
01/05/2022	-3,900.00	GENERAL ELECTRIC CO COM NEW	100.42	391,638.34	08/02/2021	109.86	428,444.04	-36,805.70
01/05/2022	-2,325.00	HOME DEPOT INC COM	410.53	954,481.80	06/30/2021	39.91	92,798.42	861,683.38
01/05/2022	-4,650.00	JPMORGAN CHASE & CO COM	166.73	775,310.07	06/06/2008	40.49	188,290.12	587,019.95
01/05/2022	-3,600.00	JOHNSON & JOHNSON COM	172.98	622,736.34	11/24/2021	161.97	583,097.04	39,639.30
01/05/2022	-2,900.00	MICROSOFT CORP COM	321.21	931,508.59	01/05/2006	26.75	77,576.91	853,931.68
01/05/2022	-700.00	O REILLY AUTOMOTIVE INC NEW COM	698.76	489,131.25	07/11/2017	174.94	122,459.20	366,672.05
01/05/2022	-3,850.00	OMNICOM GROUP INC COM	76.35	293,959.85	06/24/2003	37.20	143,218.65	150,741.20
01/05/2022	-6,850.00	PFIZER INC COM	55.66	381,262.89	09/07/2011	18.04	123,551.04	257,711.85
01/05/2022	-6,600.00	PROGRESSIVE CORP OH COM	103.38	682,326.29	05/23/2007	23.19	153,026.28	529,300.01
01/05/2022	-7,500.00	SCHWAB CHARLES CORP NEW COM	90.07	675,553.80	08/26/2020	35.35	265,091.25	410,462.55
01/05/2022	-4,400.00	TJX COS INC NEW COM	76.90	338,343.31	12/06/2004	5.92	26,031.29	312,312.02
01/05/2022	-5,700.00	US BANCORP DEL COM NEW	58.97	336,129.56	12/06/2000	17.47	99,562.90	236,566.66
01/05/2022	-1,400.00	UNION PAC CORP COM	254.05	355,664.96	07/24/2015	93.91	131,473.62	224,191.34
01/05/2022	-4,600.00	WELLS FARGO & CO NEW COM	52.71	242,481.32	06/02/2011	28.21	129,762.78	112,718.54
01/18/2022	-2,000,000.00	MCDONALDS CORP MED TERM NT SR NT	100.00	2,000,000.00	11/15/2020	1.00	2,005,756.99	-5,756.99
03/30/2022	-3,500,000.00	HSBC HLDGS PLC SR NT	100.00	3,500,000.00	01/05/2016	1.01	3,528,368.44	-28,368.44
				<u>18,533,256.32</u>			<u>9,487,852.97</u>	<u>9,045,403.35</u>

Client Investment Review

Investment activity through 03/31/2022

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	121,494,766	75.3	1,522,781.00	1.3
Total Fixed Income	39,785,696	24.7	1,271,662.56	3.2
Total	161,280,462	100.0	2,794,443.56	1.7

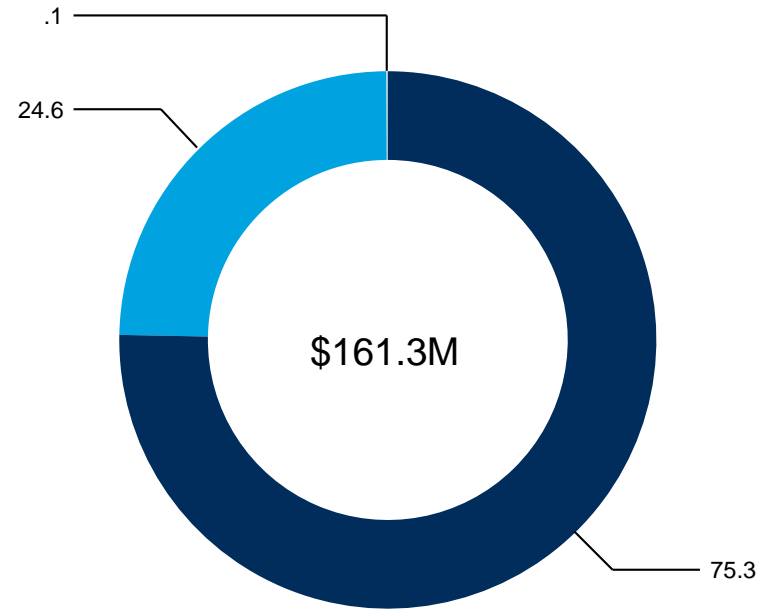


Investment Summary

	Fiscal Year to Date (9 Months)
Beginning Account Value	165,612,710.28
Net Contributions/Withdrawals	-9,124,054.52
Income Earned	2,186,591.61
Market Appreciation	2,605,214.32
Ending Account Value	161,280,461.69

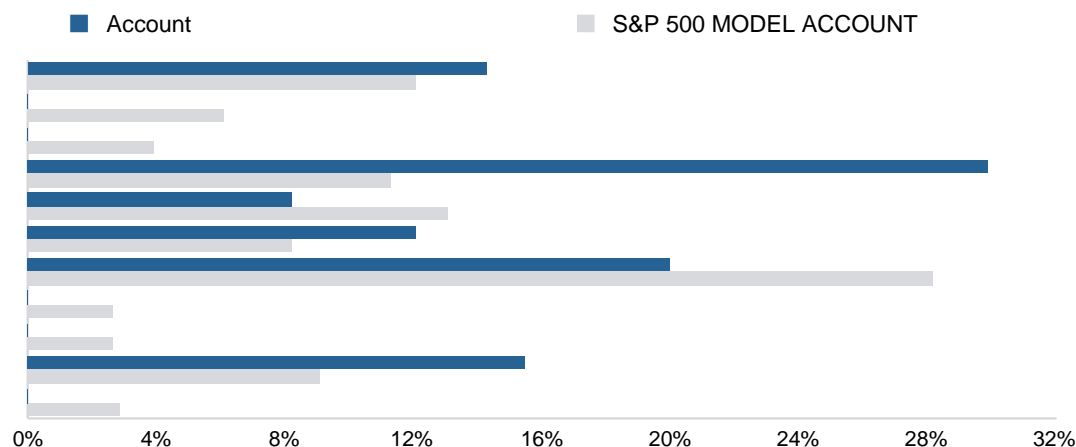
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	121,494,766	75.3
● Taxable Fixed Income	39,639,000	24.6
● Taxable Bond Funds	146,696	.1
Total	161,280,462	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.3	12.1
Consumer Staples	.0	6.1
Energy	.0	3.9
Financials	29.9	11.3
Health Care	8.2	13.1
Industrials	12.1	8.2
Information Tech	20.0	28.2
Materials	.0	2.6
Real Estate	.0	2.6
Communication Servic	15.5	9.1
Utilities	.0	2.8



Top 10 Performers

	Market Value	% of Mkt Val	Return
PFIZER INC COM	3,587,661	2.2	47.95
APPLE INC COM	8,935,667	5.5	43.78
BERKSHIRE HATHAWAY INC DE	8,363,967	5.2	38.25
O REILLY AUTOMOTIVE INC N	4,863,216	3.0	35.16
ALPHABET INC CAP STK CL C	7,960,022	4.9	34.86
MICROSOFT CORP COM	8,956,406	5.5	32.41
SCHWAB CHARLES CORP NEW C	6,373,836	4.0	30.47
UNION PAC CORP COM	3,824,940	2.4	26.38
WELLS FARGO & CO NEW COM	2,229,160	1.4	25.98
PROGRESSIVE CORP OH COM	7,677,227	4.8	21.55

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	8,956,406	5.5	32.41
APPLE INC COM	8,935,667	5.5	43.78
BERKSHIRE HATHAWAY INC DE	8,363,967	5.2	38.25
ALPHABET INC CAP STK CL C	7,960,022	4.9	34.86
PROGRESSIVE CORP OH COM	7,677,227	4.8	21.55
HOME DEPOT INC COM	7,011,805	4.3	.14
JOHNSON & JOHNSON COM	6,415,726	4.0	10.44
SCHWAB CHARLES CORP NEW C	6,373,836	4.0	30.47
JPMORGAN CHASE & CO COM	6,352,512	3.9	-8.25
DISNEY WALT CO COM	5,229,225	3.2	-25.64

Large Cap Equity Attribution

Sector	Qtr
Financials	1.10
Health Care	0.70
Information Technology	0.28
Real Estate	0.15
Materials	0.00
Communication Services	-0.10
Industrials	-0.24
Consumer Staples	-0.30
Utilities	-0.30
Energy	-0.98
Consumer Discretionary	-1.88
Total	-1.83

Sector	1 Year
Information Technology	1.00
Health Care	0.43
Utilities	0.14
Real Estate	0.12
Materials	0.04
Industrials	-0.05
Financials	-0.15
Consumer Staples	-0.15
Energy	-1.10
Communication Services	-1.37
Consumer Discretionary	-1.54
Total	-2.88

Sector	5 Years
Energy	0.51
Information Technology	0.48
Financials	0.23
Consumer Staples	0.21
Industrials	0.20
Utilities	0.17
Real Estate	0.11
Materials	0.05
Communication Services	0.01
Health Care	-0.41
Consumer Discretionary	-0.73
Total	0.83

Ky Legislators Retirement DB Top & Bottom Contributors

Top Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
BRK	Berkshire Hathaway	6.88	18.10	0.99
PGR	Progressive	6.32	11.20	0.59
OMC	Omnicom	2.76	16.79	0.37
UNP	Union Pacific	3.15	8.95	0.24
JNJ	Johnson & Johnson	5.28	4.30	0.20

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.37	32.41	2.53
AAPL	Apple	7.35	43.78	2.43
BRK	Berkshire Hathaway	6.88	38.25	2.01
GOOG	Alphabet	6.55	34.86	1.84
SCHW	Charles Schwab	5.25	30.47	1.34

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	7.35	38.90	2.78
MSFT	Microsoft	7.37	37.81	2.42
PGR	Progressive	6.32	27.84	1.41
GOOG	Alphabet	6.55	27.47	1.35
HD	Home Depot	5.77	17.91	1.18

Bottom Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	5.77	-27.46	-2.06
FB	Meta Platform	1.93	-33.93	-0.93
TEL	TE Connectivity	3.83	-18.52	-0.81
KMX	CarMax	2.26	-25.93	-0.74
JPM	JP Morgan Chase	5.23	-13.33	-0.74

1 Year

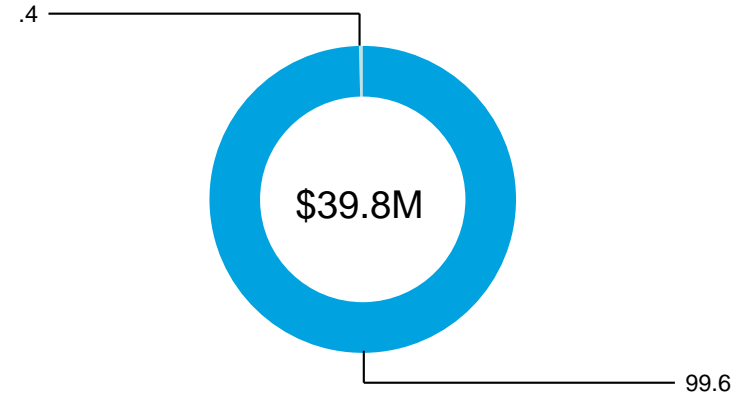
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	4.30	-25.64	-1.56
KMX	CarMax	2.26	-27.31	-0.88
FB	Meta Platform	1.93	-24.58	-0.62
JPM	JP Morgan Chase	5.23	-8.25	-0.45
GE	General Electric	3.01	-11.17	-0.44

