



# JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JULY 19, 2024





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

**April 19, 2024 – 10:00 a.m. EST**

**Whitaker Bank Building, 5<sup>th</sup> Floor Ballroom  
305 Ann Street, Frankfort, Kentucky 40601**

**AGENDA**

- I. Call to Order.
- II. Adoption of the *Minutes* of the January 19, 2024 Meeting.
- III. Investment Related Matters.
  - A. Lexington Investment Company Compliance Report
  - B. Presentation by Baird Trust Company
- IV. Reports by Executive Director.
  - A. Public Pension Oversight Board
  - B. 2024 Regular Session of the General Assembly
  - C. 2024-25 Personal Service Contracts – *Actionable Item*
  - D. Request for Proposal - Actuarial Services - *Actionable Item*
  - E. Administrative/Personnel Update
- V. July 19, 2024 Meeting

## **ITEM II-** **Adoption of Minutes**

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# ITEM III-

## Investment Related Matters

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- A. **Lexington Investment Company**  
*Quarterly Compliance & Cash Flow Report*
  
- B. **Baird Trust Company**  
*Quarterly Portfolio & Performance Review*

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 19, 2024**

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 via video-conference utilizing Microsoft Teams on Friday, January 19, 2024, at 10:00 AM. All Board members participated with the exception of Senator Jimmy Higdon.

JFRS staff present included Bo Cracraft, Executive Director and Rebecca Stephens, Retirement Programs Administrator. Guests attending the meeting included Don Asfahl, Andy Means, and John Craddock of Baird Trust Company.

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

The trustees considered the adoption of the previously distributed *Minutes* from the October 20, 2023 meeting. Upon motion by Judge Douglas George, seconded by Mr. Stephen LeLaurin, the Board unanimously approved the *Minutes* of the October 20, 2023 meeting.

Chairman Venters welcomed Baird Trust Company, who had joined the virtual meeting. Mr. Cracraft had previously distributed copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated January 19, 2024. In accordance with Board policy, the System maintains a copy of the Investment Review.

Mr. Andy Means began the quarterly review with a few comments regarding Baird's most recent quarterly Market Commentary, titled "Climbing the Wall of Worry," which highlighted how often the stock market moves contrary to perceived wisdom and that the recently completed calendar year of 2023 was a great proof case. While the consensus was largely negative entering the year, investors saw markets climb and the S&P 500 deliver an astounding return of 26%. While no one knows exactly how the future will go, Mr. Means noted that achieving long term and attractive returns can be achieved by diligently researching and selecting high-quality stocks and bonds that are fundamentally sound, led by strong leadership teams, and durable through economic cycles. Mr. Means explained this is Baird's philosophy and why they are patient and don't trade as often as other investors. Instead, they seek to build portfolios that are prepared for uncertain futures, while able to grow in times of opportunity.

Looking to the future, Mr. Means indicated the team is working hard to keep up with the rapidly changing world, especially as it relates to the advent of artificial intelligence ("AI"). He noted just how drastically the internet changed our world, with some industries and established business not prepared or eliminated. The Baird team does not want to get too comfortable or stuck in the past, so they are trying to keep an open mind and researching opportunities. He

emphasized the team will not change their risk profile or tolerance levels, but must be aware that a trap of not preparing for impact of new technology is real.

In response to a question from Mr. Cracraft regarding any specific examples of trying to remain open minded, Mr. Means noted nothing dramatic or new was on the horizon. However, he noted how active Alphabet, Apple, and Microsoft had been recently and a confidence that all three companies will likely have a significant impact. He also noted that many believe AI could drastically change or disrupt industries. While the team is not top down, understanding those potential changes help evaluate companies.

In response to a question from Judge John Grise regarding the recent passing of Charlie Munger and who, if anyone, might become that voice of reason to investors, Mr. Means acknowledged how impactful and thoughtful Mr. Munger had been to the investor community and the Baird Trust Equity team. He noted that Warren Buffett was still active and mentioned a few business leaders, such as Jamie Dimon, as thought leaders. Given the length and advent of technology, much of Mr. Munger's school of thought was well documented and established, so Mr. Means expressed belief that his voice would continue to speak for many years to come.

Mr. Asfahl reviewed several economic statistics and highlighted the consensus is that inflation is beginning to decline. He noted that December results were a little higher than expected, but most still believe the Fed will begin to ease in April and the target range for inflation is approximately 2 to 2.5%. In addition, Mr. Asfahl discussed recent S&P 500 performance and pointed out that the top 10 companies had accounted for 75% of total return in 2023.

Next, Mr. Asfahl reviewed current portfolio allocations, annual estimated income, and the current yield on the JRP/LRP legacy portfolios. He discussed the fixed income portfolio and schedule of maturities. Mr. Means reviewed a snapshot of the equity portfolio and highlighted relative sector weightings, top performers and recent portfolio attribution. The portfolio's largest weighting continued to be within the financial sector, with consumer discretionary, industrials, and communication services also being sectors in which the portfolio was overweight. The portfolio is underweight in technology, however, Mr. Means pointed out that tech related companies such as Google and Meta are not classified as such in the S&P 500 and can be misleading. He reiterated the portfolio is based solely on stock selection as evidenced by no holding in five sectors.

Mr. Means also reviewed some recent attribution, pointing out that financials had really bounced strongly in the most recent quarter, but remained one of the bottom performers over the 1-year period. Over the longer term, the portfolio had added value in all but two sectors. Looking at stock level attribution, he noted that Pfizer continued to struggle and had been severely punished. He noted the company had not projected demand very well in a post-covid world and thus recent results missed estimates. And consistent with comments from Mr. Asfahl earlier, the biggest names, such as Microsoft, Google, and Apple were also the leaders from a performance point of view.

In response to a question from Mr. Allison regarding Schwab and their recent purchase of TD Ameritrade, Mr. Means stated the transition went well and should be considered a success. Schwab effectively retained all clients, but did spend quite a bit on ensuring the transition was

smooth and efficient. Longer-term, there are a lot of growth opportunities with the additional capital, and management has a history of allocating well. As a result, the team is excited about the holding.

In response to a question from Mr. Allison regarding the wide range of performance from banks, Mr. Means started by stating that Jamie Dimon really separated himself as the best big bank CEO and that was evidenced by JP Morgan's performance. However, overall, Mr. Means expressed belief that the bank was undervalued broadly, and he noted the portfolio's other holdings, while small in weighting, were being held because the team believes there is opportunity there.

In response to a question about Disney and recent changes occurring with the company, Mr. Means stated the team was not real enamored with Nelson Peltz's proxy contest to grab a seat on the Board. It is not productive and Mr. Peltz has no real experience or knowledge when it comes to Disney, so the team will be voting with management. As for recent changes within the business itself, he pointed to significant cost reductions and a renewed focus on content quality rather than quantity. Mr. Means also highlighted the streaming side of the business, which is expected to reach break-even in 2024. Lastly, how the firm positions ESPN will be interesting to watch as well as the industry continues to evolve from the old cable-bundle model.

Next, Mr. Jon Craddock began a discussion of fixed income markets and a review of the current portfolios. He began with a short review of the 2023 calendar year, which included 100 basis points of rate hikes, a mini bank crisis, and then a massive rally during the final quarter which saw 10-year treasury rates drop a full percentage point from their previous highs. He noted volatility had definitely increased more recently and the team was cautiously looking at opportunities. He said the team doesn't tend to remain neutral from a duration standpoint and doesn't like to take a lot of risk there but were seeing some good rates a little further out on the longer end of maturities. Mr. Craddock concluded his comments with a review of the portfolio's bond holdings, 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.

Mr. Asfahl closed the Baird presentation with a review of LRP assets and both Cash Balance portfolios, which closely mirrored the performance of JRP.

The next order of business was a quarterly compliance report from Lexington Investments LLC. Chairman Venters recognized Mr. Cracraft, who notified the board that Stan Kerrick, Lexington Investment Partners, was not able to attend the meeting. He noted for the record that *Lexington Investment's Compliance Report as of December 31, 2023* was included in meeting materials distributed to the trustees in advance. Mr. Cracraft highlighted page one of the *Report*, noting that each plan is within its prescribed allocation and policy guidelines. In accordance with Board policy, the System maintains a copy of the *Report*.

Chairman Venters 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 20, 2023.** All three plans were asked to present Actuarial Valuation results. The only other agenda item was a short discussion of one proposed piece of legislation that was related to TRS and unpaid days missed due to religious holidays. Staff included a copy of my very short deck of slides for your review.

**December 11, 2023.** JFRS was not on the agenda. The only agenda item included a discussion of a few legislative proposals that were expected in the 2024 session, but did not have any impact on JFRS plans.

**January 22, 2024.** Meeting is scheduled for Monday. An agenda had not been received as of the meeting date. Staff expects to present at the February meeting with calendar year end cash flow and investment results.

(B) 2024 General Session. Mr. Cracraft referenced the *2024 Regular Session – Legislative Update* memo from staff included in the Board materials. He noted the 60-day 2024 Regular Session of the General Assembly began on Tuesday, January 2, 2024. He reviewed a few pension related proposals, but as of the meeting date no legislation that directly impacted either JFRS plan had been introduced.

(C) 2022-2023 Personal Service Contracts. Mr. Cracraft reviewed the following personal service contracts and the Board took action where noted.

**Investment Management.** The June 16, 2022 Personal Service Contract with Baird Trust Company was set to expire as of June 30, 2024. Mr. Cracraft indicated the contract contained an option to extend for two additional two-year periods beginning on July 1, 2024.

The investment counseling and management services for the assets of the two retirement plans were reviewed and discussed. Judge Douglas George made a motion on behalf of the Investment Committee for the Judicial Retirement Fund, which was seconded by Mr. Ben Allison; Representative Brad Montell made a motion on behalf of the Investment Committee for the Legislative Retirement Fund, which was seconded by Representative Mr. Stephen LeLaurin 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, 2024 through June 30, 2026 under the same terms and conditions. The motion passed unanimously.

**Audit Services.** Mr. Cracraft reminded the Board that staff issued an RFP for audit services in 2022. At that time a contract was awarded to Blue & Co, dated August 9, 2022. This contract is set to expire June 30, 2024, but does provide that that Board could extend for one additional two-year period.

After a short discussion, Judge Douglas George made a motion, seconded by Mr. Judge John Grise, to offer Blue & Company a 2-year extension of the August 9, 2022 investment management contract for the period of July 1, 2024 through June 30, 2026 under the terms and conditions as outlined in the August 2022 contract. The motion was unanimously adopted. The motion passed unanimously.



**Actuarial Consulting.** Both the Investment Committee for the Judicial and Legislators Retirement Funds entered into a contract with Findley, Inc. (now known as USI) on June 26, 2018 for actuarial services which expired on June 30, 2020. The contract provided for two additional one-year extensions, which were executed in June of 2020 and 2022. With no remaining extensions, Mr. Cracraft indicated JFRS should probably issue a Request for Proposal(RFP) and bid out the services.

After a short discussion, Representative Brad Montell made a motion, seconded by Representative Scott Brinkman, to issue a RFP for actuarial services in accordance with the Commonwealth's Model Procurement Code. The motion passed unanimously.

**Custodian.** State Street remains the custodian of the Funds. The Commonwealth of Kentucky issued a RFP in 2023 and awarded State Street a new contract, which included services to JFRS as a named agency of the Commonwealth.

Following discussion, it was the consensus of the trustees that JFRS continue to participate in the Commonwealth's custodian contract with State Street.

(C) FY 2023 Financial Audit Reports (Blue & Co.). Mr. Cracraft informed the Board that copies of the 2023 Audit Reports were included in the Board materials. He reminded the Board that upon receipt in November 2023, the reports were emailed to each trustee.

(D) Financial Disclosure Statements. Mr. Cracraft requested that each trustee complete a Financial Disclosure Report for calendar year 2023 on or before March 31, 2024 in order to comply with the annual mandated disclosure requirement. A copy of the disclosure was included in the material. He noted hard copies were available to those members in attendance.

There being no further business, the meeting adjourned at 11:51 a.m.

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Justice Daniel Venters, Chairman  
Board of Trustees

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Mr. Ben Allison, Chairman  
Judicial Retirement Fund Investment  
Committee

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Bo Cracraft, Executive Director

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Representative Brad Montell, Chairman  
Legislators Retirement Fund Investment  
Committee

# LEXINGTON INVESTMENTS LLC

## Kentucky Judicial and Legislators Retirement Funds

### INVESTMENT POLICY STATEMENT COMPLIANCE

January 1, 2024 – March 31, 2024

1. Equity allocation in each Fund has a target of 70% of the total portfolio market value, excluding cash and equivalent balances, within a range of 60% to 80%. Equity allocations on March 31<sup>st</sup> were Judicial 73.9%, and Legislators 74.1%.
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 allocations on March 31<sup>st</sup> were Judicial 25.9%, and Legislators 25.8%. Both Funds were in the target range during the past quarter.
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 years with the exceptions of Carmax, O'Reilly Automotive, Berkshire Hathaway, and Alphabet Inc. CL C. On March 31<sup>st</sup> these positions represent 18.1% of the total equity portfolio in the Judicial Fund and 18.2% in the Legislators Fund. Each Fund's non-dividend paying equities did not exceed 50% of the total equities market value.
4. Investment in an individual equity security, at the time of purchase shall not exceed 5% of the Fund's then current market value of such Fund's equity portfolio. During the quarter, there were no equity purchases in the Judicial Fund or the Legislators Fund which exceeded 5% of the Fund's equity portfolio.
5. 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. On March 20<sup>th</sup>, Progressive Corp represented 8.25% in Judicial and 8.1% in Legislators. On March 22<sup>nd</sup>, the portfolios were rebalanced and all equity positions in each fund were reduced as a result of a rebalance. As of March 31<sup>st</sup>, the Judicial Fund's 8% limit was \$36,593,632, and the legislators Fund's 8% limit was \$10,631,354 and Progressive Corp. represented 8.2% in Judicial and 7.8% in Legislators.
6. Each Fund's fixed income portfolio duration, defined as the weighted average of the modified durations of all 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, the Barclays Intermediate Government/Credit Index which was 3.80 years on March 31.
7. During the quarter, there were five bond maturities for each account: US Bancorp, Altria, IBM, Home Depot and Cisco Systems, while there were no sales or early redemptions. Seven Treasury Notes, Govt. Agency notes, and corporate bonds were purchased for each of the Judicial and legislators accounts. None of the purchases had a duration exceeding 15 years, or cost which exceeded 5% of the respective account's fixed-income market value.

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## Cash Reconciliation Report

From 01/01/2024 to 03/31/2024

## KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
01/01/2024		CASH Beginning Balance		1,764,432.35
01/02/2024		Interest CASH	11,721.27	1,776,153.62
01/03/2024	01/05/2024	Sell TE CONNECTIVITY LTD -2910.00	399,627.10	2,175,780.72
01/03/2024	01/05/2024	Sell ALPHABET INC- CL C -4750.00	665,414.10	2,841,194.82
01/03/2024	01/05/2024	Sell APPLE INC. -3705.00	682,149.12	3,523,343.94
01/03/2024	01/05/2024	Sell BANKAMERICA CORP. -4715.00	156,885.18	3,680,229.12
01/03/2024	01/05/2024	Sell BERKSHIRE HATH--B -1990.00	729,086.98	4,409,316.10
01/03/2024	01/05/2024	Sell CARMAX INC. -2440.00	176,557.47	4,585,873.57
01/03/2024	01/05/2024	Sell CISCO SYSTEMS INC -2675.00	134,213.57	4,720,087.14
01/03/2024	01/05/2024	Sell DISNEY (WALT) CO. -3620.00	328,557.98	5,048,645.12
01/03/2024	01/05/2024	Sell EXPEDITORS INTERNATIONAL -2205.00	279,980.05	5,328,625.17
01/03/2024	01/05/2024	Sell META PLATFORMS INC CL A -885.00	306,145.69	5,634,770.86
01/03/2024	01/05/2024	Sell FASTENAL CO. -6405.00	400,961.32	6,035,732.18
01/03/2024	01/05/2024	Sell GENERAL ELECTRIC NEW -3810.00	475,212.92	6,510,945.10
01/03/2024	01/05/2024	Sell HOME DEPOT -1990.00	670,786.62	7,181,731.72
01/03/2024	01/05/2024	Sell JP MORGAN -3960.00	678,442.76	7,860,174.48
01/03/2024	01/05/2024	Sell JOHNSON & JOHNSON -3065.00	493,571.08	8,353,745.56
01/03/2024	01/05/2024	Sell MICROSOFT CORP -2145.00	797,781.96	9,151,527.52
01/03/2024	01/05/2024	Sell O'REILLY AUTOMOTIVE INC. -460.00	438,859.48	9,590,387.00
01/03/2024	01/05/2024	Sell OMNICOM GROUP -3290.00	284,137.91	9,874,524.91
01/03/2024	01/05/2024	Sell PARKER-HANNIFIN CORP -930.00	421,020.74	10,295,545.65
01/03/2024	01/05/2024	Sell PFIZER INC -5880.00	174,939.76	10,470,485.41
01/03/2024	01/05/2024	Sell PROGRESSIVE CORP-OHIO -5045.00	826,708.95	11,297,194.36
01/03/2024	01/05/2024	Sell SCHWAB (CHAS) -8415.00	558,624.45	11,855,818.81
01/03/2024	01/05/2024	Sell TJX COS INC NEW -3755.00	346,580.34	12,202,399.15
01/03/2024	01/05/2024	Sell U S BANCORP -4890.00	209,634.58	12,412,033.73
01/03/2024	01/05/2024	Sell UNION PACIFIC -1180.00	287,062.20	12,699,095.93
01/03/2024	01/05/2024	Sell WELLS FARGO -3915.00	189,875.98	12,888,971.91
01/10/2024		Dividend DISNEY (WALT) CO.	41,742.00	12,930,713.91
01/12/2024		Dividend OMNICOM GROUP	88,585.00	13,019,298.91
01/13/2024		Interest DISNEY WALT CO	59,625.00	13,078,923.91
01/15/2024		Interest JOHNSON & JOHNSON	72,500.00	13,151,423.91
01/15/2024		Interest CHEVRON USA INC	96,250.00	13,247,673.91
01/16/2024		Dividend U S BANCORP	92,169.00	13,339,842.91
01/16/2024	01/18/2024	Buy U.S. TREAS SER F-2033 6000000.00	(6,253,670.77)	7,086,172.14
01/20/2024		Interest CVS HEALTH CORP	67,812.50	7,153,984.64
01/23/2024	01/23/2024	Buy FEDERAL HOME LOAN BASER ER-2024 500	(5,001,638.89)	2,152,345.75
01/24/2024		Dividend CISCO SYSTEMS INC	40,150.50	2,192,496.25
01/25/2024		Interest SCHWAB CHARLES CORP	72,000.00	2,264,496.25
01/25/2024		Dividend GENERAL ELECTRIC NEW	11,716.00	2,276,212.25
01/26/2024		Dividend PROGRESSIVE CORP-OHIO	18,898.00	2,295,110.25
01/26/2024		Dividend PROGRESSIVE CORP-OHIO	141,735.00	2,436,845.25
01/29/2024		Interest INTEL CORP	92,500.00	2,529,345.25
01/30/2024	01/30/2024	Sell U S BANCORP MTNS BE -3500000.00	3,564,750.00	6,094,095.25
01/31/2024	01/31/2024	Sell ALTRIA GROUP INC -3500000.00	3,570,000.00	9,664,095.25
01/31/2024		Dividend JP MORGAN	155,652.00	9,819,747.25
02/01/2024		Interest CASH	1,334.25	9,821,081.50
02/01/2024		Interest CASH	30,814.78	9,851,896.28
02/01/2024		Interest COMCAST CORP NEW	59,625.00	9,911,521.28
02/07/2024		Dividend iShares 1-3 YR TSY ETF	377.70	9,911,898.98
02/08/2024		Interest FEDERAL FARM CREDIT BANKS	90,000.00	10,001,898.98
02/12/2024	02/14/2024	Sell INTERNATIONAL BUS MACH -3500000.00	3,563,437.50	13,565,336.48
02/14/2024		Interest MCDONALDS CORP MTN	99,000.00	13,664,336.48
02/15/2024	02/19/2024	Sell HOME DEPOT INC -3000000.00	3,056,250.00	16,720,586.48
02/15/2024		Interest VERIZON COMMUNICATIONS	59,062.50	16,779,648.98
02/15/2024		Dividend APPLE INC.	33,322.80	16,812,971.78
02/15/2024		Withdrawal CASH	(6,500,000.00)	10,312,971.78
02/16/2024	02/20/2024	Buy U.S.TRESURYY NOTE 6000000.00	(6,033,851.80)	4,279,119.98
02/22/2024		Interest FEDERAL FARM CR BKS BOND	151,250.00	4,430,369.98
02/23/2024		Dividend SCHWAB (CHAS)	78,796.25	4,509,166.23
02/29/2024		Dividend FASTENAL CO.	93,559.05	4,602,725.28
03/01/2024		Interest CASH	1,245.19	4,603,970.47
03/01/2024		Interest CASH	32,248.64	4,636,219.11
03/01/2024		Dividend WELLS FARGO	51,313.50	4,687,532.61
03/01/2024		Dividend PARKER-HANNIFIN CORP	51,533.60	4,739,066.21
03/01/2024		Dividend TE CONNECTIVITY LTD	64,304.10	4,803,370.31

### Cash Reconciliation Report

From 01/01/2024 to 03/31/2024

#### KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
03/01/2024		Dividend PFIZER INC	92,492.40	4,895,862.71
03/04/2024	03/06/2024	Sell CISCO SYS INC -3500000.00	3,563,437.50	8,459,300.21
03/04/2024		Interest TEXAS INSTRUMENTS	50,625.00	8,509,925.21
03/05/2024		Dividend JOHNSON & JOHNSON	136,534.65	8,646,459.86
03/06/2024	03/08/2024	Buy CISCO SYS INC NOTE 3500000.00	(3,574,141.67)	5,072,318.19
03/07/2024		Interest MERCK & CO. INC	76,500.00	5,148,818.19
03/07/2024		Dividend iShares 1-3 YR TSY ETF	375.11	5,149,193.30
03/07/2024		Dividend TJX COS INC NEW	46,764.46	5,195,957.76
03/08/2024		Withdrawal CASH	(2.01)	5,195,955.75
03/14/2024		Dividend MICROSOFT CORP	60,303.75	5,256,259.50
03/15/2024		Interest PARKER-HANNIFIN CORP NOTE	90,000.00	5,346,259.50
03/19/2024		Interest PEPSICO INC	65,625.00	5,411,884.50
03/20/2024	03/22/2024	Sell TE CONNECTIVITY LTD -3975.00	558,962.80	5,970,847.30
03/20/2024	03/22/2024	Sell ALPHABET INC- CL C -6490.00	964,639.27	6,935,486.57
03/20/2024	03/22/2024	Sell APPLE INC. -5075.00	893,637.92	7,829,124.49
03/20/2024	03/22/2024	Sell BANKAMERICA CORP. -6450.00	233,441.05	8,062,565.54
03/20/2024	03/22/2024	Sell BERKSHIRE HATH--B -2720.00	1,125,123.34	9,187,688.88
03/20/2024	03/22/2024	Sell CARMAX INC. -3335.00	274,676.74	9,462,365.62
03/20/2024	03/22/2024	Sell CISCO SYSTEMS INC -3660.00	179,404.07	9,641,769.69
03/20/2024	03/22/2024	Sell DISNEY (WALT) CO. -4950.00	573,101.46	10,214,871.15
03/20/2024	03/22/2024	Sell EXPEDITORS INTERNATIONAL -3015.00	355,367.66	10,570,238.81
03/20/2024	03/22/2024	Sell META PLATFORMS INC CL A -1210.00	602,260.58	11,172,499.39
03/20/2024	03/22/2024	Sell FASTENAL CO. -8755.00	672,565.97	11,845,065.36
03/20/2024	03/22/2024	Sell GENERAL ELECTRIC NEW -5205.00	905,664.83	12,750,730.19
03/20/2024	03/22/2024	Sell HOME DEPOT -2715.00	1,031,685.77	13,782,415.96
03/20/2024	03/22/2024	Sell JP MORGAN -5410.00	1,055,794.71	14,838,210.67
03/20/2024	03/22/2024	Sell JOHNSON & JOHNSON -4185.00	651,527.72	15,489,738.39
03/20/2024	03/22/2024	Sell MICROSOFT CORP -2935.00	1,239,792.78	16,729,531.17
03/20/2024	03/22/2024	Sell O'REILLY AUTOMOTIVE INC. -630.00	716,751.56	17,446,282.73
03/20/2024	03/22/2024	Sell OMNICOM GROUP -4500.00	422,232.07	17,868,514.80
03/20/2024	03/22/2024	Sell PARKER-HANNIFIN CORP -1270.00	687,128.00	18,555,642.80
03/20/2024	03/22/2024	Sell PFIZER INC -8040.00	222,059.00	18,777,701.80
03/20/2024	03/22/2024	Sell PROGRESSIVE CORP-OHIO -6900.00	1,422,564.37	20,200,266.17
03/20/2024	03/22/2024	Sell SCHWAB (CHAS) -11500.00	790,760.12	20,991,026.29
03/20/2024	03/22/2024	Sell TJX COS INC NEW -5130.00	503,325.92	21,494,352.21
03/20/2024	03/22/2024	Sell U S BANCORP -6685.00	284,925.11	21,779,277.32
03/20/2024	03/22/2024	Sell UNION PACIFIC -1610.00	394,006.83	22,173,284.15
03/20/2024	03/22/2024	Sell WELLS FARGO -5350.00	304,038.60	22,477,322.75
03/21/2024		Dividend HOME DEPOT	167,478.75	22,644,801.50
03/21/2024	03/22/2024	Buy U.S. TREAS SER BE-2025 NOTE 6000000.00	(6,036,331.32)	16,608,470.18
03/21/2024	03/25/2024	Buy FEDERAL FARM CR BKS BOND 6000000.00	(5,980,116.67)	10,628,353.51
03/21/2024	03/25/2024	Buy HOME DEPOT INC NOTE 5000000.00	(4,904,152.78)	5,724,200.73
03/26/2024		Interest KIMBERLY-CLARK CORP	69,750.00	5,793,950.73
03/26/2024		Interest PROGRESSIVE CORP	72,000.00	5,865,950.73
03/26/2024		Dividend META PLATFORMS INC CL A	16,545.00	5,882,495.73
03/29/2024		Interest CASH	1,181.86	5,883,677.59
03/29/2024		Dividend BANKAMERICA CORP.	42,404.40	5,926,081.99
03/29/2024		Dividend UNION PACIFIC	57,421.00	5,983,502.99
03/31/2024		Deposit CASH	0.10	5,983,503.09
03/31/2024		CASH Ending Balance		5,983,503.09

**Cash Reconciliation Report**

From 01/01/2024 to 03/31/2024

## KENTUCKY LEGISLATORS

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
01/01/2024		CASH Beginning Balance		1,085,335.28
01/02/2024		Interest CASH	2,810.85	1,088,146.13
01/03/2024	01/05/2024	Sell TE CONNECTIVITY LTD -1000.00	137,328.90	1,225,475.03
01/03/2024	01/05/2024	Sell ALPHABET INC- CL C -1605.00	224,839.92	1,450,314.95
01/03/2024	01/05/2024	Sell APPLE INC. -1250.00	230,144.78	1,680,459.73
01/03/2024	01/05/2024	Sell BANKAMERICA CORP. -1580.00	52,572.33	1,733,032.06
01/03/2024	01/05/2024	Sell BERKSHIRE HATH--B -670.00	245,471.49	1,978,503.55
01/03/2024	01/05/2024	Sell CARMAX INC. -800.00	57,887.69	2,036,391.24
01/03/2024	01/05/2024	Sell CISCO SYSTEMS INC -900.00	45,155.96	2,081,547.20
01/03/2024	01/05/2024	Sell DISNEY (WALT) CO. -1235.00	112,090.91	2,193,638.11
01/03/2024	01/05/2024	Sell EXPEDITORS INTERNATIONAL -730.00	92,691.80	2,286,329.91
01/03/2024	01/05/2024	Sell META PLATFORMS INC CL A -300.00	103,778.19	2,390,108.10
01/03/2024	01/05/2024	Sell FASTENAL CO. -2140.00	133,966.77	2,524,074.87
01/03/2024	01/05/2024	Sell GENERAL ELECTRIC NEW -1290.00	160,898.86	2,684,973.73
01/03/2024	01/05/2024	Sell HOME DEPOT -660.00	222,471.94	2,907,445.67
01/03/2024	01/05/2024	Sell JP MORGAN -1315.00	225,290.96	3,132,736.63
01/03/2024	01/05/2024	Sell JOHNSON & JOHNSON -1020.00	164,255.30	3,296,991.93
01/03/2024	01/05/2024	Sell MICROSOFT CORP -715.00	265,927.32	3,562,919.25
01/03/2024	01/05/2024	Sell O'REILLY AUTOMOTIVE INC. -155.00	147,876.56	3,710,795.81
01/03/2024	01/05/2024	Sell OMNICOM GROUP -1100.00	95,000.51	3,805,796.32
01/03/2024	01/05/2024	Sell PARKER-HANNIFIN CORP -310.00	140,340.24	3,946,136.56
01/03/2024	01/05/2024	Sell PFIZER INC -1950.00	58,015.74	4,004,152.30
01/03/2024	01/05/2024	Sell PROGRESSIVE CORP-OHIO -1665.00	272,838.53	4,276,990.83
01/03/2024	01/05/2024	Sell SCHWAB (CHAS) -2770.00	183,884.69	4,460,875.52
01/03/2024	01/05/2024	Sell TJX COS INC NEW -1255.00	115,834.44	4,576,709.96
01/03/2024	01/05/2024	Sell U S BANCORP -1580.00	67,734.68	4,644,444.64
01/03/2024	01/05/2024	Sell UNION PACIFIC -395.00	96,092.86	4,740,537.50
01/03/2024	01/05/2024	Sell WELLS FARGO -1295.00	62,806.99	4,803,344.49
01/10/2024		Dividend DISNEY (WALT) CO.	12,351.00	4,815,695.49
01/12/2024		Dividend OMNICOM GROUP	25,672.50	4,841,367.99
01/13/2024		Interest DISNEY WALT CO	16,562.50	4,857,930.49
01/15/2024		Interest JOHNSON & JOHNSON	18,125.00	4,876,055.49
01/15/2024		Interest CHEVRON USA INC	24,062.50	4,900,117.99
01/16/2024		Dividend U S BANCORP	25,798.50	4,925,916.49
01/16/2024	01/17/2024	Buy U.S. TREAS SER F-2033 2000000.00	(2,084,556.92)	2,841,359.57
01/20/2024		Interest CVS HEALTH CORP	19,375.00	2,860,734.57
01/22/2024	01/24/2024	Buy FEDERAL HOME LOAN BASER ER-2024 185	(1,855,608.03)	1,005,126.54
01/24/2024		Dividend CISCO SYSTEMS INC	11,709.75	1,016,836.29
01/25/2024		Interest SCHWAB CHARLES CORP	20,000.00	1,036,836.29
01/25/2024		Dividend GENERAL ELECTRIC NEW	3,435.60	1,040,271.89
01/26/2024		Dividend PROGRESSIVE CORP-OHIO	5,373.50	1,045,645.39
01/26/2024		Dividend PROGRESSIVE CORP-OHIO	40,301.25	1,085,946.64
01/29/2024		Interest INTEL CORP	23,125.00	1,109,071.64
01/30/2024	01/30/2024	Sell U S BANCORP MTNS BE -1000000.00	1,018,500.00	2,127,571.64
01/31/2024	01/31/2024	Sell ALTRIA GROUP INC -1000000.00	1,020,000.00	3,147,571.64
01/31/2024		Dividend JP MORGAN	44,556.75	3,192,128.39
02/01/2024		Interest CASH	9,139.36	3,201,267.75
02/01/2024		Interest COMCAST CORP NEW	16,562.50	3,217,830.25
02/01/2024		Dividend CASH	1,334.26	3,219,164.51
02/05/2024		Interest UNION PACIFIC CORP	12,000.00	3,231,164.51
02/07/2024		Dividend iShares 1-3 YR TSY ETF	426.13	3,231,590.64
02/08/2024		Interest FEDERAL FARM CREDIT BANKS	22,500.00	3,254,090.64
02/12/2024	02/14/2024	Sell INTERNATIONAL BUS MACH -1000000.00	1,018,125.00	4,272,215.64
02/14/2024		Interest MCDONALDS CORP MTN	24,750.00	4,296,965.64
02/15/2024	02/19/2024	Sell HOME DEPOT INC -1000000.00	1,018,750.00	5,315,715.64
02/15/2024		Interest VERIZON COMMUNICATIONS	16,406.25	5,332,121.89
02/15/2024		Dividend APPLE INC.	9,708.00	5,341,829.89
02/15/2024		Withdrawal CASH	(1,000,000.00)	4,341,829.89
02/16/2024	02/20/2024	Buy U.S.TRESURY NOTE 3000000.00	(3,016,925.90)	1,324,903.99
02/22/2024		Interest FEDERAL FARM CR BKS BOND	60,500.00	1,385,403.99
02/23/2024		Dividend SCHWAB (CHAS)	22,357.50	1,407,761.49
02/29/2024		Interest CASH	1,245.01	1,409,006.50
02/29/2024		Dividend FASTENAL CO.	26,972.40	1,435,978.90
03/01/2024		Interest CASH	8,379.00	1,444,357.90
03/01/2024		Dividend WELLS FARGO	14,649.25	1,459,007.15
03/01/2024		Dividend PARKER-HANNIFIN CORP	14,785.20	1,473,792.35

**Cash Reconciliation Report**

From 01/01/2024 to 03/31/2024

## KENTUCKY LEGISLATORS

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
03/01/2024		Dividend TE CONNECTIVITY LTD	19,027.50	1,492,819.85
03/01/2024		Dividend PFIZER INC	26,481.00	1,519,300.85
03/04/2024	03/06/2024	Sell CISCO SYS INC -1000000.00	1,018,125.00	2,537,425.85
03/04/2024		Interest TEXAS INSTRUMENTS	14,062.50	2,551,488.35
03/05/2024		Dividend JOHNSON & JOHNSON	39,156.95	2,590,645.30
03/06/2024	03/08/2024	Buy CISCO SYS INC NOTE 1000000.00	(1,021,183.33)	1,569,461.97
03/07/2024		Interest MERCK & CO. INC	21,250.00	1,590,711.97
03/07/2024		Dividend iShares 1-3 YR TSY ETF	423.21	1,591,135.18
03/07/2024		Dividend TJX COS INC NEW	13,481.21	1,604,616.39
03/14/2024		Dividend MICROSOFT CORP	17,332.50	1,621,948.89
03/15/2024		Interest PARKER HANNIFIN CORP NOTE	28,125.00	1,650,073.89
03/19/2024		Interest PEPSICO INC	16,406.25	1,666,480.14
03/20/2024	03/22/2024	Sell TE CONNECTIVITY LTD -960.00	134,994.78	1,801,474.92
03/20/2024	03/22/2024	Sell ALPHABET INC- CL C -1545.00	229,640.63	2,031,115.55
03/20/2024	03/22/2024	Sell APPLE INC. -1205.00	212,183.98	2,243,299.53
03/20/2024	03/22/2024	Sell BANKAMERICA CORP. -1525.00	55,193.42	2,298,492.95
03/20/2024	03/22/2024	Sell BERKSHIRE HATH--B -645.00	266,803.14	2,565,296.09
03/20/2024	03/22/2024	Sell CARMAX INC. -770.00	63,418.62	2,628,714.71
03/20/2024	03/22/2024	Sell CISCO SYSTEMS INC -870.00	42,645.22	2,671,359.93
03/20/2024	03/22/2024	Sell DISNEY (WALT) CO. -1190.00	137,775.90	2,809,135.83
03/20/2024	03/22/2024	Sell EXPEDITORS INTERNATIONAL -705.00	83,095.92	2,892,231.75
03/20/2024	03/22/2024	Sell META PLATFORMS INC CL A -285.00	141,854.76	3,034,086.51
03/20/2024	03/22/2024	Sell FASTENAL CO. -2060.00	158,250.81	3,192,337.32
03/20/2024	03/22/2024	Sell GENERAL ELECTRIC NEW -1240.00	215,758.77	3,408,096.09
03/20/2024	03/22/2024	Sell HOME DEPOT -635.00	241,296.66	3,649,392.75
03/20/2024	03/22/2024	Sell JP MORGAN -1265.00	246,872.51	3,896,265.26
03/20/2024	03/22/2024	Sell JOHNSON & JOHNSON -980.00	152,568.01	4,048,833.27
03/20/2024	03/22/2024	Sell MICROSOFT CORP -690.00	291,467.46	4,340,300.73
03/20/2024	03/22/2024	Sell O'REILLY AUTOMOTIVE INC. -150.00	170,655.13	4,510,955.86
03/20/2024	03/22/2024	Sell OMNICOM GROUP -1060.00	99,459.11	4,610,414.97
03/20/2024	03/22/2024	Sell PARKER-HANNIFIN CORP -300.00	162,313.70	4,772,728.67
03/20/2024	03/22/2024	Sell PFIZER INC -1880.00	51,924.24	4,824,652.91
03/20/2024	03/22/2024	Sell PROGRESSIVE CORP-OHIO -1600.00	329,870.00	5,154,522.91
03/20/2024	03/22/2024	Sell SCHWAB (CHAS) -2665.00	183,250.06	5,337,772.97
03/20/2024	03/22/2024	Sell TJX COS INC NEW -1210.00	118,718.19	5,456,491.16
03/20/2024	03/22/2024	Sell U S BANCORP -1520.00	64,784.77	5,521,275.93
03/20/2024	03/22/2024	Sell UNION PACIFIC -380.00	92,995.40	5,614,271.33
03/20/2024	03/22/2024	Sell WELLS FARGO -1245.00	70,752.90	5,685,024.23
03/21/2024		Dividend HOME DEPOT	47,958.75	5,732,982.98
03/21/2024	03/25/2024	Buy U.S. TREAS SER BE-2025 NOTE 2000000.00	(2,012,110.44)	3,720,872.54
03/21/2024	03/25/2024	Buy FEDERAL FARM CR BKS BOND 1000000.00	(996,686.11)	2,724,186.43
03/21/2024	03/25/2024	Buy HOME DEPOT INC NOTE 1000000.00	(980,830.56)	1,743,355.87
03/26/2024		Interest PROGRESSIVE CORP	20,000.00	1,763,355.87
03/26/2024		Dividend META PLATFORMS INC CL A	4,800.00	1,768,155.87
03/29/2024		Interest CASH	1,252.56	1,769,408.43
03/29/2024		Dividend BANKAMERICA CORP.	12,268.80	1,781,677.23
03/29/2024		Dividend UNION PACIFIC	16,516.50	1,798,193.73
03/31/2024		CASH Ending Balance		1,798,193.73

# Investment Review

KY Judicial Retirement Fund  
KY Legislators Retirement Fund  
April 19, 2024



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“In our opinion, the two approaches are joined at the hip: Growth is always a component in the calculation of value.”

— Warren Buffett 1992  
 Berkshire Hathaway  
 Annual Letter to Shareholders

## Combining Growth and Value

For decades, investment strategies have been placed in one of two distinct buckets: Value or Growth. This binary approach pits the allure of undiscovered gems against the excitement of tomorrow’s industry leaders and assumes that “value investing” and “growth investing” are polar opposites. However, we believe these two investment styles are not so different from one another and should be used in combination in our pursuit of excellent long-term investment outcomes.

### The Traditional Divide

Today’s investment industry and mainstream media portray the value and growth investing styles as opposite ends of the investment spectrum. Traditional value investing is commonly defined as purchasing companies that trade at a low price-to-book value (P/B) ratio or price-to-earnings (P/E) ratio with little regard for business quality or long-term growth prospects. These “value stocks” often have high dividend yields as they pay out their cash earnings to owners because they lack exciting growth opportunities.

Growth investing, on the other hand, is commonly defined as purchasing companies with above-average revenue or earnings growth potential with little regard to near-term valuation ratios like the P/E multiple. The key assumption is that future growth will be strong enough to more than make up for an optimistic valuation today.

**“We aim to incorporate the strengths of both styles into our long-term business owner approach to investing.”**

Both approaches have their strengths and weaknesses, and there are many successful investors that focus solely on one style or the other. However, we aim to incorporate the strengths of both styles into our long-term business owner approach to investing.

### **Growth: The Joys of Compounding**

At its simplest level, a business is an entity that generates a stream of cash flows for its owners for an indefinite period of time. Because we approach investing with a long-term business owner mindset, growth in those cash flows is highly important. A business with a durable competitive advantage, an intelligent leader and a long-term growth tailwind can produce outstanding results for its owners over many years.

Growth can come in many forms, such as revenue growth, margin expansion or a reduction in shares outstanding that drives earnings-per-share growth. Companies experiencing growth, especially over long time periods, are almost always more valuable than businesses that are stagnant. This is due to the remarkable impact that compounding can have over time.

In summary, future growth – in intrinsic value per share – is a key consideration of our investment criteria. All else being equal, we would much prefer to own a sustainably growing business to one that doesn't grow.

### **Value: A Margin of Safety**

However, all else is not equal. As Warren Buffett has said, "Price is what you pay, value is what you get." Growth is a crucial driver of value, but in our view, the other criterion – price – is also critical. At time of initial purchase, we will always demand a purchase price that is at a discount to our estimate of a company's value no matter how fast the business is expected to grow.

We retain this strict value discipline because it gives us a margin of safety in case we are wrong. For instance, a business might not grow as much as expected, a competitive advantage may deteriorate unexpectedly, a CEO could make a capital allocation blunder or any other unexpected outcome might occur that results in the impairment of a company's intrinsic value.

Capitalism is an unforgiving force, and the future is extremely difficult to predict consistently. By demanding a margin of safety on our initial purchase, we are attempting to build in a level of downside protection.

### Transcending the Style Boxes

The ideal scenario we strive for is to identify an advantaged business with terrific long-term growth prospects, as well as a fantastic leader, that is going through some sort of short-term uncertainty, causing the share price to fall and trade at a “value” price. This is what we spend all our time preparing for by studying great businesses, building our library of knowledge day-in and day-out and waiting patiently for opportunities to arise. Once purchased, we aim to own that growing business for decades to allow its intrinsic value to compound for many years.

Ultimately, we don’t think of growth and value as a choice of investment styles that investors must make. For us, both play an important part in successful long-term investing and, when combined, can have a powerful effect. Our value discipline helps protect on the downside, while a sustainably growing stream of cash flows allows for attractive compounding of business value. Both are important ingredients in the investment strategy we employ as we strive to help you compound your capital at attractive rates of return for years to come.

We are truly grateful for your partnership with our team at Baird Trust, and we continue to commit our best efforts to you, our clients.