5 Years

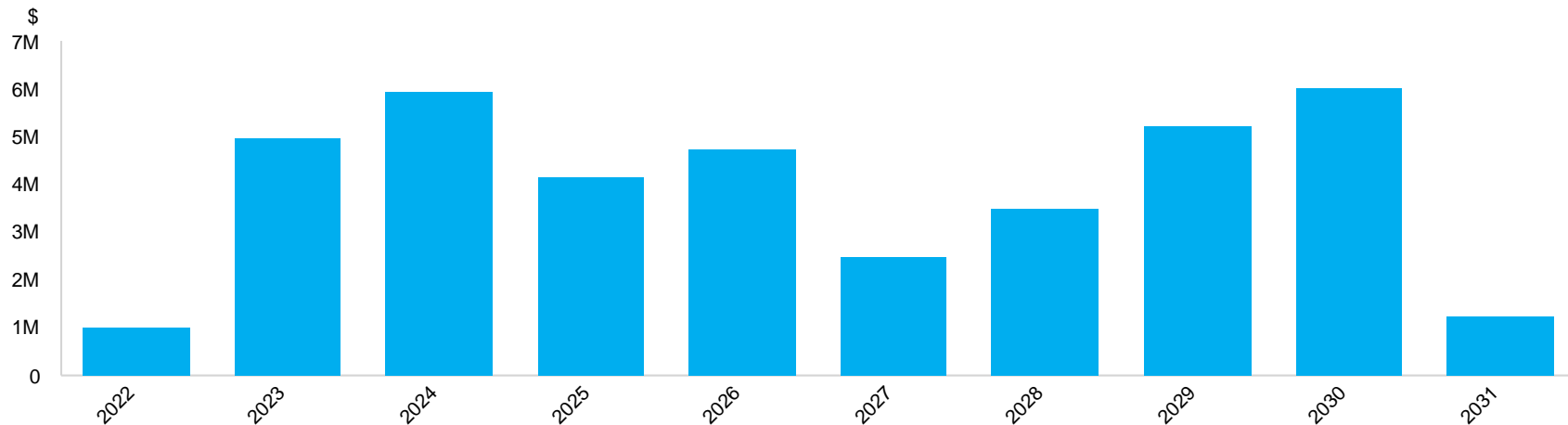
Ticker	Company	Ending Allocation	Total Return	Contribution
GE	General Electric	3.01	-11.17	-0.11
WFC	Wells Fargo	1.83	0.23	-0.03
FB	Meta Platform	1.93	3.35	0.06
USB	US Bancorp	2.48	3.73	0.12
OMC	Omnicom	2.76	3.61	0.16

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	39,639,000	99.6	1,271,300.00	3.2
● Taxable Bond Funds	146,696	.4	362.56	.2
Total	39,785,696	100.0	1,271,662.56	3.2



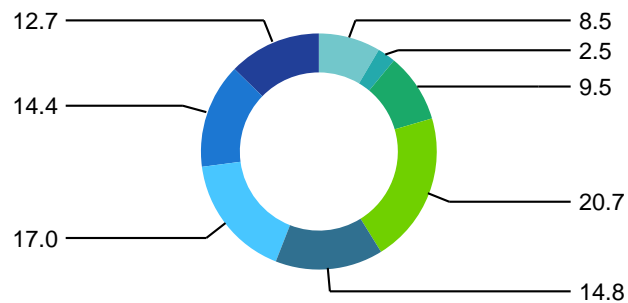
Fixed Income Maturity Schedule



Fixed Income Analysis

	03/31/2022	Barclays Gov't/Credit Interm Bond Index
Coupon	3.24	1.91
Current Yield	3.23	2.00
Yield to Maturity	2.95	2.70
Maturity	4.71	4.40
Duration	4.35	4.05
Face Amount	39,350,000	
Market Value	39,308,582	
Total Accrual	330,419	
Cost	41,565,704	

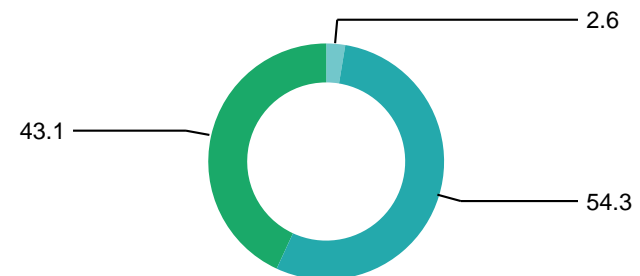
Quality Allocation by Market Value



■ AAA ■ AA+ ■ AA- ■ A+
■ A ■ A- ■ BBB+ ■ BBB

NR=Not rated by S&P

Maturity Allocation by Market Value



■ Less than 1 Year ■ Short (1-5 Years)
■ Intermediate (5-10 Years)

	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	107.380	95.495	1,200,864.59	BBB+			33,125.00
Total Matures 2031					1,200,864.59				33,125.00
Matures 2030									
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	96.386	1,219,868.75	AA-	07/15/2030		32,625.00
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	97.087	1,229,993.75	A+	01/01/2030		32,812.50
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	99.110	1,239,430.55	A	12/26/2029		40,000.00
UNION PAC CORP SR GLBL 2.400%02/05/2030	02/05/2030	1,000,000.000	106.970	94.637	950,103.33	A-	11/05/2029		24,000.00
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	95.989	1,205,383.34	A-	11/01/2029		33,125.00
Total Matures 2030					5,844,779.72				162,562.50
Matures 2029									
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	1,250,000.000	105.830	95.076	1,190,559.38	A+	06/04/2029		28,125.00
3M CO SR GLBL NT 2.375%08/26/2029	08/26/2029	1,250,000.000	105.840	95.098	1,191,611.29	A+	05/26/2029		29,687.50
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	1,500,000.000	109.470	101.511	1,543,112.92	AA-	01/30/2029		48,750.00
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	102.267	1,281,170.84	A+	12/07/2028		42,500.00
Total Matures 2029					5,206,454.43				149,062.50
Matures 2028									
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	104.141	1,053,236.66	AAA			31,250.00
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	99.449	1,250,445.84	A	10/25/2027		40,000.00
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	100.308	1,261,502.78	AAA	10/15/2027		36,250.00
Total Matures 2028					3,565,185.28				107,500.00
Matures 2027									
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	1,250,000.000	108.960	99.532	1,262,194.45	A-	10/21/2026		40,600.00
PEPSICO INC SR NT	03/19/2027	1,250,000.000	109.150	99.378	1,243,318.75	A+	01/19/2027		32,812.50

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income
2.625%03/19/2027							100.000		
Total Matures 2027					2,505,513.20				73,412.50
Matures 2026									
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	1,250,000.000	108.470	98.609	1,249,070.83	BBB+			37,500.00
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	1,250,000.000	108.130	99.226	1,258,762.50	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	108.160	97.765	1,226,255.21	BBB+			32,812.50
OMNICOM GROUP INC SR GLOBL 3.600%04/15/2026	04/15/2026	1,000,000.000	104.300	101.209	1,028,690.00	BBB+	01/15/2026		36,000.00
Total Matures 2026					4,762,778.54				143,187.50
Matures 2025									
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	1,250,000.000	104.250	102.497	1,301,922.57	A			49,375.00
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	1,000,000.000	102.850	101.506	1,033,810.00	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	101.290	102.012	1,027,762.36	BBB	04/20/2025		38,750.00
AT&T INC SR GLOBL NT 3.950%01/15/2025	01/15/2025	900,000.000	99.300	102.218	927,467.00	BBB	10/15/2024		35,550.00
Total Matures 2025					4,290,961.93				161,175.00
Matures 2024									
APPLE INC SR GLOBL NT 3.450%05/06/2024	05/06/2024	950,000.000	102.700	102.151	983,635.55	AA+			32,775.00
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	1,000,000.000	102.210	102.348	1,026,198.75	AA-			36,250.00
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	1,000,000.000	102.920	102.186	1,026,651.66	A	11/15/2023		37,500.00
INTERNATIONAL BUSINESS MACHS SR GLOBL 3.625%02/12/2024	02/12/2024	1,000,000.000	102.280	101.808	1,023,014.03	A-			36,250.00
ALTRIA GROUP INC SR GLOBL NT 4.000%01/31/2024	01/31/2024	1,000,000.000	102.900	101.928	1,025,946.67	BBB			40,000.00
U S BANCORP MTNS BK ENT FR 3.700%01/30/2024	01/30/2024	1,000,000.000	102.680	102.172	1,027,989.44	A+	12/29/2023		37,000.00
Total Matures 2024					6,113,436.10				219,775.00
Matures 2023									
MICROSOFT CORP NT	12/15/2023	1,000,000.000	101.630	102.707	1,037,743.62	AAA	09/15/2023		36,250.00

	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	102.320	101.615	1,028,316.67	A	09/01/2023		36,500.00
3.650%12/01/2023 CUMMINS INC SR GBLB NT	10/01/2023	1,000,000.000	101.440	101.392	1,032,170.00	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	100.310	101.654	1,023,506.67	A-	06/25/2023		38,000.00
3.800%07/25/2023 ORACLE CORP SR NT	07/15/2023	1,000,000.000	102.610	101.342	1,021,072.77	BBB+			36,250.00
3.625%07/15/2023									
Total Matures 2023					5,142,809.73				183,500.00
Matures 2022									
O REILLY AUTOMOTIVE INC NEW SR NT	09/01/2022	1,000,000.000	101.340	100.305	1,006,216.67	BBB	06/01/2022		38,000.00
3.800%09/01/2022									
HSBC HLDGS PLC SR NT	03/30/2022	.000	.000	.000	.00	WR			.00
4.000%03/30/2022									
Total Matures 2022					1,006,216.67				38,000.00
No Maturity									
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	83.350	146,696.00	NR			
Total No Maturity					146,696.00				
Total					39,785,696.19				1,271,300.00

	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	2,850.000	548.40	1,562,950.35	2,792.99	7,960,021.50	4.9	.00	.00	.000
DISNEY WALT CO COM	38,125.000	56.63	2,158,888.87	137.16	5,229,225.00	3.2	.00	.00	.000
META PLATFORM, INC.	10,550.000	217.77	2,297,506.29	222.36	2,345,898.00	1.5	.00	.00	.000
OMNICOM GROUP INC COM	39,125.000	53.58	2,096,242.31	84.88	3,348,317.50	2.1	2.80	109,550.00	3.299
Total for Communication Services			8,115,587.82		18,883,462.00	11.7		109,550.00	.581
Consumer Disc									
CARMAX INC COM	28,400.000	59.76	1,697,279.06	96.48	2,740,032.00	1.7	.00	.00	.000
HOME DEPOT INC COM	23,425.000	56.07	1,313,345.12	299.33	7,011,805.25	4.3	7.60	178,030.00	2.539
O REILLY AUTOMOTIVE INC NEW COM	7,100.000	178.48	1,267,179.68	684.96	4,863,216.00	3.0	.00	.00	.000
TJX COS INC NEW COM	44,550.000	11.74	522,980.35	60.58	2,698,839.00	1.7	1.18	52,569.00	1.948
Total for Consumer Disc			4,800,784.21		17,313,892.25	10.7		230,599.00	1.332
Financials									
BANK OF AMERICA CORP COM	56,050.000	26.92	1,508,699.51	41.22	2,310,381.00	1.4	.84	47,082.00	2.038
BERKSHIRE HATHAWAY INC DEL CL B NEW	23,700.000	116.92	2,771,113.85	352.91	8,363,967.00	5.2	.00	.00	.000
JPMORGAN CHASE & CO COM	46,600.000	57.46	2,677,606.43	136.32	6,352,512.00	3.9	4.00	186,400.00	2.934
PROGRESSIVE CORP OH COM	67,350.000	30.47	2,052,204.89	113.99	7,677,226.50	4.8	.40	26,940.00	.351
SCHWAB CHARLES CORP NEW COM	75,600.000	35.35	2,672,119.80	84.31	6,373,836.00	4.0	.80	60,480.00	.949
US BANCORP DEL COM NEW	56,150.000	28.19	1,582,970.87	53.15	3,010,201.50	1.9	1.84	103,316.00	3.462
WELLS FARGO & CO NEW COM	46,000.000	33.16	1,525,572.90	48.46	2,229,160.00	1.4	1.00	46,000.00	2.064
Total for Financials			14,790,288.25		36,317,284.00	22.5		470,218.00	1.296
Health Care									
JOHNSON & JOHNSON COM	36,200.000	70.15	2,539,610.17	177.23	6,415,726.00	4.0	4.24	153,488.00	2.392
PFIZER INC COM	69,300.000	27.70	1,919,334.88	51.77	3,587,661.00	2.2	1.60	110,880.00	3.091
Total for Health Care			4,458,945.05		10,003,387.00	6.2		264,368.00	2.643
Industrials									
EXPEDITORS INTL WASH INC COM	25,900.000	39.86	1,032,277.09	103.16	2,671,844.00	1.7	1.16	30,044.00	1.124
FASTENAL CO COM	75,800.000	20.76	1,573,368.51	59.40	4,502,520.00	2.8	1.24	93,992.00	2.088

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GENERAL ELECTRIC CO COM NEW	39,900.000	109.89	4,384,623.93	91.50	3,654,042.00	2.3	.32	12,768.00	.350
UNION PAC CORP COM	14,000.000	93.91	1,314,736.16	273.21	3,824,940.00	2.4	4.72	66,080.00	1.728
Total for Industrials			8,305,005.69		14,653,346.00	9.1		202,884.00	1.385
Information Tech									
APPLE INC COM	51,175.000	25.89	1,324,982.90	174.61	8,935,666.75	5.5	.88	45,034.00	.504
CISCO SYS INC COM	31,950.000	21.85	697,950.84	55.76	1,781,532.00	1.1	1.52	48,564.00	2.726
MICROSOFT CORP COM	29,050.000	31.11	903,868.86	308.31	8,956,405.50	5.6	2.48	72,044.00	.804
TE CONNECTIVITY LTD REG SHS	35,500.000	39.91	1,416,698.65	130.98	4,649,790.00	2.9	2.24	79,520.00	1.710
Total for Information Tech			4,343,501.25		24,323,394.25	15.1		245,162.00	1.008
Total: Total Equity			44,814,112.27		121,494,765.50	75.3		1,522,781.00	1.254
Total Fixed Income									
Corporate Bonds									
AT& T INC SR GLOBL NT 3.950% 01/15/2025	900,000.000	99.30	893,726.84	102.22	927,467.00	.6	3.95	35,550.00	3.864
ALTRIA GROUP INC SR GLOBL NT 4.000% 01/31/2024	1,000,000.000	102.90	1,028,953.24	101.93	1,025,946.67	.6	4.00	40,000.00	3.924
APPLE INC SR GLOBL NT 3.450% 05/06/2024	950,000.000	102.70	975,692.03	102.15	983,635.55	.6	3.45	32,775.00	3.377
BANK AMER CORP FR 3.248% 10/21/2027	1,250,000.000	108.96	1,362,048.44	99.53	1,262,194.45	.8	3.25	40,600.00	3.263
BLACKROCK INC SR GLOBL NT 3.250% 04/30/2029	1,500,000.000	109.47	1,642,054.43	101.51	1,543,112.92	1.0	3.25	48,750.00	3.202
CVS HEALTH CORP SR GLOBL NT 3.875% 07/20/2025	1,000,000.000	101.29	1,012,931.54	102.01	1,027,762.36	.6	3.88	38,750.00	3.799
CISCO SYS INC SR NT 3.625% 03/04/2024	1,000,000.000	102.21	1,022,129.61	102.35	1,026,198.75	.6	3.63	36,250.00	3.542
COMCAST CORP NEW GLOBL NT 2.650% 02/01/2030	1,250,000.000	108.15	1,351,916.41	95.99	1,205,383.34	.7	2.65	33,125.00	2.761
CUMMINS INC SR GLOBL NT 3.650% 10/01/2023	1,000,000.000	101.44	1,014,418.26	101.39	1,032,170.00	.6	3.65	36,500.00	3.600

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
DISNEY WALT CO SR GLBL NT 2.650% 01/13/2031	1,250,000.000	107.38	1,342,255.25	95.50	1,200,864.59	.7	2.65	33,125.00	2.775
EXXON MOBIL CORP SR GLBL COCO 2.610% 10/15/2030	1,250,000.000	107.91	1,348,900.66	96.39	1,219,868.75	.8	2.61	32,625.00	2.708
HOME DEPOT INC SR NT 3.750% 02/15/2024	1,000,000.000	102.92	1,029,237.88	102.19	1,026,651.66	.6	3.75	37,500.00	3.670
INTERNATIONAL BUSINESS MACHS SR GLBL 3.625% 02/12/2024	1,000,000.000	102.28	1,022,791.79	101.81	1,023,014.03	.6	3.63	36,250.00	3.561
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	1,250,000.000	108.13	1,351,599.84	99.23	1,258,762.50	.8	2.95	36,875.00	2.973
JOHNSON & JOHNSON SR GLBL 2.900% 01/15/2028	1,250,000.000	109.21	1,365,091.23	100.31	1,261,502.78	.8	2.90	36,250.00	2.891
MERCK & CO INC SR GLBL 3.400% 03/07/2029	1,250,000.000	111.45	1,393,128.69	102.27	1,281,170.84	.8	3.40	42,500.00	3.325
MICROSOFT CORP NT 3.625% 12/15/2023	1,000,000.000	101.63	1,016,308.36	102.71	1,037,743.62	.6	3.63	36,250.00	3.529
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	1,250,000.000	104.25	1,303,135.51	102.50	1,301,922.57	.8	3.95	49,375.00	3.854
O REILLY AUTOMOTIVE INC NEW SR NT 3.800% 09/01/2022	1,000,000.000	101.34	1,013,354.93	100.31	1,006,216.67	.6	3.80	38,000.00	3.788
OMNICOM GROUP INC SR GLBL 3.600% 04/15/2026	1,000,000.000	104.30	1,043,048.94	101.21	1,028,690.00	.6	3.60	36,000.00	3.557
ORACLE CORP SR NT 3.625% 07/15/2023	1,000,000.000	102.61	1,026,104.57	101.34	1,021,072.77	.6	3.63	36,250.00	3.577
PNC BK N A PITTSBURGH PA SUB NT 3.800% 07/25/2023	1,000,000.000	100.31	1,003,124.87	101.65	1,023,506.67	.6	3.80	38,000.00	3.738
PEPSICO INC SR NT 2.625% 03/19/2027	1,250,000.000	109.15	1,364,337.28	99.38	1,243,318.75	.8	2.63	32,812.50	2.641
PFIZER INC GLBL NT 2.625% 04/01/2030	1,250,000.000	108.41	1,355,079.82	97.09	1,229,993.75	.8	2.63	32,812.50	2.704
PROGRESSIVE CORP SR GLBL 3.200% 03/26/2030	1,250,000.000	109.86	1,373,253.13	99.11	1,239,430.55	.8	3.20	40,000.00	3.229
SCHLUMBERGER INVT SA SR NT 3.650% 12/01/2023	1,000,000.000	102.32	1,023,166.32	101.61	1,028,316.67	.6	3.65	36,500.00	3.592

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
SCHWAB CHARLES CORP SR GLBL 3.200% 01/25/2028	1,250,000.000	106.19	1,327,430.00	99.45	1,250,445.84	.8	3.20	40,000.00	3.218
SYSCO CORP SR NT 3.750% 10/01/2025	1,000,000.000	102.85	1,028,451.91	101.51	1,033,810.00	.6	3.75	37,500.00	3.694
TEXAS INSTRS INC SR GLBL NT 2.250% 09/04/2029	1,250,000.000	105.83	1,322,899.94	95.08	1,190,559.38	.7	2.25	28,125.00	2.367
3M CO SR GLBL NT 2.375% 08/26/2029	1,250,000.000	105.84	1,323,049.25	95.10	1,191,611.29	.7	2.38	29,687.50	2.497
UNION PAC CORP SR GLBL 2.400% 02/05/2030	1,000,000.000	106.97	1,069,704.65	94.64	950,103.33	.6	2.40	24,000.00	2.536
U S BANCORP MTNS BK ENT FR 3.700% 01/30/2024	1,000,000.000	102.68	1,026,793.56	102.17	1,027,989.44	.6	3.70	37,000.00	3.621
VERIZON COMMUNICATIONS INC SR GLBL 2.625% 08/15/2026	1,250,000.000	108.16	1,351,938.92	97.77	1,226,255.21	.8	2.63	32,812.50	2.685
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	1,250,000.000	108.47	1,355,895.73	98.61	1,249,070.83	.8	3.00	37,500.00	3.042
Total for Corporate Bonds			40,483,953.83		38,585,763.53	23.9		1,240,050.00	3.241
Governments									
US TREASURY NOTE 3.125% 11/15/2028	1,000,000.000	108.18	1,081,750.00	104.14	1,053,236.66	.7	3.13	31,250.00	3.001
Total for Governments			1,081,750.00		1,053,236.66	.7		31,250.00	3.001
Taxable Bond Funds									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.68	83.35	146,696.00	.1	.21	362.56	.247
Total for Taxable Bond Funds			148,859.68		146,696.00	.1		362.56	.247
Total: Total Fixed Income			41,714,563.51		39,785,696.19	24.7		1,271,662.56	3.223
Total			86,528,675.78		161,280,461.69	100.0		2,794,443.56	1.737

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	Inception to Date 01/01/1993
Total Portfolio - Gross	161,280,462	2.63	8.65	16.50	13.19	12.58	8.43	9.17
Total Portfolio - Net	161,280,462	2.57	8.57	16.41	13.10	12.52	8.37	9.13
70% SP500 30% Barclays Int Govt Cr		3.10	9.55	13.79	11.85	10.86	7.78	8.91
Total Equity	121,494,766	5.35	13.11	21.55	17.07	16.29	9.69	11.12
S P 500 Index		6.54	15.65	18.92	15.99	14.64	9.25	10.48
Total Fixed Income	39,785,696	-5.06	-3.73	1.21	1.70	1.90	3.20	4.18
Barclays US Government/Credit Interm Bond		-5.03	-4.10	1.50	1.81	1.85	3.55	4.49

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	12.58	10.86
Standard Deviation	10.60	9.29
Beta	1.01	
Alpha	1.56	
R-Squared	.99	
Sharpe Ratio	10.62	11.93
Treynor Ratio	111.47	110.86
Tracking Error	2.85	
Information Ratio	.59	
Downside Deviation	6.32	5.54
Downside Standard Deviation	7.94	6.93
Sortino Ratio	2.09	2.05
Upside Capture	1.14	
Downside Capture	1.07	
Batting Average	.55	
Annualized Excess Return	1.72	
Cumulative Excess Return	46.58	
Turnover %	129.93	
M-Squared	-1.33	
Residual Risk	.97	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	Total Portfolio - Gross	70% S&P 500 / 30% Barclays US Govt/Credit
Return	8.43	7.78
Standard Deviation	10.06	10.28
Beta	.99	
Alpha	.73	
R-Squared	.98	
Sharpe Ratio	10.78	10.48
Treynor Ratio	109.53	107.78
Tracking Error	3.24	
Information Ratio	.18	
Downside Deviation	6.33	6.77
Downside Standard Deviation	7.49	7.82
Sortino Ratio	1.42	1.23
Upside Capture	.97	
Downside Capture	.91	
Batting Average	.53	
Annualized Excess Return	.65	
Cumulative Excess Return	57.31	
Turnover %	186.10	
M-Squared	10.80	
Residual Risk	1.01	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

Purchases

Date	Amount	Security	Purchase Price	Total Cost
01/11/2022	1,000,000.00	SCHWAB CHARLES CORP SR GLBL	106.61	1,066,100.00
02/28/2022	250,000.00	BLACKROCK INC SR GLBL NT	105.00	262,500.00
02/28/2022	250,000.00	NORTHERN TR CORP SUB NT	106.16	265,400.00
02/28/2022	-250,000.00	BLACKROCK INC SR GLBL NT	105.00	-262,500.00
02/28/2022	-250,000.00	NORTHERN TR CORP SUB NT	106.16	-265,400.00
02/28/2022	250,000.00	BLACKROCK INC SR GLBL NT	105.00	262,500.00
02/28/2022	250,000.00	BLACKROCK INC SR GLBL NT	105.00	262,500.00
02/28/2022	250,000.00	NORTHERN TR CORP SUB NT	106.16	265,400.00
03/02/2022	-250,000.00	OMNICOM GROUP INC SR GLBL	104.78	-261,950.00
03/02/2022	250,000.00	OMNICOM GROUP INC SR GLBL	104.78	261,950.00
03/02/2022	250,000.00	SCHWAB CHARLES CORP SR GLBL	104.53	261,330.00
03/08/2022	1,000,000.00	US TREASURY NOTE	108.17	1,081,750.00
				<u>3,199,580.00</u>

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/05/2022	-1,500.00	TE CONNECTIVITY LTD REG SHS	163.98	245,969.34	11/07/2007	40.74	61,103.18	184,866.16
01/05/2022	-100.00	ALPHABET INC CAP STK CL C	2,815.27	281,526.69	10/05/2015	548.40	54,840.36	226,686.33
01/05/2022	-2,125.00	APPLE INC COM	178.79	379,936.37	04/25/2013	32.36	68,762.61	311,173.76
01/05/2022	-2,350.00	BANK OF AMERICA CORP COM	48.11	113,048.76	08/30/2019	26.92	63,255.02	49,793.74
01/05/2022	-975.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	312.73	304,908.14	03/27/2020	182.34	177,779.35	127,128.79
01/05/2022	-1,200.00	CARMAX INC COM	123.16	147,794.36	01/30/2019	59.76	71,716.02	76,078.34
01/05/2022	-1,325.00	CISCO SYS INC COM	60.89	80,676.98	06/03/2005	25.72	34,078.33	46,598.65
01/05/2022	-1,575.00	DISNEY WALT CO COM	157.98	248,811.56	04/23/2015	108.49	170,875.69	77,935.87
01/05/2022	-1,100.00	EXPEDITORS INTL WASH INC COM	130.88	143,968.36	03/25/2013	37.20	40,921.43	103,046.93
01/05/2022	-450.00	META PLATFORM, INC.	331.38	149,120.73	05/06/2020	203.86	91,738.71	57,382.02
01/05/2022	-3,150.00	FASTENAL CO COM	62.41	196,604.67	02/12/2015	21.12	66,540.29	130,064.38
01/05/2022	-1,650.00	GENERAL ELECTRIC CO COM NEW	100.42	165,693.14	08/02/2021	113.92	187,975.43	-22,282.29
01/05/2022	-975.00	HOME DEPOT INC COM	410.53	400,266.55	04/23/2015	113.55	110,707.25	289,559.30
01/05/2022	-1,950.00	JPMORGAN CHASE & CO COM	166.73	325,130.03	06/06/2008	40.49	78,960.38	246,169.65
01/05/2022	-1,500.00	JOHNSON & JOHNSON COM	172.98	259,473.47	05/19/1993	161.97	242,957.10	16,516.37