#### Disclosure

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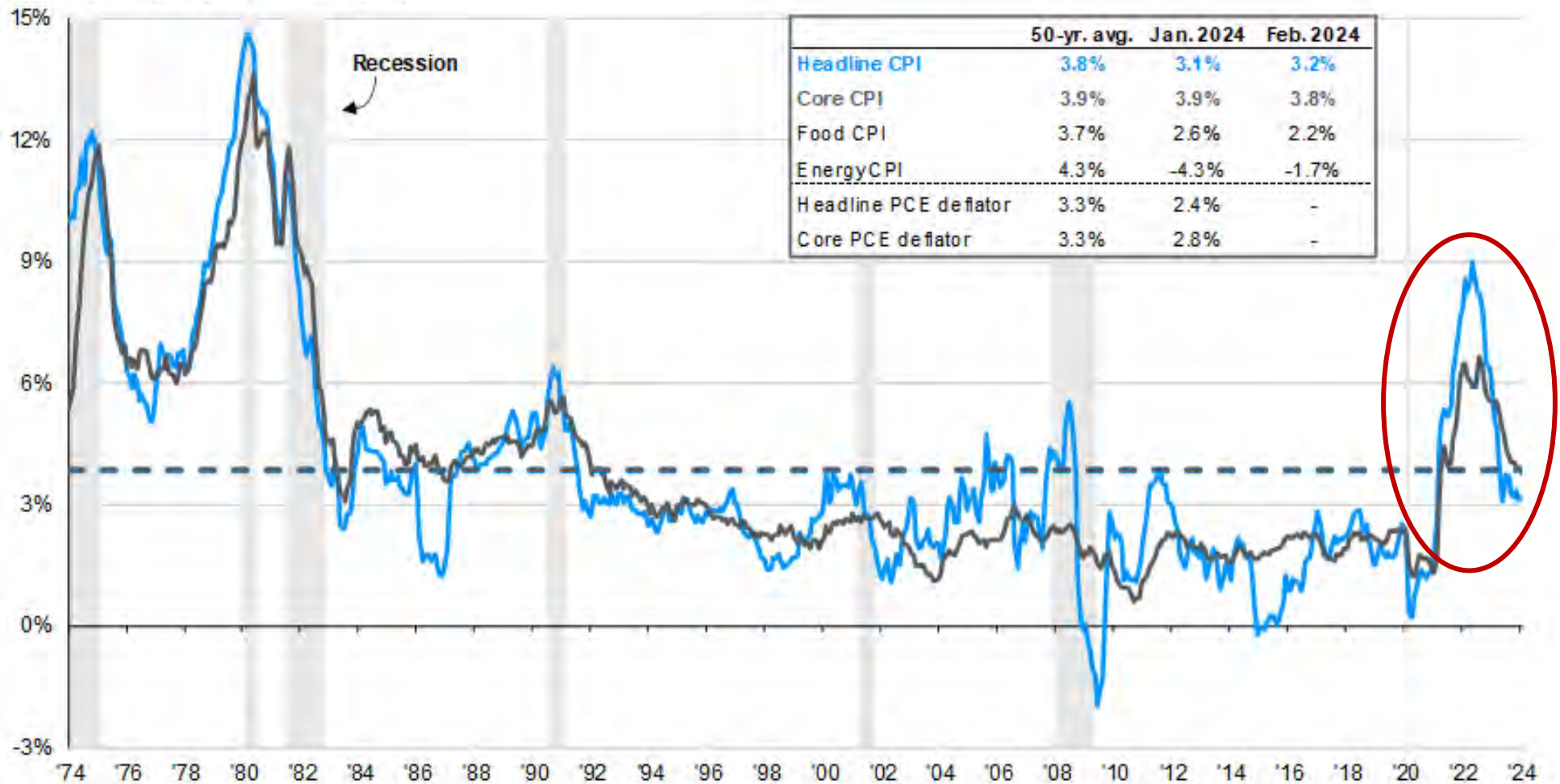
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- The U.S. added 275,000 jobs in February. The unemployment rate increased to 3.9%. Real hourly wages fell 0.4% month-over-month and have risen 1.1% year-over-year.
- The CPI rose 0.4% in February and the core CPI also rose 0.4%. Gas prices rose 4.3%. Food prices rose 0.1%. Year-over-year the CPI rose 3.2% and the core CPI rose 3.8%.
- The second estimate of 2023 Q4 GDP is 3.2%, a decrease from the first estimate of 3.3%. This is compared to the previous quarter's 4.9%.
- Retail sales rose 0.6% in February compared to January, and retail sales were up 1.5% compared to February 2023. Gas station sales rose 0.9%. Bar and restaurant sales increased 0.4%. Department store sales fell 0.2% and furniture store sales fell 1.1%.
- The Consumer Confidence Index decreased to 106.7 in February from a revised 110.9 in January.
- Personal income increased 1.0% in January. Consumer spending increased by 0.2%. The saving rate rose slightly to 3.8% in January from 3.7% in December.

# First Wave of Inflation Looks to be Over

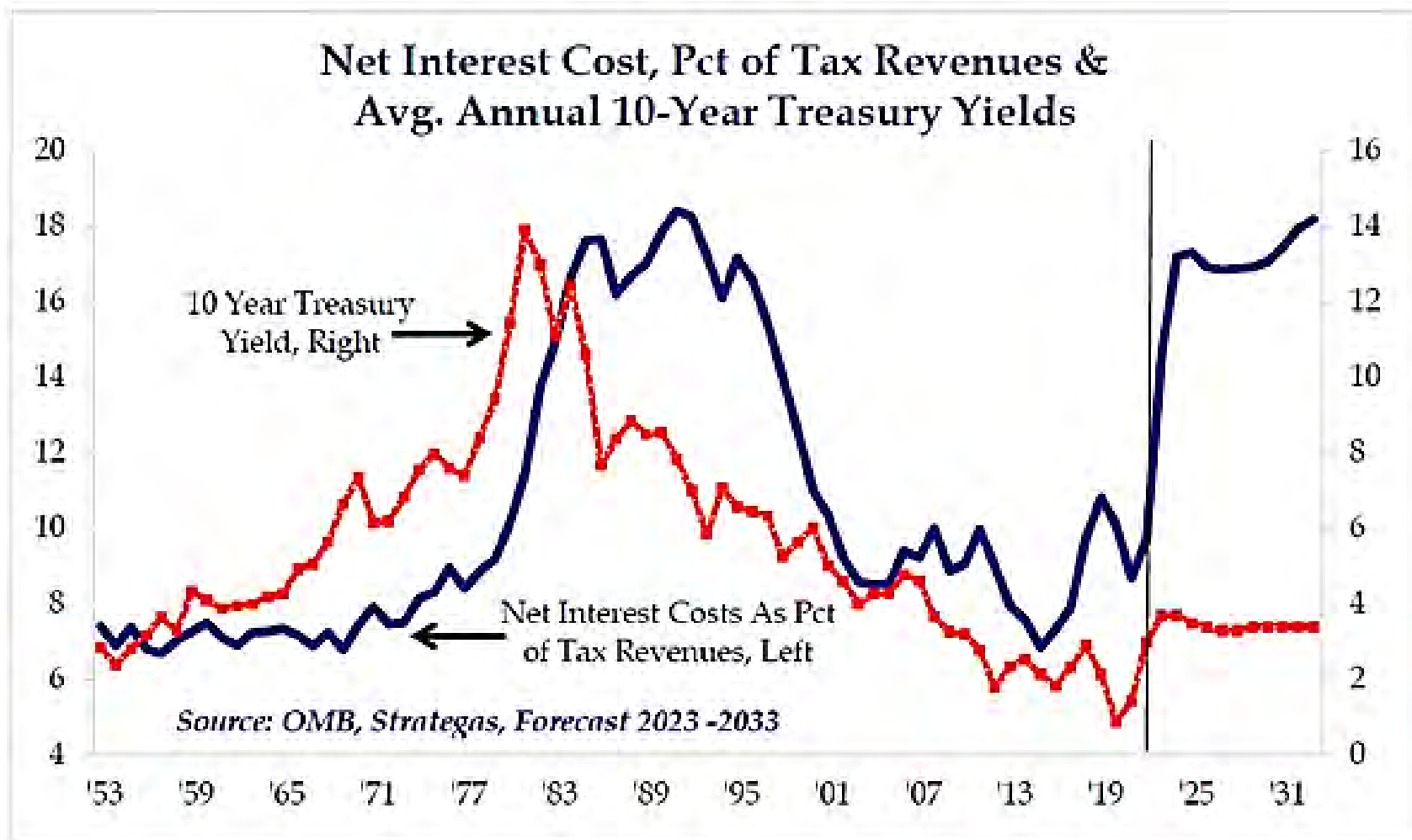
## CPI and core CPI

% change vs. prior year, seasonally adjusted



Source: J.P. Morgan Asset Management

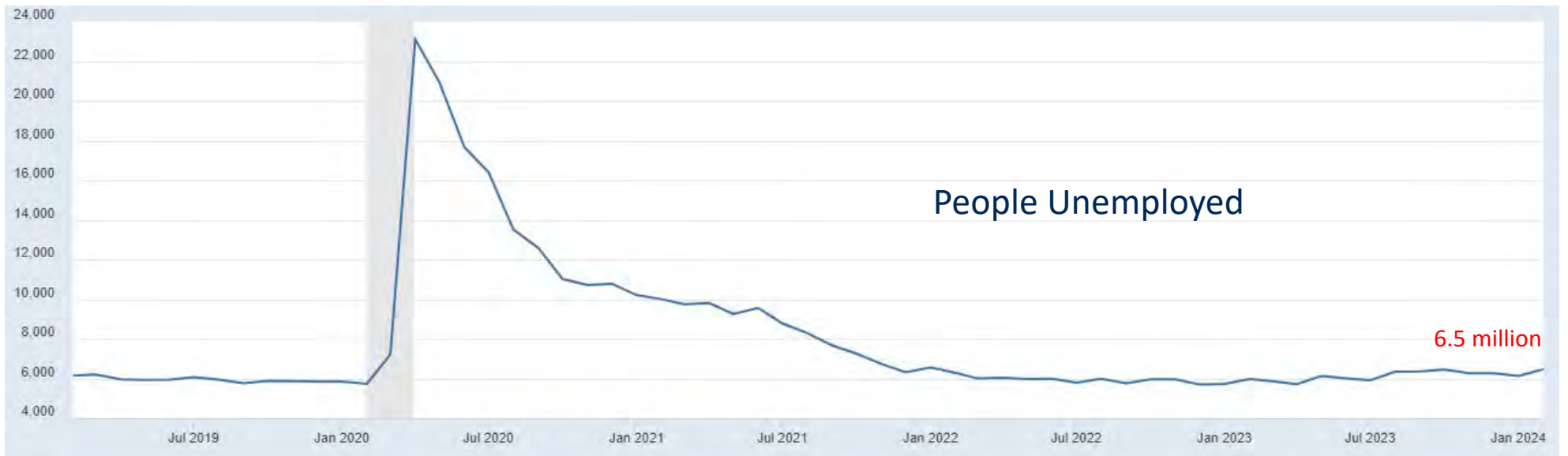
# Interest Expense Set to Explode as % of Federal Budget



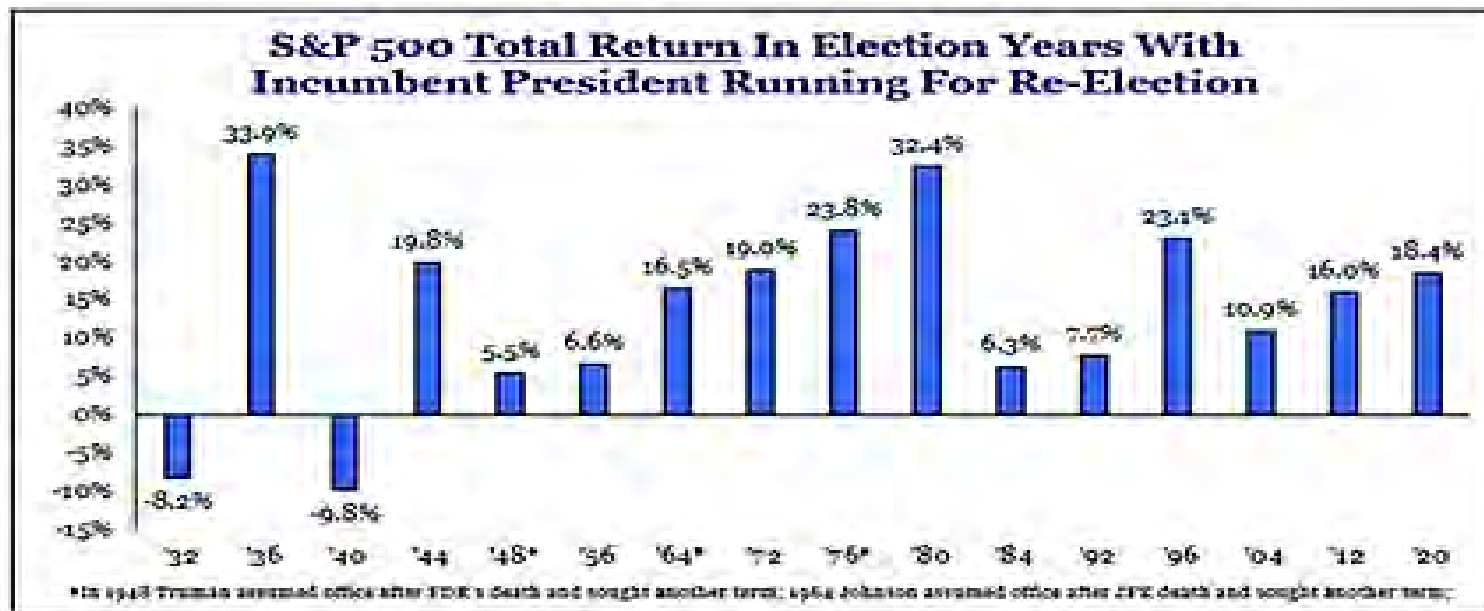
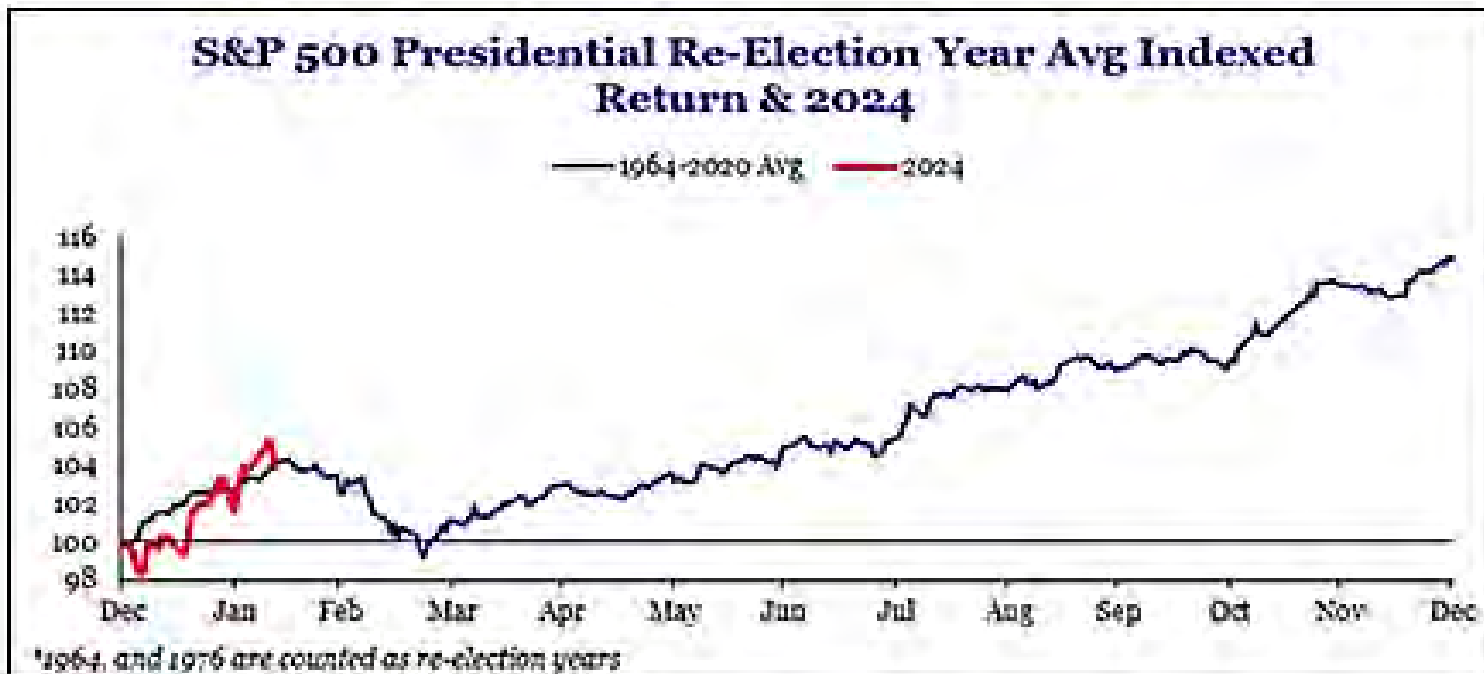
\*Source: Strategas Research Partners



# US Labor Market Remains Tight although Job Openings coming down (Unemployment Rate 3.9%)

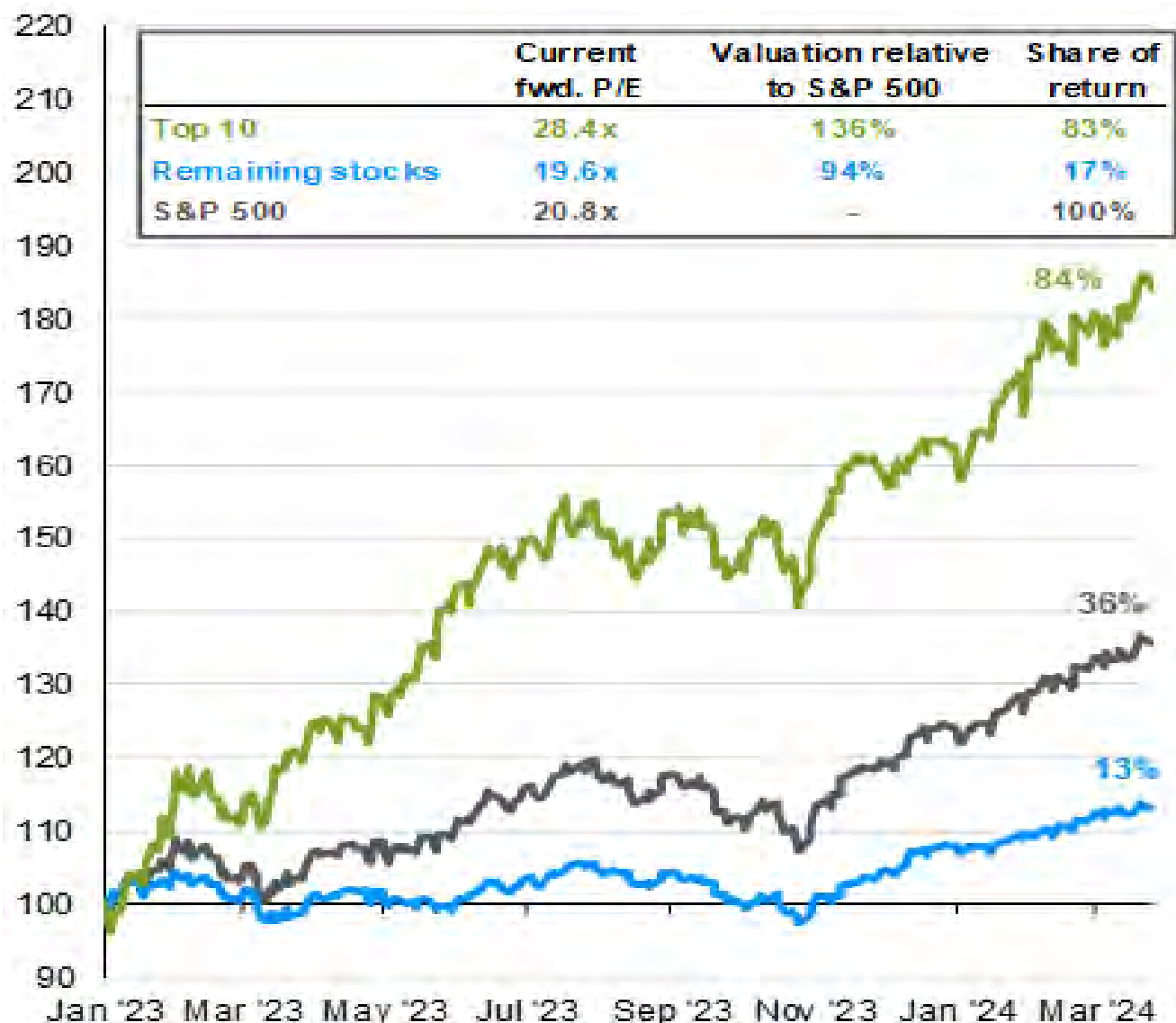


Source: FRED – U.S. Bureau of Labor Statistics



\*Source: Strategas Research Partners

# Performance of the top 10 stocks in the S&P 500 – since 1/1/2023



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
 (Left) The top 10 companies used for this analysis are held constant and represent the S&P500's 10 largest index constituents at the start of 2023. The top 10 stocks are: AAPL, MSFT, AMZN, NVDA, GOOGL, BRKB, GOOG, META, XOM, UNH, and TSLA. The remaining stocks represent the rest of the 494 companies in the S&P500. (Right) The top 10 companies used for these two analyses are updated monthly and are based on the 10 largest index constituents at the beginning of each month. As of 12/31/2023, the top 10 companies in the index were AAPL (7.0%), MSFT (6.9%), AMZN (3.5%), NVDA (3.0%), GOOGL (2.1%), META (2.0%), GOOG (1.8%), TSLA (1.8%), BRKB (1.6%), AVGO (1.2%) and JPM (1.2%).  
 Guideto the Markets – U.S. Data are as of December 31, 2023.

# It's More About Time In The Market Than Timing The Market



Source: Strategas Research Partners

# Investment Policy Review

**Account Number** 920005014

**Account Name** KY JUDICIAL RET DEFINED BENEFIT AGT

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

**Asset Allocation:** 70% Equity / 30% Fixed Income

**Account Restrictions:** None

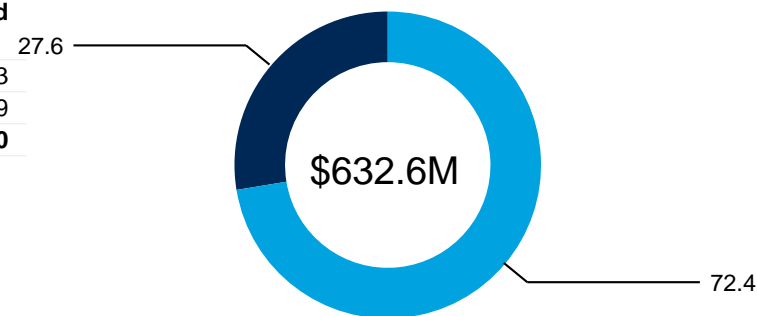
Meeting Date: 4/19/2024

## Client Investment Review

Investment activity through 03/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	457,766,920	72.4	5,831,125.20	1.3
Total Fixed Income	174,864,120	27.6	6,674,204.16	3.9
<b>Total</b>	<b>632,631,039</b>	<b>100.0</b>	<b>12,505,329.36</b>	<b>2.0</b>



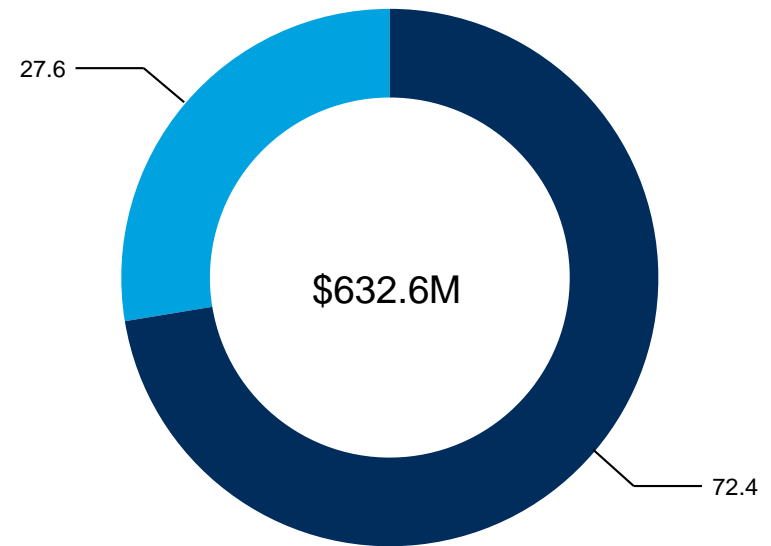
Investment Summary

	Fiscal Year to Date (9 Months)	1 Year
Beginning Account Value	552,914,216.91	530,595,162.34
Net Contributions/Withdrawals	-21,214,823.79	-31,950,065.77
Income Earned	8,910,023.40	11,653,781.26
Market Appreciation	92,021,622.78	122,332,161.47
Ending Account Value	632,631,039.30	632,631,039.30

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

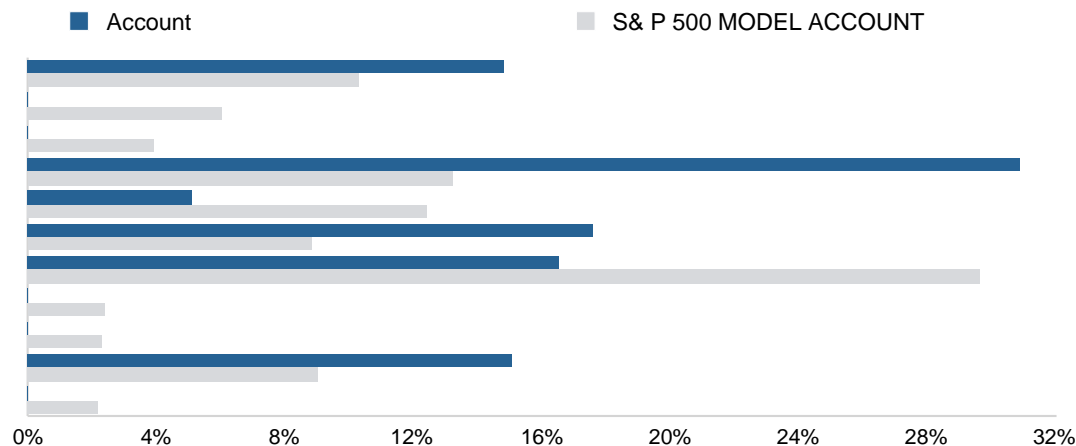


	Market Value	% of Mkt Val
● Core Equity	457,766,920	72.4
● Taxable Fixed Income	174,736,543	27.6
● Taxable Bond Funds	127,577	.0
<b>Total</b>	<b>632,631,039</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.8	10.3
Consumer Staples	.0	6.0
Energy	.0	3.9
Financials	30.9	13.2
Health Care	5.1	12.4
Industrials	17.6	8.8
Information Tech	16.5	29.6
Materials	.0	2.4
Real Estate	.0	2.3
Communication Serv	15.1	9.0
Utilities	.0	2.2



Top 10 Performers

	Market Value	% of Mkt Val	Return
META PLATFORM, INC.	15,480,290	2.5	129.49
GE AEROSPACE	24,123,966	3.8	83.87
PARKER HANNIFIN CORP COM	18,646,755	3.0	67.27
WELLS FARGO & CO NEW COM	8,187,430	1.3	59.74
JPMORGAN CHASE & CO COM	28,608,849	4.5	57.95
MICROSOFT CORP COM	32,593,178	5.2	47.68
FASTENAL CO COM	17,830,140	2.8	47.28
ALPHABET INC CAP STK CL C	26,098,887	4.1	46.45
PROGRESSIVE CORP OH COM	37,657,786	6.0	45.60
SCHWAB CHARLES CORP NEW C	21,968,573	3.5	39.91

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	37,657,786	6.0	45.60
MICROSOFT CORP COM	32,593,178	5.2	47.68
BERKSHIRE HATHAWAY INC DE	30,178,618	4.8	36.22
JPMORGAN CHASE & CO COM	28,608,849	4.5	57.95
HOME DEPOT INC COM	27,511,792	4.3	33.20
ALPHABET INC CAP STK CL C	26,098,887	4.1	46.45
GE AEROSPACE	24,123,966	3.8	83.87
APPLE INC COM	22,938,880	3.6	4.75
SCHWAB CHARLES CORP NEW C	21,968,573	3.5	39.91
O REILLY AUTOMOTIVE INC N	18,722,475	3.0	33.03

Sector	Qtr
Financials	1.90
Industrials	1.25
Communication Services	0.93
Consumer Disc	0.92
Real Estate	0.27
Consumer Staples	0.17
Utilities	0.13
Materials	0.03
Energy	-0.10
Health Care	-0.42
Information Tech	-2.49
<b>Total</b>	<b>2.60</b>

Sector	1 Year
Industrials	3.79
Financials	3.48
Consumer Staples	1.60
Utilities	0.86
Energy	0.61
Real Estate	0.54
Consumer Disc	0.38
Materials	0.33
Communication Services	0.23
Health Care	-0.56
Information Tech	-6.30
<b>Total</b>	<b>4.96</b>

Sector	5 Years
Industrials	0.93
Financials	0.77
Consumer Disc	0.60
Consumer Staples	0.34
Utilities	0.28
Real Estate	0.26
Energy	0.17
Materials	0.02
Communication Services	-0.10
Health Care	-0.17
Information Tech	-0.45
<b>Total</b>	<b>2.64</b>

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.23	30.53	2.20
GE	General Electric	5.27	37.51	1.64
BRK-B	Berkshire Hathaway	6.59	17.96	1.14
JPM	JP Morgan Chase	6.25	18.48	1.11
META	Meta	3.38	37.34	1.05

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.23	45.60	3.40
GE	General Electric	5.27	83.87	3.22
MSFT	Microsoft	7.12	47.68	3.18
JPM	JP Morgan Chase	6.25	57.95	3.13
META	Meta	3.38	129.49	2.59

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	5.01	30.42	2.17
MSFT	Microsoft	7.12	30.17	2.17
PGR	Progressive	8.23	26.37	1.77
HD	Home Depot	6.01	17.51	1.13
GOOG	Alphabet	5.70	21.02	1.10

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	5.01	-10.84	-0.70
EXPD	Expeditors	2.11	-4.42	-0.11
PFE	Pfizer	1.29	-2.09	-0.03
CSCO	Cisco	1.05	-0.46	-0.01
UNP	Union Pacific	2.29	0.69	0.02

### 1 Year

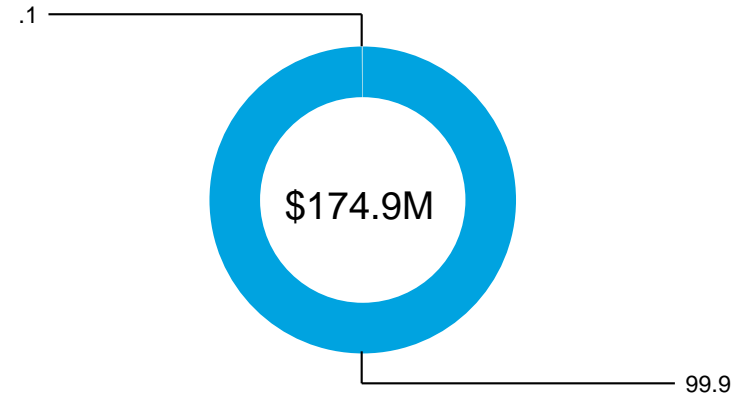
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.29	-28.37	-0.72
CSCO	Cisco	1.05	-1.52	-0.02
OMC	Omnicom	2.53	5.55	0.16
JNJ	Johnson & Johnson	3.82	5.15	0.26
EXPD	Expeditors	2.11	11.68	0.31

### 5 Years

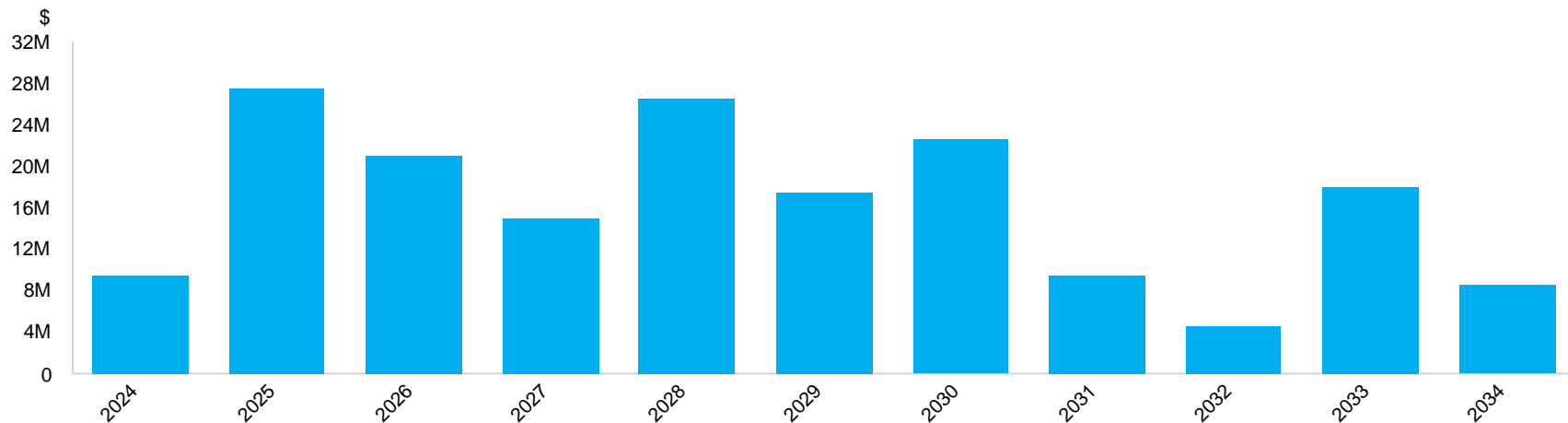
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.29	-3.36	-0.04
CSCO	Cisco	1.05	1.46	0.02
USB	US Bancorp	1.79	3.39	0.09
WFC	Wells Fargo	1.79	6.75	0.11
DIS	Walt Disney	3.49	2.11	0.14

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	174,736,543	99.9	6,669,975.00	3.9
● Taxable Bond Funds	127,577	.1	4,229.16	3.3
<b>Total</b>	<b>174,864,120</b>	<b>100.0</b>	<b>6,674,204.16</b>	<b>3.9</b>



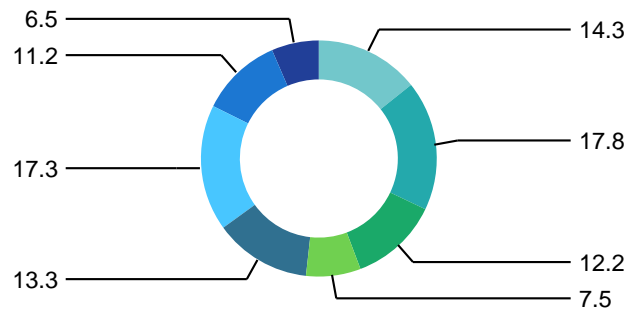
**Fixed Income Maturity Schedule**



Fixed Income Analysis

	03/31/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.74	3.04
Current Yield	3.85	3.21
Yield to Maturity	4.90	4.70
Maturity	4.67	4.29
Duration	4.15	3.69
Face Amount	180,000,000	
Market Value	173,157,602	
Total Accrual	1,578,941	
Cost	187,420,702	

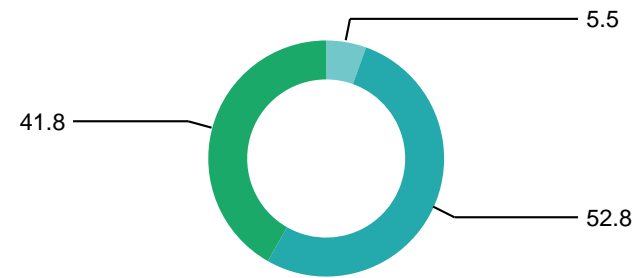
Quality Allocation by Market Value



■ 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	Yield to Maturity
<b>Matures 2034</b>										
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	3,500,000.000	101.950	114.348	4,019,349.03	AA-	11/26/2033		176,750.00	3.337
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	5,000,000.000	99.980	100.039	5,049,450.00	AA+	01/19/2027		237,500.00	4.744
<b>Total Matures 2034</b>					<b>9,068,799.03</b>				<b>414,250.00</b>	
<b>Matures 2033</b>										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	1,500,000.000	99.990	99.760	1,521,668.43	AA+	02/10/2033		64,500.00	4.332
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	98.078	1,001,955.00	AA+	04/27/2026		49,500.00	5.218
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	4,000,000.000	99.060	100.583	4,049,820.00	AA+			180,000.00	4.423
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	100.140	4,031,450.00	BBB+	05/14/2033		198,000.00	4.930
US BANCORP FR 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	101.957	1,568,355.00	A	10/21/2032		87,750.00	5.582
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	6,000,000.000	103.450	102.243	6,236,942.64	AAA			270,000.00	4.214
<b>Total Matures 2033</b>					<b>18,410,191.07</b>				<b>849,750.00</b>	
<b>Matures 2032</b>										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	4,500,000.000	98.570	97.729	4,460,080.00	BBB	03/15/2032		211,500.00	5.040
<b>Total Matures 2032</b>					<b>4,460,080.00</b>				<b>211,500.00</b>	
<b>Matures 2031</b>										
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	4,500,000.000	107.230	88.037	3,987,502.50	A-			119,250.00	4.731
FEDERAL FARM CR BKS CONS SYSTEMWIDE 6.050%08/22/2031	08/22/2031	5,000,000.000	99.630	100.050	5,035,270.83	AA+	08/22/2024		302,500.00	6.040
<b>Total Matures 2031</b>					<b>9,022,773.33</b>				<b>421,750.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	76.315	3,454,040.00	A-	11/01/2029		119,250.00	7.774
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	88.608	4,041,517.50	AA-	07/15/2030		117,450.00	4.650
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	91.630	4,125,287.50	A	12/26/2029		139,500.00	4.720
PFIZER INC GLBL NT	04/01/2030	4,500,000.000	108.330	89.075	4,067,437.50	A	01/01/2030		118,125.00	4.737

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
2.625%04/01/2030										
PROGRESSIVE CORP SR GLBL	03/26/2030	4,500,000.000	109.830	91.225	4,107,125.00	A	12/26/2029		144,000.00	4.909
3.200%03/26/2030										
<b>Total Matures 2030</b>					<b>19,795,407.50</b>				<b>638,325.00</b>	
<b>Matures 2029</b>										
BLACKROCK INC SR GLBL NT	04/30/2029	4,500,000.000	110.960	93.601	4,273,388.75	AA-	01/30/2029		146,250.00	4.679
3.250%04/30/2029										
MERCK & CO INC SR GLBL	03/07/2029	4,500,000.000	111.400	94.691	4,271,295.00	A+	12/07/2028		153,000.00	4.614
3.400%03/07/2029										
PARKER HANNIFIN CORP SR GLBL	09/15/2029	4,000,000.000	95.730	98.471	3,946,840.00	BBB+	07/15/2029		180,000.00	4.821
4.500%09/15/2029										
TEXAS INSTRS INC SR GLBL NT	09/04/2029	4,500,000.000	105.750	88.622	3,995,584.34	A+	06/04/2029		101,250.00	4.645
2.250%09/04/2029										
<b>Total Matures 2029</b>					<b>16,487,108.09</b>				<b>580,500.00</b>	
<b>Matures 2028</b>										
CHEVRON USA INC SR GLBL NT	01/15/2028	5,000,000.000	100.840	97.726	4,926,938.89	AA-	10/15/2027		192,500.00	4.508
3.850%01/15/2028										
META PLATFORMS INC GLBL NT	05/15/2028	4,000,000.000	99.780	99.946	4,067,351.11	AA-	04/15/2028		184,000.00	4.613
4.600%05/15/2028										
FEDERAL FARM CR BKS CONS SYSTEMWIDE	03/20/2028	6,000,000.000	99.670	99.577	5,974,620.00	AA+			255,000.00	4.367
4.250%03/20/2028										
JOHNSON & JOHNSON SR GLBL	01/15/2028	5,000,000.000	108.810	94.728	4,767,011.11	AAA	10/15/2027		145,000.00	4.425
2.900%01/15/2028										
SCHWAB CHARLES CORP SR GLBL	01/25/2028	4,500,000.000	106.380	93.887	4,251,315.00	A-	10/25/2027		144,000.00	4.977
3.200%01/25/2028										
US TREASURY NOTE	11/15/2028	2,000,000.000	108.180	95.266	1,929,015.05	AAA			62,500.00	4.263
3.125%11/15/2028										
<b>Total Matures 2028</b>					<b>25,916,251.16</b>				<b>983,000.00</b>	
<b>Matures 2027</b>										
BANK AMER CORP FR	10/21/2027	5,000,000.000	108.340	94.806	4,812,477.78	A-	10/21/2026		162,400.00	4.855
3.248%10/21/2027										
FEDERAL FARM CR BKS CONS SYSTEMWIDE	04/12/2027	5,000,000.000	100.000	96.439	4,900,112.50	AA+	04/12/2023		166,500.00	4.601
3.330%04/12/2027										
PEPSICO INC SR NT	03/19/2027	5,000,000.000	108.550	94.260	4,717,375.00	A+	01/19/2027		131,250.00	4.718
2.625%03/19/2027							100.000			
<b>Total Matures 2027</b>					<b>14,429,965.28</b>				<b>460,150.00</b>	
<b>Matures 2026</b>										
ABBVIE INC SR GLBL	05/14/2026	4,500,000.000	109.020	96.518	4,398,110.00	A-	02/14/2026		144,000.00	4.948