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2021 to March 31, 2022

Managed since: January 01, 1993

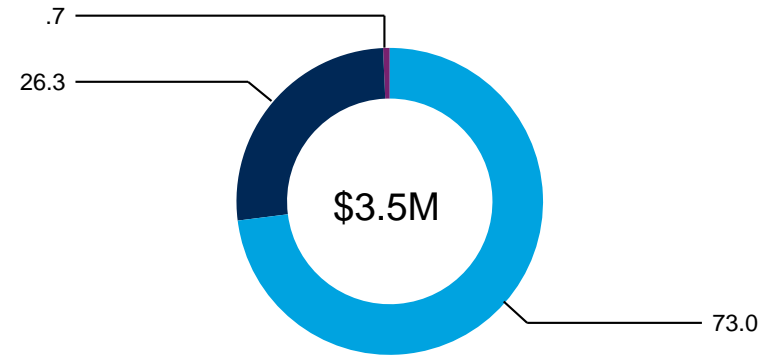
Date	Amount	Security	Sale		Acquisition Purchase		Cost	
			Price	Proceeds	Date	Price	Basis	Gain/Loss
01/05/2022	-1,200.00	MICROSOFT CORP COM	321.21	385,451.83	06/30/2021	27.07	32,484.00	352,967.83
01/05/2022	-300.00	O REILLY AUTOMOTIVE INC NEW COM	698.76	209,627.68	07/11/2017	174.94	52,482.52	157,145.16
01/05/2022	-1,625.00	OMNICOM GROUP INC COM	76.35	124,073.96	06/30/2021	43.83	71,215.65	52,858.31
01/05/2022	-2,900.00	PFIZER INC COM	55.66	161,410.56	09/07/2011	18.04	52,306.28	109,104.28
01/05/2022	-2,800.00	PROGRESSIVE CORP OH COM	103.38	289,471.76	05/23/2007	23.19	64,920.24	224,551.52
01/05/2022	-3,150.00	SCHWAB CHARLES CORP NEW COM	90.07	283,732.60	08/26/2020	35.35	111,338.33	172,394.27
01/05/2022	-1,850.00	TJX COS INC NEW COM	76.90	142,257.98	04/23/2015	33.17	61,364.59	80,893.39
01/05/2022	-2,350.00	US BANCORP DEL COM NEW	58.97	138,579.73	12/07/2000	10.86	25,525.70	113,054.03
01/05/2022	-575.00	UNION PAC CORP COM	254.05	146,076.68	07/24/2015	93.91	53,998.09	92,078.59
01/05/2022	-1,900.00	WELLS FARGO & CO NEW COM	52.71	100,155.32	06/02/2011	28.21	53,597.67	46,557.65
01/18/2022	-1,000,000.00	MCDONALDS CORP MED TERM NT SR NT	100.00	1,000,000.00	12/06/2012	1.00	1,001,688.29	-1,688.29
01/31/2022	-1,000,000.00	BERKSHIRE HATHAWAY INC DEL SR NT	100.00	1,000,000.00	06/07/2018	1.00	1,003,604.22	-3,604.22
03/30/2022	-1,000,000.00	HSBC HLDGS PLC SR NT	100.00	1,000,000.00	06/10/2015	1.01	1,007,574.20	-7,574.20
				<u>8,423,767.25</u>			<u>5,114,310.93</u>	<u>3,309,456.32</u>

Client Investment Review

Investment activity through 03/31/2022

Asset Allocation Summary

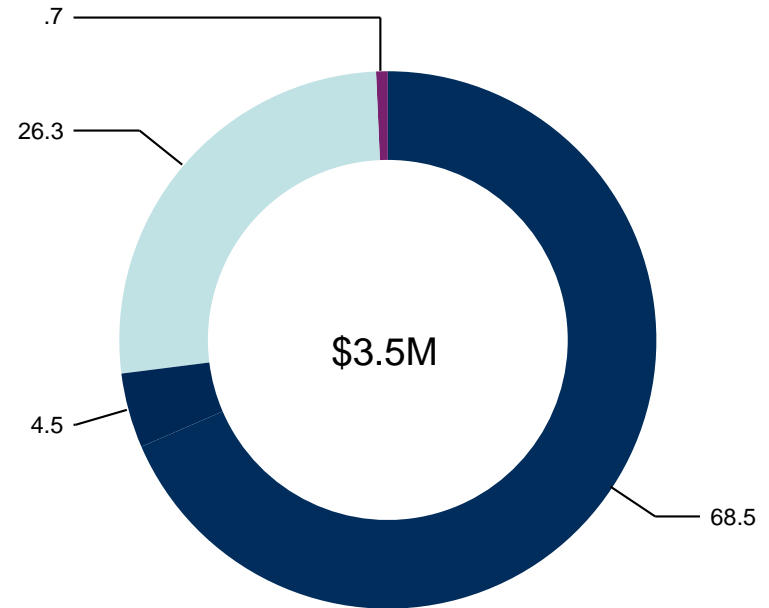
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	2,524,587	73.0	31,651.06	1.3
Total Fixed Income	909,266	26.3	17,479.56	1.9
Cash & Equivalents	23,748	.7	54.12	.2
Total	3,457,602	100.0	49,184.74	1.4



Investment Summary

	Fiscal Year to Date (9 Months)
Beginning Account Value	2,949,477.10
Net Contributions/Withdrawals	437,383.19
Income Earned	31,365.16
Market Appreciation	39,376.44
Ending Account Value	3,457,601.89

	Market Value	% of Mkt Val
● Core Equity	2,367,610	68.5
● Large Cap Funds	156,977	4.5
● Taxable Bond Funds	909,266	26.3
● Cash & Equivalents	23,748	.7
Total	3,457,602	100.0



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	23,746.400	1.00	23,746.40	1.00	23,748.45	.7	.23	54.12	.228
Total for Money Markets			23,746.40		23,748.45	.7		54.12	.228
Total: Cash & Equivalents			23,746.40		23,748.45	.7		54.12	.228
Total Equity									
Large Cap Funds									
ISHARES CORE S& P 500 ETF	346.000	452.61	156,602.93	453.69	156,976.74	4.5	5.90	2,040.36	1.300
Total for Large Cap Funds			156,602.93		156,976.74	4.5		2,040.36	1.300
Communication Services									
ALPHABET INC CAP STK CL C	55.000	2,737.58	150,566.95	2,792.99	153,614.45	4.4	.00	.00	.000
DISNEY WALT CO COM	755.000	177.16	133,754.59	137.16	103,555.80	3.0	.00	.00	.000
META PLATFORM, INC.	210.000	359.52	75,498.44	222.36	46,695.60	1.4	.00	.00	.000
OMNICOM GROUP INC COM	765.000	75.24	57,556.84	84.88	65,468.70	1.9	2.80	2,142.00	3.299
Total for Communication Services			417,376.82		369,334.55	10.7		2,142.00	.581
Consumer Disc									
CARMAX INC COM	555.000	128.28	71,195.07	96.48	53,546.40	1.5	.00	.00	.000
HOME DEPOT INC COM	450.000	333.05	149,874.48	299.33	134,698.50	3.9	7.60	3,420.00	2.539
O REILLY AUTOMOTIVE INC NEW COM	140.000	598.12	83,737.18	684.96	95,894.40	2.8	.00	.00	.000
TJX COS INC NEW COM	785.000	70.19	55,096.95	60.58	47,555.30	1.4	1.18	926.30	1.948
Total for Consumer Disc			359,903.68		331,694.60	9.6		4,346.30	1.310
Financials									
BANK OF AMERICA CORP COM	1,100.000	41.03	45,132.01	41.22	45,342.00	1.3	.84	924.00	2.038
BERKSHIRE HATHAWAY INC DEL CL B NEW	470.000	288.90	135,784.31	352.91	165,867.70	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	960.000	158.10	151,772.45	136.32	130,867.20	3.8	4.00	3,840.00	2.934
PROGRESSIVE CORP OH COM	1,285.000	96.72	124,283.79	113.99	146,477.15	4.2	.40	514.00	.351
SCHWAB CHARLES CORP NEW COM	1,545.000	72.53	112,058.39	84.31	130,258.95	3.8	.80	1,236.00	.949

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
US BANCORP DEL COM NEW	1,050.000	57.37	60,238.50	53.15	56,290.50	1.6	1.84	1,932.00	3.462
WELLS FARGO & CO NEW COM	870.000	49.31	42,898.74	48.46	42,160.20	1.2	1.00	870.00	2.064
Total for Financials			672,168.19		717,263.70	20.7		9,316.00	1.300
Health Care									
JOHNSON & JOHNSON COM	700.000	171.93	120,349.76	177.23	124,061.00	3.6	4.24	2,968.00	2.392
PFIZER INC COM	1,270.000	48.00	60,959.87	51.77	65,747.90	1.9	1.60	2,032.00	3.091
Total for Health Care			181,309.63		189,808.90	5.5		5,000.00	2.634
Industrials									
EXPEDITORS INTL WASH INC COM	490.000	124.73	61,117.01	103.16	50,548.40	1.5	1.16	568.40	1.124
FASTENAL CO COM	1,460.000	55.63	81,216.44	59.40	86,724.00	2.5	1.24	1,810.40	2.088
GENERAL ELECTRIC CO COM NEW	700.000	104.60	73,220.28	91.50	64,106.00	1.9	.32	224.00	.350
UNION PAC CORP COM	280.000	227.81	63,787.73	273.21	76,498.80	2.2	4.72	1,321.60	1.728
Total for Industrials			279,341.46		277,877.20	8.0		3,924.40	1.413
Information Tech									
APPLE INC COM	1,040.000	147.64	153,542.37	174.61	181,594.40	5.3	.88	915.20	.504
CISCO SYS INC COM	730.000	56.13	40,973.29	55.76	40,704.80	1.2	1.52	1,109.60	2.726
MICROSOFT CORP COM	565.000	291.04	164,436.24	308.31	174,195.15	5.0	2.48	1,401.20	.804
TE CONNECTIVITY LTD REG SHS	650.000	152.51	99,128.25	130.98	85,137.00	2.5	2.24	1,456.00	1.710
Total for Information Tech			458,080.15		481,631.35	13.9		4,882.00	1.014
Total: Total Equity			2,524,782.86		2,524,587.04	73.0		31,651.06	1.254
Total Fixed Income									
Taxable Bond Funds									
ISHARES TRUST ISHARES 1-5 YEAR	10,710.000	54.15	579,901.82	51.72	553,921.20	16.0	.83	8,942.85	1.614
VANGUARD SCOTTSDALE FDS VANGUARD	4,130.000	93.57	386,448.18	86.04	355,345.20	10.3	2.07	8,536.71	2.402
Total for Taxable Bond Funds			966,350.00		909,266.40	26.3		17,479.56	1.922
Total: Total Fixed Income			966,350.00		909,266.40	26.3		17,479.56	1.922
Total			3,514,879.26		3,457,601.89	100.0		49,184.74	1.423

Performance Overview

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	3,457,602	2.53	9.27	14.03	12.06	10.51
Total Portfolio - Net	3,457,602	2.47	9.19	13.94	11.97	10.43
70% SP500 30% Barclays Int Govt Cr		3.10	9.55	13.79	11.85	10.43
Total Equity	2,524,587	5.14	14.12	18.43	15.60	13.72
S P 500 Index		6.54	15.65	18.92	15.99	14.00
Total Fixed Income	909,266	-5.72	-4.72	2.08	2.73	2.52
Barclays US Government/Credit Interm Bond		-5.03	-4.10	1.50	1.81	1.69
Cash & Equivalents	23,748	.02	.02	.71	.98	.77
3 Mos Treasury Bill Rate		.11	.11	.68	1.10	.88

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	12.06	11.85
Standard Deviation	11.57	11.11
Beta	1.00	
Alpha	.17	
R-Squared	1.00	
Sharpe Ratio	9.69	10.07
Treynor Ratio	112.06	111.85
Tracking Error	1.05	
Information Ratio	.23	
Downside Deviation	7.17	6.87
Downside Standard Deviation	8.72	8.38
Sortino Ratio	1.78	1.82
Upside Capture	1.04	
Downside Capture	1.04	
Batting Average	.65	
Annualized Excess Return	.21	
Cumulative Excess Return	1.68	
Turnover %	.37	
M-Squared	7.60	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

iShares 1-5 Year Investment Grade Corp Bd ETF (IGSB)

	IGSB	Barclays Intermediate Gov/Cr
Duration	2.75	4.05
Effective Maturity	3.08	4.40
Credit Rating	A-	AA2/AA3
Weighted Coupon	2.98	1.94
Weighted Price	99.01	97.00
Yield to Maturity	3.18	2.70

Source: Morningstar

Investment as of Apr 08, 2022 | Category: Short-Term Bond as of Feb 28, 2022 | Source: Manager-reported and holdings-based calculations.

Source: Bloomberg

Barclays Intermediate Gov/Cr as of March 31, 2022

iShares 1-5 Year Investment Grade Corp Bd ETF (IGSB)

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20
AAA (0.90)	0.02	0.45	0.43	—	—	—	—
AA (8.12)	0.09	4.54	3.49	—	—	—	—
A (44.02)	0.35	27.27	16.09	0.05	—	—	—
BBB (46.15)	0.56	26.99	18.13	0.07	0.02	—	—
BB (0.47)	—	0.26	0.20	—	—	—	—
B	—	—	—	—	—	—	—
Below B	—	—	—	—	—	—	—
Not Rated (0.34)	—	0.09	0.24	0.01	—	—	—

Source: Morningstar

As of Apr 8, 2022 | Data is based on the long position of the holdings. Source: Holdings-based calculations.

Vanguard Interm-Term Corp Bd ETF (VCIT)

	VCIT	Barclays Intermediate Gov/Cr
Duration	6.39	4.05
Effective Maturity	7.40	4.40
Credit Rating	BBB+	AA2/AA3
Weighted Coupon	---	1.94
Weighted Price	101.15	97.00
Yield to Maturity	3.02	2.70

Source: Morningstar

As of Feb 28, 2022 | Category: Corporate Bond | Source: Manager-reported and holdings-based calculations.

Source: Bloomberg

Barclays Intermediate Gov/Cr as of March 31, 2022

Vanguard Interm-Term Corp Bd ETF (VCIT)

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20
AAA (1.46)	—	—	0.36	0.20	0.90	—	—
AA (5.32)	—	—	1.04	2.06	2.22	—	—
A (39.16)	—	0.16	5.16	18.73	15.08	0.01	—
BBB (53.16)	—	0.09	7.89	27.21	17.84	0.07	—
BB (0.80)	—	0.10	0.19	0.38	0.13	—	—
B	—	—	—	—	—	—	—
Below B	—	—	—	—	—	—	—
Not Rated (0.11)	—	—	0.01	—	0.06	—	—

Source: Morningstar

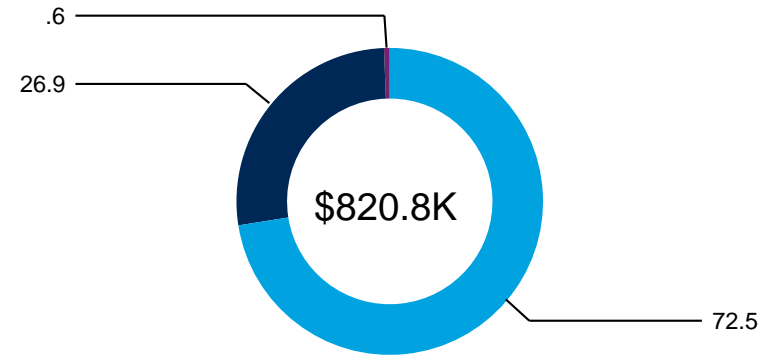
As of Feb 28, 2022 | Data is based on the long position of the holdings. Source: Holdings-based calculations.

Client Investment Review

Investment activity through 03/31/2022

Asset Allocation Summary

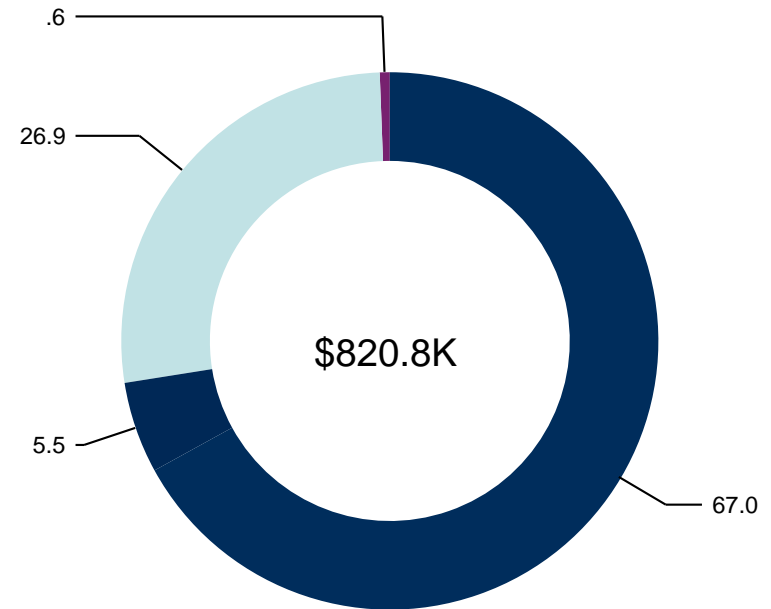
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	595,234	72.5	7,537.50	1.3
Total Fixed Income	220,512	26.9	4,238.00	1.9
Cash & Equivalents	5,101	.6	11.62	.2
Total	820,848	100.0	11,787.12	1.4



Investment Summary

	Fiscal Year to Date (9 Months)
Beginning Account Value	762,827.07
Net Contributions/Withdrawals	40,437.07
Income Earned	7,492.16
Market Appreciation	10,091.21
Ending Account Value	820,847.51

	Market Value	% of Mkt Val
● Core Equity	549,865	67.0
● Large Cap Funds	45,369	5.5
● Taxable Bond Funds	220,512	26.9
● Cash & Equivalents	5,101	.6
Total	820,848	100.0



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	5,100.640	1.00	5,100.64	1.00	5,101.08	.6	.23	11.62	.228
Total for Money Markets			5,100.64		5,101.08	.6		11.62	.228
Total: Cash & Equivalents			5,100.64		5,101.08	.6		11.62	.228
Total Equity									
Large Cap Funds									
ISHARES CORE S& P 500 ETF	100.000	452.25	45,224.64	453.69	45,369.00	5.5	5.90	589.70	1.300
Total for Large Cap Funds			45,224.64		45,369.00	5.5		589.70	1.300
Communication Services									
ALPHABET INC CAP STK CL C	12.000	2,737.58	32,850.97	2,792.99	33,515.88	4.1	.00	.00	.000
DISNEY WALT CO COM	175.000	177.16	31,002.72	137.16	24,003.00	2.9	.00	.00	.000
META PLATFORM, INC.	50.000	359.52	17,975.82	222.36	11,118.00	1.4	.00	.00	.000
OMNICOM GROUP INC COM	180.000	75.24	13,542.79	84.88	15,404.40	1.9	2.80	504.00	3.299
Total for Communication Services			95,372.30		84,041.28	10.2		504.00	.601
Consumer Disc									
CARMAX INC COM	130.000	128.28	16,676.32	96.48	12,542.40	1.5	.00	.00	.000
HOME DEPOT INC COM	105.000	333.05	34,970.71	299.33	31,429.65	3.8	7.60	798.00	2.539
O REILLY AUTOMOTIVE INC NEW COM	30.000	598.12	17,943.68	684.96	20,548.80	2.5	.00	.00	.000
TJX COS INC NEW COM	180.000	70.19	12,633.70	60.58	10,904.40	1.3	1.18	212.40	1.948
Total for Consumer Disc			82,224.41		75,425.25	9.2		1,010.40	1.340
Financials									
BANK OF AMERICA CORP COM	260.000	41.03	10,667.57	41.22	10,717.20	1.3	.84	218.40	2.038
BERKSHIRE HATHAWAY INC DEL CL B NEW	110.000	288.90	31,779.31	352.91	38,820.10	4.7	.00	.00	.000
JPMORGAN CHASE & CO COM	225.000	158.10	35,571.67	136.32	30,672.00	3.7	4.00	900.00	2.934
PROGRESSIVE CORP OH COM	300.000	96.72	29,015.67	113.99	34,197.00	4.2	.40	120.00	.351
SCHWAB CHARLES CORP NEW COM	360.000	72.53	26,110.69	84.31	30,351.60	3.7	.80	288.00	.949

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
US BANCORP DEL COM NEW	245.000	57.37	14,055.65	53.15	13,134.45	1.6	1.84	450.80	3.462
WELLS FARGO & CO NEW COM	200.000	49.31	9,861.78	48.46	9,692.00	1.2	1.00	200.00	2.064
Total for Financials			157,062.34		167,584.35	20.4		2,177.20	1.300
Health Care									
JOHNSON & JOHNSON COM	170.000	171.66	29,181.91	177.23	30,129.10	3.7	4.24	720.80	2.392
PFIZER INC COM	300.000	48.00	14,399.97	51.77	15,531.00	1.9	1.60	480.00	3.091
Total for Health Care			43,581.88		45,660.10	5.6		1,200.80	2.630
Industrials									
EXPEDITORS INTL WASH INC COM	115.000	124.73	14,343.79	103.16	11,863.40	1.4	1.16	133.40	1.124
FASTENAL CO COM	340.000	55.63	18,913.42	59.40	20,196.00	2.5	1.24	421.60	2.088
GENERAL ELECTRIC CO COM NEW	170.000	104.60	17,782.07	91.50	15,568.60	1.9	.32	54.40	.350
UNION PAC CORP COM	65.000	227.81	14,807.86	273.21	17,758.65	2.2	4.72	306.80	1.728
Total for Industrials			65,847.14		65,386.65	8.0		916.20	1.401
Information Tech									
APPLE INC COM	240.000	147.64	35,432.86	174.61	41,906.40	5.1	.88	211.20	.504
CISCO SYS INC COM	170.000	56.13	9,541.73	55.76	9,479.20	1.2	1.52	258.40	2.726
MICROSOFT CORP COM	130.000	291.04	37,834.89	308.31	40,080.30	4.9	2.48	322.40	.804
TE CONNECTIVITY LTD REG SHS	155.000	152.51	23,638.28	130.98	20,301.90	2.5	2.24	347.20	1.710
Total for Information Tech			106,447.76		111,767.80	13.6		1,139.20	1.019
Total: Total Equity			595,760.47		595,234.43	72.5		7,537.50	1.267
Total Fixed Income									
Taxable Bond Funds									
ISHARES TRUST ISHARES 1-5 YEAR	2,600.000	54.14	140,765.50	51.72	134,472.00	16.4	.83	2,171.00	1.614
VANGUARD SCOTTSDALE FDS VANGUARD	1,000.000	93.55	93,547.02	86.04	86,040.00	10.5	2.07	2,067.00	2.402
Total for Taxable Bond Funds			234,312.52		220,512.00	26.9		4,238.00	1.922
Total: Total Fixed Income			234,312.52		220,512.00	26.9		4,238.00	1.922
Total			835,173.63		820,847.51	100.0		11,787.12	1.436

Performance Overview

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	820,848	2.44	9.11	13.91	12.01	10.48
Total Portfolio - Net	820,848	2.38	9.02	13.82	11.92	10.40
70% SP500 30% Barclays Int Govt Cr		3.10	9.55	13.79	11.85	10.43
Total Equity	595,234	5.09	14.07	18.41	15.60	13.73
S P 500 Index		6.54	15.65	18.92	15.99	14.00
Total Fixed Income	220,512	-5.72	-4.73	2.09	2.74	2.52
Barclays US Government/Credit Interm Bond		-5.03	-4.10	1.50	1.81	1.69
Cash & Equivalents	5,101	.02	.02	.68	.94	.74
3 Mos Treasury Bill Rate		.11	.11	.68	1.10	.88

	Total Portfolio - Gross	70% SP500 30% Barclays Int Govt Cr
Return	12.01	11.85
Standard Deviation	11.57	11.11
Beta	1.00	
Alpha	.12	
R-Squared	1.00	
Sharpe Ratio	9.68	10.07
Treynor Ratio	112.01	111.85
Tracking Error	1.05	
Information Ratio	.19	
Downside Deviation	7.18	6.87
Downside Standard Deviation	8.73	8.38
Sortino Ratio	1.77	1.82
Upside Capture	1.04	
Downside Capture	1.04	
Batting Average	.63	
Annualized Excess Return	.16	
Cumulative Excess Return	1.25	
Turnover %	4.07	
M-Squared	7.56	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

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. Baird Trust 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.

MSCI ACWI Index: MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 27 emerging markets.

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.

The information contained herein, while not guaranteed, has been obtained from sources which we believe to be reliable and accurate. This material is not to be considered an offer or solicitation regarding the sale of any security.

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 Baird Trust Portfolio Manager.

Baird Trust Company ("Baird Trust"), a Kentucky state-chartered trust company, is owned by Baird Financial Corporation ("BFC"). It is affiliated with Robert W. Baird & Co. Incorporated ("Baird"), (an SEC-registered broker-dealer and investment advisor), and other operating businesses owned by BFC.



INVESTMENT POLICY STATEMENT

Effective as of January 22, 2022

INTRODUCTION



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 October 25, 2019.