	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
3.200%05/14/2026										
JPMORGAN CHASE & CO SR NT	10/01/2026	4,500,000.000	108.980	95.316	4,355,595.00	A-	07/01/2026		132,750.00	4.963
2.950%10/01/2026							100.000			
OMNICOM GROUP INC SR GLOBL	04/15/2026	3,000,000.000	104.300	97.127	2,963,610.00	BBB+	01/15/2026		108,000.00	5.099
3.600%04/15/2026										
VERIZON COMMUNICATIONS INC SR GLOBL	08/15/2026	4,500,000.000	108.120	94.751	4,278,888.75	BBB+			118,125.00	4.995
2.625%08/15/2026										
WELLS FARGO CO NEW SR NT	10/23/2026	4,500,000.000	108.470	94.664	4,319,130.00	BBB+			135,000.00	5.251
3.000%10/23/2026										
<b>Total Matures 2026</b>					<b>20,315,333.75</b>				<b>637,875.00</b>	
<b>Matures 2025</b>										
CVS HEALTH CORP SR GLOBL NT	07/20/2025	3,500,000.000	101.290	98.119	3,460,913.26	BBB	04/20/2025		135,625.00	5.383
3.875%07/20/2025										
HOME DEPOT INC SR GLOBL NT	09/15/2025	5,000,000.000	98.080	97.643	4,882,150.00	A	06/15/2025		167,500.00	5.044
3.350%09/15/2025										
INTEL CORP SR GLOBL	07/29/2025	5,000,000.000	103.130	98.001	4,931,911.11	A-	04/29/2025		185,000.00	5.273
3.700%07/29/2025										
NORTHERN TR CORP SUB NT	10/30/2025	4,500,000.000	104.400	97.963	4,482,891.26	A			177,750.00	5.307
3.950%10/30/2025										
SYSCO CORP SR NT	10/01/2025	3,500,000.000	102.850	97.517	3,478,720.00	BBB	07/01/2025		131,250.00	5.494
3.750%10/01/2025										
US TREASURY NOTE	07/31/2025	6,000,000.000	100.610	99.840	5,990,400.00	AAA			285,000.00	4.870
4.750%07/31/2025										
<b>Total Matures 2025</b>					<b>27,226,985.63</b>				<b>1,082,125.00</b>	
<b>Matures 2024</b>										
APPLE INC SR GLOBL NT	05/06/2024	3,500,000.000	102.810	99.797	3,541,530.41	AA+			120,750.00	5.504
3.450%05/06/2024										
CISCO SYS INC SR NT	03/04/2024	.000	.000	.000	.00	AA-			.00	.000
3.625%03/04/2024										
US TREASURY NOTE	11/30/2024	6,000,000.000	99.560	99.523	6,062,117.70	AAA			270,000.00	5.230
4.500%11/30/2024										
<b>Total Matures 2024</b>					<b>9,603,648.11</b>				<b>390,750.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	81.780	127,576.80	NR				.000
<b>Total No Maturity</b>					<b>127,576.80</b>					
<b>Total</b>					<b>174,864,119.75</b>				<b>6,669,975.00</b>	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	171,410.000	.00	.00	152.26	26,098,886.60	4.1	.00	.00	.000
DISNEY WALT CO COM	130,570.000	59.83	7,812,035.07	122.36	15,976,545.20	2.5	.75	97,927.50	.613
META PLATFORM, INC.	31,880.000	220.84	7,040,497.31	485.58	15,480,290.40	2.4	2.00	63,760.00	.412
OMNICOM GROUP INC COM	118,760.000	50.44	5,990,559.57	96.76	11,577,499.60	1.8	2.80	332,528.00	2.894
<b>Total for Communication Services</b>			<b>20,843,091.95</b>		<b>69,133,221.80</b>	<b>10.8</b>		<b>494,215.50</b>	<b>.716</b>
<b>Consumer Disc</b>									
CARMAX INC COM	88,025.000	59.76	5,260,668.68	87.11	7,667,857.75	1.2	.00	.00	.000
HOME DEPOT INC COM	71,720.000	28.92	2,073,866.10	383.60	27,511,792.00	4.3	9.00	645,480.00	2.346
O REILLY AUTOMOTIVE INC NEW COM	16,585.000	179.95	2,984,519.76	1,128.88	18,722,474.80	3.0	.00	.00	.000
TJX COS INC NEW COM	135,515.000	6.29	852,822.15	101.42	13,743,931.30	2.2	1.50	203,272.50	1.479
<b>Total for Consumer Disc</b>			<b>11,171,876.69</b>		<b>67,646,055.85</b>	<b>10.7</b>		<b>848,752.50</b>	<b>1.255</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	170,235.000	26.92	4,582,220.54	37.92	6,455,311.20	1.0	.96	163,425.60	2.532
BERKSHIRE HATHAWAY INC DEL CL B NEW	71,765.000	120.74	8,664,644.07	420.52	30,178,617.80	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	142,830.000	54.21	7,742,359.33	200.30	28,608,849.00	4.5	4.60	657,018.00	2.297
PROGRESSIVE CORP OH COM	182,080.000	31.54	5,743,524.61	206.82	37,657,785.60	6.0	.40	72,832.00	.193
SCHWAB CHARLES CORP NEW COM	303,685.000	39.59	12,021,554.17	72.34	21,968,572.90	3.5	1.00	303,685.00	1.382
US BANCORP DEL COM NEW	181,600.000	23.09	4,192,381.43	44.70	8,206,504.00	1.3	1.96	355,936.00	4.385
WELLS FARGO & CO NEW COM	141,260.000	27.17	3,838,454.30	57.96	8,187,429.60	1.3	1.40	197,764.00	2.415
<b>Total for Financials</b>			<b>46,785,138.45</b>		<b>141,263,070.10</b>	<b>22.4</b>		<b>1,750,660.60</b>	<b>1.240</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	110,550.000	78.80	8,711,766.98	158.19	17,487,904.50	2.8	4.96	548,328.00	3.135
PFIZER INC COM	212,180.000	26.46	5,615,315.95	27.75	5,887,995.00	.9	1.68	356,462.40	6.054
<b>Total for Health Care</b>			<b>14,327,082.93</b>		<b>23,375,899.50</b>	<b>3.7</b>		<b>904,790.40</b>	<b>3.871</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	79,580.000	38.06	3,028,451.45	121.57	9,674,540.60	1.5	1.38	109,820.40	1.135
FASTENAL CO COM	231,140.000	20.71	4,787,225.02	77.14	17,830,139.60	2.8	1.56	360,578.40	2.022

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	137,435.000	104.26	14,329,585.83	175.53	24,123,965.55	3.8	1.12	153,927.20	.638
PARKER HANNIFIN CORP COM	33,550.000	291.57	9,782,178.84	555.79	18,646,754.50	2.9	5.92	198,616.00	1.065
UNION PAC CORP COM	42,560.000	93.91	3,996,797.92	245.93	10,466,780.80	1.7	5.20	221,312.00	2.114
<b>Total for Industrials</b>			<b>35,924,239.06</b>		<b>80,742,181.05</b>	<b>12.7</b>		<b>1,044,254.00</b>	<b>1.293</b>
<b>Information Tech</b>									
APPLE INC COM	133,770.000	21.85	2,923,111.67	171.48	22,938,879.60	3.6	.96	128,419.20	.560
CISCO SYS INC COM	96,615.000	17.22	1,663,844.57	49.91	4,822,054.65	.8	1.60	154,584.00	3.206
MICROSOFT CORP COM	77,470.000	25.29	1,958,913.60	420.72	32,593,178.40	5.2	3.00	232,410.00	.713
TE CONNECTIVITY LTD REG SHS	105,015.000	31.50	3,307,930.04	145.24	15,252,378.60	2.4	2.60	273,039.00	1.790
<b>Total for Information Tech</b>			<b>9,853,799.88</b>		<b>75,606,491.25</b>	<b>12.0</b>		<b>788,452.20</b>	<b>1.043</b>
<b>Total: Total Equity</b>			<b>138,905,228.96</b>		<b>457,766,919.55</b>	<b>72.3</b>		<b>5,831,125.20</b>	<b>1.274</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
ABBVIE INC SR GLBL 3.200% 05/14/2026	4,500,000.000	109.02	4,906,016.32	96.52	4,398,110.00	.7	3.20	144,000.00	3.315
APPLE INC SR GLBL NT 3.450% 05/06/2024	3,500,000.000	102.81	3,598,323.99	99.80	3,541,530.41	.6	3.45	120,750.00	3.457
APPLE INC SR GLBL 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	99.76	1,521,668.43	.2	4.30	64,500.00	4.310
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	94.81	4,812,477.78	.8	3.25	162,400.00	3.426
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	93.60	4,273,388.75	.7	3.25	146,250.00	3.472
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.29	3,545,260.35	98.12	3,460,913.26	.5	3.88	135,625.00	3.949
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	97.73	4,926,938.89	.8	3.85	192,500.00	3.940
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	3,500,000.000	101.95	3,568,250.00	114.35	4,019,349.03	.6	5.05	176,750.00	4.416
COMCAST CORP NEW GLBL NT	4,500,000.000	107.85	4,853,306.19	76.31	3,454,040.00	.5	2.65	119,250.00	3.472

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 02/01/2030 DISNEY WALT CO SR GLBL NT	4,500,000.000	107.23	4,825,574.74	88.04	3,987,502.50	.6	2.65	119,250.00	3.010
2.650% 01/13/2031 EXXON MOBIL CORP SR GLBL COCO	4,500,000.000	107.95	4,857,881.62	88.61	4,041,517.50	.6	2.61	117,450.00	2.946
2.610% 10/15/2030 META PLATFORMS INC GLBL NT	4,000,000.000	99.78	3,991,120.00	99.95	4,067,351.11	.6	4.60	184,000.00	4.602
4.600% 05/15/2028 HOME DEPOT INC SR GLBL NT	5,000,000.000	98.08	4,904,152.78	97.64	4,882,150.00	.8	3.35	167,500.00	3.431
3.350% 09/15/2025 INTEL CORP SR GLBL	5,000,000.000	103.13	5,156,596.70	98.00	4,931,911.11	.8	3.70	185,000.00	3.775
3.700% 07/29/2025 JPMORGAN CHASE & CO SR NT	4,500,000.000	108.98	4,903,950.28	95.32	4,355,595.00	.7	2.95	132,750.00	3.095
2.950% 10/01/2026 JOHNSON & JOHNSON SR GLBL	5,000,000.000	108.81	5,440,382.18	94.73	4,767,011.11	.8	2.90	145,000.00	3.061
2.900% 01/15/2028 KIMBERLY CLARK CORP SR GLBL	4,500,000.000	109.26	4,916,915.28	91.63	4,125,287.50	.7	3.10	139,500.00	3.383
3.100% 03/26/2030 MCDONALDS CORP FR	4,000,000.000	98.74	3,949,400.00	100.14	4,031,450.00	.6	4.95	198,000.00	4.943
4.950% 08/14/2033 MERCK & CO INC SR GLBL	4,500,000.000	111.40	5,012,820.28	94.69	4,271,295.00	.7	3.40	153,000.00	3.591
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	4,500,000.000	104.40	4,698,095.06	97.96	4,482,891.26	.7	3.95	177,750.00	4.032
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GLBL	4,500,000.000	98.57	4,435,550.00	97.73	4,460,080.00	.7	4.70	211,500.00	4.809
4.700% 06/15/2032 OMNICOM GROUP INC SR GLBL	3,000,000.000	104.30	3,129,146.81	97.13	2,963,610.00	.5	3.60	108,000.00	3.706
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GLBL	4,000,000.000	95.73	3,829,080.00	98.47	3,946,840.00	.6	4.50	180,000.00	4.570
4.500% 09/15/2029 PEPSICO INC SR NT	5,000,000.000	108.55	5,427,413.51	94.26	4,717,375.00	.7	2.63	131,250.00	2.785
2.625% 03/19/2027 PFIZER INC GLBL NT	4,500,000.000	108.33	4,874,850.53	89.08	4,067,437.50	.6	2.63	118,125.00	2.947
2.625% 04/01/2030 PROGRESSIVE CORP SR GLBL	4,500,000.000	109.83	4,942,133.37	91.22	4,107,125.00	.6	3.20	144,000.00	3.508

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GLBL	4,500,000.000	106.38	4,787,060.00	93.89	4,251,315.00	.7	3.20	144,000.00	3.408
3.200% 01/25/2028 SYSCO CORP SR NT	3,500,000.000	102.85	3,599,581.69	97.52	3,478,720.00	.5	3.75	131,250.00	3.845
3.750% 10/01/2025 TEXAS INSTRS INC SR GLBL NT	4,500,000.000	105.75	4,758,542.97	88.62	3,995,584.34	.6	2.25	101,250.00	2.539
2.250% 09/04/2029 US BANCORP FR	1,500,000.000	100.49	1,507,350.00	101.96	1,568,355.00	.2	5.85	87,750.00	5.738
5.850% 10/21/2033 VERIZON COMMUNICATIONS INC SR GLBL	4,500,000.000	108.12	4,865,186.69	94.75	4,278,888.75	.7	2.63	118,125.00	2.770
2.625% 08/15/2026 WELLS FARGO CO NEW SR NT	4,500,000.000	108.47	4,881,224.62	94.66	4,319,130.00	.7	3.00	135,000.00	3.169
3.000% 10/23/2026									
<b>Total for Corporate Bonds</b>			<b>141,117,504.50</b>		<b>128,506,839.23</b>	<b>20.1</b>		<b>4,591,475.00</b>	<b>3.605</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS	5,000,000.000	99.98	4,999,000.00	100.04	5,049,450.00	.8	4.75	237,500.00	4.748
4.750% 01/19/2034 FEDERAL FARM CR BKS CONS SYSTEMWIDE	5,000,000.000	100.00	5,000,000.00	96.44	4,900,112.50	.8	3.33	166,500.00	3.453
3.330% 04/12/2027 FEDERAL FARM CR BKS CONS SYSTEMWIDE	6,000,000.000	99.67	5,980,116.67	99.58	5,974,620.00	.9	4.25	255,000.00	4.268
4.250% 03/20/2028 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	100.03	1,000,250.00	98.08	1,001,955.00	.2	4.95	49,500.00	5.047
4.950% 04/27/2033 FEDERAL FARM CR BKS CONS SYSTEMWIDE	4,000,000.000	99.06	3,962,200.00	100.58	4,049,820.00	.6	4.50	180,000.00	4.474
4.500% 08/08/2033 FEDERAL FARM CR BKS CONS SYSTEMWIDE	5,000,000.000	99.63	4,981,500.00	100.05	5,035,270.83	.8	6.05	302,500.00	6.047
6.050% 08/22/2031 US TREASURY NOTE	2,000,000.000	108.18	2,163,500.00	95.27	1,929,015.05	.3	3.13	62,500.00	3.280
3.125% 11/15/2028 US TREASURY NOTE	6,000,000.000	99.56	5,973,360.00	99.52	6,062,117.70	1.0	4.50	270,000.00	4.522
4.500% 11/30/2024 US TREASURY NOTE	6,000,000.000	100.61	6,036,331.32	99.84	5,990,400.00	.9	4.75	285,000.00	4.758
4.750% 07/31/2025									

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
US TREASURY NOTE 4.500% 11/15/2033	6,000,000.000	103.45	6,206,940.00	102.24	6,236,942.64	1.0	4.50	270,000.00	4.401
<b>Total for Governments</b>			<b>46,303,197.99</b>		<b>46,229,703.72</b>	<b>7.3</b>		<b>2,078,500.00</b>	<b>4.538</b>
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	81.78	127,576.80	.0	2.71	4,229.16	3.315
<b>Total for Taxable Bond Funds</b>			<b>131,943.81</b>		<b>127,576.80</b>	<b>.0</b>		<b>4,229.16</b>	<b>3.315</b>
<b>Total: Total Fixed Income</b>			<b>187,552,646.30</b>		<b>174,864,119.75</b>	<b>27.4</b>		<b>6,674,204.16</b>	<b>3.852</b>
<b>Total</b>			<b>326,457,875.26</b>		<b>632,631,039.30</b>	<b>100.0</b>		<b>12,505,329.36</b>	<b>1.982</b>

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>632,631,039</b>	<b>18.60</b>	<b>26.08</b>	<b>9.24</b>	<b>13.65</b>	<b>11.41</b>	<b>9.11</b>	<b>9.51</b>
<b>Total Portfolio - Net</b>	<b>632,631,039</b>	<b>18.53</b>	<b>25.98</b>	<b>9.16</b>	<b>13.56</b>	<b>11.33</b>	<b>9.06</b>	<b>9.46</b>
70% SP500 30% Bloomberg Int Govt Cr		14.57	21.26	7.83	11.02	9.68	8.14	8.95
<b>Total Equity</b>	<b>457,766,920</b>	<b>24.54</b>	<b>35.62</b>	<b>12.97</b>	<b>18.02</b>	<b>14.81</b>	<b>11.14</b>	<b>11.82</b>
S P 500 Index		19.44	29.88	11.49	15.05	12.96	10.15	10.66
<b>Total Fixed Income</b>	<b>174,864,120</b>	<b>3.86</b>	<b>3.59</b>	<b>- .60</b>	<b>1.16</b>	<b>1.74</b>	<b>2.58</b>	<b>4.04</b>
Bloomberg US Government/Credit Interm Bond		3.53	2.69	-1.06	1.09	1.61	2.76	4.19

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.41	9.68
Standard Deviation	11.92	10.93
Beta	1.00	
Alpha	1.66	
R-Squared	.99	
Sharpe Ratio	9.35	10.03
Treynor Ratio	111.41	109.68
Tracking Error	3.00	
Information Ratio	.56	
Downside Deviation	7.31	6.81
Downside Standard Deviation	8.88	8.14
Sortino Ratio	1.67	1.52
Upside Capture	1.10	
Downside Capture	1.01	
Batting Average	.58	
Annualized Excess Return	1.73	
Cumulative Excess Return	42.65	
Turnover %	139.86	
M-Squared	2.16	
Residual Risk	.98	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		



	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.11	8.14
Standard Deviation	10.79	10.64
Beta	.99	
Alpha	1.01	
R-Squared	.99	
Sharpe Ratio	10.11	10.16
Treynor Ratio	110.21	108.14
Tracking Error	3.06	
Information Ratio	.30	
Downside Deviation	6.84	6.98
Downside Standard Deviation	8.10	8.09
Sortino Ratio	1.42	1.25
Upside Capture	1.01	
Downside Capture	.95	
Batting Average	.54	
Annualized Excess Return	.98	
Cumulative Excess Return	94.31	
Turnover %	209.22	
M-Squared	7.59	
Residual Risk	.72	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/22/2023	15,565.00	DISNEY WALT CO COM	102.36	1,593,157.13
02/22/2023	19,310.00	GE AEROSPACE	83.79	1,617,973.31
04/24/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	100.03	1,000,250.00
04/24/2023	1,000,000.00	OREILLY AUTOMOTIVE INC SR GLBL	99.40	994,000.00
04/27/2023	11,500.00	PARKER HANNIFIN CORP COM	313.47	3,604,944.10
04/27/2023	80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	4,115,296.00
04/27/2023	-80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	-4,115,296.00
04/27/2023	-11,500.00	PARKER HANNIFIN CORP COM	313.47	-3,604,944.10
04/27/2023	11,500.00	PARKER HANNIFIN CORP COM	313.47	3,604,944.10
04/27/2023	80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	4,115,296.00
07/20/2023	4,000,000.00	META PLATFORMS INC GLBL NT	99.78	3,991,120.00
07/20/2023	1,500,000.00	US BANCORP FR	100.49	1,507,350.00
07/20/2023	1,500,000.00	APPLE INC SR GLBL	1.00	1,499,910.00
08/11/2023	4,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.06	3,962,200.00
08/14/2023	4,000,000.00	MCDONALDS CORP FR	98.73	3,949,400.00
08/17/2023	4,000,000.00	PARKER HANNIFIN CORP SR GLBL	95.73	3,829,080.00
10/03/2023	5,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.63	4,981,500.00
12/01/2023	5,450.00	ALPHABET INC CAP STK CL C	124.22	2,509,002.95
01/16/2024	6,000,000.00	US TREASURY NOTE	103.45	6,206,940.00
01/22/2024	5,000,000.00	FEDERAL HOME LOAN BKS CONS BDS	99.98	4,999,000.00
02/16/2024	6,000,000.00	US TREASURY NOTE	99.56	5,973,360.00
03/06/2024	3,500,000.00	CISCO SYS INC SR GLBL NT	101.95	3,568,250.00
03/21/2024	6,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.64	5,978,700.00
03/21/2024	6,000,000.00	US TREASURY NOTE	99.94	5,996,400.00
03/21/2024	5,000,000.00	HOME DEPOT INC SR GLBL NT	97.99	4,899,500.00
				<u>76,777,333.49</u>

## Sales

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2022 to March 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/01/2023	3,325.00	JOHNSON & JOHNSON COM	176.97	-588,409.11	11/24/2021	5.79	-19,249.60	0.00
01/25/2023	0.00	GE HEALTHCARE TECHNOLOGIES INC	0.00	22.07	01/12/2023	0.00	0.00	0.00
Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
02/22/2023	-43,833.00	GE HEALTHCARE TECHNOLOGIES INC	71.86	3,149,894.33	01/04/2023	76.01	3,331,834.18	-181,939.85
04/04/2023	-10,000,000.00	US TREASURY BILL DUE 04/04/2023	100.00	10,000,000.00	12/19/2022	0.99	9,875,800.00	124,200.00
04/27/2023	-12,600.00	APPLE INC COM	303.04	3,818,330.15	04/25/2013	14.64	184,405.00	3,633,925.15
04/27/2023	-12,600.00	MICROSOFT CORP COM	303.04	3,818,330.15	01/05/2006	25.76	324,611.89	3,493,718.26
04/27/2023	12,600.00	MICROSOFT CORP COM	303.04	-3,818,330.15	01/05/2006	25.68	-323,568.00	0.00
04/27/2023	24,000.00	APPLE INC COM	166.65	-3,999,647.19	04/25/2013	14.64	-351,247.63	0.00
04/27/2023	-24,000.00	APPLE INC COM	166.65	3,999,647.19	04/25/2013	14.64	351,247.63	3,648,399.56
04/27/2023	-12,600.00	MICROSOFT CORP COM	303.04	3,818,330.15	01/05/2006	25.68	323,568.00	3,494,762.15
05/01/2023	-24,000.00	APPLE INC COM	166.65	3,999,647.19	04/25/2013	14.64	351,247.63	3,648,399.56
05/01/2023	12,600.00	APPLE INC COM	303.04	-3,818,330.15	04/25/2013	14.64	-184,405.00	0.00
07/15/2023	-3,500,000.00	ORACLE CORP SR NT	100.00	3,500,000.00	06/08/2016	1.03	3,590,945.42	-90,945.42
07/19/2023	-3,325.00	TE CONNECTIVITY LTD REG SHS	142.48	473,738.69	09/26/2011	30.74	102,222.80	371,515.89
07/19/2023	-5,450.00	ALPHABET INC CAP STK CL C	124.22	676,994.64	10/05/2015	460.37	2,509,002.95	-1,832,008.31
07/19/2023	-4,250.00	APPLE INC COM	194.09	824,898.23	04/25/2013	14.64	62,200.10	762,698.13
07/19/2023	-5,400.00	BANK OF AMERICA CORP COM	31.51	170,134.02	08/30/2019	26.92	145,351.96	24,782.06
07/19/2023	-2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	778,528.89	07/26/2011	48.71	110,822.49	667,706.40
07/19/2023	-2,800.00	CARMAX INC COM	85.88	240,475.76	01/30/2019	59.76	167,337.37	73,138.39
07/19/2023	-3,050.00	CISCO SYS INC COM	51.97	158,512.47	07/26/2011	18.22	55,570.28	102,942.19
07/19/2023	-4,150.00	DISNEY WALT CO COM	87.24	362,058.87	02/24/2023	25.61	106,281.25	255,777.62
07/19/2023	-2,500.00	EXPEDITORS INTL WASH INC COM	123.86	309,651.75	03/25/2013	37.20	93,003.25	216,648.50
07/19/2023	-1,000.00	META PLATFORM, INC.	317.90	317,897.70	05/06/2020	203.86	203,863.80	114,033.90
07/19/2023	-7,300.00	FASTENAL CO COM	56.84	414,911.56	02/12/2015	21.12	154,204.47	260,707.09
07/19/2023	-4,360.00	GE AEROSPACE	109.36	476,824.91	08/02/2021	109.86	478,978.47	-2,153.56
07/19/2023	-2,275.00	HOME DEPOT INC COM	318.81	725,295.25	06/30/2021	39.91	90,802.76	634,492.49
07/19/2023	-4,550.00	JPMORGAN CHASE & CO COM	154.65	703,671.61	06/06/2008	40.49	184,240.88	519,430.73
07/19/2023	-3,500.00	JOHNSON & JOHNSON COM	159.11	556,899.00	11/24/2021	5.79	20,262.74	536,636.26
07/19/2023	-2,450.00	MICROSOFT CORP COM	359.10	879,798.43	09/05/2006	25.68	62,916.00	816,882.43
07/19/2023	-525.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	506,795.63	07/11/2017	174.94	91,844.40	414,951.23
07/19/2023	-3,750.00	OMNICOM GROUP INC COM	87.52	328,186.13	06/24/2003	29.14	109,258.40	218,927.73
07/19/2023	-1,050.00	PARKER HANNIFIN CORP COM	400.75	420,792.02	10/28/2022	280.15	294,154.03	126,637.99
07/19/2023	-6,700.00	PFIZER INC COM	36.50	244,539.95	09/07/2011	18.04	120,845.54	123,694.41

Portfolio Turnover

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Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
07/19/2023	-5,775.00	PROGRESSIVE CORP OH COM	118.13	682,186.31	05/23/2007	23.19	133,897.99	548,288.32
07/19/2023	-9,600.00	SCHWAB CHARLES CORP NEW COM	67.29	646,015.68	08/26/2020	35.35	339,316.80	306,698.88
07/19/2023	-4,300.00	TJX COS INC NEW COM	85.32	366,862.24	12/06/2004	5.92	25,439.67	341,422.57
07/19/2023	-5,600.00	US BANCORP DEL COM NEW	38.49	215,537.28	12/06/2000	21.92	122,771.73	92,765.55
07/19/2023	-1,350.00	UNION PAC CORP COM	214.18	289,143.14	07/24/2015	93.91	126,778.13	162,365.01
07/19/2023	-4,475.00	WELLS FARGO & CO NEW COM	46.28	207,114.19	06/02/2011	28.21	126,236.62	80,877.57
07/25/2023	-3,000,000.00	PNC BK N A PITTSBURGH PA SUB NT	100.00	3,000,000.00	06/07/2018	1.00	3,008,487.10	-8,487.10
10/01/2023	-3,500,000.00	CUMMINS INC SR GLBL NT	100.00	3,500,000.00	12/26/2018	1.02	3,553,563.05	-53,563.05
12/01/2023	4,475.00	WELLS FARGO & CO NEW COM	46.28	-207,114.19	06/02/2011	28.21	-126,236.62	0.00
12/01/2023	1,350.00	UNION PAC CORP COM	214.18	-289,143.14	07/24/2015	93.91	-126,778.13	0.00
12/01/2023	5,600.00	US BANCORP DEL COM NEW	38.49	-215,537.28	03/21/2005	21.92	-122,771.73	0.00
12/01/2023	4,300.00	TJX COS INC NEW COM	85.32	-366,862.24	12/06/2004	5.92	-25,439.67	0.00
12/01/2023	9,600.00	SCHWAB CHARLES CORP NEW COM	67.29	-646,015.68	08/26/2020	35.35	-339,316.80	0.00
12/01/2023	5,775.00	PROGRESSIVE CORP OH COM	118.13	-682,186.31	05/23/2007	23.19	-133,897.99	0.00
12/01/2023	6,700.00	PFIZER INC COM	36.50	-244,539.95	09/07/2011	18.04	-120,845.54	0.00
12/01/2023	1,050.00	PARKER HANNIFIN CORP COM	400.75	-420,792.02	10/28/2022	280.15	-294,154.03	0.00
12/01/2023	3,750.00	OMNICOM GROUP INC COM	87.52	-328,186.13	06/24/2003	29.14	-109,258.40	0.00
12/01/2023	525.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	-506,795.63	07/11/2017	174.94	-91,844.40	0.00
12/01/2023	2,450.00	MICROSOFT CORP COM	359.10	-879,798.43	09/05/2006	25.68	-62,916.00	0.00
12/01/2023	3,500.00	JOHNSON & JOHNSON COM	159.11	-556,899.00	11/24/2021	5.79	-20,262.74	0.00
12/01/2023	4,550.00	JPMORGAN CHASE & CO COM	154.65	-703,671.61	06/06/2008	40.49	-184,240.88	0.00
12/01/2023	2,275.00	HOME DEPOT INC COM	318.81	-725,295.25	06/30/2021	39.91	-90,802.76	0.00
12/01/2023	4,360.00	GE AEROSPACE	109.36	-476,824.91	08/02/2021	109.86	-478,978.47	0.00
12/01/2023	7,300.00	FASTENAL CO COM	56.84	-414,911.56	02/12/2015	21.12	-154,204.47	0.00
12/01/2023	1,000.00	META PLATFORM, INC.	317.90	-317,897.70	05/06/2020	203.86	-203,863.80	0.00
12/01/2023	2,500.00	EXPEDITORS INTL WASH INC COM	123.86	-309,651.75	03/25/2013	37.20	-93,003.25	0.00
12/01/2023	4,150.00	DISNEY WALT CO COM	87.24	-362,058.87	02/24/2023	25.61	-106,281.25	0.00
12/01/2023	3,050.00	CISCO SYS INC COM	51.97	-158,512.47	07/26/2011	18.22	-55,570.28	0.00
12/01/2023	2,800.00	CARMAX INC COM	85.88	-240,475.76	01/30/2019	59.76	-167,337.37	0.00
12/01/2023	2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	-778,528.89	07/26/2011	48.71	-110,822.49	0.00
12/01/2023	5,400.00	BANK OF AMERICA CORP COM	31.51	-170,134.02	08/30/2019	26.92	-145,351.96	0.00
12/01/2023	4,250.00	APPLE INC COM	194.09	-824,898.23	04/25/2013	14.64	-62,200.10	0.00
12/01/2023	3,325.00	TE CONNECTIVITY LTD REG SHS	142.48	-473,738.69	09/26/2011	30.74	-102,222.80	0.00
12/01/2023	-3,325.00	TE CONNECTIVITY LTD REG SHS	142.45	473,635.15	09/26/2011	30.74	102,222.80	371,412.35
12/01/2023	-5,450.00	ALPHABET INC CAP STK CL C	124.19	676,825.72	10/05/2015	460.37	2,509,002.95	-1,832,177.23

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12/01/2023	-4,250.00	APPLE INC COM	194.06	824,764.13	04/25/2013	14.64	62,200.10	762,564.03
12/01/2023	-5,400.00	BANK OF AMERICA CORP COM	31.48	169,970.65	08/30/2019	26.92	145,351.96	24,618.69
12/01/2023	-2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.18	778,454.41	07/26/2011	48.71	110,822.49	667,631.92
12/01/2023	-2,800.00	CARMAX INC COM	85.85	240,389.83	01/30/2019	59.76	167,337.37	73,052.46
12/01/2023	-3,050.00	CISCO SYS INC COM	51.94	158,419.70	07/26/2011	18.22	55,570.28	102,849.42
12/01/2023	-4,150.00	DISNEY WALT CO COM	87.21	361,931.47	02/24/2023	25.61	106,281.25	255,650.22
12/01/2023	-2,500.00	EXPEDITORS INTL WASH INC COM	123.83	309,574.27	03/25/2013	37.20	93,003.25	216,571.02
12/01/2023	-1,000.00	META PLATFORM, INC.	317.87	317,865.15	05/06/2020	203.86	203,863.80	114,001.35
12/01/2023	-7,300.00	FASTENAL CO COM	56.81	414,689.24	02/12/2015	21.12	154,204.47	260,484.77
12/01/2023	-4,360.00	GE AEROSPACE	109.33	476,693.29	08/02/2021	109.86	478,978.47	-2,285.18
12/01/2023	-2,275.00	HOME DEPOT INC COM	318.78	725,221.19	06/30/2021	39.91	90,802.76	634,418.43
12/01/2023	-4,550.00	JPMORGAN CHASE & CO COM	154.62	703,529.48	06/06/2008	40.49	184,240.88	519,288.60
12/01/2023	-3,500.00	JOHNSON & JOHNSON COM	159.08	556,789.54	11/24/2021	5.79	20,262.74	536,526.80
12/01/2023	-2,450.00	MICROSOFT CORP COM	359.07	879,717.89	09/05/2006	25.68	62,916.00	816,801.89
12/01/2023	-525.00	O REILLY AUTOMOTIVE INC NEW COM	965.29	506,775.82	07/11/2017	174.94	91,844.40	414,931.42
12/01/2023	-3,750.00	OMNICOM GROUP INC COM	87.49	328,071.00	06/24/2003	29.14	109,258.40	218,812.60
12/01/2023	-1,050.00	PARKER HANNIFIN CORP COM	400.72	420,757.15	10/28/2022	280.15	294,154.03	126,603.12
12/01/2023	-6,700.00	PFIZER INC COM	36.47	244,336.99	09/07/2011	18.04	120,845.54	123,491.45
12/01/2023	-5,775.00	PROGRESSIVE CORP OH COM	118.10	682,007.60	05/23/2007	23.19	133,897.99	548,109.61
12/01/2023	-9,600.00	SCHWAB CHARLES CORP NEW COM	67.26	645,722.51	08/26/2020	35.35	339,316.80	306,405.71
12/01/2023	-4,300.00	TJX COS INC NEW COM	85.29	366,730.30	12/06/2004	5.92	25,439.67	341,290.63
12/01/2023	-5,600.00	US BANCORP DEL COM NEW	38.46	215,367.55	03/21/2005	21.92	122,771.73	92,595.82
12/01/2023	-1,350.00	UNION PAC CORP COM	214.15	289,100.32	07/24/2015	93.91	126,778.13	162,322.19
12/01/2023	-4,475.00	WELLS FARGO & CO NEW COM	46.25	206,978.28	06/02/2011	28.21	126,236.62	80,741.66
12/01/2023	-3,500,000.00	SCHLUMBERGER INVT SA SR NT	100.00	3,500,000.00	10/17/2016	1.03	3,595,266.69	-95,266.69
12/15/2023	-3,000,000.00	MICROSOFT CORP NT	100.00	3,000,000.00	08/22/2018	1.01	3,022,956.85	-22,956.85
01/03/2024	-3,705.00	APPLE INC COM	184.12	682,149.14	04/25/2013	14.64	54,223.85	627,925.29
01/03/2024	-4,715.00	BANK OF AMERICA CORP COM	33.27	156,885.18	08/30/2019	26.92	126,913.79	29,971.39
01/03/2024	-1,990.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	366.38	729,086.98	07/26/2011	48.71	96,939.23	632,147.75
01/03/2024	-2,675.00	CISCO SYS INC COM	50.17	134,213.57	07/26/2011	18.22	48,737.87	85,475.70
01/03/2024	-3,620.00	DISNEY WALT CO COM	90.76	328,557.98	02/24/2023	25.61	92,707.99	235,849.99
01/03/2024	-2,205.00	EXPEDITORS INTL WASH INC COM	126.98	279,980.05	03/25/2013	37.20	82,028.87	197,951.18
01/03/2024	-6,405.00	FASTENAL CO COM	62.60	400,961.32	02/12/2015	21.12	135,298.58	265,662.74
01/03/2024	-3,810.00	GE AEROSPACE	124.73	475,212.92	08/02/2021	109.86	418,556.87	56,656.05
01/03/2024	-4,750.00	ALPHABET INC CAP STK CL C	140.09	665,414.10	10/05/2015	0.00	0.00	665,414.10

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01/03/2024	-1,990.00	HOME DEPOT INC COM	337.08	670,786.62	06/30/2021	39.91	79,427.47	591,359.15
01/03/2024	-3,065.00	JOHNSON & JOHNSON COM	161.03	493,571.08	11/24/2021	5.79	17,744.37	475,826.71
01/03/2024	-3,960.00	JPMORGAN CHASE & CO COM	171.32	678,442.76	06/06/2008	40.49	160,350.30	518,092.46
01/03/2024	-2,440.00	CARMAX INC COM	72.36	176,557.47	01/30/2019	59.76	145,822.57	30,734.90
01/03/2024	-885.00	META PLATFORM, INC.	345.93	306,145.69	05/06/2020	203.86	180,419.46	125,726.23
01/03/2024	-2,145.00	MICROSOFT CORP COM	371.93	797,781.96	09/05/2006	25.68	55,083.60	742,698.36
01/03/2024	-3,290.00	OMNICOM GROUP INC COM	86.36	284,137.91	06/24/2003	29.14	95,856.03	188,281.88
01/03/2024	-460.00	O REILLY AUTOMOTIVE INC NEW COM	954.04	438,859.48	07/11/2017	174.94	80,473.19	358,386.29
01/03/2024	-5,880.00	PFIZER INC COM	29.75	174,939.76	09/07/2011	18.04	106,055.49	68,884.27
01/03/2024	-5,045.00	PROGRESSIVE CORP OH COM	163.87	826,708.95	05/23/2007	23.19	116,972.36	709,736.59
01/03/2024	-930.00	PARKER HANNIFIN CORP COM	452.71	421,020.74	10/28/2022	280.15	260,536.43	160,484.31
01/03/2024	-8,415.00	SCHWAB CHARLES CORP NEW COM	66.38	558,624.45	08/26/2020	35.35	297,432.38	261,192.07
01/03/2024	-2,910.00	TE CONNECTIVITY LTD REG SHS	137.33	399,627.10	09/26/2011	30.74	89,464.17	310,162.93
01/03/2024	-3,755.00	TJX COS INC NEW COM	92.30	346,580.34	12/06/2004	5.92	22,215.34	324,365.00
01/03/2024	-1,180.00	UNION PAC CORP COM	243.27	287,062.20	07/24/2015	93.91	110,813.48	176,248.72
01/03/2024	-4,890.00	US BANCORP DEL COM NEW	42.87	209,634.58	03/21/2005	24.55	120,052.67	89,581.91
01/03/2024	-3,915.00	WELLS FARGO & CO NEW COM	48.50	189,875.98	06/02/2011	28.21	110,439.41	79,436.57
01/30/2024	-3,500,000.00	U S BANCORP MTNS BK ENT FR	100.00	3,500,000.00	03/02/2016	1.02	3,586,048.69	-86,048.69
01/31/2024	-3,500,000.00	ALTRIA GROUP INC SR GLBL NT	100.00	3,500,000.00	11/16/2017	1.03	3,601,329.95	-101,329.95
02/12/2024	-3,500,000.00	INTERNATIONAL BUSINESS MACHS SR GLBL	100.00	3,500,000.00	11/07/2017	1.02	3,579,771.22	-79,771.22
02/15/2024	-3,000,000.00	HOME DEPOT INC SR NT	100.00	3,000,000.00	11/16/2017	1.02	3,056,795.26	-56,795.26
03/04/2024	-3,500,000.00	CISCO SYS INC SR NT	100.00	3,500,000.00	02/13/2017	1.02	3,578,499.64	-78,499.64
03/20/2024	-5,075.00	APPLE INC COM	176.09	893,637.92	04/25/2013	14.64	74,274.24	819,363.68
03/20/2024	-6,450.00	BANK OF AMERICA CORP COM	36.19	233,441.05	08/30/2019	26.92	173,614.84	59,826.21
03/20/2024	-2,720.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	413.65	1,125,123.34	07/26/2011	48.71	132,499.85	992,623.49
03/20/2024	-3,660.00	CISCO SYS INC COM	49.02	179,404.07	07/26/2011	18.22	66,684.33	112,719.74
03/20/2024	-4,950.00	DISNEY WALT CO COM	115.78	573,101.46	02/24/2023	25.61	126,769.21	446,332.25
03/20/2024	-3,015.00	EXPEDITORS INTL WASH INC COM	117.87	355,367.66	03/25/2013	37.20	112,161.92	243,205.74
03/20/2024	-8,755.00	FASTENAL CO COM	76.82	672,565.97	02/12/2015	21.12	184,939.74	487,626.23
03/20/2024	-5,205.00	GE AEROSPACE	174.00	905,664.83	08/02/2021	109.86	571,808.01	333,856.82
03/20/2024	-6,490.00	ALPHABET INC CAP STK CL C	148.64	964,693.27	10/05/2015	0.00	0.00	964,693.27
03/20/2024	-2,715.00	HOME DEPOT INC COM	379.99	1,031,685.77	06/30/2021	39.91	108,364.61	923,321.16
03/20/2024	-4,185.00	JOHNSON & JOHNSON COM	155.68	651,527.72	11/24/2021	5.79	24,228.45	627,299.27
03/20/2024	-5,410.00	JPMORGAN CHASE & CO COM	195.16	1,055,794.71	06/06/2008	32.11	173,696.96	882,097.75
03/20/2024	-3,335.00	CARMAX INC COM	82.36	274,676.74	01/30/2019	59.76	199,310.76	75,365.98



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03/20/2024	-1,210.00	META PLATFORM, INC.	497.74	602,260.58	05/06/2020	203.86	246,675.20	355,585.38
03/20/2024	-2,935.00	MICROSOFT CORP COM	422.42	1,239,792.78	09/05/2006	25.68	75,370.80	1,164,421.98
03/20/2024	-4,500.00	OMNICOM GROUP INC COM	93.83	422,232.07	06/24/2003	34.05	153,205.65	269,026.42
03/20/2024	-630.00	O REILLY AUTOMOTIVE INC NEW COM	1,137.70	716,751.56	07/11/2017	174.94	110,213.28	606,538.28
03/20/2024	-8,040.00	PFIZER INC COM	27.62	222,059.00	09/07/2011	18.04	145,014.65	77,044.35
03/20/2024	-6,900.00	PROGRESSIVE CORP OH COM	206.17	1,422,564.37	05/23/2007	23.19	159,982.02	1,262,582.35
03/20/2024	-1,270.00	PARKER HANNIFIN CORP COM	541.05	687,128.00	10/28/2022	280.15	355,786.31	331,341.69
03/20/2024	-11,500.00	SCHWAB CHARLES CORP NEW COM	68.76	790,760.12	08/26/2020	35.35	406,473.25	384,286.87
03/20/2024	-3,975.00	TE CONNECTIVITY LTD REG SHS	140.62	558,962.80	09/26/2011	30.74	122,206.21	436,756.59
03/20/2024	-5,130.00	TJX COS INC NEW COM	98.11	503,325.92	12/06/2004	5.92	30,350.12	472,975.80
03/20/2024	-1,610.00	UNION PAC CORP COM	178.30	287,062.20	07/24/2015	93.91	151,194.66	135,867.54
03/20/2024	-1,610.00	US BANCORP DEL COM NEW	244.72	394,006.83	03/21/2005	24.55	39,526.54	354,480.29
03/20/2024	-5,350.00	WELLS FARGO & CO NEW COM	56.83	304,038.60	06/02/2011	28.21	150,919.76	153,118.84
03/20/2024	6,685.00	US BANCORP DEL COM NEW	42.62	-284,925.11	03/21/2005	24.55	-164,121.08	0.00
03/20/2024	-1,610.00	US BANCORP DEL COM NEW	244.72	394,006.83	03/21/2005	17.47	28,122.15	365,884.68
03/20/2024	6,490.00	ALPHABET INC CAP STK CL C	148.64	-964,693.27	10/05/2015	0.00	0.00	0.00
03/20/2024	1,610.00	UNION PAC CORP COM	178.30	-287,062.20	07/24/2015	93.91	-151,194.66	0.00
03/20/2024	1,610.00	US BANCORP DEL COM NEW	244.72	-394,006.83	03/21/2005	24.55	-39,526.54	0.00
03/20/2024	-6,490.00	ALPHABET INC CAP STK CL C	148.63	964,639.27	10/05/2015	0.00	0.00	964,639.27
03/20/2024	-1,610.00	UNION PAC CORP COM	244.72	394,006.83	07/24/2015	93.91	151,194.66	242,812.17
03/20/2024	-6,685.00	US BANCORP DEL COM NEW	42.62	284,925.11	03/21/2005	24.55	164,121.08	120,804.03
				94,818,136.18			63,772,948.55	51,739,124.84

# Investment Policy Review

**Account Number** 920006012

**Account Name** KY LEGISLATORS RET DEFINED BEN AGT

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

**Asset Allocation:** 70% Equity / 30% Fixed Income

**Account Restrictions:** None

Meeting Date: 4/19/2024

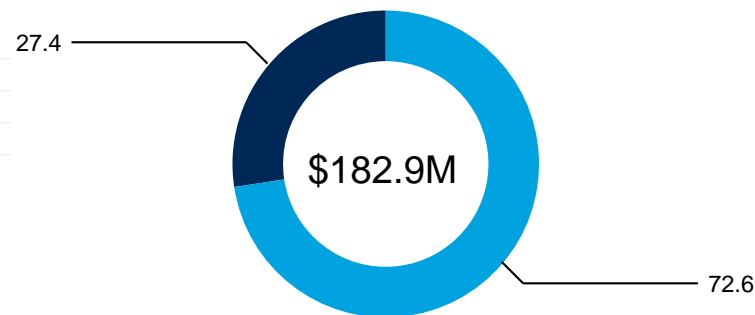


## Client Investment Review

Investment activity through 03/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	132,797,184	72.6	1,683,666.55	1.3
Total Fixed Income	50,081,716	27.4	1,942,446.36	3.9
<b>Total</b>	<b>182,878,901</b>	<b>100.0</b>	<b>3,626,112.91</b>	<b>2.0</b>

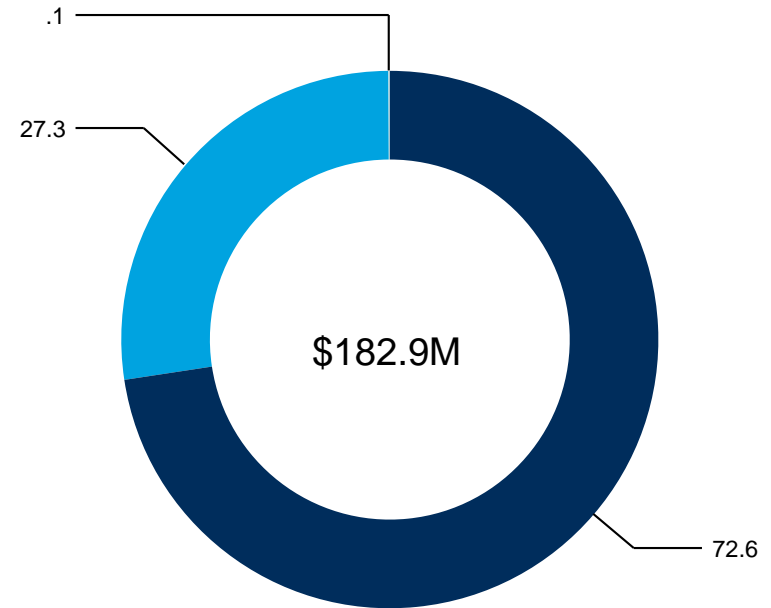


Investment Summary

	Fiscal Year to Date (9 Months)	1 Year
Beginning Account Value	159,873,919.31	151,016,735.57
Net Contributions/Withdrawals	-5,975,727.02	-6,722,737.76
Income Earned	2,544,492.92	3,341,582.03
Market Appreciation	26,436,215.33	35,243,320.70
Ending Account Value	182,878,900.54	182,878,900.54

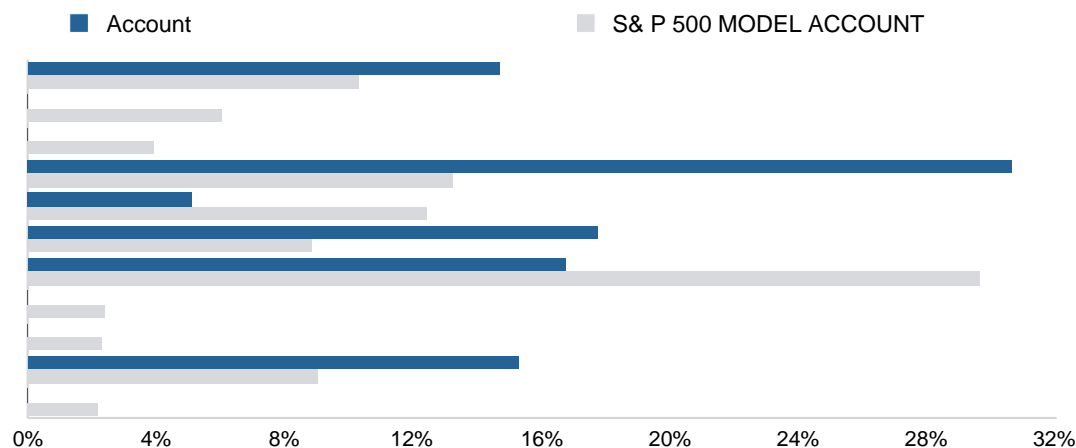
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	132,797,184	72.6
● Taxable Fixed Income	49,937,783	27.3
● Taxable Bond Funds	143,933	.1
<b>Total</b>	<b>182,878,901</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.7	10.3
Consumer Staples	.0	6.0
Energy	.0	3.9
Financials	30.6	13.2
Health Care	5.1	12.4
Industrials	17.7	8.8
Information Tech	16.7	29.6
Materials	.0	2.4
Real Estate	.0	2.3
Communication Serv	15.3	9.0
Utilities	.0	2.2



Top 10 Performers

	Market Value	% of Mkt Val	Return
META PLATFORM, INC.	4,523,178	2.5	129.49
GE AEROSPACE	7,094,045	3.9	83.85
PARKER HANNIFIN CORP COM	5,385,605	2.9	67.25
WELLS FARGO & CO NEW COM	2,353,756	1.3	59.74
JPMORGAN CHASE & CO COM	8,246,351	4.5	57.94
MICROSOFT CORP COM	9,432,542	5.2	47.65
FASTENAL CO COM	5,176,094	2.8	47.26
ALPHABET INC CAP STK CL C	7,670,098	4.2	46.45
PROGRESSIVE CORP OH COM	10,782,561	5.9	45.59
SCHWAB CHARLES CORP NEW C	6,276,580	3.4	39.91

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	10,782,561	5.9	45.59
MICROSOFT CORP COM	9,432,542	5.2	47.65
BERKSHIRE HATHAWAY INC DE	8,803,586	4.8	36.22
JPMORGAN CHASE & CO COM	8,246,351	4.5	57.94
HOME DEPOT INC COM	7,932,848	4.3	33.18
ALPHABET INC CAP STK CL C	7,670,098	4.2	46.45
GE AEROSPACE	7,094,045	3.9	83.85
APPLE INC COM	6,729,733	3.7	4.80
SCHWAB CHARLES CORP NEW C	6,276,580	3.4	39.91
O REILLY AUTOMOTIVE INC N	5,469,424	3.0	33.03

Sector	Qtr
Financials	1.90
Industrials	1.25
Communication Services	0.93
Consumer Disc	0.92
Real Estate	0.27
Consumer Staples	0.17
Utilities	0.13
Materials	0.03
Energy	-0.10
Health Care	-0.42
Information Tech	-2.49
<b>Total</b>	<b>2.60</b>

Sector	1 Year
Industrials	3.79
Financials	3.48
Consumer Staples	1.60
Utilities	0.86
Energy	0.61
Real Estate	0.54
Consumer Disc	0.38
Materials	0.33
Communication Services	0.23
Health Care	-0.56
Information Tech	-6.30
<b>Total</b>	<b>4.96</b>

Sector	5 Years
Industrials	0.93
Financials	0.77
Consumer Disc	0.60
Consumer Staples	0.34
Utilities	0.28
Real Estate	0.26
Energy	0.17
Materials	0.02
Communication Services	-0.10
Health Care	-0.17
Information Tech	-0.45
<b>Total</b>	<b>2.64</b>

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.12	30.53	2.17
GE	General Electric	5.34	37.50	1.65
BRK-B	Berkshire Hathaway	6.63	17.96	1.15
JPM	JP Morgan Chase	6.21	18.47	1.10
DIS	Walt Disney	3.57	35.57	1.06

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.12	45.59	3.34
GE	General Electric	5.34	83.85	3.26
MSFT	Microsoft	7.10	47.65	3.16
JPM	JP Morgan Chase	6.21	57.94	3.10
META	Meta	3.41	129.49	2.60

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	5.07	30.44	2.18
MSFT	Microsoft	7.10	30.13	2.16
PGR	Progressive	8.12	26.38	1.75
HD	Home Depot	5.97	17.50	1.12
GOOG	Alphabet	5.78	20.99	1.11

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	5.07	-10.84	-0.70
EXPD	Expeditors	2.10	-4.42	-0.11
PFE	Pfizer	1.28	-2.09	-0.03
CSCO	Cisco	1.06	-0.46	-0.01
UNP	Union Pacific	2.28	0.68	0.02

### 1 Year

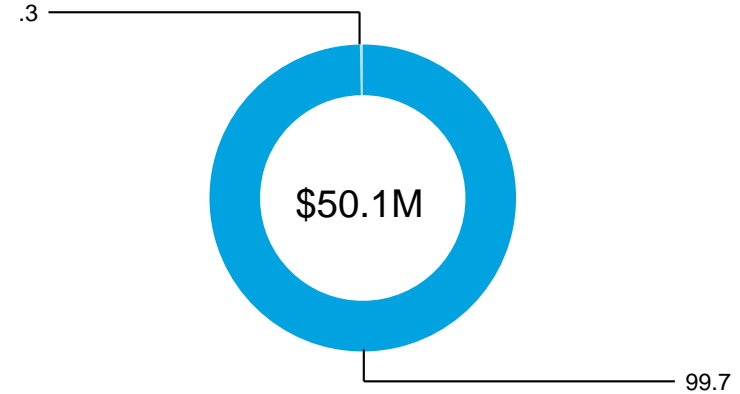
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.28	-28.37	-0.72
CSCO	Cisco	1.06	-1.52	-0.02
OMC	Omnicom	2.53	5.52	0.16
JNJ	Johnson & Johnson	3.80	5.16	0.26
EXPD	Expeditors	2.10	11.68	0.31

### 5 Years

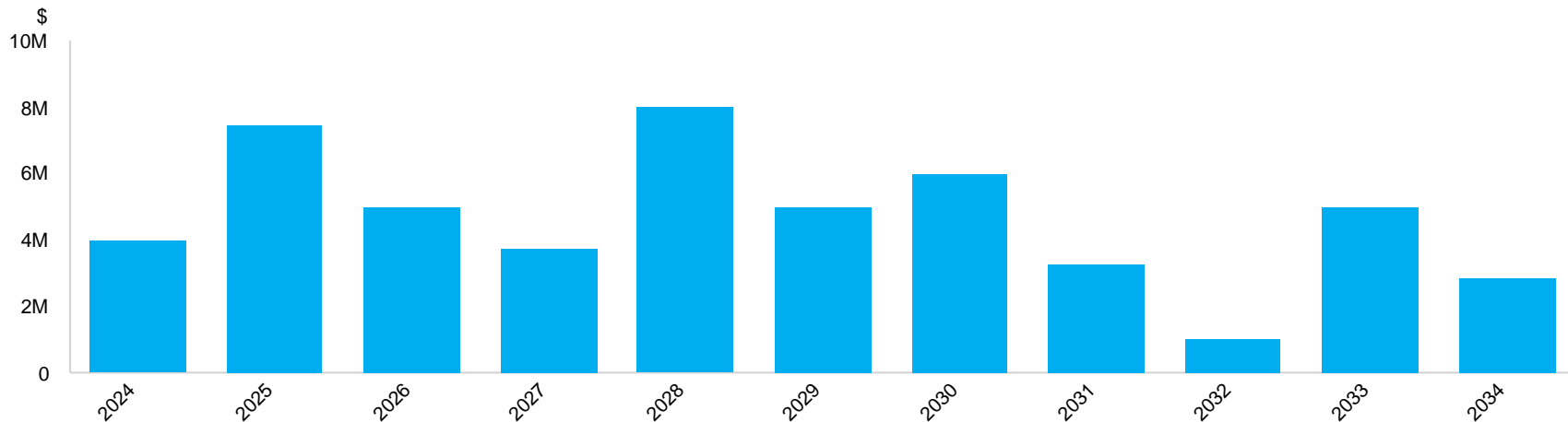
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.28	-3.35	-0.04
CSCO	Cisco	1.06	1.44	0.02
USB	US Bancorp	1.69	2.50	0.07
WFC	Wells Fargo	1.77	6.77	0.11
DIS	Walt Disney	3.57	2.13	0.15

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	49,937,783	99.7	1,937,675.00	3.9
● Taxable Bond Funds	143,933	.3	4,771.36	3.3
<b>Total</b>	<b>50,081,716</b>	<b>100.0</b>	<b>1,942,446.36</b>	<b>3.9</b>



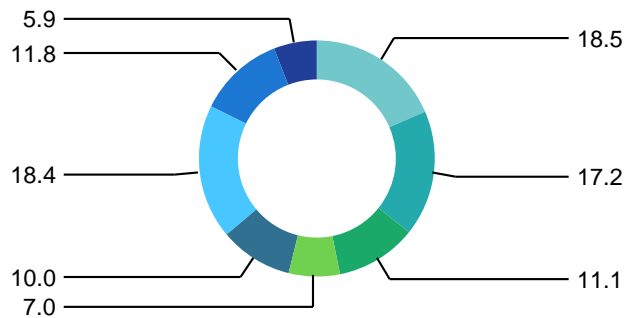
**Fixed Income Maturity Schedule**



Fixed Income Analysis

	03/31/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.81	3.04
Current Yield	3.92	3.21
Yield to Maturity	4.90	4.70
Maturity	4.69	4.29
Duration	4.16	3.69
Face Amount	51,305,000	
Market Value	49,460,012	
Total Accrual	477,771	
Cost	53,322,098	

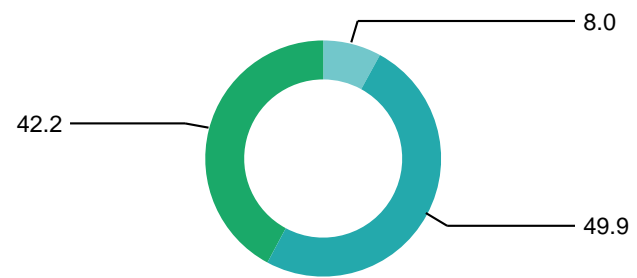
Quality Allocation by Market Value



■ 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	Yield to Maturity
<b>Matures 2034</b>										
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	1,000,000.000	101.950	101.346	1,018,369.72	AA-	11/26/2033		50,500.00	4.876
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	1,855,000.000	99.980	100.039	1,873,345.95	AA+	01/19/2027		88,112.50	4.744
<b>Total Matures 2034</b>					<b>2,891,715.67</b>				<b>138,612.50</b>	
<b>Matures 2033</b>										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	500,000.000	99.990	99.760	507,222.81	AA+	02/10/2033		21,500.00	4.332
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	100.583	1,012,455.00	AA+			45,000.00	4.423
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	100.140	1,007,862.50	BBB+	05/14/2033		49,500.00	4.930
US BANCORP FR 5.850%10/21/2033	10/21/2033	500,000.000	100.490	101.957	522,785.00	A	10/21/2032		29,250.00	5.582
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	2,000,000.000	103.450	102.243	2,078,980.88	AAA			90,000.00	4.214
<b>Total Matures 2033</b>					<b>5,129,306.19</b>				<b>235,250.00</b>	
<b>Matures 2032</b>										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	1,000,000.000	98.330	97.729	991,128.89	BBB	03/15/2032		47,000.00	5.040
<b>Total Matures 2032</b>					<b>991,128.89</b>				<b>47,000.00</b>	
<b>Matures 2031</b>										
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	1,250,000.000	107.380	88.037	1,107,639.59	A-			33,125.00	4.731
FEDERAL FARM CR BKS CONS SYSTEMWIDE 6.050%08/22/2031	08/22/2031	2,000,000.000	99.630	100.050	2,014,108.33	AA+	08/22/2024		121,000.00	6.040
<b>Total Matures 2031</b>					<b>3,121,747.92</b>				<b>154,125.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	88.937	1,117,233.34	A-	11/01/2029		33,125.00	4.848
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	88.608	1,122,643.75	AA-	07/15/2030		32,625.00	4.650
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	89.075	1,129,843.75	A	01/01/2030		32,812.50	4.737
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	91.225	1,140,868.05	A	12/26/2029		40,000.00	4.909
UNION PAC CORP SR GLBL	02/05/2030	1,000,000.000	106.970	87.597	879,703.33	A-	11/05/2029		24,000.00	4.862

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
2.400%02/05/2030										
<b>Total Matures 2030</b>					<b>5,390,292.22</b>				<b>162,562.50</b>	
<b>Matures 2029</b>										
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	1,250,000.000	110.360	93.601	1,187,052.43	AA-	01/30/2029		40,625.00	4.679
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	94.691	1,186,470.84	A+	12/07/2028		42,500.00	4.614
PARKER HANNIFIN CORP SR GLBL 4.500%09/15/2029	09/15/2029	1,250,000.000	98.540	98.471	1,233,387.50	BBB+	07/15/2029		56,250.00	4.821
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	1,250,000.000	105.830	88.622	1,109,884.54	A+	06/04/2029		28,125.00	4.645
<b>Total Matures 2029</b>					<b>4,716,795.31</b>				<b>167,500.00</b>	
<b>Matures 2028</b>										
ABBVIE INC SR GLBL NT 4.250%11/14/2028	11/14/2028	1,250,000.000	104.360	98.237	1,248,179.51	A-	08/14/2028		53,125.00	4.678
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	1,250,000.000	100.840	97.726	1,231,734.72	AA-	10/15/2027		48,125.00	4.508
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	1,000,000.000	99.780	99.946	1,016,837.78	AA-	04/15/2028		46,000.00	4.613
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	1,000,000.000	99.670	99.577	995,770.00	AA+			42,500.00	4.367
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	94.728	1,191,752.78	AAA	10/15/2027		36,250.00	4.425
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	93.887	1,180,920.84	A-	10/25/2027		40,000.00	4.977
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	95.266	964,507.53	AAA			31,250.00	4.263
<b>Total Matures 2028</b>					<b>7,829,703.16</b>				<b>297,250.00</b>	
<b>Matures 2027</b>										
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	1,250,000.000	108.960	94.806	1,203,119.45	A-	10/21/2026		40,600.00	4.855
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	1,250,000.000	100.000	96.439	1,225,028.13	AA+	04/12/2023		41,625.00	4.601
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	1,250,000.000	109.150	94.260	1,179,343.75	A+	01/19/2027 100.000		32,812.50	4.718
<b>Total Matures 2027</b>					<b>3,607,491.33</b>				<b>115,037.50</b>	
<b>Matures 2026</b>										
JPMORGAN CHASE & CO SR NT	10/01/2026	1,250,000.000	108.130	95.316	1,209,887.50	A-	07/01/2026		36,875.00	4.963

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
2.950%10/01/2026 OMNICOM GROUP INC SR GLBL	04/15/2026	1,250,000.000	104.400	97.127	1,234,837.50	BBB+	100.000 01/15/2026		45,000.00	5.099
3.600%04/15/2026 VERIZON COMMUNICATIONS INC SR GLBL	08/15/2026	1,250,000.000	108.160	94.751	1,188,580.21	BBB+			32,812.50	4.995
2.625%08/15/2026 WELLS FARGO CO NEW SR NT	10/23/2026	1,250,000.000	108.470	94.664	1,199,758.33	BBB+			37,500.00	5.251
3.000%10/23/2026										
<b>Total Matures 2026</b>					<b>4,833,063.54</b>				<b>152,187.50</b>	
<b>Matures 2025</b>										
CVS HEALTH CORP SR GLBL NT	07/20/2025	1,000,000.000	101.290	98.119	988,832.36	BBB	04/20/2025		38,750.00	5.383
3.875%07/20/2025 HOME DEPOT INC SR GLBL NT	09/15/2025	1,000,000.000	98.080	97.643	976,430.00	A	06/15/2025		33,500.00	5.044
3.350%09/15/2025 INTEL CORP SR GLBL	07/29/2025	1,250,000.000	102.400	98.001	1,232,977.78	A-	04/29/2025		46,250.00	5.273
3.700%07/29/2025 NORTHERN TR CORP SUB NT	10/30/2025	1,250,000.000	104.250	97.963	1,245,247.57	A			49,375.00	5.307
3.950%10/30/2025 SYSCO CORP SR NT	10/01/2025	1,000,000.000	102.850	97.517	993,920.00	BBB	07/01/2025		37,500.00	5.494
3.750%10/01/2025 US TREASURY NOTE	07/31/2025	2,000,000.000	100.610	99.840	1,996,800.00	AAA			95,000.00	4.870
4.750%07/31/2025										
<b>Total Matures 2025</b>					<b>7,434,207.71</b>				<b>300,375.00</b>	
<b>Matures 2024</b>										
APPLE INC SR GLBL NT	05/06/2024	950,000.000	102.700	99.797	961,272.55	AA+			32,775.00	5.504
3.450%05/06/2024 CISCO SYS INC SR NT	03/04/2024	.000	.000	.000	.00	AA-			.00	.000
3.625%03/04/2024 US TREASURY NOTE	11/30/2024	3,000,000.000	99.560	99.523	3,031,058.85	AAA			135,000.00	5.230
4.500%11/30/2024										
<b>Total Matures 2024</b>					<b>3,992,331.40</b>				<b>167,775.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	81.780	143,932.80	NR				.000
<b>Total No Maturity</b>					<b>143,932.80</b>					
<b>Total</b>					<b>50,081,716.14</b>				<b>1,937,675.00</b>	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	50,375.000	.00	.00	152.26	7,670,097.50	4.2	.00	.00	.000
DISNEY WALT CO COM	38,745.000	65.20	2,526,180.57	122.36	4,740,838.20	2.6	.75	29,058.75	.613
META PLATFORM, INC.	9,315.000	219.62	2,045,734.50	485.58	4,523,177.70	2.5	2.00	18,630.00	.412
OMNICOM GROUP INC COM	34,515.000	54.97	1,897,133.01	96.76	3,364,573.90	1.8	2.80	96,642.00	2.894
<b>Total for Communication Services</b>			<b>6,469,048.08</b>		<b>20,298,687.30</b>	<b>11.1</b>		<b>144,330.75</b>	<b>.712</b>
<b>Consumer Disc</b>									
CARMAX INC COM	25,105.000	59.76	1,500,358.83	87.11	2,186,896.55	1.2	.00	.00	.000
HOME DEPOT INC COM	20,680.000	58.21	1,203,783.10	383.60	7,932,848.00	4.3	9.00	186,120.00	2.346
O REILLY AUTOMOTIVE INC NEW COM	4,845.000	180.12	872,686.10	1,128.88	5,469,423.60	3.0	.00	.00	.000
TJX COS INC NEW COM	39,335.000	12.49	491,394.40	101.42	3,989,355.70	2.2	1.50	59,002.50	1.479
<b>Total for Consumer Disc</b>			<b>4,068,222.43</b>		<b>19,578,523.85</b>	<b>10.7</b>		<b>245,122.50</b>	<b>1.252</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	49,595.000	26.92	1,334,950.08	37.92	1,880,642.40	1.0	.96	47,611.20	2.532
BERKSHIRE HATHAWAY INC DEL CL B NEW	20,935.000	126.98	2,658,408.27	420.52	8,803,586.20	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	41,170.000	60.79	2,502,719.19	200.30	8,246,351.00	4.5	4.60	189,382.00	2.297
PROGRESSIVE CORP OH COM	52,135.000	32.65	1,702,428.28	206.82	10,782,560.70	5.9	.40	20,854.00	.193
SCHWAB CHARLES CORP NEW COM	86,765.000	39.43	3,420,857.71	72.34	6,276,580.10	3.4	1.00	86,765.00	1.382
US BANCORP DEL COM NEW	49,550.000	30.18	1,495,624.22	44.70	2,239,164.50	1.2	1.96	97,118.00	4.385
WELLS FARGO & CO NEW COM	40,610.000	33.82	1,373,524.77	57.96	2,353,755.60	1.3	1.40	56,854.00	2.415
<b>Total for Financials</b>			<b>14,488,512.52</b>		<b>40,582,640.50</b>	<b>22.1</b>		<b>498,584.20</b>	<b>1.229</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	31,925.000	75.65	2,415,243.87	158.19	5,050,215.75	2.8	4.96	158,348.00	3.135
PFIZER INC COM	61,170.000	28.98	1,772,696.93	27.75	1,697,467.50	.9	1.68	102,765.60	6.054
<b>Total for Health Care</b>			<b>4,187,940.80</b>		<b>6,747,683.25</b>	<b>3.7</b>		<b>261,113.60</b>	<b>3.870</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	22,915.000	40.20	921,231.20	121.57	2,785,776.55	1.5	1.38	31,622.70	1.135
FASTENAL CO COM	67,100.000	20.71	1,389,590.58	77.14	5,176,094.00	2.8	1.56	104,676.00	2.022

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	40,415.000	105.71	4,272,429.01	175.53	7,094,044.95	3.9	1.12	45,264.80	.638
PARKER HANNIFIN CORP COM	9,690.000	291.50	2,824,599.63	555.79	5,385,605.10	2.9	5.92	57,364.80	1.065
UNION PAC CORP COM	12,325.000	93.91	1,157,437.37	245.93	3,031,087.25	1.7	5.20	64,090.00	2.114
<b>Total for Industrials</b>			<b>10,565,287.79</b>		<b>23,472,607.85</b>	<b>12.8</b>		<b>303,018.30</b>	<b>1.291</b>
<b>Information Tech</b>									
APPLE INC COM	39,245.000	24.87	976,160.99	171.48	6,729,732.60	3.7	.96	37,675.20	.560
CISCO SYS INC COM	28,255.000	22.35	631,486.89	49.91	1,410,207.05	.8	1.60	45,208.00	3.206
MICROSOFT CORP COM	22,420.000	32.01	717,670.86	420.72	9,432,542.40	5.2	3.00	67,260.00	.713
TE CONNECTIVITY LTD REG SHS	31,290.000	39.80	1,245,202.38	145.24	4,544,559.60	2.5	2.60	81,354.00	1.790
<b>Total for Information Tech</b>			<b>3,570,521.12</b>		<b>22,117,041.65</b>	<b>12.2</b>		<b>231,497.20</b>	<b>1.047</b>
<b>Total: Total Equity</b>			<b>43,349,532.74</b>		<b>132,797,184.40</b>	<b>72.6</b>		<b>1,683,666.55</b>	<b>1.268</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
ABBVIE INC SR GLBL NT 4.250% 11/14/2028	1,250,000.000	104.36	1,304,500.00	98.24	1,248,179.51	.7	4.25	53,125.00	4.326
APPLE INC SR GLBL NT 3.450% 05/06/2024	950,000.000	102.70	975,692.03	99.80	961,272.55	.5	3.45	32,775.00	3.457
APPLE INC SR GLBL 4.300% 05/10/2033	500,000.000	99.99	499,970.00	99.76	507,222.81	.3	4.30	21,500.00	4.310
BANK AMER CORP FR 3.248% 10/21/2027	1,250,000.000	108.96	1,362,048.44	94.81	1,203,119.45	.7	3.25	40,600.00	3.426
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	93.60	1,187,052.43	.6	3.25	40,625.00	3.472
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	1,000,000.000	101.29	1,012,931.54	98.12	988,832.36	.5	3.88	38,750.00	3.949
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	97.73	1,231,734.72	.7	3.85	48,125.00	3.940
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	1,000,000.000	101.95	1,019,500.00	101.35	1,018,369.72	.6	5.05	50,500.00	4.983
COMCAST CORP NEW GLBL NT	1,250,000.000	108.15	1,351,916.41	88.94	1,117,233.34	.6	2.65	33,125.00	2.980

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 02/01/2030 DISNEY WALT CO SR GBLB NT	1,250,000.000	107.38	1,342,255.25	88.04	1,107,639.59	.6	2.65	33,125.00	3.010
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	1,250,000.000	107.91	1,348,900.66	88.61	1,122,643.75	.6	2.61	32,625.00	2.946
2.610% 10/15/2030 META PLATFORMS INC GBLB NT	1,000,000.000	99.78	997,780.00	99.95	1,016,837.78	.6	4.60	46,000.00	4.602
4.600% 05/15/2028 HOME DEPOT INC SR GBLB NT	1,000,000.000	98.08	980,830.56	97.64	976,430.00	.5	3.35	33,500.00	3.431
3.350% 09/15/2025 INTEL CORP SR GBLB	1,250,000.000	102.40	1,280,000.00	98.00	1,232,977.78	.7	3.70	46,250.00	3.775
3.700% 07/29/2025 JPMORGAN CHASE & CO SR NT	1,250,000.000	108.13	1,351,599.84	95.32	1,209,887.50	.7	2.95	36,875.00	3.095
2.950% 10/01/2026 JOHNSON & JOHNSON SR GBLB	1,250,000.000	109.21	1,365,091.23	94.73	1,191,752.78	.7	2.90	36,250.00	3.061
2.900% 01/15/2028 MCDONALDS CORP FR	1,000,000.000	98.74	987,350.00	100.14	1,007,862.50	.6	4.95	49,500.00	4.943
4.950% 08/14/2033 MERCK & CO INC SR GBLB	1,250,000.000	111.45	1,393,128.69	94.69	1,186,470.84	.6	3.40	42,500.00	3.591
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	1,250,000.000	104.25	1,303,135.51	97.96	1,245,247.57	.7	3.95	49,375.00	4.032
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GBLB	1,000,000.000	98.33	983,300.00	97.73	991,128.89	.5	4.70	47,000.00	4.809
4.700% 06/15/2032 OMNICOM GROUP INC SR GBLB	1,250,000.000	104.40	1,304,998.94	97.13	1,234,837.50	.7	3.60	45,000.00	3.706
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GBLB	1,250,000.000	98.54	1,231,687.50	98.47	1,233,387.50	.7	4.50	56,250.00	4.570
4.500% 09/15/2029 PEPSICO INC SR NT	1,250,000.000	109.15	1,364,337.28	94.26	1,179,343.75	.6	2.63	32,812.50	2.785
2.625% 03/19/2027 PFIZER INC GBLB NT	1,250,000.000	108.41	1,355,079.82	89.08	1,129,843.75	.6	2.63	32,812.50	2.947
2.625% 04/01/2030 PROGRESSIVE CORP SR GBLB	1,250,000.000	109.86	1,373,253.13	91.22	1,140,868.05	.6	3.20	40,000.00	3.508
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GBLB	1,250,000.000	106.19	1,327,430.00	93.89	1,180,920.84	.6	3.20	40,000.00	3.408

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.200% 01/25/2028 SYSCO CORP SR NT	1,000,000.000	102.85	1,028,451.91	97.52	993,920.00	.5	3.75	37,500.00	3.845
3.750% 10/01/2025 TEXAS INSTRS INC SR GLBL NT	1,250,000.000	105.83	1,322,899.94	88.62	1,109,884.54	.6	2.25	28,125.00	2.539
2.250% 09/04/2029 UNION PAC CORP SR GLBL	1,000,000.000	106.97	1,069,704.65	87.60	879,703.33	.5	2.40	24,000.00	2.740
2.400% 02/05/2030 US BANCORP FR	500,000.000	100.49	502,450.00	101.96	522,785.00	.3	5.85	29,250.00	5.738
5.850% 10/21/2033 VERIZON COMMUNICATIONS INC SR GLBL	1,250,000.000	108.16	1,351,938.92	94.75	1,188,580.21	.6	2.63	32,812.50	2.770
2.625% 08/15/2026 WELLS FARGO CO NEW SR NT	1,250,000.000	108.47	1,355,895.73	94.66	1,199,758.33	.7	3.00	37,500.00	3.169
3.000% 10/23/2026 <b>Total for Corporate Bonds</b>			<b>38,088,112.41</b>		<b>34,745,728.67</b>	<b>19.0</b>		<b>1,248,187.50</b>	<b>3.627</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS	1,855,000.000	99.98	1,854,629.00	100.04	1,873,345.95	1.0	4.75	88,112.50	4.748
4.750% 01/19/2034 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,250,000.000	100.00	1,250,000.00	96.44	1,225,028.13	.7	3.33	41,625.00	3.453
3.330% 04/12/2027 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.67	996,686.11	99.58	995,770.00	.5	4.25	42,500.00	4.268
4.250% 03/20/2028 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.06	990,550.00	100.58	1,012,455.00	.6	4.50	45,000.00	4.474
4.500% 08/08/2033 FEDERAL FARM CR BKS CONS SYSTEMWIDE	2,000,000.000	99.63	1,992,600.00	100.05	2,014,108.33	1.1	6.05	121,000.00	6.047
6.050% 08/22/2031 US TREASURY NOTE	1,000,000.000	108.18	1,081,750.00	95.27	964,507.53	.5	3.13	31,250.00	3.280
3.125% 11/15/2028 US TREASURY NOTE	3,000,000.000	99.56	2,986,680.00	99.52	3,031,058.85	1.7	4.50	135,000.00	4.522
4.500% 11/30/2024 US TREASURY NOTE	2,000,000.000	100.61	2,012,110.44	99.84	1,996,800.00	1.1	4.75	95,000.00	4.758
4.750% 07/31/2025 US TREASURY NOTE	2,000,000.000	103.45	2,068,980.00	102.24	2,078,980.88	1.1	4.50	90,000.00	4.401
4.500% 11/15/2033 <b>Total for Governments</b>			<b>15,233,985.55</b>		<b>15,192,054.67</b>	<b>8.3</b>		<b>689,487.50</b>	<b>4.583</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.68	81.78	143,932.80	.1	2.71	4,771.36	3.315
<b>Total for Taxable Bond Funds</b>			<b>148,859.68</b>		<b>143,932.80</b>	<b>.1</b>		<b>4,771.36</b>	<b>3.315</b>
<b>Total: Total Fixed Income</b>			<b>53,470,957.64</b>		<b>50,081,716.14</b>	<b>27.4</b>		<b>1,942,446.36</b>	<b>3.916</b>
<b>Total</b>			<b>96,820,490.38</b>		<b>182,878,900.54</b>	<b>100.0</b>		<b>3,626,112.91</b>	<b>1.989</b>



	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>182,878,901</b>	<b>18.57</b>	<b>26.15</b>	<b>9.34</b>	<b>13.73</b>	<b>11.47</b>	<b>9.12</b>	<b>9.49</b>
<b>Total Portfolio - Net</b>	<b>182,878,901</b>	<b>18.50</b>	<b>26.05</b>	<b>9.26</b>	<b>13.64</b>	<b>11.40</b>	<b>9.06</b>	<b>9.44</b>
70% SP500 30% Bloomberg Int Govt Cr		14.57	21.26	7.83	11.02	9.68	8.14	8.95
<b>Total Equity</b>	<b>132,797,184</b>	<b>24.40</b>	<b>35.49</b>	<b>12.95</b>	<b>18.00</b>	<b>14.78</b>	<b>11.10</b>	<b>11.59</b>
S P 500 Index		19.44	29.88	11.49	15.05	12.96	10.15	10.66
<b>Total Fixed Income</b>	<b>50,081,716</b>	<b>3.89</b>	<b>3.65</b>	<b>-60</b>	<b>1.13</b>	<b>1.75</b>	<b>2.57</b>	<b>4.05</b>
Bloomberg US Government/Credit Interm Bond		3.53	2.69	-1.06	1.09	1.61	2.76	4.19

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.47	9.68
Standard Deviation	11.94	10.93
Beta	1.00	
Alpha	1.68	
R-Squared	.99	
Sharpe Ratio	9.34	10.03
Treynor Ratio	111.47	109.68
Tracking Error	2.97	
Information Ratio	.59	
Downside Deviation	7.32	6.81
Downside Standard Deviation	8.90	8.14
Sortino Ratio	1.68	1.52
Upside Capture	1.11	
Downside Capture	1.02	
Batting Average	.57	
Annualized Excess Return	1.80	
Cumulative Excess Return	44.41	
Turnover %	134.75	
M-Squared	2.04	
Residual Risk	.98	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.12	8.14
Standard Deviation	10.75	10.64
Beta	.99	
Alpha	1.00	
R-Squared	.98	
Sharpe Ratio	10.15	10.16
Treynor Ratio	110.22	108.14
Tracking Error	3.09	
Information Ratio	.30	
Downside Deviation	6.80	6.98
Downside Standard Deviation	8.06	8.09
Sortino Ratio	1.43	1.25
Upside Capture	1.01	
Downside Capture	.94	
Batting Average	.55	
Annualized Excess Return	.98	
Cumulative Excess Return	94.41	
Turnover %	206.99	
M-Squared	8.00	
Residual Risk	1.02	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

**Purchases**

Date	Amount	Security	Purchase Price	Total Cost
02/22/2023	4,570.00	DISNEY WALT CO COM	102.36	467,762.81
02/22/2023	5,670.00	GE AEROSPACE	83.79	475,085.90
04/27/2023	3,300.00	PARKER HANNIFIN CORP COM	313.47	1,034,462.22
04/27/2023	22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	1,131,706.40
04/27/2023	-22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	-1,131,706.40
04/27/2023	-3,300.00	PARKER HANNIFIN CORP COM	313.47	-1,034,462.22
04/27/2023	3,300.00	PARKER HANNIFIN CORP COM	313.47	1,034,462.22
04/27/2023	22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	1,131,706.40
07/20/2023	1,000,000.00	META PLATFORMS INC GLBL NT	99.78	997,780.00
07/20/2023	500,000.00	US BANCORP FR	100.49	502,450.00
07/20/2023	500,000.00	APPLE INC SR GLBL	1.00	499,970.00
08/11/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.05	990,500.00
08/14/2023	1,000,000.00	MCDONALDS CORP FR	98.73	987,350.00
10/03/2023	2,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.63	1,992,600.00
11/01/2023	-1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.05	-990,500.00
11/01/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.06	990,550.00
01/16/2024	2,000,000.00	US TREASURY NOTE	103.45	2,068,980.00
01/22/2024	1,855,000.00	FEDERAL HOME LOAN BKS CONS BDS	99.98	1,854,629.00
02/16/2024	3,000,000.00	US TREASURY NOTE	99.56	2,986,680.00
03/06/2024	1,000,000.00	CISCO SYS INC SR GLBL NT	101.95	1,019,500.00
03/21/2024	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.64	996,450.00
03/21/2024	2,000,000.00	US TREASURY NOTE	99.94	1,998,800.00
03/21/2024	1,000,000.00	HOME DEPOT INC SR GLBL NT	97.99	979,900.00
				<u>20,984,656.33</u>

**Sales**

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/25/2023	0.00	GE HEALTHCARE TECHNOLOGIES INC	0.00	44.21	01/12/2023	0.00	0.00	0.00
02/22/2023	-12,866.00	GE HEALTHCARE TECHNOLOGIES INC	71.86	924,566.88	01/04/2023	76.79	988,001.95	-63,435.07
04/27/2023	-6,500.00	APPLE INC COM	166.65	1,083,237.78	04/25/2013	31.20	202,800.18	880,437.60
04/27/2023	-3,500.00	MICROSOFT CORP COM	303.04	1,060,647.26	06/30/2021	28.25	98,872.12	961,775.14

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2022 to March 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
04/27/2023	3,500.00	MICROSOFT CORP COM	303.04	-1,060,647.26	06/30/2021	28.27	-98,962.50	0.00
04/27/2023	6,500.00	APPLE INC COM	166.65	-1,083,237.78	04/25/2013	32.36	-210,332.69	0.00
04/27/2023	-6,500.00	APPLE INC COM	166.65	1,083,237.78	04/25/2013	32.36	210,332.69	872,905.09
04/27/2023	-3,500.00	MICROSOFT CORP COM	303.04	1,060,647.26	06/30/2021	28.27	98,962.50	961,684.76
07/15/2023	-1,000,000.00	ORACLE CORP SR NT	100.00	1,000,000.00	06/08/2016	1.03	1,026,104.57	-26,104.57
07/19/2023	-1,050.00	TE CONNECTIVITY LTD REG SHS	142.48	149,601.69	11/07/2007	40.74	42,772.23	106,829.46
07/19/2023	-1,675.00	ALPHABET INC CAP STK CL C	124.22	208,067.16	10/05/2015	548.40	918,576.08	-710,508.92
07/19/2023	-1,300.00	APPLE INC COM	194.09	252,321.81	04/23/2015	32.36	42,066.54	210,255.27
07/19/2023	-1,650.00	BANK OF AMERICA CORP COM	31.51	51,985.40	08/30/2019	26.92	44,413.10	7,572.30
07/19/2023	-700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	239,547.35	03/27/2020	40.76	28,533.06	211,014.29
07/19/2023	-825.00	CARMAX INC COM	85.88	70,854.47	01/30/2019	59.76	49,304.76	21,549.71
07/19/2023	-925.00	CISCO SYS INC COM	51.97	48,073.45	12/12/2008	17.30	16,006.48	32,066.97
07/19/2023	-1,275.00	DISNEY WALT CO COM	87.24	111,234.95	04/23/2015	25.44	32,430.55	78,804.40
07/19/2023	-750.00	EXPEDITORS INTL WASH INC COM	123.86	92,895.53	03/25/2013	37.20	27,900.98	64,994.55
07/19/2023	-300.00	META PLATFORM, INC.	317.90	95,369.31	05/06/2020	203.86	61,159.14	34,210.17
07/19/2023	-2,200.00	FASTENAL CO COM	56.84	125,041.84	02/12/2015	21.12	46,472.58	78,569.26
07/19/2023	-1,325.00	GE AEROSPACE	109.36	144,907.57	08/02/2021	113.92	150,949.97	-6,042.40
07/19/2023	-700.00	HOME DEPOT INC COM	318.81	223,167.77	04/23/2015	39.91	27,939.31	195,228.46
07/19/2023	-1,350.00	JPMORGAN CHASE & CO COM	154.65	208,781.69	12/10/2008	30.98	41,825.02	166,956.67
07/19/2023	-1,075.00	JOHNSON & JOHNSON COM	159.11	171,047.55	11/24/2021	48.24	51,856.21	119,191.34
07/19/2023	-750.00	MICROSOFT CORP COM	359.10	269,326.05	06/30/2021	28.27	21,206.25	248,119.80
07/19/2023	-150.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	144,798.75	07/11/2017	174.94	26,241.26	118,557.49
07/19/2023	-1,150.00	OMNICOM GROUP INC COM	87.52	100,643.75	06/30/2021	43.83	50,398.77	50,244.98
07/19/2023	-300.00	PARKER HANNIFIN CORP COM	400.75	120,226.29	10/28/2022	280.15	84,044.01	36,182.28
07/19/2023	-2,000.00	PFIZER INC COM	36.50	72,997.00	09/07/2011	18.04	36,073.30	36,923.70
07/19/2023	-1,750.00	PROGRESSIVE CORP OH COM	118.13	206,723.13	05/23/2007	23.19	40,575.15	166,147.98
07/19/2023	-2,900.00	SCHWAB CHARLES CORP NEW COM	67.29	195,150.57	08/26/2020	35.35	102,501.95	92,648.62
07/19/2023	-1,300.00	TJX COS INC NEW COM	85.32	110,911.84	04/23/2015	6.06	7,873.77	103,038.07
07/19/2023	-1,650.00	US BANCORP DEL COM NEW	38.49	63,506.52	12/07/2000	10.86	17,922.30	45,584.22
07/19/2023	-400.00	UNION PAC CORP COM	214.18	85,672.04	07/24/2015	93.91	37,563.89	48,108.15
07/19/2023	-1,350.00	WELLS FARGO & CO NEW COM	46.28	62,481.38	06/02/2011	28.21	38,082.56	24,398.82
07/25/2023	-1,000,000.00	PNC BK N A PITTSBURGH PA SUB NT	100.00	1,000,000.00	06/07/2018	1.00	1,003,124.87	-3,124.87
10/01/2023	-1,000,000.00	CUMMINS INC SR GLBL NT	100.00	1,000,000.00	12/26/2018	1.01	1,014,418.26	-14,418.26
12/01/2023	1,350.00	WELLS FARGO & CO NEW COM	46.28	-62,481.38	06/02/2011	28.21	-38,082.56	0.00
12/01/2023	400.00	UNION PAC CORP COM	214.18	-85,672.04	07/24/2015	93.91	-37,563.89	0.00