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 **Baird 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.

A. 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).

B. 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



C. ASSET ALLOCATION GUIDELINES

The Committees expect each of the four Funds' 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 a high 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 and Fund performance (as measured at market value) over a full market cycle not to exceed five years.

Each of the Funds' 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, not including cash and cash equivalents balances, 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, not including cash and cash equivalent balances, 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, or its designee, 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 monthly basis and will make quarterly or more frequent reports to the Committees, if the target portfolio allocations fall outside of the parameters above.

D. 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 (ETFs) invested substantially in equities.

Should the Manager elect to invest in mutual funds or ETFs 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. The Committees understand that any mutual funds or ETFs utilized by the Manager may allow broader latitude, but whose investment objective, in the Manager's opinion, is consistent with the Fund's investment guidelines.

The Committees also understand that any mutual fund or ETFs utilized under these Guidelines may utilize derivative instruments for exposure, efficiency, or risk management purposes and are not used as a speculative nature. Any mutual fund or ETF selected by the Manager must generally be consistent with these Guidelines.

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, or its designee. 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 sector of a Fund's equity portfolio shall not exceed more than 20% of the sector's weighting in the S&P 500.

If an individual sector weighting reaches a 40% weighting of a Fund's total equity portfolio, the Manager shall promptly notify the applicable Investment Committee, or its designee. Upon notification of a sector reaching a 40% weighting, the Committee may recommend a course of action to the Manager; absent a Committee recommendation to take action, the Manager has discretion, as long as the weighting does not exceed more than 20% of the sector weight in the S&P 500.

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 or its designee, reasonable steps to bring such Fund's equity investments into compliance with these Equity Guidelines.

E. 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 ETFs investing substantially in fixed income. Should the Manager elect to invest in mutual funds or ETFs 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.

The Committees also understand that any mutual fund or ETFs utilized under these Guidelines may utilize derivative instruments for exposure, efficiency, or risk management purposes and are not used as a speculative nature. Any mutual fund or ETF selected by the Manager must generally be consistent with these Guidelines.

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 ETFs 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. Only ETF or Mutual Fund securities whose fixed income investments have a dollar-weighted average credit rating of BBB from Standard & Poor's and/or Baa rating from Moody's, may be purchased. No ETF or Mutual Fund shall have a total allocation of more than 5% in below investment grade rated holdings.
7. Investment in bonds will be limited to those eligible for purchase by national banks.
8. Individual fixed income security maturities will be reasonably spaced with due consideration given to call provisions.
9. 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, including ETF or Mutual Funds, shall at all times be within one year of the duration of its fixed income benchmark.

10. The fixed income benchmark selected by the Manager for any Fund shall be approved by the Committee' and must be a broad market benchmark that reasonably reflects 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 or its designee, reasonable steps to bring such Fund's fixed income investments into compliance with these Fixed Income Guidelines.

F. 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.

G. OTHER ASSETS

The Manager will not purchase assets other than those described herein without the prior written consent of the Committees. Investments in commodities and currency exchange contracts are strictly prohibited.

The Manager may invest in or hold ETF or mutual funds which make use of derivatives securities, for the purpose of gaining exposure, cost efficiency and risk management purposes as long as such investments do not cause the Funds to be leveraged beyond a 100% position. All derivative securities utilized shall be sufficiently liquid and expected to be able to be sold at or near its most recently quoted market price.

Under no circumstances shall the Manager purchase securities on margin or take positions in derivative securities that leverage the Funds' investments beyond a 100% invested position. The Manager shall not hold ETF or Mutual fund securities that holds underlying securities on margin.

Investments not specifically addressed by this *Statement* are forbidden by the Committees without prior written consent.

H. SALES AND PURCHASES

The Manager shall have discretion in selecting brokers or institution(s) to execute transactions, unless directed otherwise by the Committees.

The Manager shall immediately notify the JFRS Executive Director, or approved brokers of all transactions, with specific data as to settlement and delivery instructions. The JFRS Executive Director or approved brokers will in turn notify the custodian of the Funds to execute such sales and purchases.

MONITORING



I. COMMUNICATIONS AND COMPLIANCE

The JFRS Executive Director will maintain contact with the Manager as necessary and will 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 or their designee must also receive information about changes in the Manager's investment philosophy, management, ownership and key personnel in a timely fashion.

Meetings between the Committees and the Manager will generally be held on a quarterly basis. In the event a quarterly meeting with the Manager is not held, the Committee's designee will provide a quarterly update. All such meetings with or updates shall include:

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.

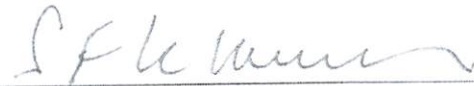
In addition to requiring that the Manager provide compliance reporting as described above, JFRS may also engage an independent third party to provide the Committees with a periodic compliance assessment for each Fund.

The Committees, or designee, 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 ____ day of _____, 2021.

**Investment Committee
Kentucky Judicial Retirement Plan**

By: 
Stephen F. LeLaurin, Chairman

**Investment Committee
Kentucky Legislators Retirement Plan**

By: _____
Joe R. Bowen, Chairman

Baird Trust Company

By: 
Donald L. Asfahl, Chairman

Item V – Administrative Reports

- A. Public Pension Oversight Board – *Update*
- B. 2022 Regular Session – *Memo Included*
- C. Audit Services RFP – *Update*
- D. 2022-23 Personal Service Contracts – *Update*
- E. SB 104 Implementation – *Document Included*
- F. Office & Technology Update
- G. Administrative, Budget & Personnel – *Memo Included*



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: April 22, 2022

SUBJECT: 2022 Regular Session – Legislative Update

The 2022 Regular Session of the General Assembly began on Tuesday, January 4, 2022. The full 60-day session came to a close last week when legislators adjourned sine die on Thursday, April 14.

Below is a summary of JFRS related legislation that passed during the Regular Session, along with a handful of other interesting retirement-related proposals did not have an impact JFRS, but were passed by the General Assembly:

JFRS RELATED LEGISLATION – PASSED

Bill/Description

[SB 32](#) (Sen. Higdon) – **JFRS HOUSEKEEPING BILL**

- Amends KRS 21.525 and the UAL amortization policy.
- Amends KRS 21.540 to require that the authorization for all administrative expenses of the JFRS be included in the biennial budget unit request, branch budget recommendation
- Amends KRS 6.505, 6.518, 6.520, 6.525, 21.360, 21.385, 21.402, and 21.480 to remove language that was voided due to a court ruling, restore prior statute language, and to make technical changes.

[HB 244](#) – **Judicial Branch Budget Bill**

- Two (2) year budget for FY 2022-23 and FY 2023-24
- Provides General Fund appropriation of \$4,981,800 (FY23) and \$5,305,600 (FY24) as requested
- Provides Restricted Fund authorization for administrative expenses
- Does NOT provide for Cost of Living Adjustment

[HB 243](#) – **Legislative Branch Budget Bill**

- Two (2) year budget for FY 2022-23 and FY 2023-24
- Does not provide any funding of employer contributions to LRP (same as current budget).
- Does NOT provide for Cost of Living Adjustment

[HB 76](#) (Rep. J. Miller) – **ACT relating to retirement.**

- Amends KRS 21.440, 61.670, and 161.400 to require the state-administered retirement systems to perform an actuarial investigation of economic assumptions once every two years rather than once every five years while retaining a review of demographic assumptions once every five years;
- Requires the first actuarial investigation of economic assumptions to occur prior to 2023 actuarial valuations

JFRS RELATED LEGISLATION – PASSED/ENACTED (continued)

Bill/Description

SR 228 (Sen. J. Adams) – **A RESOLUTION confirming the appointment of Ben D. Allison Jr. to the Board of Trustees of the Judicial Form Retirement System.**

SB 205 (Rep. R. Mills) - **AN ACT relating to state dealings with companies that engage in energy company boycotts.**

- Proposes to create new sections of KRS Chapter 41 to declare findings regarding the financial harms of boycotting energy companies for dealing in fossil-fuel based energy,
- Requires the State Treasurer to publish, maintain, and update a list of financial companies engaged in energy company boycotts.
- The proposed legislation would require state government entities, which only includes executive branch entities, to notify the Treasury of any direct or indirect holdings and would require the state entity to inform and warn listed financial companies of possible divestment.
- State entities required to divest from listed financial companies if it does not cease its energy company boycott within established timeframes, subject to a few divestment exemptions provided by the legislation.

Staff believes does not believe JFRS is ultimately subject to this legislation:

- HCS 1 changed definition of “Government Entity” to only include executive branch entities

Based on all available research, it appears that JFRS is a generally considered a Judicial Branch Agency.

- In addition, the legislation includes the following exemption:

“A state governmental entity shall not be subject to the requirements of this Act if the state governmental entity determines that the requirements would be inconsistent with its fiduciary responsibility with respect to the investment of entity assets” (Section 2, paragraph 3)

KRS 21.450(2) requires the “board members or any investment adviser to discharge their duties with respect to the funds of the retirement system solely in the interest of the members and beneficiaries.”

OTHER RETIREMENT RELATED LEGISLATION - PASSED

Bill/Description

SB 209 (Sen. Nemes) – **ACT relating to public employee benefits**

- Amended KRS 16.198 to require the Kentucky State Police to promulgate administrative regulations to establish vacation and sick leave and holiday pay for Trooper R and commercial vehicle enforcement R Class employees.
- Amended KRS 61.702 and 78.5536 to increase the under-age-65 retiree health subsidy for career members of the Kentucky Employees Retirement System, County Employees Retirement System, and the State Police Retirement System who began participating in the system on or after July 1, 2003 (Tier II), who are eligible for a fixed-dollar retiree health subsidy not tied to the premium.
- Provided that the fixed dollar retiree health subsidy shall be increased by five dollars for each year these members work beyond the career threshold provided the funding level of the retiree health fund providing the additional benefit is 90 percent or greater;
- Allows these members to use those fixed dollar amounts towards other health coverage through a premium reimbursement program for plan years occurring on or after January 1, 2023.

OTHER RETIREMENT RELATED LEGISLATION – PASSED (continued)

Bill/Description

SB 259 (Sen. Nemes) – **ACT relating to employees of the Kentucky State Police.**

- Amend KRS 16.052 to increase state trooper, commercial vehicle enforcement officer, and legislative security specialist salaries; EMERGENCY.
- Amend KRS 16.583 to provide that members of the State Police Retirement System (SPRS) participating in the hybrid cash balance plan shall have additional employer pay credits added to their account annually following the fiscal year ended 2023 and upon retirement based upon excess accumulated sick leave subject to provisions and limitations established by the bill
- Specifies that sick leave benefits based upon funding in state budget and requires joint report from State Police and KPPA as to effectiveness and cost of sick leave benefit provisions every 4 years.

In addition to the legislation above, below is a summary of several other retirement related proposals that were proposed during the session, but did not pass:

JFRS RELATED LEGISLATION – PROPOSED, BUT NOT PASSED

Bill/Description

HB 163 (Rep A. Tackett Lafferty), **HB 201** (Rep L. Willner), and **HB 463** (Rep R. Huff) – **Acts relating to the taxation of retirement distributions.**

- Both bills would adjust the retirement distribution exclusion, which is currently \$31,110
- HB 163 would increase to \$41,110 and HB 201 would increase up \$41,110 for single persons and up to max of \$82,220 for married couples depending on adjusted gross income.

HB 606 (Rep A. Koenig), **HB 610** (Rep. A Koenig) & **SB 213** (Sen. D Yates) – **Acts relating to wagering**

- Each of the bills would establish a wagering administration fund within the State Treasury.
- Each of the proposals provide that a portion of any excess funds remaining in the administration fund, after oversight costs, would be allocated to the Kentucky permanent pension fund established in KRS 42.205.

OTHER RETIREMENT RELATED LEGISLATION – PROPOSED, BUT NOT PASSED

Bill/Description

HB 135 (Rep. Wheatley) – **ACT relating to retirement benefits for state and county employees in hazardous positions.**

- Changes retirement benefits for Tier III (CB) members in a hazardous position but before January 1, 2023, so that, in lieu of continued participation in the cash balance plan, members receive benefits provided to Tier II members unless the members opts out
- Allows a new member who begins participating in a hazardous position on or after January 1, 2023, to also receive benefits of Tier 2 members

HB 169 (Rep. Bratcher, Rep. Wheatley) – **ACT relating to retiree health benefits for hazardous duty members.**

- Increases the hazardous duty under age 65 retiree health subsidy to \$40 per month (from \$15 per month) for each year of hazardous duty service for members who began participating in the system on or after July 1, 2003
- Increases the hazardous duty Medicare Eligible retiree health subsidy to \$15 per month for each year of hazardous duty service for members who began participating in the system on or after July 1, 2003
- Provides that the change shall apply RETROACTIVELY to all eligible members, including retirees and shall continue to be adjusted annually by the 1.5% increase currently provided by statute;

[HB 266](#) (Rep Frazier Gordon) – ACT relating to contribution of a refund in the retirement systems.