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2022 to March 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	1,650.00	US BANCORP DEL COM NEW	38.49	-63,506.52	12/07/2000	10.86	-17,922.30	0.00
12/01/2023	1,300.00	TJX COS INC NEW COM	85.32	-110,911.84	04/23/2015	6.06	-7,873.77	0.00
12/01/2023	2,900.00	SCHWAB CHARLES CORP NEW COM	67.29	-195,150.57	08/26/2020	35.35	-102,501.95	0.00
12/01/2023	1,750.00	PROGRESSIVE CORP OH COM	118.13	-206,723.13	05/23/2007	23.19	-40,575.15	0.00
12/01/2023	2,000.00	PFIZER INC COM	36.50	-72,997.00	09/07/2011	18.04	-36,073.30	0.00
12/01/2023	300.00	PARKER HANNIFIN CORP COM	400.75	-120,226.29	10/28/2022	280.15	-84,044.01	0.00
12/01/2023	1,150.00	OMNICOM GROUP INC COM	87.52	-100,643.75	06/30/2021	43.83	-50,398.77	0.00
12/01/2023	150.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	-144,798.75	07/11/2017	174.94	-26,241.26	0.00
12/01/2023	750.00	MICROSOFT CORP COM	359.10	-269,326.05	06/30/2021	28.27	-21,206.25	0.00
12/01/2023	1,075.00	JOHNSON & JOHNSON COM	159.11	-171,047.55	11/24/2021	48.24	-51,856.21	0.00
12/01/2023	1,350.00	JPMORGAN CHASE & CO COM	154.65	-208,781.69	12/10/2008	30.98	-41,825.02	0.00
12/01/2023	700.00	HOME DEPOT INC COM	318.81	-223,167.77	04/23/2015	39.91	-27,939.31	0.00
12/01/2023	1,325.00	GE AEROSPACE	109.36	-144,907.57	08/02/2021	113.92	-150,949.97	0.00
12/01/2023	2,200.00	FASTENAL CO COM	56.84	-125,041.84	02/12/2015	21.12	-46,472.58	0.00
12/01/2023	300.00	META PLATFORM, INC.	317.90	-95,369.31	05/06/2020	203.86	-61,159.14	0.00
12/01/2023	750.00	EXPEDITORS INTL WASH INC COM	123.86	-92,895.53	03/25/2013	37.20	-27,900.98	0.00
12/01/2023	1,275.00	DISNEY WALT CO COM	87.24	-111,234.95	04/23/2015	25.44	-32,430.55	0.00
12/01/2023	925.00	CISCO SYS INC COM	51.97	-48,073.45	12/12/2008	17.30	-16,006.48	0.00
12/01/2023	825.00	CARMAX INC COM	85.88	-70,854.47	01/30/2019	59.76	-49,304.76	0.00
12/01/2023	700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	-239,547.35	03/27/2020	40.76	-28,533.06	0.00
12/01/2023	1,650.00	BANK OF AMERICA CORP COM	31.51	-51,985.40	08/30/2019	26.92	-44,413.10	0.00
12/01/2023	1,300.00	APPLE INC COM	194.09	-252,321.81	04/23/2015	32.36	-42,066.54	0.00
12/01/2023	1,675.00	ALPHABET INC CAP STK CL C	124.22	-208,067.16	10/05/2015	548.40	-918,576.08	0.00
12/01/2023	1,050.00	TE CONNECTIVITY LTD REG SHS	142.48	-149,601.69	11/07/2007	40.74	-42,772.23	0.00
12/01/2023	-1,050.00	TE CONNECTIVITY LTD REG SHS	142.45	149,568.99	11/07/2007	40.74	42,772.23	106,796.76
12/01/2023	-1,675.00	ALPHABET INC CAP STK CL C	124.19	208,015.24	10/05/2015	548.40	918,576.08	-710,560.84
12/01/2023	-1,300.00	APPLE INC COM	194.06	252,280.79	04/23/2015	32.36	42,066.54	210,214.25
12/01/2023	-1,650.00	BANK OF AMERICA CORP COM	31.48	51,935.48	08/30/2019	26.92	44,413.10	7,522.38
12/01/2023	-700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.18	239,524.43	03/27/2020	40.76	28,533.06	210,991.37
12/01/2023	-825.00	CARMAX INC COM	85.85	70,829.15	01/30/2019	59.76	49,304.76	21,524.39
12/01/2023	-925.00	CISCO SYS INC COM	51.94	48,045.31	12/12/2008	17.30	16,006.48	32,038.83
12/01/2023	-1,275.00	DISNEY WALT CO COM	87.21	111,195.81	04/23/2015	25.44	32,430.55	78,765.26
12/01/2023	-750.00	EXPEDITORS INTL WASH INC COM	123.83	92,872.28	03/25/2013	37.20	27,900.98	64,971.30
12/01/2023	-300.00	META PLATFORM, INC.	317.87	95,359.54	05/06/2020	203.86	61,159.14	34,200.40
12/01/2023	-2,200.00	FASTENAL CO COM	56.81	124,974.83	02/12/2015	21.12	46,472.58	78,502.25

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2022 to March 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	-1,325.00	GE AEROSPACE	109.33	144,866.66	08/02/2021	113.92	150,949.97	-6,083.31
12/01/2023	-700.00	HOME DEPOT INC COM	318.78	223,144.98	04/23/2015	39.91	27,939.31	195,205.67
12/01/2023	-1,350.00	JPMORGAN CHASE & CO COM	154.62	208,739.51	12/10/2008	30.98	41,825.02	166,914.49
12/01/2023	-1,075.00	JOHNSON & JOHNSON COM	159.08	171,013.93	11/24/2021	48.24	51,856.21	119,157.72
12/01/2023	-750.00	MICROSOFT CORP COM	359.07	269,301.39	06/30/2021	28.27	21,206.25	248,095.14
12/01/2023	-150.00	O REILLY AUTOMOTIVE INC NEW COM	965.29	144,793.09	07/11/2017	174.94	26,241.26	118,551.83
12/01/2023	-1,150.00	OMNICOM GROUP INC COM	87.49	100,608.44	06/30/2021	43.83	50,398.77	50,209.67
12/01/2023	-300.00	PARKER HANNIFIN CORP COM	400.72	120,216.32	10/28/2022	280.15	84,044.01	36,172.31
12/01/2023	-2,000.00	PFIZER INC COM	36.47	72,936.41	09/07/2011	18.04	36,073.30	36,863.11
12/01/2023	-1,750.00	PROGRESSIVE CORP OH COM	118.10	206,668.97	05/23/2007	23.19	40,575.15	166,093.82
12/01/2023	-2,900.00	SCHWAB CHARLES CORP NEW COM	67.26	195,062.00	08/26/2020	35.35	102,501.95	92,560.05
12/01/2023	-1,300.00	TJX COS INC NEW COM	85.29	110,871.95	04/23/2015	6.06	7,873.77	102,998.18
12/01/2023	-1,650.00	US BANCORP DEL COM NEW	38.46	63,456.51	12/07/2000	10.86	17,922.30	45,534.21
12/01/2023	-400.00	UNION PAC CORP COM	214.15	85,659.35	07/24/2015	93.91	37,563.89	48,095.46
12/01/2023	-1,350.00	WELLS FARGO & CO NEW COM	46.25	62,440.38	06/02/2011	28.21	38,082.56	24,357.82
12/01/2023	-1,000,000.00	SCHLUMBERGER INVT SA SR NT	100.00	1,000,000.00	10/17/2016	1.02	1,023,166.32	-23,166.32
12/15/2023	-1,000,000.00	MICROSOFT CORP NT	100.00	1,000,000.00	11/09/2018	1.02	1,016,308.36	-16,308.36
01/03/2024	-1,250.00	APPLE INC COM	184.12	230,144.78	04/23/2015	32.36	40,448.59	189,696.19
01/03/2024	-1,580.00	BANK OF AMERICA CORP COM	33.27	52,572.33	08/30/2019	26.92	42,528.91	10,043.42
01/03/2024	-670.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	366.38	245,471.49	03/27/2020	40.76	27,310.21	218,161.28
01/03/2024	-900.00	CISCO SYS INC COM	50.17	45,155.96	12/12/2008	17.30	15,573.87	29,582.09
01/03/2024	-1,235.00	DISNEY WALT CO COM	90.76	112,090.91	04/23/2015	25.44	31,413.12	80,677.79
01/03/2024	-730.00	EXPEDITORS INTL WASH INC COM	126.98	92,691.80	03/25/2013	37.20	27,156.95	65,534.85
01/03/2024	-2,140.00	FASTENAL CO COM	62.60	133,966.77	02/12/2015	21.12	45,205.15	88,761.62
01/03/2024	-1,290.00	GE AEROSPACE	124.73	160,898.86	08/02/2021	113.92	146,962.61	13,936.25
01/03/2024	-1,605.00	ALPHABET INC CAP STK CL C	140.09	224,839.92	10/05/2015	370.73	595,017.94	-370,178.02
01/03/2024	-660.00	HOME DEPOT INC COM	337.08	222,471.94	04/23/2015	39.91	26,342.78	196,129.16
01/03/2024	-1,020.00	JOHNSON & JOHNSON COM	161.03	164,255.30	11/24/2021	1.06	1,084.38	163,170.92
01/03/2024	-1,315.00	JPMORGAN CHASE & CO COM	171.32	225,290.96	12/10/2008	30.98	40,740.67	184,550.29
01/03/2024	-800.00	CARMAX INC COM	72.36	57,887.69	01/30/2019	59.76	47,810.68	10,077.01
01/03/2024	-300.00	META PLATFORM, INC.	345.93	103,778.19	05/06/2020	203.86	61,159.14	42,619.05
01/03/2024	-715.00	MICROSOFT CORP COM	371.93	265,927.32	06/30/2021	28.27	20,216.63	245,710.69
01/03/2024	-1,100.00	OMNICOM GROUP INC COM	86.36	95,000.51	06/30/2021	43.83	48,207.52	46,792.99
01/03/2024	-155.00	O REILLY AUTOMOTIVE INC NEW COM	954.04	147,876.56	07/11/2017	174.94	27,115.97	120,760.59
01/03/2024	-1,950.00	PFIZER INC COM	29.75	58,015.74	09/07/2011	18.04	35,171.46	22,844.28



# Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2022 to March 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/03/2024	-1,665.00	PROGRESSIVE CORP OH COM	163.87	272,838.53	05/23/2007	23.19	38,604.36	234,234.17
01/03/2024	-310.00	PARKER HANNIFIN CORP COM	452.71	140,340.24	10/28/2022	280.15	86,845.48	53,494.76
01/03/2024	-2,770.00	SCHWAB CHARLES CORP NEW COM	66.38	183,884.69	08/26/2020	35.35	97,907.03	85,977.66
01/03/2024	-1,000.00	TE CONNECTIVITY LTD REG SHS	137.33	137,328.90	11/07/2007	40.74	40,735.45	96,593.45
01/03/2024	-1,255.00	TJX COS INC NEW COM	92.30	115,834.44	04/23/2015	6.06	7,601.22	108,233.22
01/03/2024	-395.00	UNION PAC CORP COM	243.27	96,092.86	07/24/2015	93.91	37,094.34	58,998.52
01/03/2024	-1,580.00	US BANCORP DEL COM NEW	42.87	67,734.68	12/07/2000	10.86	17,161.96	50,572.72
01/03/2024	-1,295.00	WELLS FARGO & CO NEW COM	48.50	62,806.99	06/02/2011	28.21	36,531.04	26,275.95
01/30/2024	-1,000,000.00	U S BANCORP MTNS BK ENT FR	100.00	1,000,000.00	03/02/2016	1.03	1,026,793.56	-26,793.56
01/31/2024	-1,000,000.00	ALTRIA GROUP INC SR GLBL NT	100.00	1,000,000.00	11/16/2017	1.03	1,028,953.24	-28,953.24
02/12/2024	-1,000,000.00	INTERNATIONAL BUSINESS MACHS SR GLBL	100.00	1,000,000.00	11/07/2017	1.02	1,022,791.79	-22,791.79
02/15/2024	-1,000,000.00	HOME DEPOT INC SR NT	100.00	1,000,000.00	11/16/2017	1.03	1,029,237.88	-29,237.88
03/04/2024	-1,000,000.00	CISCO SYS INC SR NT	100.00	1,000,000.00	02/13/2017	1.02	1,022,129.61	-22,129.61
03/20/2024	-1,205.00	APPLE INC COM	176.09	212,183.98	04/23/2015	32.36	38,992.44	173,191.54
03/20/2024	-1,525.00	BANK OF AMERICA CORP COM	36.19	55,193.42	08/30/2019	26.92	41,048.47	14,144.95
03/20/2024	-645.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	413.65	266,803.14	03/27/2020	40.76	26,291.18	240,511.96
03/20/2024	-870.00	CISCO SYS INC COM	49.02	42,645.22	12/12/2008	17.30	15,054.74	27,590.48
03/20/2024	-1,190.00	DISNEY WALT CO COM	115.78	137,775.90	04/23/2015	25.44	30,268.51	107,507.39
03/20/2024	-705.00	EXPEDITORS INTL WASH INC COM	117.87	83,095.92	03/25/2013	37.20	26,226.92	56,869.00
03/20/2024	-2,060.00	FASTENAL CO COM	76.82	158,250.81	02/12/2015	21.12	43,515.23	114,735.58
03/20/2024	-1,240.00	GE AEROSPACE	174.00	215,758.77	08/02/2021	113.92	141,266.38	74,492.39
03/20/2024	-1,545.00	ALPHABET INC CAP STK CL C	148.63	229,640.63	10/05/2015	0.00	0.00	229,640.63
03/20/2024	-635.00	HOME DEPOT INC COM	379.99	241,296.66	04/23/2015	39.91	25,344.95	215,951.71
03/20/2024	-980.00	JOHNSON & JOHNSON COM	155.68	152,568.01	11/24/2021	1.06	1,041.86	151,526.15
03/20/2024	-1,265.00	JPMORGAN CHASE & CO COM	195.16	246,872.51	12/10/2008	30.98	39,191.60	207,680.91
03/20/2024	-770.00	CARMAX INC COM	82.36	63,418.62	01/30/2019	59.76	46,017.78	17,400.84
03/20/2024	-285.00	META PLATFORM, INC.	497.74	141,854.76	05/06/2020	203.86	58,101.18	83,753.58
03/20/2024	-690.00	MICROSOFT CORP COM	422.42	291,467.46	06/30/2021	28.27	19,509.75	271,957.71
03/20/2024	-1,060.00	OMNICOM GROUP INC COM	93.83	99,459.11	06/30/2021	43.83	46,454.52	53,004.59
03/20/2024	-150.00	O REILLY AUTOMOTIVE INC NEW COM	1,137.70	170,655.13	07/11/2017	174.94	26,241.26	144,413.87
03/20/2024	-1,880.00	PFIZER INC COM	27.62	51,924.24	09/07/2011	18.04	33,908.90	18,015.34
03/20/2024	-1,600.00	PROGRESSIVE CORP OH COM	206.17	329,870.00	05/23/2007	21.31	34,101.94	295,768.06
03/20/2024	-300.00	PARKER HANNIFIN CORP COM	541.05	162,313.70	10/28/2022	280.15	84,044.01	78,269.69
03/20/2024	-2,665.00	SCHWAB CHARLES CORP NEW COM	68.76	183,250.06	08/26/2020	35.35	94,195.76	89,054.30
03/20/2024	-960.00	TE CONNECTIVITY LTD REG SHS	140.62	134,994.78	11/07/2007	40.74	39,106.04	95,888.74



Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
03/20/2024	-1,210.00	TJX COS INC NEW COM	98.11	118,718.19	04/23/2015	6.06	7,328.67	111,389.52
03/20/2024	-380.00	UNION PAC CORP COM	244.72	92,995.40	07/24/2015	93.91	35,685.70	57,309.70
03/20/2024	-1,520.00	US BANCORP DEL COM NEW	42.62	64,784.77	12/07/2000	21.16	32,167.69	32,617.08
03/20/2024	-1,245.00	WELLS FARGO & CO NEW COM	56.83	70,752.90	06/02/2011	28.21	35,120.58	35,632.32
				<u>24,426,620.32</u>			<u>16,209,565.45</u>	<u>11,632,246.15</u>

# Proxy Voting Report

Jan 1, 2024 to Mar 31, 2024

For Accounts: Kentucky Legislators Ret. Defined Benefit Agt.; Kentucky Judicial Ret. Defined Benefit Agt.

## Vote Against Management (VAM) Summary

Number of Meetings	Number of Proposals
2	51
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
2	1
Number of Meetings With VAM	% of All Meetings Voted
1	50.0%
Number of Proposals With VAM	% of All Proposals Voted
1	2.0%
Number of Meetings With Votes For Mgmt	% of All Meetings Voted
2	100.0%
Number of Proposals With Votes For Mgmt	% of All Proposals Voted
50	98.0%
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted
0	NA

## Votes Against Policy (VAP) Summary

Number of Meetings	Number of Proposals
2	51
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
2	1
Number of Meetings With VAP	% of All Meetings Voted
1	50.0%
Number of Proposals With VAP	% of All Proposals Voted
1	2.0%
Number of Meetings With Votes For Policy	% of All Meetings Voted
2	100.0%
Number of Proposals With Votes For Policy	% of All Proposals Voted
50	98.0%
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted

	0	NA
<b>Number of Proposals with Votes with GL</b>		<b>% of All Proposals Voted</b>
	50	98.0%

## Proposal Summary

<b>Number of Meetings:</b>	2
<b>Number of Mgmt Proposals:</b>	46
<b>Number of Shareholder Proposals:</b>	5

<b>Mgmt Proposals Voted FOR</b>	<b>% of All Mgmt Proposals</b>
45	97.8%
<b>Mgmt Proposals Voted Against/Withhold</b>	<b>% of All Mgmt Proposals</b>
1	2.2%
<b>Mgmt Proposals Voted Abstain</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals With No Votes Cast</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 1 Year</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 2 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 3 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA

<b>ShrHldr Proposal Voted FOR</b>	<b>% of All ShrHldr Proposals</b>
0	NA
<b>ShrHldr Proposals Voted Against/Withhold</b>	<b>% of All ShrHldr Proposals</b>
5	100.0%
<b>ShrHldr Proposals Voted Abstain</b>	<b>% of All ShrHldr Proposals</b>
0	NA
<b>ShrHldr Proposals With No Votes Cast</b>	<b>% of All ShrHldr Proposals</b>
0	NA

Apple Inc

<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	01/13/2024	<b>Ballot Voted</b>	02/08/2024			
<b>Vote Deadline Date Contested</b>	02/27/2024 No	<b>Record Date Agenda Type</b>	01/02/2024 Mgmt	<b>Ticker Country Of Origin</b>	AAPL US	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-037833100					

**Annual Meeting Agenda (02/28/2024)**

		<b>Mgmt Rec</b>	<b>GL Rec</b>	<b>HLT Main Policy</b>	<b>Vote Cast</b>
1	Elect Wanda M. Austin	For	For	For	For
2	Elect Timothy D. Cook	For	For	For	For
3	Elect Alex Gorsky	For	For	For	For
4	Elect Andrea Jung	For	For	For	For
5	Elect Arthur D. Levinson	For	For	For	For
6	Elect Monica C. Lozano	For	For	For	For
7	Elect Ronald D. Sugar	For	For	For	For
8	Elect Susan L. Wagner	For	For	For	For
9	Ratification of Auditor	For	For	For	For
10	Advisory Vote on Executive Compensation	For	For	For	For
(SHP) 11	Shareholder Proposal Regarding EEO Policy Risk Report	Against	Against	Against	Against
(SHP) 12	Shareholder Proposal Regarding Curating and Managing Disputes Concerning App Content	Against	Against	Against	Against
(SHP) 13	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	Against	Against	Against	Against
(SHP) 14	Shareholder Proposal Regarding Report on Use of Artificial Intelligence	Against	For	For	Against

**Vote Note:**Baird Trust agrees with mgmt rationale.

(SHP) 15	Shareholder Proposal Regarding Congruency Report on Privacy and Human Rights Policies	Against	Against	Against	Against
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**Accounts With Shares**

	<b>Shares Voted</b>	<b>Holdings Id</b>	<b>Shares Held</b>	<b>Shares On Loan</b>	<b>Policy Id</b>	<b>Voting Group</b>
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	142,550	KJLA	142,550	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	41,700	KJLB	41,700	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>184,250</b>		<b>184,250</b>	<b>0</b>		

TE Connectivity Ltd

<b>Voted</b>	<b>Ballot Status</b>	Confirmed	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	02/29/2024	<b>Ballot Voted</b>	03/05/2024			
<b>Vote Deadline Date Contested</b>	03/11/2024 No	<b>Record Date Agenda Type</b>	02/22/2024 Mgmt	<b>Ticker Country Of Origin</b>	TEL CH	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-H84989104					

**Annual Meeting Agenda (03/13/2024)**

		<b>Mgmt Rec</b>	<b>GL Rec</b>	<b>HLT Main Policy</b>	<b>Vote Cast</b>
1	Elect Jean-Pierre Clamadieu	For	For	For	For
2	Elect Terrence R. Curtin	For	For	For	For
3	Elect Carol Anthony Davidson	For	For	For	For
4	Elect Lynn A. Dugle	For	For	For	For
5	Elect William A. Jeffrey	For	For	For	For
6	Elect Shirley LIN Syaru	For	For	For	For

7	Elect Heath A. Mitts		For	Against	Against	Against
		<b>Vote Note:</b> CFO on board				
8	Elect Abhijit Y. Talwalkar		For	For	For	For
9	Elect Mark C. Trudeau		For	For	For	For
10	Elect Dawn C. Willoughby		For	For	For	For
11	Elect Laura H. Wright		For	For	For	For
12	Elect Carol Anthony Davidson as Board Chair		For	For	For	For
13	Elect Abhijit Y. Talwalkar as Management Development and Compensation Committee Member		For	For	For	For
14	Elect Mark C. Trudeau as Management Development and Compensation Committee Member		For	For	For	For
15	Elect Dawn C. Willoughby as Management Development and Compensation Committee Member		For	For	For	For
16	Appointment of Independent Proxy		For	For	For	For
17	Approval of Annual Report		For	For	For	For
18	Approval of Statutory Financial Statements		For	For	For	For
19	Approval of Consolidated Financial Statements		For	For	For	For
20	Ratification of Board and Management Acts		For	For	For	For
21	Appointment of Auditor		For	For	For	For
22	Appointment of Swiss Registered Auditor		For	For	For	For
23	Appointment of Special Auditor		For	For	For	For
24	Advisory Vote on Executive Compensation		For	For	For	For
25	Approval of Swiss Statutory Compensation Report		For	For	For	For
26	Executive Compensation (Total)		For	For	For	For
27	Board Compensation		For	For	For	For
28	Allocation of Profits		For	For	For	For
29	Dividend from Reserves		For	For	For	For
30	Approval of Capital Band		For	For	For	For
31	Cancellation of Shares and Reduction in Share Capital		For	For	For	For
32	Amendments to Articles Regarding Shareholder Rights and General Meetings		For	For	For	For
33	Amendments to Articles Regarding Virtual and Hybrid Meetings		For	For	For	For
34	Amendments to Articles Regarding Board and Compensation Matters		For	For	For	For
35	Authority to Repurchase Shares		For	For	For	For
36	Approval of the 2024 Stock and Incentive Plan		For	For	For	For

**Accounts With Shares**

	Shares Voted	Holdings Id	Shares Held	Shares On Loan	Policy Id	Voting Group
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	108,990	KJLA	108,990	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	32,250	KJLB	32,250	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>141,240</b>		<b>141,240</b>	<b>0</b>		

# Investment Policy Review

**Account Number** 920007010

**Account Name** KY JUDICIAL RET HYBRID CASH BAL AGT

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

**Asset Allocation:** 70% Equity / 30% Fixed Income

**Account Restrictions:** None

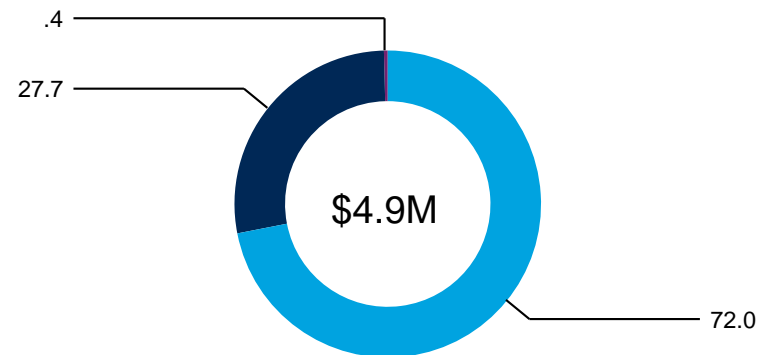
Meeting Date: 4/19/2024

## Client Investment Review

Investment activity through 03/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	3,533,293	72.0	44,790.77	1.3
Total Fixed Income	1,357,971	27.7	49,636.47	3.7
Cash & Equivalents	18,646	.4	944.99	5.1
<b>Total</b>	<b>4,909,910</b>	<b>100.0</b>	<b>95,372.24</b>	<b>1.9</b>

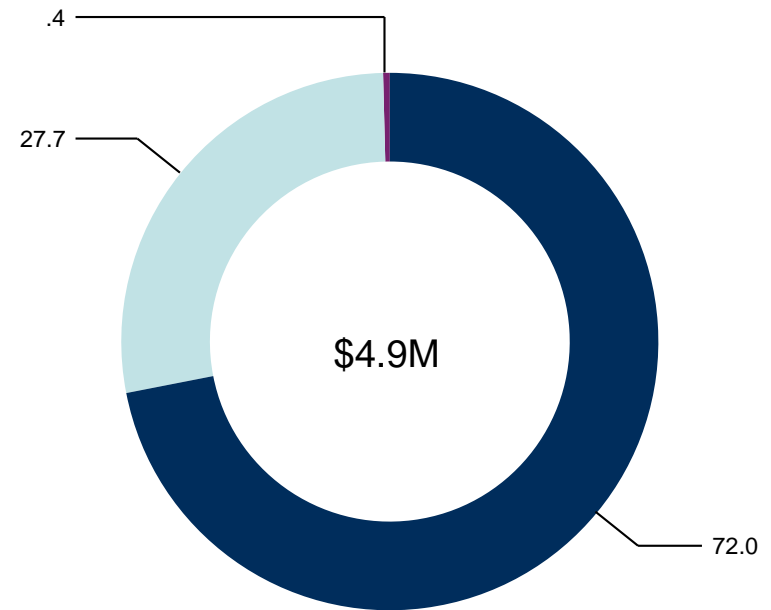


Investment Summary

	Fiscal Year to Date (9 Months)	1 Year
Beginning Account Value	3,830,293.01	3,600,347.46
Net Contributions/Withdrawals	303,641.15	302,921.39
Income Earned	66,849.93	85,394.12
Market Appreciation	709,126.36	921,247.48
Ending Account Value	4,909,910.45	4,909,910.45



	Market Value	% of Mkt Val
● Core Equity	3,533,293	72.0
● Taxable Bond Funds	1,357,971	27.7
● Cash & Equivalents	18,646	.4
<b>Total</b>	<b>4,909,910</b>	<b>100.0</b>



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	18,556.940	1.00	18,556.94	1.00	18,645.79	.4	5.09	943.82	5.086
<b>Total for Money Markets</b>			<b>18,556.94</b>		<b>18,645.79</b>	<b>.4</b>		<b>943.82</b>	<b>5.086</b>
<b>Total: Cash &amp; Equivalents</b>			<b>18,556.94</b>		<b>18,645.79</b>	<b>.4</b>		<b>943.82</b>	<b>5.086</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	1,341.000	132.33	177,454.18	152.26	204,180.66	4.2	.00	.00	.000
DISNEY WALT CO COM	1,011.000	154.55	156,251.90	122.36	123,705.96	2.5	.75	758.25	.613
META PLATFORM, INC.	255.000	328.12	83,670.34	485.58	123,822.90	2.5	2.00	510.00	.412
OMNICOM GROUP INC COM	921.000	75.61	69,634.76	96.76	89,787.96	1.8	2.80	2,578.80	2.894
<b>Total for Communication Services</b>			<b>487,011.18</b>		<b>541,497.48</b>	<b>11.0</b>		<b>3,847.05</b>	<b>.711</b>
<b>Consumer Disc</b>									
CARMAX INC COM	667.000	118.19	78,833.07	87.11	58,102.37	1.2	.00	.00	.000
HOME DEPOT INC COM	546.000	326.16	178,082.26	383.60	209,445.60	4.3	9.00	4,914.00	2.346
O REILLY AUTOMOTIVE INC NEW COM	130.000	639.03	83,074.08	1,128.88	146,754.40	3.0	.00	.00	.000
TJX COS INC NEW COM	944.000	70.30	66,367.50	101.42	95,740.48	1.9	1.50	1,416.00	1.479
<b>Total for Consumer Disc</b>			<b>406,356.91</b>		<b>510,042.85</b>	<b>10.4</b>		<b>6,330.00</b>	<b>1.241</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	1,324.000	39.50	52,296.63	37.92	50,206.08	1.0	.96	1,271.04	2.532
BERKSHIRE HATHAWAY INC DEL CL B NEW	565.000	293.42	165,784.28	420.52	237,593.80	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	1,166.000	152.27	177,541.77	200.30	233,549.80	4.8	4.60	5,363.60	2.297
PROGRESSIVE CORP OH COM	1,392.000	101.30	141,009.96	206.82	287,893.44	5.9	.40	556.80	.193
SCHWAB CHARLES CORP NEW COM	2,333.000	67.61	157,743.43	72.34	168,769.22	3.4	1.00	2,333.00	1.382
US BANCORP DEL COM NEW	1,269.000	54.22	68,798.87	44.70	57,346.11	1.2	1.96	2,487.24	4.385
WELLS FARGO & CO NEW COM	1,048.000	48.28	50,599.25	57.96	60,742.08	1.2	1.40	1,467.20	2.415
<b>Total for Financials</b>			<b>813,774.19</b>		<b>1,096,100.53</b>	<b>22.3</b>		<b>13,478.88</b>	<b>1.230</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	849.000	171.37	145,490.08	158.19	134,303.31	2.7	4.76	4,041.24	3.009
PFIZER INC COM	1,536.000	46.92	72,063.95	27.75	42,624.00	.9	1.68	2,580.48	6.054
<b>Total for Health Care</b>			<b>217,554.03</b>		<b>176,927.31</b>	<b>3.6</b>		<b>6,621.72</b>	<b>3.743</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	594.000	120.55	71,604.70	121.57	72,212.58	1.5	1.38	819.72	1.135
FASTENAL CO COM	1,773.000	55.29	98,027.32	77.14	136,769.22	2.8	1.56	2,765.88	2.022
GE AEROSPACE	988.000	80.52	79,552.89	175.53	173,423.64	3.5	1.12	1,106.56	.638
PARKER HANNIFIN CORP COM	263.000	302.78	79,631.74	555.79	146,172.77	3.0	5.92	1,556.96	1.065
UNION PAC CORP COM	342.000	224.85	76,898.25	245.93	84,108.06	1.7	5.20	1,778.40	2.114
<b>Total for Industrials</b>			<b>405,714.90</b>		<b>612,686.27</b>	<b>12.5</b>		<b>8,027.52</b>	<b>1.310</b>
<b>Information Tech</b>									
APPLE INC COM	1,050.000	151.05	158,600.98	171.48	180,054.00	3.7	.96	1,008.00	.560
CISCO SYS INC COM	885.000	54.64	48,360.46	49.91	44,170.35	.9	1.60	1,416.00	3.206
MICROSOFT CORP COM	610.000	291.16	177,607.57	420.72	256,639.20	5.2	3.00	1,830.00	.713
TE CONNECTIVITY LTD REG SHS	793.000	146.98	116,556.03	145.24	115,175.32	2.3	2.60	2,061.80	1.790
<b>Total for Information Tech</b>			<b>501,125.04</b>		<b>596,038.87</b>	<b>12.1</b>		<b>6,315.80</b>	<b>1.060</b>
<b>Total: Total Equity</b>			<b>2,831,536.25</b>		<b>3,533,293.31</b>	<b>71.9</b>		<b>44,620.97</b>	<b>1.263</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	16,300.000	52.92	862,532.22	51.28	835,864.00	17.0	1.78	29,046.60	3.475
VANGUARD SCOTTSDALE FDS VANGUARD	6,485.000	88.42	573,417.15	80.51	522,107.35	10.6	3.17	20,589.88	3.944
<b>Total for Taxable Bond Funds</b>			<b>1,435,949.37</b>		<b>1,357,971.35</b>	<b>27.6</b>		<b>49,636.47</b>	<b>3.655</b>
<b>Total: Total Fixed Income</b>			<b>1,435,949.37</b>		<b>1,357,971.35</b>	<b>27.6</b>		<b>49,636.47</b>	<b>3.655</b>
<b>Total</b>			<b>4,286,042.56</b>		<b>4,909,910.45</b>	<b>100.0</b>		<b>95,201.27</b>	<b>1.940</b>

Performance Overview

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>4,909,910</b>	<b>18.92</b>	<b>26.54</b>	<b>9.53</b>	<b>12.26</b>	<b>10.32</b>
<b>Total Portfolio - Net</b>	<b>4,909,910</b>	<b>18.84</b>	<b>26.43</b>	<b>9.45</b>	<b>12.17</b>	<b>10.23</b>
70% SP500 30% Bloomberg Int Govt Cr		14.57	21.26	7.83	11.02	9.64
<b>Total Equity</b>	<b>3,533,293</b>	<b>24.44</b>	<b>35.59</b>	<b>13.20</b>	<b>16.12</b>	<b>13.49</b>
S P 500 Index		19.44	29.88	11.49	15.05	12.96
<b>Total Fixed Income</b>	<b>1,357,971</b>	<b>5.03</b>	<b>4.83</b>	<b>-0.56</b>	<b>1.88</b>	<b>2.31</b>
Bloomberg US Government/Credit Interm Bond		3.53	2.69	-1.06	1.09	1.42
<b>Cash &amp; Equivalents</b>	<b>18,646</b>	<b>5.33</b>	<b>7.71</b>	<b>3.48</b>	<b>2.50</b>	<b>1.76</b>
3 Mos Treasury Bill Rate		4.18	5.57	2.96	2.16	1.67

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.26	11.02
Standard Deviation	13.67	13.42
Beta	1.00	
Alpha	1.17	
R-Squared	1.00	
Sharpe Ratio	8.21	8.27
Treynor Ratio	112.26	111.02
Tracking Error	2.15	
Information Ratio	.54	
Downside Deviation	8.48	8.41
Downside Standard Deviation	10.29	10.07
Sortino Ratio	1.57	1.43
Upside Capture	1.04	
Downside Capture	.98	
Batting Average	.63	
Annualized Excess Return	1.24	
Cumulative Excess Return	9.65	
Turnover %	.38	
M-Squared	10.21	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	IGSB	Bloomberg Intermediate Gov/Cr
Duration	2.55	3.69
Effective Maturity	2.87	4.29
Credit Rating	A-	AA/AA-
Weighted Coupon	3.91	3.04
Weighted Price	96.74	94.57
Yield to Maturity	5.34	4.70

Source: Morningstar | Investment As of Apr 8, 2024, Category: Short-Term Bond as of Feb 29, 2024

Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Mar 31, 2024

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.58)	0.01	0.48	0.09	-	-	-	-	-
AA (9.00)	0.11	5.91	2.92	-	-	-	-	0.06
A (45.44)	1.17	29.01	15.17	-	-	-	-	0.09
BBB (43.43)	1.64	24.86	16.89	-	-	-	-	0.04
BB (1.38)	0.01	0.84	0.47	-	-	-	-	0.06
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated (0.17)	-	0.09	0.01	-	-	-	-	0.07

Source: Morningstar

As of Apr 8, 2024 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	VCIT	Bloomberg Intermediate Gov/Cr
Duration	6.08	3.69
Effective Maturity	7.40	4.29
Credit Rating	BBB+	AA/AA-
Weighted Coupon	–	3.04
Weighted Price	92.82	94.57
Yield to Maturity	5.40	4.70

Source: Morningstar | As of Feb 29, 2024 | Category: Corporate Bond  
 Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Mar 31, 2024



Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.17)	-	-	-	0.15	0.02	-	-	-
AA (4.70)	-	-	0.50	3.22	0.98	-	-	-
A (44.19)	-	-	5.64	29.31	8.88	-	-	0.36
BBB (49.78)	-	-	9.24	34.96	5.42	-	-	0.16
BB (1.16)	-	0.02	0.53	0.61	-	-	-	-
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated	-	-	-	-	-	-	-	-

Source: Morningstar

As of Feb 29, 2024 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

# Investment Policy Review

**Account Number** 920008018

**Account Name** KY LEGISLATORS RET HYBRID CSH BL AGT

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

**Asset Allocation:** 70% Equity / 30% Fixed Income

**Account Restrictions:** None

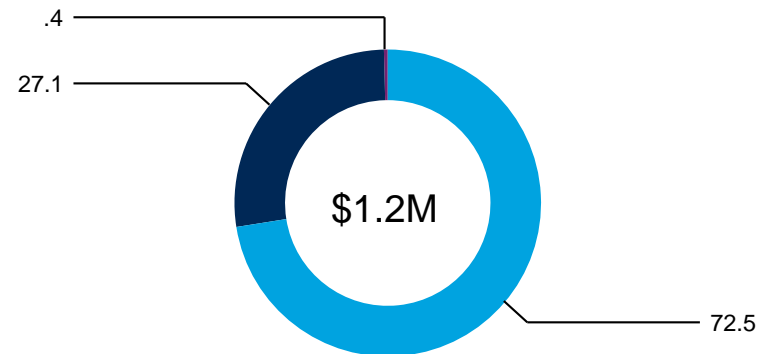
Meeting Date: 4/19/2024

## Client Investment Review

Investment activity through 03/31/2024

**Asset Allocation Summary**

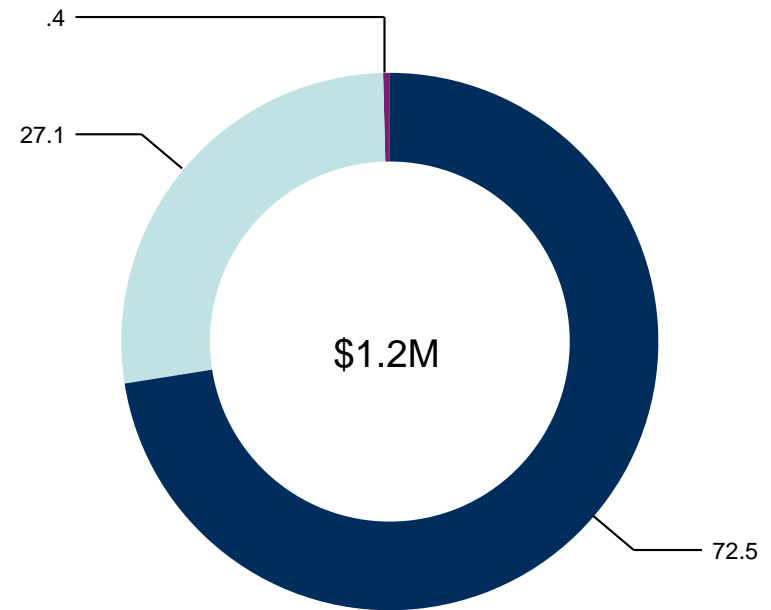
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	902,524	72.5	11,501.07	1.3
Total Fixed Income	337,723	27.1	12,344.11	3.7
Cash & Equivalents	4,845	.4	245.29	5.1
<b>Total</b>	<b>1,245,091</b>	<b>100.0</b>	<b>24,090.47</b>	<b>1.9</b>



**Investment Summary**

	Fiscal Year to Date (9 Months)	1 Year
Beginning Account Value	956,536.46	900,175.09
Net Contributions/Withdrawals	93,695.06	93,515.10
Income Earned	17,072.41	21,829.65
Market Appreciation	177,787.12	229,571.21
Ending Account Value	1,245,091.05	1,245,091.05

	Market Value	% of Mkt Val
● Core Equity	902,524	72.5
● Taxable Bond Funds	337,723	27.1
● Cash & Equivalents	4,845	.4
<b>Total</b>	<b>1,245,091</b>	<b>100.0</b>



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	4,816.860	1.00	4,816.86	1.00	4,844.85	.4	5.09	244.99	5.086
<b>Total for Money Markets</b>			<b>4,816.86</b>		<b>4,844.85</b>	<b>.4</b>		<b>244.99</b>	<b>5.086</b>
<b>Total: Cash &amp; Equivalents</b>			<b>4,816.86</b>		<b>4,844.85</b>	<b>.4</b>		<b>244.99</b>	<b>5.086</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	322.000	131.71	42,412.15	152.26	49,027.72	3.9	.00	.00	.000
DISNEY WALT CO COM	255.000	152.47	38,880.36	122.36	31,201.80	2.5	.75	191.25	.613
META PLATFORM, INC.	65.000	324.18	21,071.72	485.58	31,562.70	2.5	2.00	130.00	.412
OMNICOM GROUP INC COM	238.000	75.69	18,014.16	96.76	23,200.38	1.9	2.80	666.40	2.894
<b>Total for Communication Services</b>			<b>120,378.39</b>		<b>134,992.60</b>	<b>10.8</b>		<b>987.65</b>	<b>.733</b>
<b>Consumer Disc</b>									
CARMAX INC COM	172.000	116.64	20,061.87	87.11	14,982.92	1.2	.00	.00	.000
HOME DEPOT INC COM	138.000	325.21	44,879.28	383.60	52,936.80	4.3	9.00	1,242.00	2.346
O REILLY AUTOMOTIVE INC NEW COM	34.000	666.26	22,652.81	1,128.88	38,381.92	3.1	.00	.00	.000
TJX COS INC NEW COM	238.000	70.01	16,661.60	101.42	24,137.96	1.9	1.50	357.00	1.479
<b>Total for Consumer Disc</b>			<b>104,255.56</b>		<b>130,439.60</b>	<b>10.5</b>		<b>1,599.00</b>	<b>1.226</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	342.000	39.35	13,458.28	37.92	12,968.64	1.0	.96	328.32	2.532
BERKSHIRE HATHAWAY INC DEL CL B NEW	143.000	295.85	42,306.12	420.52	60,134.36	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	298.000	150.93	44,978.19	200.30	59,689.40	4.8	4.60	1,370.80	2.297
PROGRESSIVE CORP OH COM	354.000	102.44	36,262.22	206.82	73,214.28	5.9	.40	141.60	.193
SCHWAB CHARLES CORP NEW COM	592.000	68.19	40,370.75	72.34	42,825.28	3.4	1.00	592.00	1.382
US BANCORP DEL COM NEW	326.000	53.84	17,551.17	44.70	14,731.94	1.2	1.96	638.96	4.385
WELLS FARGO & CO NEW COM	268.000	48.12	12,895.63	57.96	15,533.28	1.2	1.40	375.20	2.415
<b>Total for Financials</b>			<b>207,822.36</b>		<b>279,097.18</b>	<b>22.3</b>		<b>3,446.88</b>	<b>1.236</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	225.000	171.66	38,623.14	158.19	35,592.75	2.9	4.76	1,071.00	3.009
PFIZER INC COM	397.000	46.97	18,646.74	27.75	11,016.75	.9	1.68	666.96	6.054
<b>Total for Health Care</b>			<b>57,269.88</b>		<b>46,609.50</b>	<b>3.8</b>		<b>1,737.96</b>	<b>3.729</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	155.000	119.46	18,515.95	121.57	18,843.35	1.5	1.38	213.90	1.135
FASTENAL CO COM	448.000	55.40	24,817.85	77.14	34,558.72	2.8	1.56	698.88	2.022
GE AEROSPACE	262.000	80.03	20,969.01	175.53	45,988.86	3.7	1.12	293.44	.638
PARKER HANNIFIN CORP COM	65.000	303.47	19,725.50	555.79	36,126.35	2.9	5.92	384.80	1.065
UNION PAC CORP COM	89.000	225.39	20,059.36	245.93	21,887.77	1.8	5.20	462.80	2.114
<b>Total for Industrials</b>			<b>104,087.67</b>		<b>157,405.05</b>	<b>12.7</b>		<b>2,053.82</b>	<b>1.305</b>
<b>Information Tech</b>									
APPLE INC COM	276.000	151.76	41,887.05	171.48	47,328.48	3.8	.96	264.96	.560
CISCO SYS INC COM	225.000	54.46	12,252.38	49.91	11,229.75	.9	1.60	360.00	3.206
MICROSOFT CORP COM	155.000	291.92	45,247.15	420.72	65,211.60	5.2	3.00	465.00	.713
TE CONNECTIVITY LTD REG SHS	208.000	146.13	30,394.12	145.24	30,209.92	2.4	2.60	540.80	1.790
<b>Total for Information Tech</b>			<b>129,780.70</b>		<b>153,979.75</b>	<b>12.3</b>		<b>1,630.76</b>	<b>1.059</b>
<b>Total: Total Equity</b>			<b>723,594.56</b>		<b>902,523.68</b>	<b>72.4</b>		<b>11,456.07</b>	<b>1.270</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	4,055.000	52.84	214,269.78	51.28	207,940.40	16.7	1.78	7,226.01	3.475
VANGUARD SCOTTSDALE FDS VANGUARD	1,612.000	88.18	142,152.58	80.51	129,782.12	10.4	3.17	5,118.10	3.944
<b>Total for Taxable Bond Funds</b>			<b>356,422.36</b>		<b>337,722.52</b>	<b>27.1</b>		<b>12,344.11</b>	<b>3.655</b>
<b>Total: Total Fixed Income</b>			<b>356,422.36</b>		<b>337,722.52</b>	<b>27.1</b>		<b>12,344.11</b>	<b>3.655</b>
<b>Total</b>			<b>1,084,833.78</b>		<b>1,245,091.05</b>	<b>100.0</b>		<b>24,045.17</b>	<b>1.932</b>

Performance Overview

	Market Value	Fiscal Year to Date (9 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>1,245,091</b>	<b>18.73</b>	<b>26.19</b>	<b>9.41</b>	<b>12.15</b>	<b>10.27</b>
<b>Total Portfolio - Net</b>	<b>1,245,091</b>	<b>18.66</b>	<b>26.09</b>	<b>9.32</b>	<b>12.06</b>	<b>10.19</b>
70% SP500 30% Bloomberg Int Govt Cr		14.57	21.26	7.83	11.02	9.64
<b>Total Equity</b>	<b>902,524</b>	<b>24.27</b>	<b>35.37</b>	<b>13.14</b>	<b>16.09</b>	<b>13.47</b>
S P 500 Index		19.44	29.88	11.49	15.05	12.96
<b>Total Fixed Income</b>	<b>337,723</b>	<b>5.02</b>	<b>4.83</b>	<b>-.57</b>	<b>1.89</b>	<b>2.31</b>
Bloomberg US Government/Credit Interm Bond		3.53	2.69	-1.06	1.09	1.42
<b>Cash &amp; Equivalents</b>	<b>4,845</b>	<b>4.68</b>	<b>5.96</b>	<b>2.92</b>	<b>2.15</b>	<b>1.55</b>
3 Mos Treasury Bill Rate		4.18	5.57	2.96	2.16	1.67



	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.15	11.02
Standard Deviation	13.62	13.42
Beta	1.00	
Alpha	1.07	
R-Squared	1.00	
Sharpe Ratio	8.23	8.27
Treynor Ratio	112.15	111.02
Tracking Error	2.15	
Information Ratio	.49	
Downside Deviation	8.45	8.41
Downside Standard Deviation	10.24	10.07
Sortino Ratio	1.56	1.43
Upside Capture	1.03	
Downside Capture	.98	
Batting Average	.63	
Annualized Excess Return	1.13	
Cumulative Excess Return	8.75	
Turnover %	2.58	
M-Squared	10.50	
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**

**Bloomberg 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.



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## **INVESTMENT POLICY STATEMENT**

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**Effective as of April 23, 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**, 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 at 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**

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## 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 16th day of June, 2022.

**Investment Committee  
Kentucky Judicial Retirement Plan**

By: Stephen F LeLaurin  
Stephen F. LeLaurin (Jun 16, 2022 10:38 CDT)  
Stephen F. LeLaurin, Chairman

**Investment Committee  
Kentucky Legislators Retirement Plan**

By: Brad Montell  
Brad Montell (Jul 1, 2022 15:47 EDT)  
W. Brad Montell, Chairman

**Baird Trust Company**

By: Don Asfahl  
Don Asfahl (Jul 5, 2022 08:41 EDT)  
Donald L. Asfahl, Chairman

# ITEM IV-

## Administrative Reports

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- A. **Public Pension Oversight Board**
- B. **2024 Regular Session**  
*Staff Memo*
- C. **2024-25 Personal Service Contracts**  
*\*Action Item*
- D. **RFP - Actuarial Services**  
*Staff Memo - \*Action Item*
- E. **Administrative/Personnel Update**



# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, 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 19, 2024

**SUBJECT:** 2024 Regular Session – Legislative Update

The 2024 Regular Session of the General Assembly began on Tuesday, January 2, 2024. The 60-day session came to a close when legislators adjourned sine die on Monday, April 15.

Below is a summary of JFRS related legislation that passed during the Regular Session, along with other interesting retirement-related proposals that passed and have no impact on JFRS.

JFRS RELATED LEGISLATION – PASSED/ENACTED
Bill/Description
<p><b><a href="#">HB 264</a></b> (Rep. J. Petrie) – <b>Judicial Branch Budget Bill</b></p> <ul style="list-style-type: none"> <li>• Two (2) year budget for FY 2024-25 and FY 2025-26</li> <li>• Provides General Fund appropriation of \$660,000 (FY25) and \$703,000 (FY26) as requested</li> <li>• Provides Restricted Fund authorization for administrative expenses</li> <li>• Does NOT provide for Cost of Living Adjustment</li> </ul>
<p><b><a href="#">HB 635</a></b> (Rep. D. Meade) – <b>AN ACT relating to fiscal impact statements (actuarial analysis)</b></p> <ul style="list-style-type: none"> <li>• Amends KRS 6.350 to require an actuary providing an actuarial analysis to clearly note and provide supporting documentation when the analysis is using a different assumption or method than previously established and utilized in the state-retirement systems annual valuations.</li> <li>• Requires all actuarial analysis have a certification from the actuary that information provided is accurate.</li> </ul>

OTHER RETIREMENT RELATED LEGISLATION - PASSED
Bill/Description
<p><b><a href="#">HB 354</a></b> (Rep. D.J. Johnson) – <b>AN ACT relating to fiscal impact statements (actuarial analysis)</b></p> <ul style="list-style-type: none"> <li>• Amends KRS 61.637 and 78.5540 to require the Department of Education to pay to the KPPA the health insurance premium reimbursements required for Tier 1 Hazardous Duty Retirees, who are reemployed by a local school board.</li> <li>• Amends KRS 161.158 to provide that local school board employees who are Tier 1 hazardous Duty Retirees of KPPA, shall have the cost of their retiree health insurance reimbursed to KPPA.</li> </ul>

In addition to the legislation above, below are a few other retirement related proposals that were introduced during the session, but did not pass:

<b>OTHER RETIREMENT RELATED LEGISLATION – PROPOSED, BUT NOT PASSED</b>
Bill/Description
<p><b>HB 20</b> (Rep. Palumbo) – <b>ACT relating to COLAs.</b></p> <ul style="list-style-type: none"> <li>• Bill would appropriate \$261 million in fiscal year 2024-2025 to enable KPPA to fund a one-time 2% percent COLA effective July 1, 2024 to KERS nonhazardous and hazardous duty recipients and SPRS recipients.</li> </ul>
<p><b>HB 216</b> (Rep. Graham) – <b>ACT relating to COLAs.</b></p> <ul style="list-style-type: none"> <li>• Bill would appropriate \$95 million from the budget reserve trust fund in fiscal year 2023-2024 to fund one-time supplemental payments on July 1, 2024, to recipients of a retirement allowance from KERS and SPRS</li> <li>• The one-time supplemental payment shall be equal to the monthly payment received by the recipient in the month of June 2024</li> </ul>
<p><b>HB 134</b> (Rep. A. Tackett Laferty) – <b>ACT relating to the taxation of retirement distributions.</b></p> <ul style="list-style-type: none"> <li>• Bill would Amend KRS 141.019 to increase the retirement distribution exclusion from \$31,110 to \$41,110 for taxable years beginning on or after January 1, 2025.</li> </ul>
<p><b>HB 143</b> (Rep. Roberts) – <b>ACT relating to retirement benefits for state and county employees in hazardous positions</b></p> <ul style="list-style-type: none"> <li>• Bill would transition all KERS/CERS/SPRS hazardous members participating in the Cash Balance plan to the same benefits provided to members who are participating in Tier 2 (hired prior to January 1, 2014) and close Tier 3 to new members prospectively.</li> <li>• Current Tier 3 members would have right to make one-time election to opt out of the change.</li> </ul>





## Memo

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

**FROM:** Staff

**DATE:** April 19, 2024

**SUBJECT:** Request for Proposal – Actuarial Services

### Executive Summary

In February 2024, the Judicial Form Retirement System (JFRS) issued a Request for Proposal (RFP) seeking proposals from qualified firms to provide actuarial services for the Legislators’ Retirement Plan (LRP) and Judicial Retirement Plan (JRP). In response to the RFP, JFRS received six proposals from firms who all met minimum qualifications and were equipped to handle the needs of JFRS. After reviewing the responses and comparing the experience, people, plan, and cost for each firm, staff narrowed the list to a smaller group of three finalists, which included JFRS’ current actuary. Staff conducted virtual interviews with the two potentially new partners and ranked each of the finalists according to the RFP’s review criteria and scoring.

Staff prepared this memo, which provides a summary of the process and each of the finalists. [Staff seeks guidance and feedback from the Board as they anticipate engaging one of the finalists in a final step of contract negotiations and any additional due diligence suggested.](#)

### Background

The System’s current contract with USI, Inc. expires on June 30, 2024. Given no additional extensions remained, a request for proposal was required by the Commonwealth’s Model Procurement Code. The agency’s current relationship with USI dates back to a 2010 RFP, where the Board of Trustees selected Bryan, Pendleton, Swats & McAllister, LLC (BPS&M) as the agency’s actuary. BPS&M subsequently merged with Findley Davies in 2016 and the combined firms were rebranded as Findley in early 2018. Much of the actuarial team remained and the Board choose to award a new contract to Findley during a 2018 RFP. In 2020, Findley was acquired by USI Insurance Services (USI) and now operates as USI Consulting Group (USICG).

### Responses and Evaluation

In response to the RFP, JFRS received proposals from a diverse mix of six highly qualified and attractive firms, which included a few smaller, regional firms and a few larger firms within the pension industry. After reviewing the responses and comparing the experience, people, plan, and cost for each firm, staff shorten the list down to USI (incumbent), Milliman, and GRS (aka Gabriel, Roeder, and Smith). Staff held follow up video interviews with the two external firms to discuss their solutions and meet with key individuals who would serve the agency if chosen.

Following the interviews and software demonstrations, staff ranked each of the finalists based on the following criteria shown on the following page:

<b>Proposal Evaluation Criteria</b>	<b>Points Possible</b>
Firm Experience	30
Key Personnel	20
Work Plan	20
Cost	30
<b>Total Points Available</b>	<b>100</b>

Staff were very impressed with all three finalists and have confidence that any of the three would adequately serve both of the plans administered by JFRS. All three firms ranked very closely and there is very little that differentiated the three from each other, which only served to make the evaluation process tougher. Below is a summary of each finalist and some of staff's considerations:

**USI Consulting Group** – USICG is the incumbent and the team, currently led by Wesley Wickenheiser, has serviced the plans dating back to 2010. USICG, formerly known as Findley, has been providing employee benefits consulting services for nearly 50 years and serves several public pensions plans, included the state of Tennessee. While staff does not have any material concerns with regards to the underlying individuals who service the account, the team has undergone multiple ownership transitions over the past 8 years and USICG is currently owned in part by the private equity KKR. When compared to the other two finalists, who have had less organizational changes and are both 100% employee owned, USI scored slightly lower.

Staff is very familiar with the team and does not have any notable concerns with their work plan. Wesley Wickenheiser is experienced, has extensive knowledge about JFRS, and has always been responsive to staff's needs. He is supported by a capable team that includes Matthew Widdick, Lauren Chrisman, and Shannon Welch. From a cost perspective, all three proposal were priced very comparably. USI was on the higher end of the range, specifically with regards to funding valuations, experience studies, and lead actuary hourly rates.

**Gabriel, Roeder, Smith & Company** – GRS was incorporated on October 2, 1962 from a merger of A. G. Gabriel & Company, a sole proprietorship that was established in 1938, and another sole proprietorship, Roeder & Company. The company is moderately sized, with approximately 130 employees, but has focused providing actuarial services to public employee retirement plans, which has led to it being nationally recognized within the industry. GRS is a private corporation owned by its employees.

While GRS would be a new partner for JFRS, the firm and team of individuals proposed are not new to the state of Kentucky or JFRS staff. The team proposed for JFRS would be led by Danny White, who has also served as the Lead Actuary for KRS and CERS since 2017. Mr. White would be supported by Janie Shaw and Krysti Kiesel, who are both credentialed actuaries and work on the KPPA plans. While unique and different in many ways, JRP and LRP are designed with many similarities to KPPA plans, which gives the GRS team knowledge of JFRS plans and would ease any potential transition. Lastly, Mr. White and Ms. Shaw have testified on several occasions to members of the General Assembly and have a valuable understanding of recent changes, topics of conversation, and other legislative discussions that have impacted state administered plans in recent years.

From a cost perspective, GRS's proposal was very near average for the finalist group. They were on the higher end with regards to even year GASB roll forward valuations, but proposed hourly rates for non-fixed project work were the lowest and the firms fixed pricing for experience studies and purchase calculations were also below the average for the finalists group.

**Milliman** – Milliman was founded in 1947 and has provided actuarial and consulting services to public retirement systems for more than 75 years. The company was the largest firm to respond to the request with over 4,800 employees located across 60 locations. The firm is a privately held corporation and is wholly owned by over 550 principals.

While the size of the firm can raise some concern for a small agency like JFRS, staff is confident Milliman would value the relationship, while also benefiting JFRS. First, Milliman is already a partner to JFRS, dating back to 2021, when staff began a pension administrative software search and the Board of Trustees ultimately selected Milliman’s software, known as MARC. Since that date, the firm has implemented both JRP and LRP on the system, which has given the firm a comprehensive knowledge of both plans, their provisions, and staff processes. Secondly, in 2022, Milliman was selected by LRC and the Public Pension Oversight Board (PPOB) to conduct a full-scope actuarial audit of both JRP and LRP. This process not only further educated their team on JFRS, but included them collecting plan data and fully replicating the Plans’ 2021 funding valuations.

The proposed JFRS team would be led by Scott Porter, who has over 30 years with Milliman and also served as the lead actuary on the PPOB Actuarial Audit. In addition, Mr. Porter would be supported by Katherine Warren and Marcella Giorgou, who would serve as lead pension and health insurance consultants, respectively. All three have extensive public sector experience, have testified before legislative bodies, and serve as lead actuaries on both small and large plans.

From a cost perspective, proposed cost for fixed pricing (annual valuations, experience studies, and purchase calculations) were the lowest among the three finalists, however their hourly rates were on the higher end of the group.

### **Closing & Staff Guidance**

All three finalists represent quality firms who proposed teams with qualifications, capability, and experience to perform the services and work products specified in the RFP. Given all three firms ranked very closely to each other, staff has had difficulty identifying factors that clearly identified one firm from the others. All three are compelling for different reason, have strengths, and have proposed pricing that is very similar.

Staff believes USICG, as the incumbent, is more than able to continue in the role and has served the agency exceptionally. However, the team has served as the Plans’ actuary for almost 15 years and periodic change is healthy. In addition, the underlying team has experienced quite a bit of organizational change over the past 8 years, which does raise some concerns with stability and retention going forward. Changing actuaries is not something plans do often, but staff finds the agency well positioned to do so if the Board so choosed. Both GRS and Milliman have knowledge of JFRS plans, the General Assembly, and the proposed actuarial teams involved have experience with JFRS staff, which would ease in such a transition. GRS has served as a lead actuary in the Commonwealth since 2017 and the proposed team has worked with multiple JFRS staff members in the past. Milliman has also recently conducted a full scope actuarial audit of both plans, which gave the firm pertinent data and knowledge about the agency and the plans they administer. In addition, JFRS is now live and utilizing the Milliman pension administrative tool, which would create further efficiencies in the future.

**In addition to this memo, staff has also attached RFP responses for each of the three finalist for further review. Staff will be happy to provide additional comments or attempt to address any questions. Staff is seeking guidance and feedback from the Board as they anticipate engaging one of the finalist in a final step of contract negotiations and any additional due diligence suggested.**

REQUEST FOR PROPOSAL: RFP # 020 240000203 – ACTUARIAL SERVICES

## Kentucky Judicial Form Retirement System



March 1, 2024

**Submitted by:**

**WESLEY J. WICKENHEISER, FSA, EA, MAAA**  
**Partner | Vice President & Senior Consulting Actuary**  
USI Consulting Group  
435 N Whittington Pkwy, Suite 250  
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USI Consulting Group  
435 N Whittington Parkway  
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Louisville, KY 40222  
www.usicg.com  
Tel: 502.244.7828

March 1, 2024

Sent Via Email to Bo.Cracraft@ky.gov

Bo Cracraft  
Executive Director  
Judicial Form Retirement System  
305 Ann Street, Suite 302  
Frankfort, KY 40601

Re: Request for Proposal # 020 2400000203 – Actuarial Services  
Kentucky Judicial Form Retirement System

Dear Bo:

Enclosed is our proposal for actuarial services for the Kentucky Judicial Form Retirement System. We appreciate the opportunity to offer the enclosed proposal, and we would be happy to supplement the information as you request. Our experience as the actuary for the Kentucky Judicial Form Retirement System since 2009 gives us a solid foundation for continuing a strong partnership.

### *Qualifications*

USI Consulting Group (“USICG”) is a professional actuarial consulting firm that provides actuarial valuation, experience investigations, asset/liability studies, actuarial audits and pension consulting services.

Wesley J. Wickenheiser, based in Louisville, Kentucky, will continue to serve as the lead actuary for services provided to the Kentucky Judicial Retirement System. Wes will be supported by Joseph Meyers, and Matthew Widick. Wes, Joe and Matthew are all Fellows of the Society of Actuaries and Enrolled Actuaries.

USICG maintains professional and commercial liability insurance which is currently in effect and will be in effect throughout the duration of the contract. USICG does not require a limitation of liability for negligence.

USICG has been providing actuarial services for nearly 50 years including pension consulting services, experience analysis and valuation assignments for public retirement systems.

Wesley Wickenheiser is a member of the American Academy of Actuaries and has experience testifying before legislative and administrative bodies in support of actuarial positions and the principles used in valuing a retirement system and determining the actuarial impact of legislation.

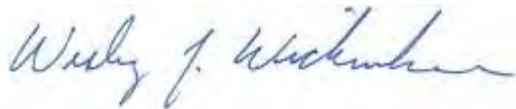
USICG will provide its own work facilities, equipment, supplies and support staff to provide actuarial services to the Kentucky Judicial Form Retirement System.

Our mission is simple: to deliver the best customer service available anywhere, and to deliver it with outstanding reliability. We trust you can confirm this in the work we have previously done for the Board over the past 14 years.

We are committed to the key principles behind our long-term success—strong technical expertise joined with responsive, personal attention to our clients. We strongly believe that a successful consulting relationship is built on understanding each client’s operations and goals. Each project is undertaken with a view toward achieving our client’s goals and is performed in a manner that is consistent with those goals. Our ability to communicate complex issues, coupled with our technical expertise, creates opportunities for us to add value to each consulting project that we undertake.

Sincerely,

USI Consulting Group, Inc.

A handwritten signature in blue ink, reading "Wesley J. Wickenheiser". The signature is fluid and cursive, with the first name being the most prominent.

Wesley J. Wickenheiser, FSA, EA, MAAA  
Partner | Vice President & Senior Consulting Actuary

Enclosure

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# EXECUTIVE SUMMARY

The Kentucky Judicial Form Retirement System is seeking an actuarial professional to provide annual actuarial plan valuations and other related actuarial services.

The System deserves the best client experience when it comes to the advice and consulting it receives owing to the significant obligations that it carries with its retirement plans. USICG brings that experience coupled with a deep knowledge base that helps you meet your objectives and responsibilities.

We are committed to the key principles behind our long-term success—strong technical expertise joined with responsive, personal attention to our clients. We strongly believe that a successful consulting relationship is built on understanding each client’s operations and goals. Our ability to communicate complex issues, coupled with our technical expertise, creates opportunities for us to add value to each consulting project that we undertake. Our commitment to you is to invest the time to understand your unique situation and work alongside you towards your objectives in successfully preserving these important benefits for your employees and retirees.

We have the expertise and experience to provide all the services requested in this RFP. We look forward to discussing our capabilities with you further.

## QUALIFICATIONS

### *Firm Experience*

USI Consulting Group (“USICG”) formerly “Findley”, has been providing employee benefits consulting services for nearly 50 years.

In October of 2020, Findley was acquired by USI and became part of USICG. **USI Consulting Group (“USICG”)** was founded in 1975 and has consistently been successful as an industry-leading, full-service retirement plan consulting firm, helping employers enable their workforce to successfully plan and invest for retirement.

USI Consulting Group is headquartered in Glastonbury, CT. USI Consulting Group is a corporation (incorporated in the State of Connecticut) and is a wholly owned subsidiary of **USI Insurance Services (“USI”)**, a private equity partner with KKR. USI is one of the largest insurance brokerage and consulting firms in the world, delivering property and casualty, employee benefits, personal risk, programs, and retirement solutions to large risk management clients, middle market companies, smaller firms, and individuals.

### *Primary Service Locations*

USI Consulting Group team members are located throughout the country with a significant number of employees located in the following offices:

- |                 |                 |                |
|-----------------|-----------------|----------------|
| Louisville, KY  | Dublin, OH      | Schaumburg, IL |
| Brentwood, TN   | Glastonbury, CT | Seattle, WA    |
| Bloomington, MN | New York, NY    | Toledo, OH     |
| Cleveland, OH   | Pittsburgh, PA  | Uniondale, NY  |



Our team of professionals has experience in retirement plans, actuarial science, health and group benefits and insurance, ERISA and tax law, compensation and rewards, human resources, communications, and human resources technology. Through collaboration and knowledge sharing, our interdisciplinary team of experienced professionals develops solutions to meet our clients' complex human resource and employee benefits needs.

Our firm culture is built on values of integrity and commitment to high-touch client service. Clients receive the personal attention of some of the most experienced and expert professionals in the employee benefits and human resources consulting industry. For nearly 50 years, we have been helping organizations manage their employee benefit plans consistent with their objectives. Our 650+ professionals serve more than 4,300 clients, throughout the 50 states, with interests in local, national, and international markets.

At USI Consulting Group, we believe that we are often chosen to provide actuarial and consulting services because of the personal relationship that you will have with an experienced consultant. The experience level of our actuaries and consultants is equal, if not greater, to our national competitors. Our consultants are hands-on; you can expect that much of the work in managing your defined benefit plan will be managed or performed day-to-day by your actuary. We require our actuaries to be experts in their specialty, and to have broad knowledge of all employee benefits issues. Through this approach, you can be assured of a long relationship with a highly qualified professional who is both a specialist in defined benefit pension plans and a general consultant in all employee benefits. Our differentiation and our value to you are further described below:

**Personal attention by experienced consultants:** Solutions are based on a unique perspective – yours. We begin by listening to you and dedicating a senior consultant to work with your organization. The solutions we craft are uniquely yours.

**Experience:** Our experience produces practical recommendations and proven strategies for use in your organization. USI Consulting Group consultants are some of the most experience and expert professionals in the employee benefits field. Our consultants average 21 years of employee benefits experience, and our principals average 26 years of employee benefits experience.

**Expertise:** Our actuaries and consultants manage client relationships through project teams that are carefully selected to provide a broad range of relevant expertise. You will have the support of an expansive team of benefits experts, including actuaries, attorneys, CPAs, MBAs, QPAs, QKAs, and CEBS. Our breadth of expertise and team approach brings a comprehensive perspective to your benefits challenges – along with the insight needed to deliver creative and custom solutions to your employee benefits needs.

**Diverse clientele:** USI Consulting Group's client base is comprised of benefit plans ranging from small groups to entities with over 200,000 participants, and our clients include public sector, tax exempt, private for-profit and publicly traded organizations. Our industry experience includes governmental entities, insurance and financial services, healthcare, utilities, manufacturers, retailers, entertainment, hospitality, construction, and more. We draw on our wealth of experience when designing solutions for your organization.

**Value:** Our competitive pricing coupled with our exceptional services provides you superior value.

## Experience with Public Sector Clients

USI Consulting Group works with a broad array of government entities, including states, cities and counties, utilities, transportation authorities, schools, public health systems, and Native American sovereign entities. We understand the unique plan design, compliance, funding, and accounting requirements of public sector pension plan sponsors, as well as the unique requirements and decision-making processes of public sector entities. USI Consulting Group

- has performed thousands of actuarial valuations of pension plans in the public sector;
- has provided actuarial support in evaluating and understanding the accounting measurement and disclosure requirements for pension plans under GASB Statements 67, 68, 74 and 75; and
- has experience and expertise in understanding, and working with, the broad array of stakeholders and the governance processes of a governmental entity.

Our firm has developed expertise in working with the various types of plans that can be sponsored by governmental and related entities. The legal and actuarial environment in which governmental plans operate is complex due to the differences with corporate plans and high visibility.

In addition to administration tasks, we are asked frequently to assist governmental clients with:

- Asset liability studies
- Plan redesign
- Cost projection analysis

We also provide custom software solutions for benefit calculation needs.

USICG maintains a government practice group for research and the sharing of information among consultants to our government entity clients. USICG holds memberships or sponsors the following organizations:

- National Association of State Retirement Administrators
- Government Finance Officers Association Publications
- American Benefits Council
- Employee Benefit Research Institute
- Employers Council on Flexible Compensation

## Technical and Research

USICG has the advantage of an in-house Regulatory Advisory Services department, with experience and expertise in governmental plans, ERISA plans, and other benefit related areas. Our Regulatory Advisory Services Director's time is focused on analyzing and communicating regulatory changes to our staff. Upon passage of new legislation, the release of regulations, or court case decisions, the Regulatory and Advisory Services Director informs the consultants regarding applicable changes and how those changes impact benefit plans. Our consultants share this information and knowledge with their affected clients, providing guidance regarding administration or documentation as needed.

All USICG consultants participate in regular, intensive continuing education to ensure that the latest proposed and actual changes in law, regulation and Actuarial Standards of Practice are incorporated.

## USICG Staff Credentials

USI Consulting Group has over 650 employees working together to create a multi-disciplinary approach to our benefits consulting. The credentials of our consultants and staff underscore the expertise and experience we bring to every assignment

### Staff Credentials Overview

- 80 Actuaries
- 35 Fellows of the Society of Actuaries
- 23 Associates of the Society of Actuaries
- 71 Enrolled Actuaries
- 7 Fellows of the Conference of Consulting Actuaries
- 71 Members of the American Academy of Actuaries

Other Benefit-Consulting Professionals & Support Staff include MBAs, CPAs, CEBS (Certified Employee Benefits Specialists), CPCs (ASPPA Certified Pension Consultants), QPAs (ASPPA Qualified Pension Administrators), QKAs (ASPPA Qualified 401(k) Administrators) and JDs.

Our team of professionals has experience in retirement plans, actuarial science, human resources, ERISA and tax law, compensation and rewards, communications, health and group insurance and human resources technology. Through collaboration and knowledge sharing, our interdisciplinary team of experienced professionals develops solutions to meet our clients’ complex human resource and employee benefits issues.

Our professionals service more than 4,300 clients throughout the 50 states with interests in local, national, and international markets. Our clients include governmental entities, private sector tax-exempt and for-profit employers, and religious organizations.

Our history and growth are based on providing benefits consulting services that exceed our clients’ expectations. Today, we remain committed to the key principles behind our long-term success—strong technical expertise joined with responsive, personal attention to our clients.

## KEY PERSONNEL

The actuarial team providing services to the Kentucky Judicial Form Retirement System includes:

Kentucky Judicial Form Retirement System Service Team	
Team Member	Role
<b>Wesley J. Wickenheiser, FSA, EA, MAAA</b> Partner   Vice President & Senior Consulting Actuary	<b>Lead Actuary</b>
<b>Matthew Widick, FSA, EA, CERA</b> Senior Actuarial Consultant	<b>Pension Valuation Actuary</b>
<b>Joseph Meyers, FSA, EA, MAAA</b> Partner   Vice President & Consulting Actuary	<b>OPEB Valuation Actuary</b>

## Kentucky Judicial Form Retirement System Service Team

Team Member	Role
<b>Lauren Chrisman, ASA, MAAA</b> Assistant Vice President & Consulting Actuary	<b>Valuation Support</b>
<b>Shannon Welch</b> Senior Actuarial Analyst	<b>Actuarial Projects Support</b>

Biographies for each team member follow.

### Wesley J. Wickenheiser, FSA, EA, MAAA

PARTNER | VICE PRESIDENT & SENIOR CONSULTING ACTUARY



Wes has over 28 years of benefits consulting experience. His primary area of expertise is in the design, funding, administration, and regulatory compliance of qualified defined benefit retirement plans. His clients comprise a variety of employers, including governmental entities, not-for-profit, and for-profit private employers representing a wide variety of industries including manufacturing, medical care, financial institutions, and professional service firms. Wes is a member of the firm’s Cash Balance Plan, Public Pension Plan and Plan Administration Practice groups and is a Principal in the Louisville, Kentucky office.

Wes is a Fellow of the Society of Actuaries (FSA), an Enrolled Actuary (EA) and a Member of the American Academy of Actuaries (MAAA). He received his BS from Bellarmine University. Wes has served on both the Executive and Program committees for the Louisville Employee Benefits Council (LEBC) and was President in 2022.

### Matthew Widick, FSA, EA, CERA, MAAA

SENIOR ACTUARIAL CONSULTANT



Matthew has over 14 years of benefit consulting experience. During his time with the firm, he has gained experience working on valuations and plan projections, as well playing a major role in setting up and running a large benefit statement project. He has worked on a variety of traditional and cash balance plans, both private and governmental. He has also worked on retiree health plan valuations.

Matthew is a Fellow of the Society of Actuaries (FSA), an Enrolled Actuary (EA), and a Chartered Enterprise Risk Analyst (CERA), and a Member of the American Academy of Actuaries (MAAA).

He received his BS from Vanderbilt University.

## Joseph Meyers, FSA, EA, MAAA

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PARTNER | VICE PRESIDENT & CONSULTING ACTUARY



Joe is a consulting actuary with over 25 years of experience with traditional and cash balance defined benefit plans among both public and private sector organizations. In addition to defined benefit pension work, Joe also has experience with health and welfare plans, including consulting with clients on the plan design and pricing of medical, drug and dental plans. He works with a broad array of sponsor plans including qualified and nonqualified plans. Joe has worked closely with clients on plan design, de-risking, and nondiscrimination testing issues. Joe has assisted clients with lump sum windows, plan design changes and plan terminations. He also has extensive experience consulting on plan design and the valuation of retiree medical plans, covering both the private and public sectors.

Joe is a Fellow of the Society of Actuaries (FSA), an Enrolled Actuary (EA), and a Member of the American Academy of Actuaries (MAAA).

He received his BS from Purdue University.

## Lauren Chrisman, ASA, MAAA

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ASSISTANT VICE PRESIDENT & CONSULTING ACTUARY



Lauren is a Consultant in the Actuarial Practice Group and has experience with GASB 45 and, currently, performs both GASB 74/75 and ASC 715-60 valuations, medical plan rate settings for self-insured employers, IBNR calculations, financial monitoring for health and group benefit plans, and plan change cost impact analyses, network discount analyses, and claims repricing.

Lauren is an Associate of the Society of Actuaries (ASA) and a Member of the American Academy of Actuaries (MAAA).

She received her BS and MS from Middle Tennessee State University, Murfreesboro, TN.

## Shannon Welch

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SENIOR ACTUARIAL ANALYST



Shannon Welch is a Senior Analyst for USI Consulting Group. She has gained experience in plan administration, actuarial valuations, benefit certifications, and government filings. Additionally, she has experience working on special projects including plan terminations, lump sum windows, and valuation and administration implementation for new clients. She works directly with plan sponsors and trust companies on a variety of plans in both the public and private sectors.

Shannon joined the firm in 2019 and is a member of the Defined Benefit team in our Louisville office.

Shannon received her Bachelor of Science in Actuarial Science from Bellarmine University in 2017. She is currently progressing through the actuarial exam process.

# REPRESENTATIVE GOVERNMENT CLIENTS

Due to consideration for existing clients and per company policy, USICG can provide references, but we do not provide representative client lists. Below is an overview of our government client base.

## Government Entity Experience and Clients

USICG consultants understand the unique plan design, compliance, funding, and accounting requirements of public sector pension plan sponsors, as well as the unique requirements and decision-making processes of public sector entities. USICG consultants conduct research and share client experience across the entire actuarial team to provide perspective and provide superior support to our government entity clients.

### USICG

- has performed thousands of actuarial valuations of pension plans in the public sector;
- has provided actuarial support in evaluating and understanding the accounting measurement and disclosure requirements for pension plans under GASB Statement 67/68; and
- has experience and expertise in understanding, and working with, the broad array of stakeholders and the governance processes of a governmental entity.

## Fast Facts

- 1 USICG provides actuarial services to more than 1,000 public sector pension and OPEB plans.
- 2 USICG provides actuarial services to 280 public sector pension plans
- 3 Client Plans range from 50 to more than 365,000 participants
- 4 Clients include states, cities, counties, utilities, transportation authorities, and public health systems
- 5 Average government client relationship is more than 16 years
- 6 USICG provides consulting services to support a variety of benefit programs

## SCOPE OF SERVICES

### A. General Duties

#### *Data Transfer and Reconciliation*

USICG will continue to work with System staff to receive and review the participant data used to perform actuarial valuations. Any data inconsistencies will be reported to System staff for response and correction.

#### *Data Confidentiality*

USICG will keep all member and annuitant information confidential. We will use secure email transmission or a secure file transmission site for secure transfer of all participant data. Our systems are continuously monitored and tested for security and confidentiality. All summary participant data reports, schedules or any other communications containing participant information in connection with this engagement will be routed through the Executive Director of the System or an appointed designee.

#### *Public Release of Information*

With respect to any publication or information regarding the actuarial services provided under the terms of a resulting contract, USICG actuaries shall identify Kentucky Judicial Form Retirement System as the sponsoring agency and shall not release any information without prior approval of the Executive Director, or appointed designee. This information includes, but is not limited to, press releases, research and reports.

#### *Client Communications*

USICG actuaries will route all requests, reports and all other communication in connection with the contract through the Executive Director of the Kentucky Judicial Form Retirement System or the Executive Director's appointed designee.

#### *Manage Documentation – Ideas, Issues and Extended Services*

In providing actuarial and consulting services to the Kentucky Judicial Form Retirement System, USICG shall share responsibility for documenting ideas and issues arising in discussions and meetings. USICG will review, approve and sign all price quotes for extended services, final reports, and correspondence regarding actuarial assumptions and other technical issues.

### B. Valuation Services

#### *Actuarial Valuation - July 1, 2024*

USICG is prepared to perform an actuarial valuation for the Kentucky Judicial Retirement Plan (JRP) and the Kentucky Legislators Retirement Plan (LRP) as of July 1, 2024, to determine the present value of pension benefits in compliance with applicable GASB statements. The valuation will be completed by September 30, 2024.

#### *Actuarial Valuation - July 1, 2025*

USICG is prepared to perform an actuarial valuation of the Kentucky Judicial Retirement Plan (JRP) and Kentucky Legislators Retirement Plan (LRP), as of July 1, 2025, to determine the actuarial soundness and funding requirements for the fiscal biennium 2026-2028 as required by the Kentucky Revised Statutes

(KRS) and to determine the present value of pension benefits in compliance with applicable GASB statements. The funding valuation report shall include required disclosures (e.g., 20-year projections, sensitivity analysis, and summary exhibits). The valuation will be completed by September 30, 2025.

### Valuation Process

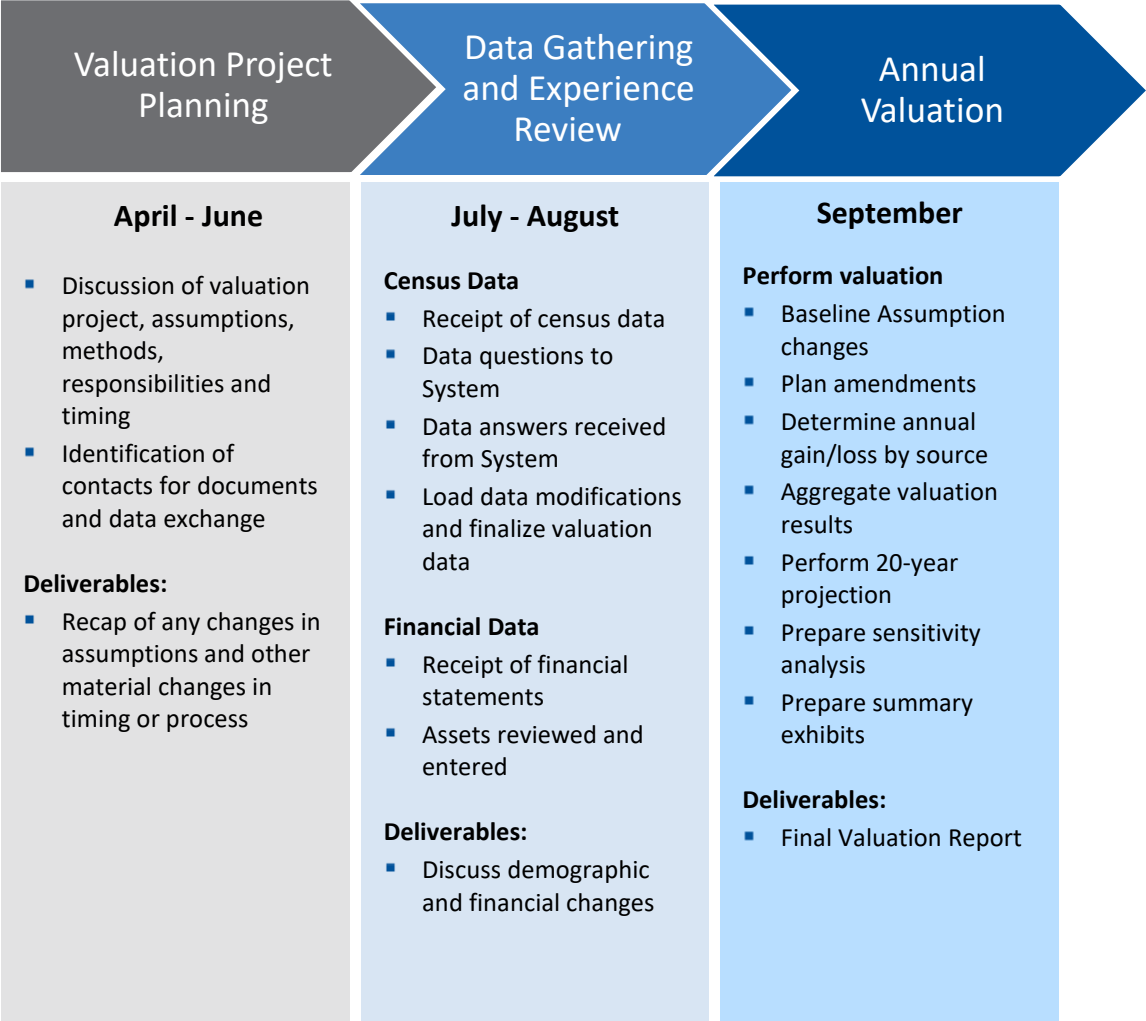
The following is a description of the valuation processes for the JRP and LRP Plans and the resulting reports that USICG will provide. Your actuary will present the results of the annual valuation for each plan to you upon completion of the valuation and report.

<b>Preparation</b>	<ul style="list-style-type: none"> <li>▪ A meeting or discussion will be held with the Board to:             <ul style="list-style-type: none"> <li>– Verify plan provisions that have changed that will impact valuation</li> <li>– Decide upon actuarial assumptions to be used</li> <li>– Discuss actuarial methods</li> </ul> </li> </ul>
<b>Request Plan Information, Census Data</b>	<ul style="list-style-type: none"> <li>▪ Data formats included in data request:             <ul style="list-style-type: none"> <li>– expected layouts for census records</li> <li>– data items requested</li> <li>– appropriate location within the employee record for each field</li> <li>– any commonly used electronic format is acceptable for data submission</li> </ul> </li> </ul>
<b>Collection and Screening of Participant Data</b>	<ul style="list-style-type: none"> <li>▪ Data imported from client</li> <li>▪ Data reviewed and reconciled by USICG</li> <li>▪ Data inconsistencies reported to the designated person serving on behalf of the System for response and correction</li> </ul> <p>The screening process is rerun to ensure that all data errors have been remedied and that new errors are not produced in the correction process</p>
<b>Benchmark Actuarial Valuations</b>	<ul style="list-style-type: none"> <li>▪ After the components needed for the valuation are finalized – census data, actuarial assumptions, plan provisions and claims costs – an actuarial valuation projecting all future benefits payable from the pension plan will be made.</li> <li>▪ The results for a sample number of active and retired participants are selected for detailed examination of results by USICG.</li> <li>▪ Active participants selected generally include:             <ul style="list-style-type: none"> <li>– newer participants</li> <li>– participants approaching retirement age</li> <li>– individuals with unusual provisions</li> <li>– others for whom the programming is most complex.</li> </ul> </li> <li>▪ Retirees fitting each possible type of retirement status and coverage code are also chosen for examination.</li> <li>▪ Results are then confirmed. The independent verification of individual participant results is an extremely important aspect of the valuation process. Great care is exercised in this phase of the valuation to ensure accuracy.</li> </ul>



Development of Results – Pension Valuation	<ul style="list-style-type: none"> <li>Based upon this benchmark valuation, USICG will calculate the liability, contributions and the disclosures required by GASB Statements 67 and 68, and Statements 74 and 75.</li> </ul>
Peer Review	<ul style="list-style-type: none"> <li>A final confirmation and peer review of valuation results is conducted.</li> <li>An experienced actuary within the firm will review the valuation results.</li> <li>While the peer review may be conducted in stages during the valuation, a final confirmation of results, is provided along with the final report.</li> </ul>
Preparation of Actuarial Reports	<ul style="list-style-type: none"> <li>Once all valuation results are reviewed and confirmed, valuation results will be compiled into an actuarial report (including all disclosures required by statute) for review during the final conference call, or on-site meeting.</li> </ul>
Presentation of Results	<ul style="list-style-type: none"> <li>The actuary will conduct a conference call, or on-site meeting, with the System representatives to deliver the actuarial reports and discuss the findings contained therein. Questions or ideas regarding the reports or results will be solicited in advance or inclusion in the dialogue.</li> </ul>

Kentucky Judicial Form Retirement System - Project / Work Plan



## C. Consultation and Advisory Services

### *Actuarial Consulting and Advisory Services*

USICG's standards for supervising actuaries require that the consultant possess the following credentials and experience:

- Fellow or Associate of the Society of Actuaries
- Member of the American Academy of Actuaries and /or meet the standards of a qualified actuary under the provisions of ERISA.
- Experience as a supervising actuary on consulting services, experience in analysis and valuation assignments for prepaid tuition plans, large retirement systems, including public retirement systems
- Experience in testifying before legislative and/or administrative bodies in support of actuarial positions and/or the principles used in valuing retirement systems or pricing legislation
- Ability to clearly and concisely present and discuss actuarial theory, basis for assumptions and other actuarial matters in layman's terms

We are available by office phone, cell phone, e-mail and fax for discussion during regular business hours regarding work in progress or any other services that may be part of our relationship. Phone messages are returned within one business day.