- Provide that a repurchase of a refund to KERS, CERS, or SPRS made on or before January 1, 2023, shall be used to determine a member's participation date in the systems;
- Makes provision RETROACTIVE back to January 1, 2014 and provides that any re-contribution of a refund made on or after January 1, 2014 and prior to the effective date of this Act, shall be used to determine a member's participation date in the system unless the member instructs the systems by January 1, 2023, to not use the service to determine their participation date in the systems;

[HB 446](#) (Rep. Graham, Rep. Wheatley) and [HB 348](#) (Rep. A. Hatton, Rep. D. Graham) – AN ACT relating to a cost-of-living increase to the retirement benefits

- HB 446 - Appropriates \$162 million and \$12 million in fiscal year 2022-2023 to fund a one-time one and one-half percent cost-of-living adjustment effective July 1, 2022, for Kentucky Employees Retirement System nonhazardous and hazardous duty retirees/beneficiaries
- HB 348 - Appropriate \$12 million in fiscal year 2022-2023 to the Kentucky Public Pensions Authority to be applied to the State Police Retirement Fund to prefund in fiscal year 2022-2023 and effective July 1, 2022, a 1.5 percent increase in the monthly retirement allowances paid from the State Police Retirement System to each recipient



JUDICIAL FORM RETIREMENT SYSTEM

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John R. Grise, Chairman
Board of Trustees

Bo Cracraft
Executive Director

April 11, 2022

<TITLE> <FIRST> <LAST>
<ADDRESS>
<CITY>, <STATE> <ZIP>

RE: Option to Voluntary Elect Participation in Cash Balance Plan (Senate Bill 104, 2017 Regular Session)

Dear <TITLE> <LAST>,

As a member of <PLAN>, whose initial participation date is on or after September 1, 2008, **you have the statutory right to make a one-time, irrevocable election to participate in the Hybrid Cash Balance (CB) Plan in lieu of your current tier of benefits.** This letter serves to notify you of your rights, provide a summary of the two plans, and outline your next step in the event you wish to further consider making the voluntary election.

Background. During the 2017 Regular Session, the General Assembly passed Senate Bill 104, which included a provision allowing for legacy defined-benefit (DB) members of <PLAN> the opportunity to make a one-time, irrevocable election to participate in the CB plan. In September of 2019, a Private Letter Ruling issued by the Internal Revenue Service determined that only <PLAN> members, who joined on or after September 1, 2008 (and contribute 6.00% of their salary), are eligible for the voluntary election.

Summary of Plans. Below is a table that compares several key provisions between your current tier of benefits and the cash balance plan. You can also find Summary Plan Descriptions for both plans on our website at <https://kjfrs.ky.gov/>.

	Current Benefit Tier	Cash Balance Tier
Member Contribution	6% Pension	5% Pension 1% Insurance (non-refundable)
Retirement Formula	Final Compensation <i>Multiplied by: 2.75% Benefit Factor</i> <i>Multiplied by: Years of service</i>	Accumulated Account Balance <i>Divided by: Actuarial Factor</i>
Final Compensation	<FINAL COMP>	N/A – No Final Compensation
Accumulated Account Balance	N/A – Accumulated Account Balance	5% Employee Contributions + 4% Employer Pay Credits + 4% Base Interest + Upside Sharing (If applicable)
Normal Retirement Eligibility	Any age w 27 yrs. of service, <u>OR</u> At Normal Retirement Age and vested	Rule of 87: Member must be at least age 57 + earned service is equal 87, <u>OR</u> Age 65 with 5 yrs of earned service

Early (Reduced) Retirement Provisions	Member may retire prior to reaching normal retirement, subject to an early retirement penalty	N/A – No early retirement provisions
	Current Benefit Tier	Cash Balance Tier
Retiree Health Insurance	<i>Percentage-Based Coverage</i> Plan pays percentage of total premium, based on member’s total service. 10 yrs. = 50% | 15 yrs. = 75% | 20 yrs. =100%	<i>Monthly Subsidy-Based Coverage</i> Plan pays \$10 per month for each year of service, adjusted for inflation (1.5%) 15 Years required for eligibility
Dependent Health Insurance	Plan covers percentage of dependent premium, based on JRP or LRP service only.	N/A – No dependent coverage
Inviolable Contract	"Inviolable Contract" language covers all benefits except COLA	No language, accrued benefits are protected but prospective benefits subject to change by the Legislature

In addition to the summary above, a few other considerations include:

- Transfers or Purchases: If you purchased or transferred service to Judicial Retirement Plan, which is not permitted under the Cash Balance plan, you will be refunded and your service reduced accordingly if you choose to voluntarily elect to participate in the Cash Balance Plan.
- Normal Retirement Age: You current tier of benefits provides that a member’s normal retirement age (65) shall be reduced by one year, not to exceed five years in total, for every five years of service credit in <PLAN>. The Cash Balance does not have this provision.
- Reciprocity: If you have service with the Teachers' Retirement System, Kentucky Employees Retirement Plan, County Employees Retirement Plan, or State Police Retirement Plan, you will forfeit the benefits of reciprocity.

Important Disclosures. As a member eligible to opt-in, please consider the following disclosures:

- The decision to opt-in to the Cash Balance Plan is a **voluntary and irrevocable** choice.
- Members who elect to opt-in **will be subject to the same statutes and regulations** governing Cash Balance members whose initial participation date is January 1, 2014 and later.
- Members who elect to opt-in will have an individual hybrid cash balance account created by JFRS and the member’s accumulated account balance will be funded by:
 - Member Contributions: The members accumulated member contributions (6% of payroll), plus
 - Employer Pay Credits: An employer pay credit, of 4% of payroll, will also be deposited into the members account for each month the member contributed prior to their election date.
 - NOTE: Annual Interest credits, and any applicable upside sharing, will only be applied for periods occurring on or after the member’s effective election date.

Next Steps. As an eligible member, **you are not required to respond to this notice.** If you are not interested and prefer to remain in your current tier of benefit, you may discard this notice and no change will be made to your account with JFRS.

However, if you believe it could be advantageous for you to opt-in to the CB plan, you need to contact the JFRS office at 502.564.5310. Kentucky Revised Statute requires that JFRS provide you will additional information detailing the potential result of this choice before an election can be executed. The additional information would an *estimated* financial comparison of projected benefits between the two tiers using the plan’s current actuarial assumptions.

After a review of the information provided by JFRS, if you do have the intent to opt-in to the CB plan, you will be required to complete and submit an affidavit provided by our office, which will formally serve as your consent. Upon submission of the required affidavit, JFRS will proceed with converting your current account into a cash balance account. You will receive written notification once the process is complete along with a summary of your accumulated account balance.

Sincerely,

A handwritten signature in black ink, appearing to read "Bo Cracraft". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Bo Cracraft
Executive Director



JUDICIAL FORM RETIREMENT SYSTEM

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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: April 22, 2022

SUBJECT: Administrative/Personnel Update – FY23 Budget Salary Increases

During the 2022 Regular Session of the General Assembly, biennial budgets for all three branches of government were passed by the General Assembly. All three budgets included language concerning salary increases for employees and elected officials of the Commonwealth. This memo provides a summary of language included in all three budgets as well as a summary of restricted fund increases provided to JFRS as a result.

As Executive Director, I am seeking further direction from the Board of Trustees and action, if necessary, to support the implementation of any approved salary increases.

Background. JFRS pays all administrative expenses, included payroll costs, out of a restricted fund account funded by periodic transfers from JRP and LRP trust funds on a prorated basis (according to plan membership). Administrative expenses budgeted for each plan are incorporated into funding valuations and reflected in the Actuarially Determined Employer Contributions (ADEC) used during the biennial budget request process.

In addition to the request for employer contributions, staff must also include a request for Restricted Fund authorization to spend during the upcoming fiscal years for administrative expenses. This is a consistent process across all three state-administered retirement systems.

Budget Language. All three budgets included language that increased employee salaries. Below is a summary of language:

Executive Branch Budget Language: 18A employees Receiving 8% increase

Notwithstanding KRS 18A.355, relating to anniversary date, and notwithstanding KRS 156.808(6)(e) and 163.032(1), an ***eight percent salary increase is provided, effective July 1, 2022***, on the base salary or wages of each eligible state employee not referenced in subsection (2) of this section (*dealing with social workers*).

It is the intent of the General Assembly to provide a salary increment in fiscal year 2023-2024, subject to the completion of the classification and compensation report required under Part I, I., 1., (1) of the Act.

Legislative Budget Language: Same as State Budget

EMPLOYEES: In each fiscal year, employees of the Legislative Research Commission shall receive a salary adjustment in accordance with ***the salary adjustment provided to state employees in the state/executive branch budget***.

ELECTED OFFICIALS: “the daily compensation and interim expense allowance provided for the members of the General Assembly shall be as authorized by the 2020-2022 biennium and shall continue as adjusted on January 1, 2023, by the *salary increment provided to state employees in the state/executive branch budget.*”

Judicial Budget Language: Employees Receiving \$2,000 increase + 8% increase

EMPLOYEES: Included in the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this Act are sufficient funds to support a *\$2,000 salary increase followed by an eight percent increase on the base salary and wages of each eligible employee effective July 1, 2022*, for non-elected personnel.

ELECTED OFFICIALS: Included in the General Fund, Restricted Funds, and Federal Funds appropriations in Part I of this Act are sufficient funds to support an *eight percent increase on the base salary or wages of each eligible employee effective July 1, 2022, for elected personnel.*

JFRS Restricted Funds. The JFRS request for restricted fund authority, including budgeted payroll costs, are included within the Judicial Branch budget. The budget bill adopted by the General Assembly did provide additional Restricted Fund authority to support the increase in salaries for all three JFRS positions (2 full time, 1 part-time). Below is a summary of the initial budget request compared to the adopted budget:

Judicial Form Retirement System	Budget Request	FY 2022-23		FY 2023-24	
		Adopted	Difference	Adopted	Difference
Restricted Funds	\$713,400	\$743,500	\$30,100	\$745,200	\$31,800
Summary of Difference from Baseline					
Payroll Increase (\$2,000 + 8%)			\$28,500		\$28,500
Health Insurance Increase (10% per year)			\$1,600		\$3,300

As shown above, the majority of increase from the request was driven by the adopted salary increments, with the remaining increase the result of a defined increase of 10% in budgeted employer health insurance premium costs.

Authority to Spend, But No Additional Appropriations. The result is JFRS has been granted authority in the budget to provide salary increases, but unlike many state agencies, they did not receive any additional appropriations in the budget to offset the increase in spending.

Instead, any increase in administrative expenses adopted by the Board, will be built into future funding valuations as an administrative expense load and will be incorporated in future employer contribution requests to ensure the plans remain funded appropriately.

Next Steps. The intent of this agenda item is to generate a discussion and further direction from the Board regarding implementation of any approved salary increases. I am happy to provide the Board with some recommendations, but given the private and personal nature of this topic, I would suggest any discussion occur within an executive, or closed, session of the meeting.