USICG can be available for meetings within 10 business days of a request for a meeting.

### *Actuarial Cost Analysis of Proposed Legislation*

As a result of our work with governmental clients, we have prepared and delivered impact studies, legislative analyses, written testimony, and oral presentations for City Councils, Boards of Aldermen, Benefit Boards, and State Legislative Committees to assist in their deliberation on proposed plan changes and implementing legislation. Those analyses have provided perspective on the expected impacts on participants, long-term financial impacts, and immediate budget impacts.

## D. Extended Contract Services

### *Experience Studies*

USICG will conduct an experience study of the Kentucky Judicial Retirement Plan (JRP) and Kentucky Legislative Retirement Plan (LRP) as mandated by KRS 21.440(1)(b) during the first year of the Contract with the System.

Salary experience may be the one assumption that is most dependent on policy rather than prior history. Any changes to policy would need to be reviewed as they occurred to determine if changes in the salary assumption would be warranted. Assumptions such as rates of disability, turnover, retirement and cost of living increases (if applicable), which may be subject to board policy, would also warrant ongoing dialog to ensure assumptions are up to date. When reviewing mortality rates (as part of an experience study) it may or may not be appropriate to develop an experience based table. In many cases, it may be more appropriate to begin with a standard table and tweak as appropriate. In any event, it is good to build in some conservatism into the mortality assumption to allow for modest improvements in future mortality.

*Purchase/transfer Calculations and Optional Calculations – Defined Benefit Plan Members/Retirees and Hybrid Cash Balance Plan Members/Retirees*

USICG's actuarial services will include option benefit and purchase/transfer calculations for the JRP and LRP plans.

## PROPOSED PRICE SCHEDULE

The primary basis for determining our fee for services is the hourly billing rate of those who work on the case, multiplied by the actual time expended. The fees listed below represent our best estimate for services to the Plan(s). Actual fees may be higher or lower than these estimated fees. Services not specifically stated or variances from our assumptions will constitute additional services, for which we will charge additional fees. Examples of additional services are listed in the Additional Services section.

Our estimated fees are based on these assumptions:

### Assumptions

	Judicial Retirement Plan (JRP)		Legislators Retirement Plan (LRP)	
	Legacy DB	Cash Balance	Legacy DB	Cash Balance
Retirees	404	1	259	0
Inactive/Deferred	8	4	33	12
Active Members	131	70	26	70
<b>Total</b>	<b>543</b>	<b>75</b>	<b>318</b>	<b>82</b>

- Benefits for deferred vested and retired participants have been calculated and certified.
- Participant information will be complete, accurate and provided to us in a mutually agreeable electronic format.

Recurring Actuarial Services	Fee
<p><i>Strategic Planning and Management</i></p> <ul style="list-style-type: none"> <li>Discussion of annual service calendar for management of services and performance expectations</li> <li>Annual planning meeting to review services timing, actuarial assumptions and methods, Board objectives, market environment, special events, etc.</li> <li>Presentation of funding actuarial valuation , review of actuarial experience, discussion of legislative and regulatory developments and contribution planning</li> </ul> <p><i>Funding Requirements</i></p> <ul style="list-style-type: none"> <li>Actuarial valuation and reports for pension funding</li> <li>It should be noted that this includes separate valuations for the retiree medical benefits</li> </ul> <p><i>Funding and Financial Reporting</i></p> <ul style="list-style-type: none"> <li>Actuarial valuation and reports for pension and other post-employment benefits funding, including preparation of actuarially determined contribution according to plan sponsor funding policy</li> <li>Preparation of accounting expense and disclosure valuations under GASB Statements 67/68</li> <li>Preparation of accounting expense and disclosure valuations under GASB Statements 74/75 for the System’s Other Post-Employment Benefit plans.</li> </ul>	<p><b>JRP</b></p> <p><b>\$11,000</b> <b>For July 1, 2024 valuation</b></p> <p><b>\$41,000</b> <b>For July 1, 2025 valuation</b></p> <p><b>LRP</b></p> <p><b>\$10,000</b> <b>For July 1, 2024 valuation</b></p> <p><b>\$38,500</b> <b>For July 1, 2025 valuation</b></p>
Experience Study	Fee
<ul style="list-style-type: none"> <li>Prepare an Experience Study as mandated by KRS21.440(1)(b) during the 1st year of the Contract. This review will include an analysis of the Plan’s experience (mortality, turnover, salary scale, discount rate, etc.) and the relationship of that experience to the actuarial assumptions along with recommended changes, as appropriate.</li> <li>This will include both traditional plan tier and hybrid plan tier, as well as retiree medical benefits as applicable</li> </ul>	<p><b>JRP</b></p> <p><b>\$11,000</b></p> <p><b>LRP</b></p> <p><b>\$11,000</b></p>

Actuarial Consultation and Advisory Services	Fee
<ul style="list-style-type: none"> <li>▪ Actuarial consultation and advisory services</li> <li>▪ Preparation of actuarial cost analysis of proposed legislation</li> <li>▪ Attendance and presentations at meetings of the Board</li> <li>▪ Attendance, presentations and testimony at legislative committee meetings and hearings, or legislative sessions</li> </ul>	<b>See Billing Rates below</b>
Ongoing Administration Services – Benefits Calculations	Fees
<ul style="list-style-type: none"> <li>▪ Retirement, termination, disability benefit calculations and estimates, with election forms and all required notices</li> </ul>	<b>JRP and LRP</b> <b>\$150 per</b> <b>purchase/transfer</b> <b>calculation</b>  <b>\$110 per optional benefit</b> <b>calculations</b>

## Additional Services

### Actuarial Services

- Analysis of changes in valuation assumptions and methods and consulting on possible changes
- Resolving trustee accounting or reporting problems
- Data corrections or manipulation of data files to consolidate or convert to system format, manual input of participant and payroll information, or multiple payroll files
- Actuarial studies of proposed legislation and Plan amendments
- Actuarial studies and other work related to mergers, acquisitions or spin-offs
- Actuarial studies involving forecasting of cash flow and/or accounting results
- Asset/liability modeling
- Lost participant searches, address corrections
- Meetings and telephone conferences (in addition to those listed above)

### Participant Communication Services

- Participant benefit statements or other participant communications
- Printing costs and distribution costs for participant communications

## Plan Documentation and Regulatory Compliance Services

- Consulting services related to Plan design or Plan administration
- Drafting or review of proposed legislative amendments and plan summaries (for review of legal counsel)
- General consulting services, such as consulting regarding Plan administrator’s (a) Plan interpretations, (b) regulatory interpretations applicable to the Plan(s), statutory requirements, analyses regarding the impact of legislative or regulation changes impacting the Plan(s)

## Billing Rates

USICG’s schedule of hourly billing rates for our professionals and staff is based upon years of experience, specialization in training and practice, and level of professional attainment. USICG’s current average hourly rates as of January 1, 2023:

Senior Consulting Actuary	\$475 - \$550
Senior Consultant / Consulting Actuary	\$300 - \$475
Senior Analyst / Consultant	\$215 - \$300
Administrative / Analyst	\$90 - \$215

Periodically, USICG hourly rates are reviewed and adjusted for increases in expertise, productivity, and inflation. Our fees have increased at or about the rate of inflation historically. The primary basis for determining our fee for additional services is the hourly billing rate of those who work on the case, multiplied by the actual time expended.



# Judicial Form Retirement System

Request for Proposal for Actuarial Services

RFP # 020-2400000203

Proposal Due: Monday, March 4, 2024

No later than 4:00 PM (EST)



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## Appendices

**Appendix A:** Team Organizational Chart & Team Bios

**Appendix B:** GRS Sample Certificate of Insurance

**Appendix C:** GRS Statewide Client List





March 4, 2024

Mr. Bo Cracraft  
Executive Director  
Judicial Form Retirement System  
305 Ann Street, Suite 302  
Frankfort, KY 40601  
[Bo.Cracraft@ky.gov](mailto:Bo.Cracraft@ky.gov)

**Re:** Proposal for Actuarial Services  
RFP # 020-2400000203

Dear Mr. Cracraft:

Gabriel, Roeder, Smith & Company (GRS) is very pleased to have this opportunity to submit a proposal to provide professional actuarial valuation and consulting services to the Judicial Form Retirement System ("JFRS"). The attached proposal sets forth our understanding of the work to be performed, the qualifications and capabilities of the consultants and resources of GRS, and specifically addresses the requirements set forth in your Request for Proposals posted February 27, 2024.

GRS has a nationally renowned reputation in providing actuarial consulting services to public retirement systems. We are the prominent provider of actuarial and consulting services to the public sector community in the country and provide consulting services to more than 400 public sector pension systems and more than 600 OPEB plans in 42 states, including 37 statewide public pension retirement systems, 11 of which have 200,000 or more members. The location of our retained clients ranges from Hawaii to Rhode Island and from Alaska to New Mexico.

The Primary Actuaries for JFRS will be Danny White, Lead Actuary and Janie Shaw, Support Actuary who know the effort and diligence that is required by a consulting team to successfully provide services and support for a retirement system as JFRS. Danny and Janie are actuaries for Kentucky Public Pensions Authority and are familiar with the retirement and insurance benefits provided by JFRS. As KPPA associates can attest, both are available for day-to-day contact with JFRS.

The undersigned, Daniel J. White, is authorized to enter into a contract on behalf of GRS. Janie Shaw is the Support Actuary for the contract and is authorized to provide clarifying information regarding this Proposal.

The contact information for Danny White and Janie Shaw are below:

Daniel J. White, FSA, EA, MAAA  
Vice President  
Gabriel, Roeder, Smith & Company  
5605 N. MacArthur Blvd, Suite 870  
Irving, Texas 75038-2631

469-524-1801 (office direct line)  
214-288-4235 (mobile)  
[danny.white@grsconsulting.com](mailto:danny.white@grsconsulting.com)  
[www.grsconsulting.com](http://www.grsconsulting.com)


Janie Shaw, ASA, EA, MAAA  
Consultant  
Gabriel, Roeder, Smith & Company  
5605 N. MacArthur Blvd, Suite 870  
Irving, Texas 75038-2631

469-524-1351 (office direct line)  
214-789-7491 (mobile)  
[janie.shaw@grsconsulting.com](mailto:janie.shaw@grsconsulting.com)  
[www.grsconsulting.com](http://www.grsconsulting.com)

If we are awarded this engagement, we intend to negotiate in good faith with JFRS to reach an agreement on contract terms as expeditiously as possible. As the nation's largest provider of actuarial services to public entities, we have negotiated mutually acceptable contract terms with our other clients in support of similar opportunities.

Your consideration of GRS is appreciated and we would be delighted and honored to provide services to JFRS. Please contact Danny at (469) 524-1801 or email him at [danny.white@grsconsulting.com](mailto:danny.white@grsconsulting.com) if you have any questions or need any additional or clarifying information.

Respectfully submitted,  
**Gabriel, Roeder, Smith & Company**



Daniel J. White, FSA, EA, MAAA  
Vice President



Janie Shaw, ASA, EA, MAAA  
Consultant



# Minimum Qualifications

The following qualifications must be met for firm proposal to be considered:

1. The firm must be a professional actuarial consulting firm that provides actuarial valuation, experience investigations, asset/liability studies, actuarial audits, and pension consulting services.

## GRS Response

### HISTORY OF THE FIRM

GRS has been providing these services for more than 80 years to public employee retirement plans. Gabriel, Roeder, Smith & Company (GRS) was incorporated on October 2, 1962 from a merger of A. G. Gabriel & Company, a sole proprietorship that was established in 1938, and another younger sole proprietorship, Roeder & Company. In 1995, the company merged with Kruse, O'Connor & Ling, a Florida based consulting firm.

In 2015, the company formed a health & welfare consulting subsidiary, Gabriel, Roeder, Smith & Company Health and Welfare Consulting, LLC from its existing health and welfare practice. For administrative and operating efficiency, both Gabriel, Roeder, Smith & Company and Gabriel, Roeder, Smith & Company Health and Welfare Consulting, LLC operate independently as wholly owned subsidiaries of Gabriel, Roeder, Smith & Company Holdings, Inc., a private Michigan corporation. "GRS" is the national brand under which Gabriel, Roeder, Smith & Company Holdings, Inc. operates and its subsidiaries provide professional services.

2. The firm must have ten (10) years of experience as an actuary providing pension consulting services, experience analysis and valuation assignments for a public retirement system.

## GRS Response

As a firm, GRS has been providing these services for more than 80 years to public employee retirement systems of all sizes that range from Systems with only a couple hundred members to large statewide retirement systems with more than 800,000 members. Your primary actuary, Danny White, has experience providing these services for more than 25 years and the support actuaries Janie Shaw and Krysti Kiesel both have 10 years of service providing these services.

3. The primary actuary performing the services under the Contract must be a Fellow of the Society of Actuaries and an enrolled actuary. Any Supporting Actuary must either be a Fellow, enrolled, or have 10 years of pension consulting experience.

## GRS Response

Daniel J. White is a Fellow of the Society of Actuaries (FSA) 2004; Enrolled Actuary (EA) 2002; and a Member of the American Academy of Actuaries (MAAA) 2001. Danny is a Senior Consultant and Actuary with more than 25 years of consulting experience with public retirement systems.



Janie Shaw is an Associate of the Society of Actuaries (ASA) 2014; Enrolled Actuary (EA) 2020; and a Member of the American Academy of Actuaries (MAAA) 2014. Janie is a Consultant and Actuary with over ten years of consulting experience with public retirement systems, specializing in statewide and agent multiple employer plans.

Krysti Kiesel is an Associate of the Society of Actuaries (ASA) 2022; and a Member of the American Academy of Actuaries (MAAA) 2022. Krysti is a Consultant and Actuary with ten years of experience serving public retirement systems.

4. The firm must have all necessary permits and licenses. Liability, professional errors, and omissions insurance in the amount of \$1,000,000 must be in effect at the time the proposal is submitted and throughout the term of the agreement.

### **GRS Response**

Please refer to Appendix B for GRS' Sample Certificate of Insurance.

5. The actuary performing the services under the Contract should have experience testifying before legislative and administrative bodies in support of actuarial positions and/or the principles used in valuing a retirement system and determining the actuarial impact of legislation.

### **GRS Response**

Danny White has testified before state legislative bodies in the states of Kentucky, South Carolina and Utah. His experience in Kentucky includes numerous presentations to the Public Pension Oversight Board (PPOB) speaking on behalf of the Kentucky Public Pensions Authority (KPPA). Janie Shaw also has experience presenting to the PPOB on behalf of KPPA.

6. The firm must provide its own work facilities, equipment, supplies and support staff to perform the required services.

### **GRS Response**

GRS will provide its own work facilities, equipment, supplies and support staff to perform the required services.



# Administrative & Proposal Submission Information

Interested Parties should submit:

1. A brief description of their firm.

## GRS Response

Gabriel, Roeder, Smith & Company (GRS) was incorporated on October 2, 1962 from a merger of A. G. Gabriel & Company, a sole proprietorship that was established in 1938, and another younger sole proprietorship, Roeder & Company. GRS is dedicated to bringing clients innovative, sustainable solutions that the firm helps put into action. The firm supports the long-term success of pension and OPEB plans. Associates deliver high-quality services that reflect GRS' core values, which include professionalism and ethics in all aspects of business.

Our current corporate structure is shown below.

## CURRENT CORPORATE STRUCTURE



## OWNERSHIP

GRS is a private corporation owned by its employees. All full-time employees are eligible and encouraged to purchase GRS stock. The employees of GRS are the company's shareholders and no individual employee of the firm is more than a 10% owner. There are no anticipated changes in ownership structure. GRS' structure consists of full-service local consulting offices organized within three regions and supported by strong, centralized resources that provide support with Corporate management, research, and internal system maintenance and development.

## OUR FIRM

There are two corporate officers: A President and a Chief Operations and Financial Officer (COFO, who also serves as Secretary and Treasurer). The President is responsible for management of the firm with focus on internal operations. The President reports to the Board. The COFO is responsible for the management and leadership of all of the GRS internal operational, administrative and financial functions. The COFO reports to the President.

The Corporate Officers are as follows:

- Judith A. Kermans, FCA, EA, MAAA, President
- Christine Scheer, Chief Operating and Financial Officer

Together, these officers interact with an Executive Committee (EC) that consists of the two corporate officers listed above and the following vice presidents:

- Theora Braccialarghe, FSA, MAAA, EA, FCA, Vice President
- Mark Buis, FSA, MAAA, EA, FCA, Vice President
- Danny White, FSA, MAAA, EA, Vice President

### Office Location that will perform the services:

The GRS location in Irving, TX (Dallas) will be the principal office for providing services to JFRS. This office has 16 associates. In addition, there will also be some associates located in Denver, CO, who have certain technical expertise to assist in the preparation in the actuarial valuation and accounting deliverables to JFRS.

#### Dallas Office:

5605 N. MacArthur Blvd., Suite 870  
Irving, TX 75039  
469-524-0000

#### Denver Office:

7900 East Union Avenue, Suite 650  
Denver, CO 80237-7600  
720-274-7275

GRS derives 100% of its revenue from actuarial and benefits consulting services. The approximate breakdown of our revenues is as follows.





- Pension: 73%
- OPEB: 15%
- Defined Benefit Administration/Client Software: 12%

GRS Holdings and its wholly-owned subsidiaries have approximately 122 employees.

- Approximately 100 employees are directly involved in providing actuarial services. Of these 64 are credentialed actuaries.
- Approximately 90 employees provide pension and OPEB related services.
- Ten employees support DB Plan Administration clients.

2. A list of the personnel of the firm who will be directly involved in working with the JFRS staff. This information should provide brief resumes.

## GRS Response

### PRIMARY ACTUARY



**Daniel J. White, FSA, EA, MAAA**, will serve in the role of Lead Actuary for the actuarial valuation and consulting services for JFRS. Danny is a Senior Consultant and Actuary with 25 years of consulting experience with public retirement systems. His expertise includes performing actuarial valuations for pension and retiree medical plans, cost studies, assumption reviews, and consulting regarding benefit administration. He is the Primary Actuary for the Kentucky Public Pensions Authority, the South Carolina Retirement System, and the Utah Retirement System. He also provides consulting services to several municipal retirement systems located in Arkansas and Texas.

Danny is also a Vice President and manager for the Southwest Region (i.e. Dallas and Denver GRS office) of GRS, and will help ensure Janie and Krysti will have the resources necessary to provide quality and timely consulting to JFRS.

Danny is a Fellow of the Society of Actuaries (FSA), a Fellow of the Conference of Consulting Actuaries (FCA), an Enrolled Actuary (EA) under ERISA, and a Member of the American Academy of Actuaries (MAAA).

### SUPPORTING ACTUARIES



**Janie Shaw, ASA, EA, MAAA**, will serve in the role as Support Actuary for the actuarial valuation and consulting services for JFRS. Janie is a Consultant and Actuary with over ten years of consulting experience with public retirement plans, specializing in statewide and agent multiple employer plans. She is currently the consulting actuary for the Kentucky Public Pensions Authority, the Texas Municipal Retirement System, the Public Employees Retirement Association of New Mexico, and the Utah Retirement System. She has presented to Legislative Committees and worked with State Legislators and City Officials on behalf of her clients to find new solutions to build a more sustainable future for the retirement system.

She led the technical transition of the Municipal Employees Retirement System of Michigan (MERS), an intensive project coding and processing thousands of funding and accounting valuations for local employers in the State, as well as the transition of the Public Employees Retirement Association of New Mexico to GRS.

Janie is an Associate of the Society of Actuaries (ASA), an Enrolled Actuary (EA) under ERISA, and a Member of the American Academy of Actuaries (MAAA).



**Krysti Kiesel, ASA, MAAA**, will also serve in the role as a Support Actuary for the actuarial valuation and consulting services for JFRS. Krysti has ten years of experience with data, programs and report preparation for clients ranging in both size and complexity. Her experience includes the modeling of changes in benefit provisions, assumptions, and funding policy design, as well as the projection of future liabilities and contribution requirements under varies economic and demographic scenarios.

She serves in a similar capacity for the Arapahoe County Retirement Plan, Adams County Retirement Plan, the Tucson Supplemental Retirement System, Denver Board of Water, Wyoming Retirement System and Kentucky Public Pensions Authority.

Krysti is an Associate of the Society of Actuaries (ASA), and a Member of the American Academy of Actuaries (MAAA).

## ANALYST TEAM



**Lindsay Bechtel** is a Senior Analyst in the Dallas, Texas office of GRS. Lindsay has been with GRS since 2015 and will serve primarily in the “checker” role, ensuring the initial data processing and liability modeling have been properly prepared. She will also provide technical support to other analysts in the initial preparation of valuations prior to review by Danny, Janie, and Krysti. She has worked with both municipal and large statewide retirement systems in Texas, South Carolina, Arizona, New Mexico, and Utah as well as OPEB plans throughout Texas and South Carolina.

Lindsay’s primary tasks include generating and reviewing client draft reports, reconciling member data and financial reports, updating and reviewing liability models to include new benefits and assumptions and preparing information and data for analysis.



**Milton Catalina** is an Analyst in GRS’ Dallas, Texas office. His primary actuarial responsibilities include the preparation of OPEB and pension valuations for state and local benefit plans. He serves clients in Texas and South Carolina. Prior to joining GRS, Milton worked in the insurance industry, gaining experience in health care underwriting and premium rate setting.

## PEER REVIEW AND RESOURCE ACTUARY



**Joe Newton FSA, EA, MAAA**, is the Pension Market Leader for GRS. In this capacity, Joe functions in one of the most senior professional roles at GRS, providing significant firm-wide leadership and contribution at the highest levels. This role bridges the gap between industry requirements, internal processes, and client deliverables to further strengthen GRS' position in the marketplace. Joe is a Senior Consultant and Actuary with over 20 years of professional actuarial and consulting experience with statewide and municipal public retirement systems.

Joe is also a key representative of GRS' Office of the Chief Actuary where he helps to monitor the firm's adherence to established actuarial standards, provides oversight and interpretations for the firm's actuarial methodologies, and serves as a GRS spokesperson for the company's perspectives and positions on actuarial issues.

Joe also serves on the National Association of State Retirement Administrators (NASRA) Executive Committee. Joe has worked with over 20 statewide retirement systems in Colorado, Hawaii, Rhode Island, South Carolina, Virginia, California, Wyoming, and Texas.

Joe stresses a top-down approach to pension plan consulting, which integrates the major goals of stakeholders, addresses human capital needs, and utilizes projection and valuation techniques that manage risk. He has been instrumental in GRS' internal development of several technical projects, including being the architect of GRS' stress testing software program, GRS Foresight, which is unmatched in the industry.

Joe has built an enviable reputation in the public sector actuarial community for his creative ability to communicate difficult and complex ideas to Boards and Stakeholders. Also, importantly, he believes it has helped its clients increase their credibility with the legislative and executive branches of the State government.

Full bios have been provided in Appendix A of this proposal.

3. A list of current and past clients of the firm including name, title, phone/fax numbers and email addresses where similar work has been performed.

### GRS Response

Note that the South Carolina Public Employee Benefit Authority and Utah Retirement Systems both administer a Judicial Retirement System and a State Legislative Retirement System.

Reference Name:	<b>Kentucky Public Pensions Authority</b>
Account Primary Contact:	Mr. David Eager
Title:	Executive Director
Address:	1260 Louisville Road, Perimeter Park West Frankfort, Kentucky 40601
Telephone Number:	(502)696-8455
Email Address:	<a href="mailto:David.Eager@kyret.ky.gov">David.Eager@kyret.ky.gov</a>

Reference Name:	<b>South Carolina Public Employee Benefit Authority</b>
Primary Contact:	Mr. Travis Turner
Title:	Chief Financial Officer



Address: PO Box 11960  
Columbia, SC 29211  
Telephone Number: (803) 734-0574  
Email Address: [tturner@peba.sc.gov](mailto:tturner@peba.sc.gov)

Reference Name: **Utah Retirement Systems**  
Primary Contact: Mr. Dan Andersen  
Title: Executive Director  
Address: 540 East 200 South  
Salt Lake City, UT 84102  
Telephone Number: (801) 366-7309  
Email Address: [dan.andersen@urs.org](mailto:dan.andersen@urs.org)

Please refer to Appendix C for GRS' Sample Client List.

- Plan of services, including a detailed project agenda and timelines, which completely address the Scope of Service.

### GRS Response

Your consulting team has experience and a proven track record for transitioning complex retirement systems. We transition large and complex valuations each year from other actuaries, which includes the transition of the Kentucky Retirement Systems in 2017. As a result, we know the effort required for a seamless transition and have a track record demonstrating that your proposed team will be successful with transitioning JFRS with no interruption in service. Below is the proposed timeline for transitioning the work from the prior actuary. While GRS will not be performing a full actuarial valuation until June 30, 2025, it is important for GRS to have our model updated with the last actuarial valuation replicated so we can assist JFRS with any possible questions or studies requested by outside stakeholders (i.e. the General Assembly).

TRANSITION WORK PLAN							
			GRS TEAM				
<i>Client Name: Kentucky Judicial Form Retirement System</i>			<i>Primary Actuary: Danny White</i>				
<i>Valuation Date: Replicate the June 30, 2023 valuation system</i>			<i>Secondary Actuary: Janie Shaw</i>				
			<i>Secondary Actuary: Krysti Kiesel</i>				
TASK DESCRIPTION			RESPONSIBILITY			START DATE	END DATE
			GRS	JFRS	USI Consulting		
PLANNING MEETING	1.0 Planning Meeting with KFRS and Team						
		a.) Meeting with JFRS regarding scope of actuarial services	X	X		04/30/2024	05/16/2024
TRANSITION	2.0 Commence Parallel Valuation						
		<i>GRS request and Prior Actuary send the following:</i>					
		a.) Valuation-ready data	X		X	04/30/2024	06/09/2024
		b.) Appropriate test lives	X		X	06/09/2024	06/26/2024
	3.0 Replicate June 30, 2023 Valuation Results						
		a.) Write and test valuation programs	X			05/17/2024	06/30/2024
	b.) Run parallel valuation and confirm discrepancies with prior actuary	X			06/01/2024	07/10/2024	
	c.) Discuss replication results with JFRS	X	X		07/10/2024	07/20/2024	



## 2024 Financial Reporting Information

Below is a draft timeline for providing the GASB 67 / 68 / 74/ 75 financial accounting information for the funds (pension and insurance). This information will be based on a roll-forward of the prior year's actuarial soundness valuation. As a result, the steps necessary to complete the GASB reports is less intensive than the June 30, 2023 (and June 30, 2025) valuation reports.

### ACTUARIAL VALUATION WORK PLAN

*Client Name: Kentucky Judicial Form Retirement System*  
*Valuation Date: June 30, 2024*

#### GRS TEAM

*Primary Actuary: Danny White*  
*Secondary Actuary: Janie Shaw*  
*Secondary Actuary: Krysti Kiesel*

TASK DESCRIPTION		RESPONSIBILITY			
		GRS	JFRS	START DATE	END DATE
GASB 67/74/ 68/75	<b>1.0 Data related to Insurance Funds</b>				
	a.) Request data related to insurance funds for GASB 74/75	X		08/01/2024	08/01/2024
	b.) Receipt of GASB 74/75 insurance fund data		X	08/12/2024	08/16/2024
	<b>2.0 Financial Data</b>				
	a.) Request financial data as of June 30, 2024	X		08/01/2024	08/01/2024
	b.) Receipt of financial data as of June 30, 2024		X	08/01/2024	08/16/2024
	<b>3.0 GASB 67/68/74/75 Calculations</b>				
	a.) Calculate liabilities associated with GASB 67/74	X		07/15/2024	09/01/2024
	b.) Perform GASB 67/74 calculations with final assets	X		08/16/2024	09/20/2024
	c.) Perform GASB 68/75 calculations	X		08/16/2024	09/20/2024
	d.) Provide draft GASB 67/68/74/75 reports	X		09/20/2024	09/23/2024
	e.) Provide final GASB 67/68/74/75 reports	X		after external audit review	

## 2024 Experience Study

In the spring of 2025 we propose conducting an experience study as mandated by Statute. As specified in the RFP, the experience study will include, but is not limited to, inflation, investment return, salary increases, termination rates, medical coverage and medical trend costs.

We propose the timing of spring 2025, as it will provide the latest economic information such as inflation expectations and capital market assumptions. Our report and recommendations would be presented to the Board later in the spring and will be first used to prepare the June 30, 2025 actuarial valuation.

## 2025 Actuarial Soundness Valuation and Financial Reporting Information

The June 30, 2025 actuarial valuation is a much more intensive valuation as it will include recommended employer contributions for the 2026-2028 biennium period. The valuation process will start with JFRS providing the membership information for both plans. Similar to the charts shown above, below is the proposed timeline for completing the valuation by the September 30, 2025 deadline.



## ACTUARIAL VALUATION WORK PLAN

*Client Name: Kentucky Judicial Form Retirement System*  
*Valuation Date: June 30, 2025*

**GRS TEAM**  
*Primary Actuary: Danny White*  
*Secondary Actuary: Janie Shaw*  
*Secondary Actuary: Krysti Kiesel*

TASK DESCRIPTION		RESPONSIBILITY			
		GRS	JFRS	START DATE	END DATE
DATA	<b>1.0 Census Data for Funding Valuation</b>				
	a.) Receipt of census data from JFRS		X	08/01/2025	08/15/2025
	b.) Load data and preliminary data checks	X		08/08/2025	08/25/2025
	c.) Data questions to JFRS, if applicable	X		08/15/2025	08/25/2025
	d.) Data answers received from JFRS		X	08/19/2025	08/29/2025
	e.) Load data answers and finalize data	X		08/19/2025	08/29/2025
	f.) Data Reconciliation	X		08/21/2025	09/01/2025
	<b>2.0 Financial Data for both Funding Valuation and GASB 67/74</b>				
	a.) Receipt of financial statements from JFRS		X	08/01/2025	08/16/2025
	b.) Assets entered and reviewed	X		08/08/2025	08/16/2025
<b>3.0 Data related to Insurance Funds for Funding Valuation</b>					
a.) Receipt of insurance premiums for the following calendar year		X	08/12/2025	08/17/2025	
b.) Receipt of additional data related to the valuation of the insurance funds		X	08/15/2025	08/22/2025	
ACTUARIAL SOUNDNESS	<b>4.0 Liability Calculations</b>				
	a.) Load data into valuation software and calculate liabilities	X		08/21/2025	08/28/2025
	b.) Update for changes in benefit provisions, assumptions, and health premiums	X		08/29/2025	09/03/2025
	<b>5.0 Actuarial Investigation and Gain/Loss</b>				
	a.) Run gain/loss programs and analyze	X		08/31/2025	09/04/2025
	b.) Review gain/loss by source	X		09/03/2025	09/05/2025
	<b>6.0 Actuarially Determined Calculations</b>				
	a.) Calculate actuarially determined calculations	X		09/03/2025	09/05/2025
	b.) Review changes from prior valuation	X		09/04/2025	09/06/2025
	GASB ACCOUNTING INFORMATION	<b>7.0 Draft Deliverables</b>			
a.) Discuss preliminary results with JFRS		X	X	09/06/2025	09/08/2025
b.) Draft/review valuation report		X		09/09/2025	09/11/2025
c.) Draft/review supplemental information for Annual and Summary Report		X		09/11/2025	09/13/2025
d.) Draft/review Board Meeting presentation materials		X		09/11/2025	09/13/2025
<b>8.0 Deliverable Schedule</b>					
a.) Provide drafts of valuation reports and all other deliverables to JFRS	X		09/15/2025	09/17/2025	
b.) Incorporate comments from JFRS into reports	X	X	09/18/2025	09/20/2025	
c.) Final valuation reports to JFRS	X		after adoption by Board		

### Actuarial Consulting

In addition to monitoring legislative developments, our research associates conduct in-depth research on specific issues of concern to our clients. For example, our team has provided in-depth research and reporting on such timely issues as the changes in the Minimum Distribution Rules and analysis of the proposed regulations for Internal Revenue Code Section 415, and the application of the Normal Retirement Age Requirements to Governmental Plans.

Also, your proposed consulting team comprised of Danny and Janie have first hand experience working with Judicial and Legislative retirement systems in New Mexico, South Carolina, and Utah. Our firm also works with many other statewide retirement systems that covers these types of unique public employees.

5. Proposed price schedule, including the following:
  - a. The fee for services identified in Scope of Services B.1, B.2 and D.1 shall be a flat sum.



## GRS Response

Below is a table with our proposed fixed fees for Valuation Services.

<b>Valuation Services for The Period Beginning:</b>		
	<u>July 1, 2024</u>	<u>July 1, 2025</u>
Annual Actuarial Valuation:	\$25,000	\$78,500
Conduct Experience Studies	20,000	0
<b>Total Cost for Valuation Services:</b>	<b>\$45,000</b>	<b>\$78,500</b>

- b. The fee for services identified in Scope of Services C.1 and C.2 shall be an hourly rate.

## GRS Response

Below is a table with our proposed hourly rate fees for Valuation Services.

<b>Hourly Consulting and Advisory Fees for Periods Ending:</b>		
	<u>FYE June 30, 2025</u>	<u>FYE June 30, 2026</u>
Senior Consultant:	\$435	\$435
Consultant:	360	360
Senior Analyst:	300	300
Analyst:	230	230
Administrative Personnel:	160	160

- c. The fee for services identified in Scope of Services, D.2 shall be a flat sum per calculation, not to exceed \$150.00 per member calculation.

## GRS Response

We will perform these services for \$125 per calculation.



## **APPENDIX A**

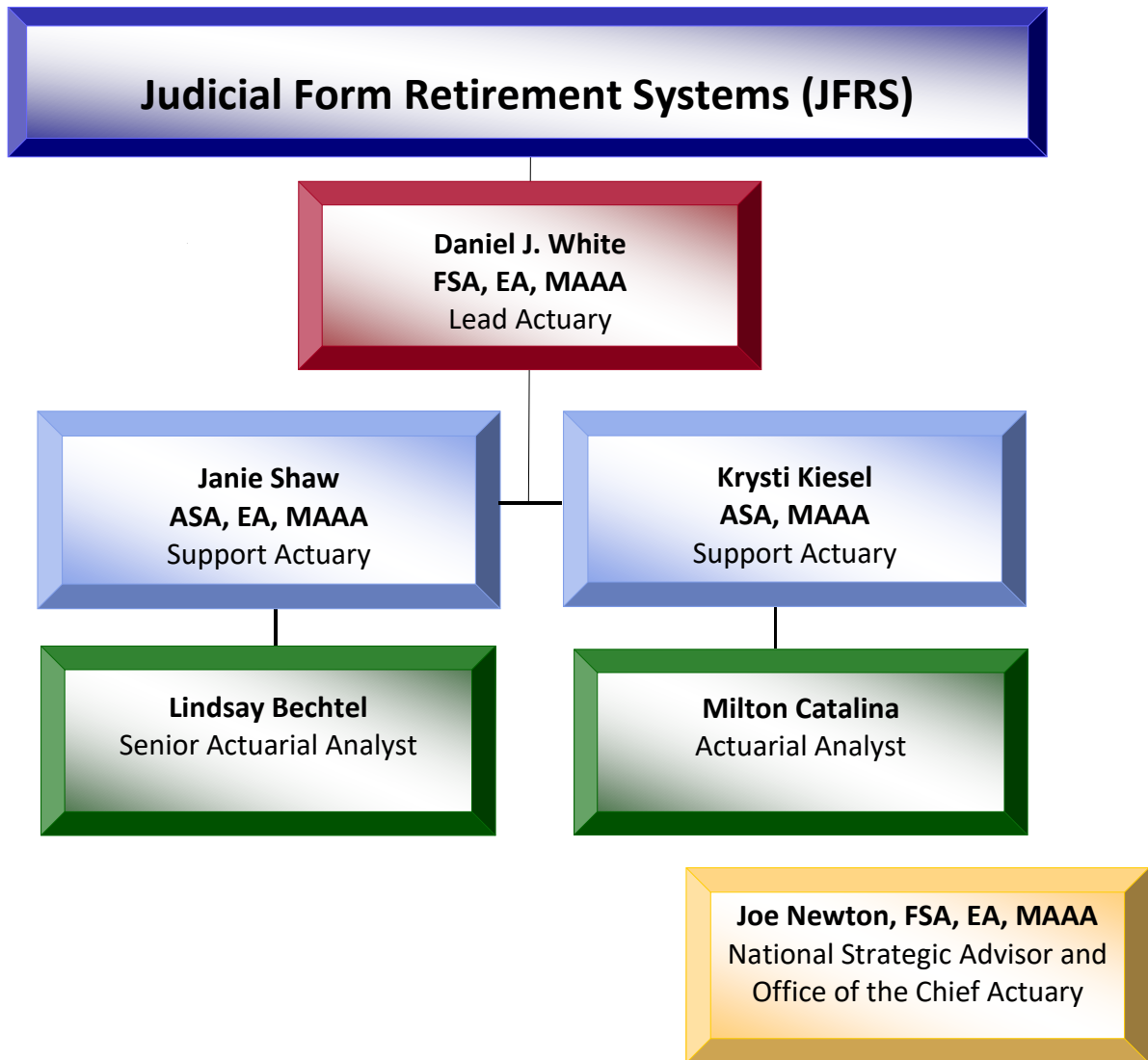
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### **TEAM ORGANIZATION CHART AND TEAM BIOS**



## Team Organizational Chart & Team Bios

Below is an organization chart depicting the structure of the actuarial consulting group and identifies GRS' key personnel who will be involved in providing direct services to the **Judicial Form Retirement Systems (JFRS)**



## Daniel J. White, FSA, EA, MAAA

Senior Consultant & Vice President

[danny.white@grsconsulting.com](mailto:danny.white@grsconsulting.com)



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### Expertise

Danny White is a Senior Consultant and Vice President for the Company. He has over 25 years of actuarial and benefits consulting experience with major public employee retirement systems. Danny currently provides consulting services to statewide retirement systems located in Arizona, Kentucky, South Carolina, and Utah, as well as municipal retirement systems in located in Arkansas and Texas.

The focus of Danny's actuarial work is actuarial valuations for retirement systems and his consulting expertise covers funding policy, sustainability, and an assessment of a System's financial risk. He has also performed analysis on plan design, including hybrid plans and also has experience performing actuarial audits, the valuation of retiree medical plans and assistance with benefit administration analysis and implementation.

Danny is also responsible for the management of GRS' Southwest Region, covering offices located in Dallas (Irving), Texas and Denver, Colorado. He is also part of GRS' Executive Management Team, which focuses on client service, GRS associate development, and company growth.

### Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary, ERISA
- Member, American Academy of Actuaries

### Presentations

Danny's public speaking engagements include the Conference of Enrolled Actuaries in Washington DC, Public Pension Finance Forum (P2F2) conference, and employer conferences sponsored by statewide retirement systems and regional accounting firms.

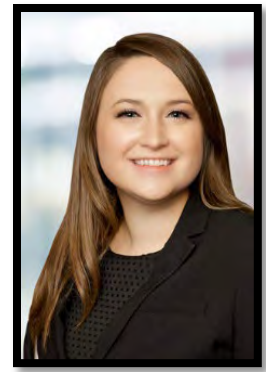
### Education

Bachelor of Science, Mathematics and Economics and Masters, Mathematics, Pittsburg State University, Kansas

## Janie Shaw, ASA, EA, MAAA

Consultant

[janie.shaw@grsconsulting.com](mailto:janie.shaw@grsconsulting.com)



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### Expertise

Janie Shaw is a Consultant in the GRS Dallas, Texas office. She has more than 10 years of public sector pension consulting experience. Janie has experience working with statewide and municipal retirement systems in multiple states including Kentucky, Michigan, New Mexico, North Carolina, Oklahoma, Texas, and Utah.

Janie's actuarial consulting experience includes annual valuation services for both pension and OPEB plans. Her experience has focused on plan sustainability through funding policy and benefit plan design. She has worked with her clients to find long-term solutions for all Stakeholders that build a more sustainable future for the retirement system. She has also worked with her clients to implement contribution rate stabilization policies that provide more predictable pension costs that work within the Stakeholders' budgets but also provide sound funding for the retirement system.

She also has significant experience with analyzing and revising demographic and economic assumptions through actuarial experience studies and actuarial audits. Janie's compliance work and experience covers GASB reporting requirements as they apply to pension and OPEB plans, 415(b) calculations and non-discrimination testing for DB and DC plans.

### Professional Designations

- Associate, Society of Actuaries
- Enrolled Actuary
- Member, American Academy of Actuaries

### Education

Bachelor of Science, Mathematics, University of Texas, Austin

## Krysti Kiesel, ASA, MAAA

Consultant

[krysti.kiesel@grsconsulting.com](mailto:krysti.kiesel@grsconsulting.com)



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### Expertise

Krysti Kiesel is a Consultant in GRS' Denver, Colorado office. She has 10 years of experience providing actuarial work to statewide and local retirement systems. She has worked with clients in Kentucky, North Dakota, New Mexico, Colorado, Arizona, Wyoming, Texas, and Oklahoma.

Krysti's actuarial responsibilities include the preparation of pension and retiree health valuations, plan design studies, funding policy analysis, experience studies, actuarial audits, and projections. She also supports her clients with plan administration through the preparation of benefit calculations, benefit statements, and Domestic Relations Order (DRO) calculations. Krysti's defined benefit plan expertise extends to traditional, hybrid, and cash balance plans, DROP programs, cost-of-living provisions, and service credit purchase options.

### Professional Designations

- Associate, Society of Actuaries
- Member, American Academy of Actuaries

Krysti is currently pursuing her Enrolled Actuary designation.

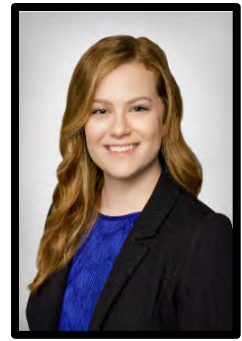
### Education

Bachelor of Arts, Mathematical Economics, Colorado College, Colorado Springs, Colorado Teaching certificate, secondary school mathematics

## Lindsay Bechtel

Senior Analyst

[lindsay.bechtel@grsconsulting.com](mailto:lindsay.bechtel@grsconsulting.com)



---

### Expertise

Lindsay is a senior analyst in the Dallas, Texas office of GRS. Lindsay will serve primarily in the checker role (the second step of review), but also works with other analysts that will assist her in the initial preparation of valuations. She has worked with both municipal and large statewide retirement systems in Texas, South Carolina, Arizona, New Mexico, and Utah as well as OPEB plans throughout Texas and South Carolina. Lindsay's primary tasks include generating and reviewing client draft reports, reconciling member data and financial reports, updating and reviewing liability models to include new benefits and assumptions and preparing information and data for analysis.