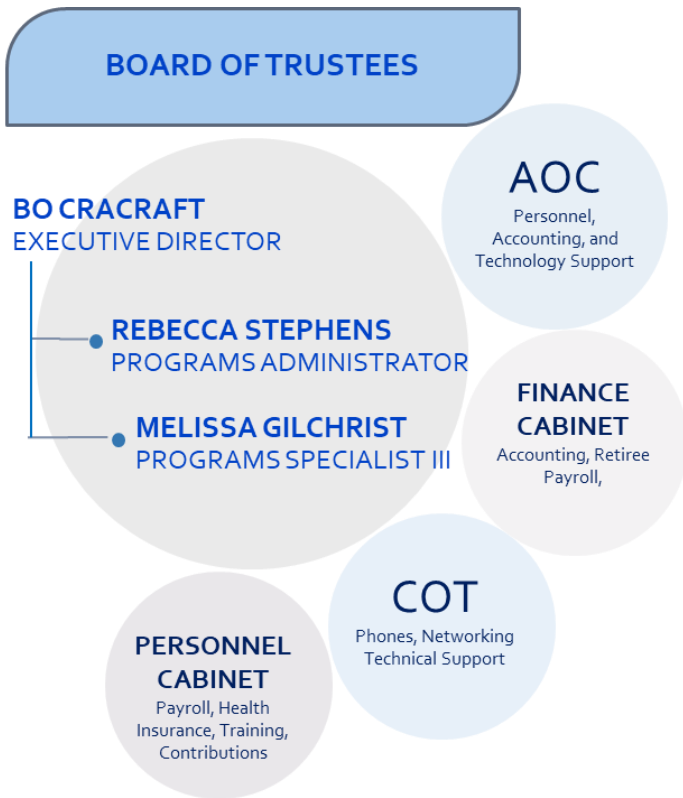
Appendix –

- Organization Chart & Service Providers
- State Administrated Retirement System –
Actuarial and Financial Update

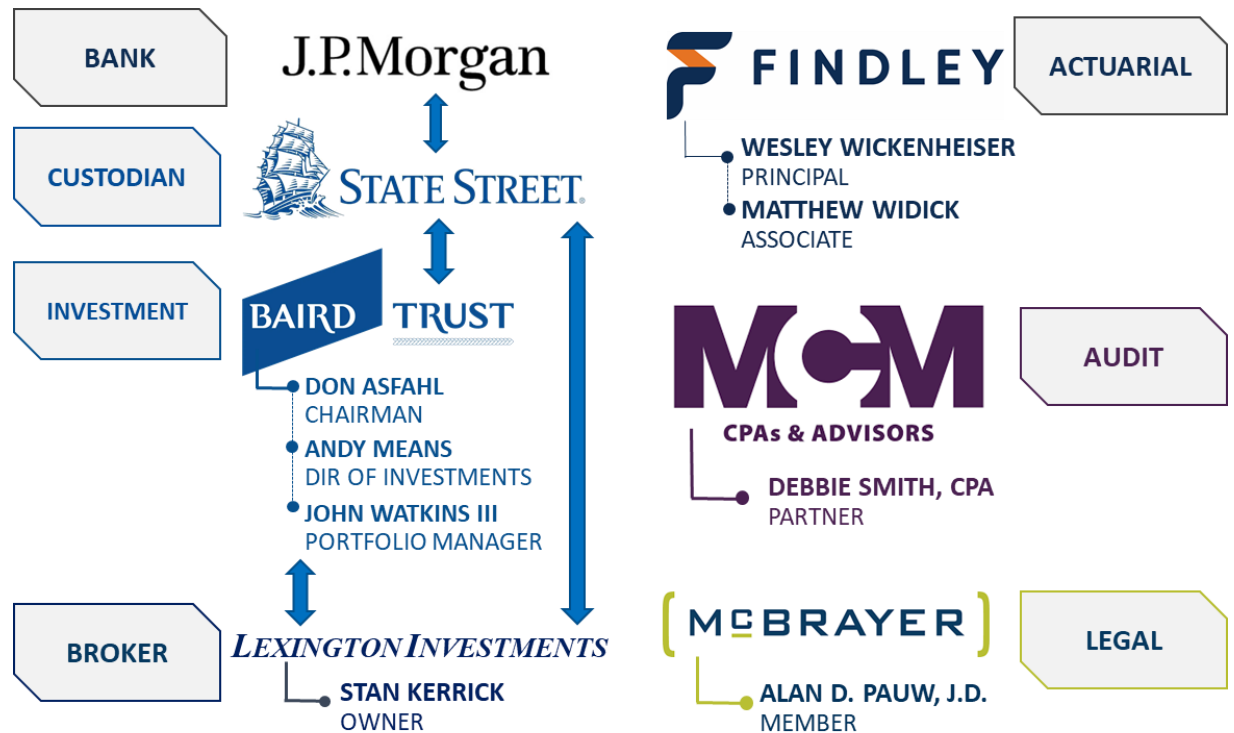


JUDICIAL FORM RETIREMENT SYSTEM

Organizational Structure



Service Providers



FY 2021 STATE ADMINISTERED RETIREMENT SYSTEMS – ACTUARIAL AND FINANCIAL UPDATE

2021 ACTUARIAL STAT AND FINANCIAL SUMMARY

The two most commonly discussed statistics in actuarial reports for public pension funds are the Unfunded Liability (UL) and the Funding Level. Below is a summary of the unfunded liability, funding levels, as well as the net plan assets financial statements for each of the state-administered retirement systems.

	ACTUARIAL: 2021 VALUATION STATISTICS				FINANCIALS: PLAN NET ASSETS	
	FUNDING LEVEL (%) *		UNFUNDED LIABILITY (\$)		MARKET VALUE (6/30/21)	
	Pension	Retiree Health	Pension	Retiree Health	Pension	Retiree Health
KERS NONHAZ	16.8% ↑	50.2% ↑	\$13.585 B	\$1.283 B	\$3.085 B	\$1.353 B
KERS HAZ	60.4% ↑	135.5% ↑	\$0.513 B	(\$0.151 B)	\$0.875 B	\$0.625 B
SPRS	30.7% ↑	82.0% ↑	\$0.730 B	\$0.049 B	\$0.358 B	\$0.246 B
CERS NONHAZ	51.8% ↑	85.4% ↑	\$7.179 B	\$0.503 B	\$8.671 B	\$3.142 B
CERS HAZ	46.7% ↑	84.3% ↑	\$3.001 B	\$0.276 B	\$2.934 B	\$1.608 B
TRS	57.2% ↓	60.0% ↓	\$16.957 B	\$1.384 B	\$25.936 B	\$2.301 B
LRP	108.9% ↑	362.6% ↑	(\$0.007 B)	(\$0.041 B)	\$0.098 B	\$0.071 B
JRP	94.7% ↑	272.5% ↑	\$0.020 B	(\$0.068 B)	\$0.448 B	\$0.134 B
	Subtotal:		\$41.979 B	\$3.234 B	\$42.405 B	\$9.479 B
	Combined Total:		\$45.214 B		\$51.866 B	

* ↑ or ↓ denotes change in statistic from prior actuarial valuation. Funding Levels & Unfunded Liabilities are calculated using an actuarial value of assets (different from market value of assets reported above) that smooths individual year asset gains and losses over a 5 year period.

ALL SYSTEMS: UNFUNDED LIABILITIES		ALL SYSTEMS: NET PLAN ASSETS	
<u>PENSION UL</u>	<u>RETIREE HEALTH UL</u>	<u>PENSION</u>	<u>RETIREE HEALTH</u>
\$41.979 B ↑1.4 B	\$3.234 B ↓0.3 B	\$42.405 B ↑8.4 B	\$9.479 B ↑2.2 B

2021 vs. 2020 ACTUARIAL VALUATION STAT COMPARISON FOR 3 LARGEST SYSTEMS

Three of the state-administered retirement systems, KERS nonhazardous, CERS nonhazardous, and TRS, account for 90% of all unfunded liabilities (UL). Below is a comparison of the 2020 and 2021 actuarial valuation statistics for these 3 systems and the primary factors that resulted in the year over year changes.

KERS NONHAZ	CERS NONHAZ	TRS
<p>↑ PENSION FUND</p> <ul style="list-style-type: none"> Funding Level: 14.2% to 16.8% UL: \$14.026 B to \$13.585 B <ul style="list-style-type: none"> ○ Investments > assumption <p>↑ RETIREE HEALTH FUND</p> <ul style="list-style-type: none"> Funding Level: 42.7% to 50.2% UL: \$1.469 B to \$1.283 B <ul style="list-style-type: none"> ○ Investments > assumption ○ Premium growth < assumption 	<p>↑ PENSION FUND</p> <ul style="list-style-type: none"> Funding Level: 49.4% to 51.8% UL: \$7.390 B to \$7.179 B <ul style="list-style-type: none"> ○ Investments > assumption <p>↑ RETIREE HEALTH FUND</p> <ul style="list-style-type: none"> Funding Level: 78.5% to 85.4% UL: \$0.731 B to \$0.503 B <ul style="list-style-type: none"> ○ Investments > assumption ○ Premium growth < assumption 	<p>↓ PENSION FUND</p> <ul style="list-style-type: none"> Funding Level: 58.4% to 57.2% UL: \$14.786 B to \$16.957 B <ul style="list-style-type: none"> ○ Change in assumptions** ○ Investments > assumption** <p>↓ RETIREE HEALTH FUND</p> <ul style="list-style-type: none"> Funding Level: 61.7% to 60.0% UL: \$1.057 B to \$1.384 B <ul style="list-style-type: none"> ○ Change in assumptions** ○ Investments > assumption** ○ Premium growth < assumption

**For TRS, unfunded liabilities increased as a result of changes in assumptions that were incorporated into the 2021 valuation, which were partially offset by investment returns in excess of assumptions. The impact of the TRS assumption changes on employer costs to the pension fund will be phased-in over the next 5 years as the positive investment experience is phased-in according to the asset smoothing method. JRP/LRP modified assumptions in this valuation as well.

RECENT ACTUARIAL STAT TRENDS

Below is the 5 year trend of actuarial stats for KERS NH, KERS H, CERS NH, CERS H, and TRS.

		PENSION					INSURANCE				
		2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
KERS NONHAZ	UL \$ B	\$13.468	\$13.656	\$14.260	\$14.026	\$13.585	\$1.859	\$1.548	\$1.742	\$1.469	\$1.283
	Level %	13.6%	12.9%	13.4%	14.2%	16.8%	30.7%	36.4%	36.3%	42.7%	50.2%
KERS HAZ	UL \$ B	\$0.514	\$0.513	\$0.555	\$0.574	\$0.513	(\$0.074)	(\$0.118)	(\$0.099)	(\$0.111)	(\$0.151)
	Level %	54.1%	55.5%	54.8%	55.3%	60.4%	117.6%	130.0%	123.1%	126.0%	135.5%
SPRS	UL \$ B	\$0.706	\$0.721	\$0.763	\$0.757	\$0.730	\$0.096	\$0.075	\$0.079	\$0.069	\$0.049
	Level %	27.0%	27.1%	27.0%	28.1%	30.7%	65.2%	71.6%	71.3%	75.0%	82.0%
CERS NONHAZ	UL \$ B	\$6.039	\$6.241	\$7.307	\$7.390	\$7.179	\$1.128	\$0.721	\$1.045	\$0.731	\$0.503
	Level %	52.8%	52.7%	49.1%	49.4%	51.8%	66.4%	76.7%	70.7%	78.5%	85.4%
CERS HAZ	UL \$ B	\$2.411	\$2.471	\$2.870	\$2.983	\$3.001	\$0.592	\$0.428	\$0.419	\$0.379	\$0.276
	Level %	48.1%	48.4%	45.3%	45.1%	46.7%	66.9%	74.6%	75.8%	78.2%	84.3%
TRS	UL \$ B	\$14.305	\$14.300	\$14.523	\$14.786	\$16.957	\$2.706	\$2.127	\$1.691	\$1.057	\$1.384
	Level %	56.4%	57.7%	58.1%	58.4%	57.2%	26.7%	36.3%	46.0%	61.7%	60.0%

CASH FLOW & CHANGE IN PLAN ASSETS (IN MILLIONS)

Below is a summary of contributions, investment gains, and total payouts for KERS NH, CERS NH, and TRS.

	PENSION			RETIREE HEALTH		
	KERS NH	CERS NH	TRS	KERS NH	CERS NH	TRS
Fund Assets Beginning of Year	\$2,362.2	\$7,110.9	\$20,717.0	\$1,006.5	\$2,498.1	1,616.7
• Employee Contributions	\$90.2	\$165.7	\$327.8	\$6.3	\$13.6	\$187.6
• Employer Contributions	1,134.2	472.2	1,147.0	182.0	124.7	184.9
• Investment Income	50.6	135.7	257.6	18.5	41.0	3.7
• Other	0	0	0	22.0	26.4	120.8
Total Cash Inflows	\$1,275.0	\$773.6	\$1,732.4	\$228.8	\$205.7	\$497.0
Less: Total Payouts	\$1,030.0	\$862.4	\$2,273.2	\$122.3	\$140.6	\$312.6
Net Cash Flow Before Asset Gains	\$245.0	(\$88.8)	(\$540.8)	\$106.5	\$65.1	\$184.4
Plus: Asset Gains or (Losses)	\$477.8	\$1,648.5	\$5,759.3	\$240.1	\$578.6	\$499.5
Fund Assets End of Year	\$3,085.0	\$8,670.6	\$25,935.8	\$1,353.1	\$3,141.8	\$2,300.5
Net Change in Plan Assets	\$722.8	\$1,559.7	\$5,218.8	\$346.6	\$643.7	\$683.8

PENSION FUND ASSET CHANGES

Asset growth significantly up, driven primarily by investment returns

The KERS NH, CERS NH, and TRS pension funds experienced significant asset growth in FY 21, with the three pension funds recording an investment return of 22.6%, 25.7%, and 29.6% respectively. While the CERS NH and TRS pension funds did have negative cash flows before asset gains, the significant investment gains resulted in overall asset gains to the KERS NH, CERS NH, and TRS pension funds of \$722.8, \$1,559.7, and \$5,218.8 million in FY 21.

RETIREE HEALTH FUND ASSET CHANGES

The KERS NH, CERS NH, and TRS retiree health funds experienced significant asset growth in FY 21, with the three retiree health funds recording positive cash flows across each fund and an investment return of 25.2%, 24.8%, and 31.1% respectively. Overall asset gains to the KERS NH, CERS NH, and TRS retiree health funds were \$346.6, \$643.7, and \$683.8 million in FY 21.