### Professional Designations

Lindsay is pursuing the designation of Associate of the Society of Actuaries (ASA). She has passed exams FM (Financial Mathematics), P (Probability), IFM (Investment and Financial Markets). Lindsay has also received credit for the Validation by Education Experience in Corporate Finance, Economics, and Applied Statistical Methods.

### Education

Bachelor of Arts, Mathematics, Austin College (Sherman, TX)

Bachelor of Arts, Physics, Austin College

## Milton Catalina

*Analyst*

[milton.catalina@grsconsulting.com](mailto:milton.catalina@grsconsulting.com)



---

### Expertise

Milton Catalina is an Analyst in GRS' Dallas, Texas office. His primary actuarial responsibilities include the preparation of OPEB and pension valuations for state and local benefit plans. He serves clients in Texas and South Carolina. Prior to joining GRS, Milton worked in the insurance industry, gaining experience in health care underwriting and premium rate setting.

Milton's actuarial valuation work includes the preparation of pension and OPEB valuations, benefit calculations, and plan design studies. His work also involves data management, present value calculations, and preparation of client presentations.

Milton achieved the honor of Eagle Scout and enjoys spending time outdoors camping. He also enjoys serving his community and church through volunteer work with the Knights of Columbus and academic clubs while a student at Texas A&M.

### Professional Designations

Milton is pursuing an Associate of the Society of Actuaries (ASA) designation. He has passed exams FM (Financial Mathematics) and P (Probability), and is currently studying for exam FAM (Fundamentals of Actuarial Mathematics).

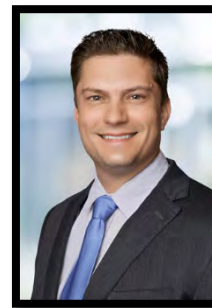
### Education

Bachelor of Science, Applied Mathematics, Texas A&M University, Magna Cum Laude

## Joseph Newton, FSA, EA, FCA, MAAA

*Pension Market Leader and Office of the Chief Actuary*

[joe.newton@grsconsulting.com](mailto:joe.newton@grsconsulting.com)



---

### Expertise

Joe Newton is a nationally recognized public sector actuary who works with numerous statewide, regional, and local retirement systems and is located in GRS' Dallas, Texas office. He has more than 20 years of actuarial and benefits consulting experience. Joe's clients are located in Colorado, Hawaii, Rhode Island, South Carolina, Kentucky, and Texas.

Joe is the Pension Market Leader for GRS. In this capacity, Joe functions in one of the most senior professional roles in GRS, providing significant firm-wide leadership and contribution at the highest levels. This role bridges the gap between industry requirements, internal processes, and client deliverables to further strengthen GRS' position in the marketplace.

Joe is also a member of the GRS Office of the Chief Actuary. In this capacity, he provides strategic thought leadership to public sector clients as well as ensuring that service is being provided at the highest level by all GRS employees.

As well respected in our industry, several of Joe's projects have changed the way services are provided, and how pensions are understood, in the public sector community. There are several examples of plan redesign projects, including optimized funding mechanisms and creative plan design features that originated with Joe's consulting and have been further implemented by other systems. Joe has a unique ability to create innovative solutions to specific problems, and then be able to communicate these sometimes complex solutions to all stakeholders.

Joe stresses a top-down approach to pension plan consulting, which integrates the major goals of stakeholders, addresses human capital needs, and utilizes projection and valuation techniques that manage risk. He has built an enviable reputation in the public sector actuarial community for his creative ability to communicate difficult and complex ideas to Boards and Stakeholders. Most importantly, Joe believes he has helped its clients increase their credibility with the legislative and executive branches of the state government. In many cases, we have annual educational sessions for legislative leaders are of paramount importance in establishing and maintaining this credibility.

Joe is an appointed member on the Associate Advisory Committee of the National Association of State Retirement Administrators (NASRA) where he provides support for NASRA's vital initiatives to support public employee benefit programs across the country.

### Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary
- Fellow, Conference of Consulting Actuaries
- Member, American Academy of Actuaries

### Education

Bachelor of Arts, Mathematics, and Business Administration, Austin College (Sherman, Texas)



RFP: 020 240000203

## Actuarial Services

Proposal Prepared for Kentucky Judicial Form Retirement System

March 4, 2024

**Submitted by:**

A handwritten signature in black ink that reads "Scott Porter".

Scott Porter, FSA, EA, MAAA  
Principal & Consulting Actuary  
**Milliman**

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Sent via Email: [Bo.Cracraft@ky.gov](mailto:Bo.Cracraft@ky.gov)

March 4, 2024

Bo Cracraft, Executive Director  
Kentucky Judicial Form Retirement System  
305 Ann Street, Suite 302  
Frankfort, Kentucky 40601

**Re: RFP 020 2400000203 – JFRS Actuarial RFP**

Dear Mr. Cracraft:

Thank you for extending Milliman the opportunity to provide actuarial services to the Kentucky Judicial Form Retirement System (JFRS) two retirement plans; the Judicial Retirement Plan and Legislators Retirement Plan (“the Plans”).

Milliman is a leader among actuarial consulting firms who focus on public sector pension and healthcare clients. We serve over 1,000 public pension and healthcare clients, some small, and some as large or larger than the Plans. We are familiar with the world that complex systems operate in and are accustomed to the volume of data and the quick turnaround times.

Milliman recently implemented the Judicial Retirement Plan (JRP) and the Legislators Retirement Plan (LRP) on Milliman’s pension administration platform providing us comprehensive knowledge of the JRP and LRP data, plan provisions and JFRS processes. In addition, the proposed Milliman actuarial team was part of the 2023 actuarial audit of JFRS. The combination of these items will allow us to provide a seamless transition and ongoing support to JFRS in an efficient manner.

We look forward to serving JFRS and we trust that the information and materials included in this proposal will allow you to feel confident in making a decision to retain Milliman for actuarial services. If you would like to discuss anything in this proposal further, please feel free to call at your convenience.

Sincerely,

Scott F. Porter, FSA, EA, MAAA  
Principal & Consulting Actuary  
Direct: 610-975-8070

Email: [scott.porter@milliman.com](mailto:scott.porter@milliman.com)

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## EXECUTIVE SUMMARY

Milliman is pleased to provide this proposal for actuarial and consulting services for the Judicial Form Retirement System (JFRS) defined benefit pension and OPEB plans for your review and consideration. With an experienced team of critical thinkers and problem solvers, Milliman strives to understand the uniqueness of each retirement system and provide customized solutions to meet their specific needs. We have done a thorough review of the RFP materials. Based on the data available, we believe we have a clear picture of what you seek in terms of an actuarial consulting partner relationship, the objectives you are hoping to achieve, and the work involved in delivering exceptional results.

Our service delivery model is designed to be well staffed, responsive, and accountable. Our organization is founded on the values of independence, integrity, and client-focused quality. The following highlights why we believe that Milliman is the right fit for JFRS.

### Inherent Efficiencies

One of Milliman's key differentiators is that we provide administrative excellence from actuarial origins. Milliman's strength as an actuarial firm provides the foundation for our defined benefit administration systems and service models.

Milliman first started having discussions with the Kentucky JFRS in 2021 about Milliman's MARC pension administration system. Since then, Milliman has implemented the Judicial Retirement Plan (JRP) and the Legislators Retirement Plan (LRP) on Milliman's pension administration platform with the system going live in July 2023. Through the implementation of the system, Milliman has gained comprehensive knowledge of the JRP and LRP data, plan provisions and JFRS processes. Milliman has documentation on the JRP and LRP pension administration data and plans, including both the Traditional and Hybrid tiers. Milliman actuaries will have access to the JFRS pension administration website and will be able to download the actuarial valuation data directly and research data issues on the MARC system. This provides efficiencies that will help the valuation process go smoothly, and the ability of Milliman actuaries and MARC staff to work together internally will reduce the administrative burden on JFRS staff well below that which is usually required in the valuation process.

With both actuaries and defined benefit administration experts on staff, we understand the complex needs of each specialized industry. We also bring a wealth of experience to maximize the value of benefit dollars included in each client's retirement system.

### Experienced Services Team

Milliman strives to hire the most qualified actuaries to provide high-quality, comprehensive services for our clients. Milliman employs more than 4,800 people worldwide, including a professional staff of more than 1,500 qualified actuaries and consultants.

Scott Porter, Principal and Consulting Actuary, will lead the engagement and will be supported by dedicated team members. This service team maintains responsibility for a limited number of clients to ensure that JFRS receives the responsive, detailed, quality service that we must offer to exceed your expectations. Our highly qualified proposed service team:

- Conducted the 2023 actuarial audit of JFRS, as well as the other Kentucky State-Administered Retirement Systems, providing us with extensive knowledge on these systems.
- Has extensive experience and understanding of the unique issues faced by Retirement Systems;

- Has extensive experience working with cash balance plans;
- Will be dedicated to providing a substantial amount of time to JFRS
- Possesses the comprehensive depth and resources necessary to handle all the work requested in a timely fashion; and
- Consists of members who are fully qualified as Fellows of the Society of Actuaries, Enrolled Actuaries and Members of the Society of Actuaries.

## Demonstrated Retirement System Experience

Milliman works with many statewide and large municipal public plans. We are the retained system actuary or the most recently appointed pension actuarial auditor for six of the US's seven largest state and local public pension systems, as identified by *Pensions & Investments*.

Members of our proposed service team have a record of ably serving some of the largest and most complex state retirement systems including the Southeastern Pennsylvania Transportation Authority (SEPTA), the Metropolitan Transportation Authority in NY covering its eight agencies and four pension plans, the Puerto Rico Government Employees and Judiciary Retirement, the Puerto Rico Teachers Retirement System, the California State Teachers Retirement System and the Los Angeles County Employees Retirement System. In addition, members of our proposed project team have performed several actuarial audits in recent years, including the Kentucky State-Administered Retirement Systems (six systems), Ohio Public Employees Retirement System, Ohio School Employees Retirement System, Retirement Systems of Alabama (3 systems, audited twice), and the United Nations Joint Staff Pension Fund among others.

## SCOPE OF SERVICES

Milliman is able to provide all of the required items/services outlined in the RFP, which includes:

Part A. General Duties		Milliman
1	<p><u>Load and reconcile Plan data.</u></p> <p>JFRS staff will furnish the Actuary with all data and statistical information deemed necessary to perform the specified contract services. Data will be provided in a form agreed upon by JFRS and the Actuary.</p>	✓
2	<p><u>Treat all member information as confidential.</u></p> <p>The Actuary is expected to keep all member and annuitant information confidential.</p>	✓
3	<p><u>Seek written consent prior to public release of information.</u></p> <p>With respect to any publication or information regarding the actuarial services provided under the terms of a resulting contract, the Actuary shall identify JFRS as the sponsoring agency and shall not release any information without prior approval of the Executive Director, or appointed designee. This information includes, but is not limited to, press releases, research and reports.</p>	✓
4	<p><u>Communicate directly to the Executive Director (or appointed designee).</u></p> <p>JFRS expects the Actuary to route all requests, reports and all other communication in connection with the contract through the Executive Director, or appointed designee.</p>	✓
5	<p><u>Document discussion ideas, issues, and manage extended services.</u></p> <p>Share responsibility with JFRS for documenting in writing all ideas and issues that arise in discussions and meetings. The Actuary must review, approve and sign all price quotations for extended services, final reports, correspondence regarding actuarial assumptions and other technical issues.</p>	✓
Part B. Valuation Services		Milliman
1	<p>To perform an actuarial valuation of JRP as of July 1, 2024, to determine the present value of pension benefits in compliance with various Statements of the Governmental Accounting Standards Board. The valuation must be completed by September 30, 2024.</p>	✓
2	<p>To perform an actuarial valuation of JRP as of July 1, 2025, to determine actuarial soundness and funding requirements for the fiscal biennium 2026-2028 as required by the Kentucky Revised Statutes (KRS), and to determine the present value of pension benefits in compliance with various Statements of the Governmental Accounting Standards Board. The valuation must be completed by September 30, 2025.</p>	✓

Part B. Valuation Services	Milliman
<p><b>KRS 21.525 provides:</b></p> <p>(1) <i>The state, by appropriation to the Judicial Retirement Board, shall contribute annually to the Judicial Retirement System an amount equal to the percent as computed under subsection (2)(a) of this section of the creditable compensation of active members of the Judicial Retirement System, to be known as the "normal cost contribution," and an additional amount computed under subsection (2)(b) of this section, to be known as the "actuarially accrued liability contribution."</i></p> <p>(2) (a) <i>The normal cost contribution shall be determined using:</i></p> <ol style="list-style-type: none"> <li>1. <i>The entry age normal cost funding method;</i></li> <li>2. <i>An asset smoothing method that smooths investment gains and losses over a five (5) year period; and</i></li> <li>3. <i>Other funding methods and assumptions established by the board.</i></li> </ol> <p>(b) <i>The actuarially accrued liability contribution shall be computed as follows:</i></p> <ol style="list-style-type: none"> <li>1. <i>The total unfunded actuarially accrued liability shall be amortized over a closed period of twenty (20) years beginning with the 2023 actuarial valuation;</i></li> <li>2. <i>Any increase or decrease in the unfunded actuarially accrued liability occurring after the completion of the 2023 actuarial valuation shall be amortized over a closed period of twenty (20) years beginning with the actuarial valuation in which the increase or decrease in the unfunded actuarially accrued liability is recognized. An increase or decrease in the unfunded actuarially accrued liability may result from, but not be limited to, legislative changes to benefits, changes in actuarial methods or assumptions, or actuarial gains or losses;</i></li> <li>3. <i>If the annual valuation determines that the plan has surplus actuarial assets, the prior amortization bases established under subparagraph 2. of this paragraph shall be eliminated, and one (1) base equal to the amount of surplus actuarial assets shall be established and amortized over an open period of twenty (20) years; and</i></li> <li>4. <i>The actuarially accrued liability contribution shall be determined by actuarial methods consistent with the methods prescribed for determining the normal cost contribution, except that beginning with the 2023 actuarial valuation the level dollar amortization method shall be utilized.</i></li> </ol> <p>(c) <i>The board shall adopt the actuarial assumptions that are to be used in making the determinations.</i></p> <p>(3) <i>The normal cost contribution and the actuarially accrued liability contribution for each fiscal biennium shall be determined on the basis of the actuarial valuation last preceding the commencement of the biennium.</i></p> <p>(4) <i>Employer costs for the hybrid cash balance plan as provided by KRS 21.402 shall be incorporated into the employer contribution rate of the Legislators' Retirement Plan and the Judicial Retirement Plan as a new benefit tier within the plans.</i></p>	<p style="text-align: center;">✓</p>

Part C. Consultation and Advisory Services		Milliman
1	<p><u>Provide actuarial consultation and advisory services.</u></p> <p>These services will be delivered in meetings and by telephone calls, written correspondence and reports. JFRS expects these services may include public testimony to committees, board, commissions and legislators on any technical, policy, legal or administrative issues arising during the course of business.</p> <p>The Actuary should be accessible to the Executive Director, or appointed designee, by telephone or email within one (1) working day and will be available for meetings within ten (10) working days of a request. JRP expects the Actuary to attend a minimum of one (1) meeting with the Board during the two-year biennium. JRP anticipates that the Actuary may be called upon to attend a minimum of one (1) meeting/legislative hearing during the two-year biennium.</p>	✓
2	<p><u>Prepare actuarial cost analysis of proposed legislation.</u></p> <p>The Actuary shall provide timely actuarial cost analysis of proposed statutory amendments as requested by the Executive Director, or appointed designee. An actuarial cost analysis must be completed in accordance with KRS 6.350. JRP expects the Actuary to prepare an average of five (5) estimates per legislative session. The majority of these actuarial analysis requests will occur during the regular session of the Kentucky General Assembly (even number years) and may require the Actuary's response within three working days or sooner.</p>	✓

Part D. Extended Contract Services		Milliman
1	<p><u>Conduct experience studies.</u></p> <p>The Actuary shall conduct an experience study mandated by KRS 21.440(1)(b), during the first year of the Contract. The study will include, but not limited to, inflation, investment return, salary increases, termination rates, medical coverage and medical trend costs.</p>	✓
2	<p><u>Perform purchase/transfer calculations.</u></p> <p>When requested, the Actuary will determine the liability to the Plans for a legacy DB member to purchase qualified non-judicial or non-legislative service credit and/or transfer qualified service credit from another state retirement systems</p>	✓

## MINIMUM QUALIFICATIONS

1. The firm must be a professional actuarial consulting firm that provides actuarial valuation, experience investigations, asset/liability studies, actuarial audits, and pension consulting.

Since our founding in 1947, Milliman has been performing actuarial valuations, experience studies, actuarial audits and pension consulting services to defined benefit plans. Today, Milliman provides actuarial valuations, asset/liability studies, experience studies, actuarial audits and pension consulting services to hundreds of public retirement systems that range in size from a few participants to more than a million. We are the retained system actuary or the most recently appointed pension actuarial auditor for six of the US's seven largest state and local public pension systems, as identified by *Pensions & Investments*.

2. The firm must have ten (10) years of experience as an actuary providing pension consulting services, experience analysis and valuation assignments for a public retirement system.

For more than 75 years Milliman has provided a full suite of actuarial and consulting services to public retirement systems, beginning with our initial assignment of serving the Washington State Retirement System in 1947. In addition to our long history serving traditional defined benefit pension plans, today Milliman also works on some of the largest cash balance plans in the country.

3. The primary actuary performing the services under the Contract must be a Fellow of the Society of Actuaries and an enrolled actuary. Any Supporting Actuary must either be a Fellow, enrolled, or have 10 years of pension consulting experience.

Milliman has over 500 Members of the American Academy of Actuaries (of which over 150 are Enrolled Actuaries) as well as over 580 Fellows of the Society of Actuaries.

Scott Porter will lead the engagement and provide overall relationship management. Scott is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, Enrolled Actuary and a Principal of Milliman. With 30 years of defined benefit pension experience, Scott is an expert in public pension and retiree medical plans, and regularly consults with clients on issues involving valuations, projections, day to day consulting and interpretation of pension related issues, legislative compliance, and the design and redesign of benefit plans. Scott will be joined by a robust team of consultants, actuaries, and other subject matter experts.

Detailed information including roles and responsibilities of the proposed services team is provided in this proposal. Service team biographies of the senior members of the team is provided as Appendix A.

4. The firm must have all necessary permits and licenses. Liability, professional errors, and omissions insurance in the amount of \$1,000,000 must be in effect at the time the proposal is submitted and throughout the term of the agreement.

It is contrary to Milliman's standard practice to disclose such details about our insurance coverage in a written proposal. We will provide full disclosure about our coverage orally at your request. We certify that Milliman maintains professional liability/errors and omissions, network security/media liability and commercial general liability coverage appropriate for a consulting firm of our size (revenue of \$1.5 billion in 2023), commensurate with the services described in the Request for Proposal. If selected as a finalist, Milliman is able to provide certificates of insurance as evidence of the required coverages.



5. The actuary performing the services under the Contract should have experience testifying before legislative and administrative bodies in support of actuarial positions and/or the principles used in valuing a retirement system and determining the actuarial impact of legislation.

The project team has significant experience presenting actuarial reports to various stakeholders:

- Lead consultant Scott Porter presented Milliman's audit findings of JFRS as well as the other State-Administered Retirement Systems to the Kentucky Legislative Retirement Commission.
- While working with the Pennsylvania Budget Office, Scott presented various reports on potential plan design and funding changes to various Pennsylvania legislative bodies.
- As consultants to the Independent Fiscal Office and its predecessor (Pennsylvania Public Employee Retirement Commission, Scott and Katherine Warren have discussed with staff various fiscal notes drafted by Milliman on potential changes to the Pennsylvania Public School Employees' Retirement System and the State Employees' Retirement System (which includes benefits for legislators and judges).
- While consulting to the State of New Jersey, Scott presented the actuarial results on an annual basis to the trustees of the Teacher's Pension and Annuity Fund, presented information at meetings containing legislative staff on the State contributing the Lottery Enterprise to the retirement systems and provided various health and pension analysis to the New Jersey Senate Majority Office.
- Ryan Falls has discussed with legislators and testified publicly to administrative bodies in support of actuarial positions for various clients in both Texas and Oklahoma regarding long-term implications of defined benefit versus defined contribution strategies, impact of transitioning new employees to cash balance formula, increased funding requirements, and proposed changes to administrative rules.
- As actuarial consultants, Scott and Kathy have participated in collective bargaining sessions presenting actuarial valuations results and impacts of proposed changes to union leadership on behalf of their clients.

6. The firm must provide its own work facilities, equipment, supplies and support staff to perform the required services.

Milliman has over 4,800 employees in over 60 locations across the United States and world wide. We are well staffed and have the resources to provide all of the services requested in the RFP.

## EXPERIENCE AND QUALIFICATIONS

Milliman is the pre-eminent service firm for large, complex public systems. Serving large, complex public entities is our specialty. Each large complex public system has one group (sometimes in-house, sometimes an outside third-party) perform its valuation work and a different group perform its actuarial audit work. In reviewing a 2023 list from *Pensions & Investments* magazine, Milliman currently fills one of those roles for **six** of the seven largest public sector systems. No other competitor fills that role for more than two of those seven systems.

Since our founding in 1947, we have put an emphasis on serving public sector retirement systems. This is evidenced by:

- The length of our service to many public-sector retirement systems averages 30 years, which reflects the quality of our service to our clients and their continued satisfaction.
- Milliman has contacts throughout governmental and industry bodies that assist us in keeping abreast of current events, which positions us as a leader on pension policy matters critical to the Board. For example, we actively participate in the following public retirement organizations:
  - National Association of State Retirement Administrators (NASRA)
  - National Council on Teacher Retirement (NCTR)
  - National Conference on Public Employee Retirement Systems (NCPERS)
  - International Foundation of Employee Benefits Plans (IFEBCP)
- To best serve our clients, Milliman can call upon our dedicated Employee Benefits Research Group whose function is to keep Milliman consultants and clients current on regulatory developments and to lend assistance on specific projects involving new or complex changes in the legal environment. Our Research Director also maintains close relationships with contacts at the IRS, DOL, PBGC and other governmental agencies in Washington D.C.

In addition, Milliman provides regular updates of current issues involving federal policy and recent litigation called Monthly Benefit News and Developments. As new legislation or IRS rulings are issued, Milliman issues Client Action Bulletins, which describe the changes and their impact. Specific to public retirement systems, Milliman publishes the Milliman Public Pension Funding Study covering the 100 largest public retirement systems each year, as well as monthly updates to the study so that our clients can follow market trends throughout the year. We have listed additional examples Milliman publications that display our thought leadership below:

- Risk-Based Funding Policy, which gives a framework to develop funding policy and assess it over time. It was the only paper from a consulting firm named a winner in the National Institute on Retirement Security's Innovative Public Pension Funding Strategies contest.
- *Public pension plan funding policy: Effectiveness of amortization methods under deterministic projections*, which is an example of an article focused on public sector funding policies.
- Milliman Public Pension Funding Study which annually explores the funded status of the 100 largest U.S. public pension plans.  
<https://www.milliman.com/en/insight/public-pension-funding-index-january-2023>

- Dear Actuary newsletter, which is focused on topics for public sector pension and OPEB plans.
- *Perspectives* is a regular newsletter that provides articles of general interest on employee benefits.

## Public Sector Focus

Milliman is a leader among actuarial consulting firms who focus on public sector pension and OPEB clients. Milliman serves approximately 4,500 employee benefits clients, including over 1,000 public sector clients. We routinely provide annual valuation and experience study services to some of the largest retirement systems in the country. Our expertise covers all aspects of Public Employee Retirement System (PERS) services, including:

- actuarial valuations,
- experience studies,
- development of plan costs,
- N-year projection models,
- review and costing plan design changes, including legislative analysis,
- other special studies,
- working with PERS staff on administrative disclosure, communication, record keeping; and
- testifying before legislative committees and governing boards.

In addition, we have audited many retirement systems over the years, as well as performed actuarial services for organizations, such as Budget Offices and legislative oversight bodies. We believe this variety of clients and projects provides us with a unique perspective in serving our clients.

Milliman is among the world's largest providers of actuarial, risk management, and related technology and data solutions. Our consulting and advanced analytics capabilities encompass employee benefits, healthcare, property and casualty insurance, life insurance and financial services.

The following is a representative list of our current PERS clients which speaks to our ability to provide actuarial services to complex public retirement systems.

Retirement System	Initial Contract	Members (thousands)	Market Value of Assets (\$ billions)
California State Teachers' Retirement System	1985	965	309
Florida Retirement System <sup>1</sup>	1986	1,045	202
Idaho Public Employees Retirement System <sup>1</sup>	1970	139	14
Los Angeles County Employees Retirement Association <sup>1</sup>	1999	184	73
Government of Guam Retirement Fund <sup>1</sup>	2004	10	2

Retirement System	Initial Contract	Members (thousands)	Market Value of Assets (\$ billions)
Puerto Rico Judiciary Retirement System* <sup>1</sup>	2007	1	1
Puerto Rico Teachers Retirement System*	2007	72	20
Puerto Rico Government Employees Retirement System*	2007	210	30
Long Island Railroad	2001	6	1
Manhattan and Bronx Surface Transit Operating Authority	2001	15	3
New York City Metropolitan Transportation Authority	2001	32	5
Oregon Public Employees Retirement System <sup>1</sup>	2012	381	86
San Mateo County Employees' Retirement Association <sup>1</sup>	2006	13	6
Seattle City Employees' Retirement System	1991	19	4
Southeastern Pennsylvania Transportation Authority	1996	15	2
Tacoma Employees' Retirement System	1976	6	2
Texas County & District Retirement System <sup>1</sup>	1999	320	43

\*The Puerto Rico systems are operated on a pay-as-you-go basis, so the liability amounts are shown in the table above as a proxy for plan size.

<sup>1</sup> Systems that includes judges, courts or legislators.

In addition to serving PERS on a system actuary basis, we are very familiar with the role of auditing actuary or consulting actuary. We have performed many actuarial audits firm-wide of large complex PERS. In addition, Milliman services the following is a representative project list of actuarial audits completed by Milliman.

- Retirement Systems of Alabama <sup>1</sup>
- Arizona State Retirement System
- Arizona Public Safety Personnel Retirement System
- Colorado Public Employees' Retirement Association
- Contra Costa County Employees' Retirement Association
- Kent County Employees Retirement Association
- Kentucky County Employees' Retirement
- Kentucky Employees Retirement System
- Kentucky Judicial Retirement Plan <sup>1</sup>

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- Kentucky Legislators Retirement Plan <sup>1</sup>
- Kentucky State Police Retirement System
- Kentucky Teachers Retirement System
- Indiana Public Employees Retirement Fund <sup>1</sup>
- Illinois Municipal Retirement Fund
- Los Angeles Fire & Police Pensions
- Marin County Employees Retirement Association
- New York City Board of Education Retirement System
- New York City Employees' Retirement System
- New York City Teachers Retirement System
- New York State and Local Police and Fire Retirement System
- New York State and Local Employees' Retirement System
- Ohio Public Employees Retirement System
- Ohio State Teachers Retirement System (via ORSC)
- Pennsylvania Public School Employees Retirement System
- Pennsylvania State Employees Retirement System <sup>1</sup>
- Employees Retirement System of Texas
- Teacher Retirement System of Texas
- United Nations Joint Staff Pension Fund
- Washington State Retirement Systems

In summary, although there are many actuarial firms, we feel that no firm can match the combination of Milliman's experience, high technical ability, and client service. In a world overloaded with information, our clients rely on us to help find the right information and turn it into actionable knowledge to solve their toughest problems. We are committed to bringing depth, clarity, and context to the issues and challenges that our clients face every day. Our clients rely on us to be industry experts, trusted advisors, and creative problem-solvers.

## RESPONSE TO RFP QUESTIONNAIRE

### 1. A brief description of their firm

Milliman is a privately held corporation, wholly owned and managed by approximately 550 principals who have been elected in recognition of their technical, professional, and business achievements. We have no corporate parentage and are not affiliated with any public accounting or brokerage firms (there are no plans to change our ownership structure).

Milliman is firmly committed to our actuarial practice and has been since our founding 75 years ago. Milliman insight reaches across global boundaries, offering specialized consulting services in employee benefits, healthcare, life insurance and financial services, and property and casualty insurance. We have grown to become one of the largest independent providers of comprehensive actuarial and consulting services in the United States. Milliman's commitment provides plan sponsors the best people, service, and technology available in the retirement and postretirement services industry. Our mission is to serve clients to protect the health and financial well-being of people everywhere.

A leader in the retirement plan industry, Milliman has provided our clients with superior retirement and post-retirement plan and actuarial consulting services since 1947. A long list of satisfied clients across the United States and globally have validated Milliman's expertise.

Our national structure provides ongoing business continuity and financial stability, with over \$1.5 billion in revenue for 2023. Additionally, our heavy investments continue to keep Milliman a leader in our service areas.

Milliman employs more than 4,800 people worldwide, including a professional staff of more than 1,600 qualified actuaries and consultants. We have over 500 Members of the American Academy of Actuaries (of which over 150 are Enrolled Actuaries). As an employee-owned business, Milliman attracts smart and motivated consultants who thrive in an entrepreneurial environment. Our management approach is proactive, with the genuine interest of the client in mind. We value ourselves as an extension of your staff and listen to your needs and expectations in order to satisfy them.

#### *Public Sector Pension and OPEB Focus*

Milliman is a leader among actuarial consulting firms who focus on public sector pension and OPEB clients. We serve over 1,000 public pension and healthcare clients of various sizes and complexity. We routinely provide annual valuation and experience study services to some of the largest retirement systems in the country. In addition, we have audited many retirement systems over the years, as well as performed actuarial services for organizations, such as Budget Offices and legislative oversight bodies. We believe this variety of clients provides us with a unique perspective.

### 2. A list of the personnel of the firm who will be directly involved in working with the JFRS staff. This information should provide brief resumes.

The proposed project team assembled for the JFRS has the qualifications, capability, and experience to perform the services and work products specified in the RFP. The senior team members, several of whom performed a replication and audit of JFRS under our 2022 contract with the Kentucky Legislative Research Commission (LRC), are highlighted below. A service team organization chart with detailed biographies is provided as Appendix A.

### **Lead Consultant**

Scott F. Porter will serve as lead consulting actuary and day-to-day contact for JFRS. Scott is a Principal of Milliman, a Fellow of the Society of Actuaries, an Enrolled Actuary, and a member of the American Academy of Actuaries. Scott has 30 years of experience in actuarial consulting to public retirement systems on both pension and postretirement health plans. Scott is also chair of Milliman's Public Plan Strategic Practice Group and is serving on the Society of Actuary's Retirement Plans Experience Committee that produces industry-wide public plan mortality tables. He has also been involved with numerous plan design studies for pension and OPEB plans including those involving union negotiations.

Scott led Milliman's 2022 engagement with LRC. In addition, he serves as the system actuary leading pension and OPEB valuations for the Southeastern Pennsylvania Transportation Authority (SEPTA) and the NYC Metropolitan Transportation Authority. (Milliman also provides pension administration services to SEPTA under the direction of Kevin Hart.) He is currently leading an experience study for the five NYC retirement systems. Scott conducts senior peer review for other significant public plans, including the California State Teachers Retirement System. Scott originated and continues to develop Milliman's PowerBI data visualization capabilities for public pension systems.

### **Pension Lead Consultant**

Katherine Warren will serve as the pension lead consultant. Kathy is a Fellow of the Society of Actuaries, an Enrolled Actuary under ERISA and a member of the American Academy of Actuaries. Together with Scott, Kathy will ensure that JFRS receives the highest level of service, strong consulting / actuarial support, and critical pension market intelligence. She will also work with Scott to communicate the actuarial assumptions and results. Kathy has over 30 years of service serving both public and private sector clients in all aspects of both qualified and nonqualified pension plans. Such experience includes performing the annual valuations, experience studies, multi-year projections, and cost estimates for potential plan changes.

Kathy served as valuation manager for Milliman's 2022 engagement with LRC. In addition, she leads Milliman's long term engagement with the Pennsylvania Independent Fiscal Office (formerly the PA Public Employee Retirement Commission) which reviews potential legislation impacting the two PA state retirement systems. (The Pennsylvania State Employees Retirement System includes separate benefit levels for Judges and for Legislators.) Kathy also manages valuations for the Puerto Rico retirement systems, including the judicial plan and assists Scott with the pension and OPEB valuations for SEPTA and NYC Metropolitan Transportation Authority.

### **Pension Valuation Manager**

Steve Kowalski will serve as valuation manager. Steve is a Fellow of the Society of Actuaries, an Enrolled Actuary, and a member of the American Academy of Actuaries. Steve's experience includes valuation and experience study projects. Steve was the lead pension programmer for Milliman's 2022 engagement with LRC and is the valuation manager for the MetLife Retirement Plan, which is one of the largest cash balance plans in the country. In addition, he has served clients including NYC Metropolitan Transportation Authority, NYC Office of the Comptroller, Los Angeles County Employees Retirement Association, the State of Illinois, and the City of Chicago.

### **Healthcare Lead Consultant**

Marcella Giorgou will serve as the lead health consultant. Marcella is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an Enrolled Actuary. Together with Scott, Marcella will ensure that JFRS receives the highest level of service, strong consulting and actuarial support, and critical healthcare market intelligence. Marcella has nearly 20 years of postretirement welfare experience and has worked on both the valuation and healthcare side. She brings a skillset focused on all health-related aspects of active and retiree medical plans, including actuarial analysis such as short-term budget projections, developing claims and trend related assumptions for annual OPEB valuations and reserving. In addition, she provides strategic consulting support with regard to collective bargaining negotiations and the design and delivery of health and welfare plans.

Marcella performed healthcare review and analyses for Milliman's 2022 engagement with LRC. In addition, she prepares healthcare related assumptions for the postretirement medical valuation and/or IBNR calculations for systems including the NYC Metropolitan Transportation Authority and New Jersey Transit. She also serves as consulting actuary on 1199SEIU National Benefit Fund, which covers approximately 110,000 active members and 45,000 retired members. Her experience for this Fund includes preparing healthcare related assumptions for the postretirement medical valuation (\$6 billion liability).

### **Healthcare Valuation Manager**

Anna Morgan will be the valuation manager. Anna has more than two decades of experience serving OPEB clients. She is an Associate of the Society of Actuaries and a member of the American Academy of Actuaries. She has provided health and welfare services including plan design analysis, assistance in collective bargaining negotiations and development of healthcare-related assumptions for postretirement benefit valuations to several large counties in Georgia, Tennessee, and Florida, as well as working directly with States themselves. Anna has also served clients including the 1199SEIU National Benefit Fund and Lockheed Martin.

### **Senior Peer Reviewer**

Ryan Falls will serve as the senior peer reviewer. Ryan is a Fellow of the Society of Actuaries, an Enrolled Actuary under ERISA and a member of the American Academy of Actuaries. Ryan has 25 years of actuarial and benefits consulting experience focused on the needs of major public employee retirement systems and private sector employers. Throughout his career, Ryan has provided consulting services to statewide and municipal retirement systems across the country.

Immediately prior to joining Milliman, Ryan was the lead actuary for the Arizona State Retirement System, the Teachers Retirement System of Oklahoma, the New Mexico Educational Retirement Board, the New Mexico Public Employees Retirement (including the Judicial Retirement Fund), and the Employees Retirement System of Texas (including the Judicial Retirement Systems I and II). For both New Mexico PERA and Texas ERS, the legislative members participate in the large State employee fund.

### **Capital Market Assumptions**

Alan Perry is chair of Milliman's Capital Market Assumptions Committee and will assist in reviewing the recommended investment return assumption. Alan is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, a Chartered Financial Analyst and a Principal of Milliman. Alan provides



assistance to Milliman consultants and clients on developing investment return assumptions, asset allocation studies and investment strategies.

### **Employee Benefits Research Group**

Nina Lantz is director of the Employee Benefits Research Group at Milliman. Nina keeps our clients and consultants informed on late-breaking legislation, regulations, accounting standards, and provides guidance as it impacts employee benefits. She is a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, an Enrolled Actuary, and a Principal of Milliman.

### **Other Personnel**

Various other professionals, including consultants, pension and OPEB analysts, and support personnel will be assigned to these key individuals. The Milliman MARC team that works on the JFRS pension administration system is available as a resource to assist as needed.

3. A list of current and past clients of the firm including name, title, phone/fax numbers and email addresses where similar work has been performed.

The following are references for clients where Milliman's JFRS project team members have provided similar services to those requested by JFRS in this RFP.

### **Kentucky Legislative Retirement Commission**

Lead pension/OPEB consultant – Scott Porter  
Team members – Marcella Giorgou, Steve Kowalski, Kathy Warren

Contact:

Brad Gross, Committee Staff Administrator  
Kentucky Joint Public Pension Oversight Board Committee  
Phone: (502) 564-8100  
brad.gross@LRC.KY.gov

### **Southeastern Pennsylvania Transportation Authority**

Lead pension/OPEB consultant – Scott Porter  
Lead MARC pension administration consultant – Kevin Hart  
Team members – Kathy Warren, Steve Kowalski

Contact:

Dennis Papadeas, Senior Director, Human Resources  
Southeastern Pennsylvania Transportation Authority  
Phone: (215) 580-7005  
DPapadeas@septa.org

### **Pennsylvania Independent Fiscal Office**

Lead consultant – Kathy Warren  
Team members – Scott Porter

Contact:

Mathieu Taylor, Fiscal Analyst III  
Independent Fiscal Office

Phone: (717) 230-8293  
 mtaylor@ifo.state.pa.us

**1199SEIU Benefit and Pension Funds**

Lead healthcare consultant – Marcella Giorgou  
 Team members – Anna Morgan

Contact:

Laurel Prokopow, ASA, MAAA  
 Chief Actuary  
 Phone: (646) 473-6024  
 laurel.prokopow@1199funds.org

4. Plan of services, including a detailed project agenda and time lines, which completely address the Scope of Service.

Below we will address in detail our plan of services for the scope requested in the RFP, including actuarial valuation reports, experience studies, purchase/transfer calculations and special project requests.

**ACTUARIAL VALUATIONS**

During the initial stage of the engagement, we will work directly with the JFRS staff to collect information needed for the transition process, and will work with the MARC team members to specify the data extracts needed to perform the actuarial valuations for KRS statutory funding and GASB reporting. Due to our recent work with LRC we expect the transition burden on JFRS staff to be minimal to non-existent. Milliman is prepared to begin serving JFRS on data one, and this process would commence immediately upon contract execution.

The sample timeline below provides detail on our proposed approach for the pension valuation process. We would follow a similar process for the OPEB valuation. We will review in detail with JFRS and can adjust interim deadlines as needed in response to JFRS input.

	Project Timeline	Starting Date	Ending Date	Responsible Party
<b>Planning</b>	<p><b>Step 1: Prepare request for data, plan documentation, asset information, and other necessary materials for delivery to JFRS</b></p> <p>Required data includes census data for plan participants, and fund asset information. Other information may include changes to statutes or legislation impacting JFRS.</p>	July 1	July 1	Milliman
<b>Data</b>	<p><b>Step 2: Receipt of June 30, 2021, member data and fiscal year end asset statements</b></p> <ul style="list-style-type: none"> <li>• Census Data</li> <li>• Financial Data</li> <li>• GASB Accounting File</li> <li>• Updated benefit provisions (if any)</li> </ul>	July 1	July 15	JFRS/ MARC team

	Project Timeline	Starting Date	Ending Date	Responsible Party
	<p><b>Step 3: Asset reconciliation</b></p>	July 15	July 22	Milliman
	<p><b>Step 4: Data checking and preliminary processing</b></p> <p>Upon receipt of the data, we will reconcile with the prior year's census data and perform checks for reasonableness and consistency. Questions concerning outlier data will be addressed initially with the MARC team, and then provided to JFRS staff for verification. All member information will be treated as confidential. Draft census exhibits will be provided to JFRS for review:</p>	July 15	August 14	Milliman/ MARC team/ JFRS
Cost development	<p><b>Step 5: Review economic actuarial assumptions</b></p> <p>After review of the census data and asset information has been completed, we will review actuarial assumptions and make recommendations for changes if appropriate. Our recommendations will be supported with rationale for our assumption development. We will discuss our recommended assumptions with JFRS and receive approval for the assumptions before completion of our evaluation.</p>	August 1	August 21	JFRS and Milliman
	<p><b>Step 6: Liability calculations and draft results</b></p> <p>For each valuation, we determine the actuarial present value of all future benefits payable from JRP/LRP. These calculations rely on member data, assumptions, and the appropriate plan provisions. Liability calculations are checked for accuracy and reasonableness on both an individual and aggregate basis. A "gain/loss" analysis will be completed to reconcile with the results of the prior actuarial valuation. Draft results will be provided to JFRS for review.</p>	August 7	September 1	Milliman
Reporting	<p><b>Step 7: Peer Review</b></p> <p>Peer review is an integral and ongoing process throughout the valuation. We review and check our work at every step to provide assurances that the highest quality standards are being maintained at all times. Each valuation will be reviewed in full by Ryan Falls to ensure high quality and accuracy. The peer reviewers review the assumptions, methods, and results for reasonableness, and ensure that we are complying with both Milliman standards and actuarial standards set by the American Academy of Actuaries.</p>	Ongoing throughout valuation process		Milliman

	Project Timeline	Starting Date	Ending Date	Responsible Party
	<p><b>Step 8: Develop draft reports and provide to JFRS</b></p> <p>The report is a critical element of the valuation process since it is the communication JFRS must rely on to understand our findings. Our report will include a summary of findings with a clear description of our conclusions regarding the financial condition of the System. In addition to the funding and accounting results the reports will also include discussion of the calculations and descriptions of the benefit provisions found in applicable laws and summaries of assumptions and data.</p>	September 1	September 15	Milliman
	<p><b>Step 9: Board Presentation</b></p> <p>Scott Porter will attend the Board Meeting to present the valuation reports highlighting the most significant results, including any changes from the prior year's valuation, and answer questions from the Board and staff.</p>	To be set by JFRS	To be set by JFRS	Milliman
	<p><b>Step 10: Provide final reports to JFRS</b></p> <p>After the draft reports have been approved the Board Milliman will deliver final copies.</p>	To be set by JFRS	To be set by JFRS	Milliman

## EXPERIENCE STUDY

An experience study involves studies of two major areas, economic assumptions, and demographic assumptions. Our approach to studies is discussed in this subsection.

### *Economic Assumptions*

The major economic assumptions in an actuarial valuation are investment return, future general wage increases and future growth in the Consumer Price Index. To a large extent, decisions in this area evolve into a consideration of anticipated future inflation. Inflation has the following major effects on a retirement system:

- It causes growth in the Consumer Price Index with corresponding possibilities of cost-of-living adjustments.
- It gives rise to general wage increases, causing higher final average salaries and corresponding increases in future pensions; and
- The expectation of future inflation tends to bring about higher rates of return on investments.

The effect of inflation on pension funding is not commonly understood, even though inflation has been a widely recognized characteristic of the world economy for generations. Inflation-fueled increases in salaries, which give rise to increased benefits and higher costs, also result in a greater salary base over which to spread these higher costs. Moreover, if inflation should result in higher investment yields, the extra income lowers employer costs. The result is a mix of several different forces acting upon the employer costs of the systems.

#### *Investment Return Assumption*

Milliman's Capital Market Assumptions committee (chaired by project team actuary Alan Perry, FSA, CFA) reviews and develops and updated set of capital market assumptions each year on June 30 and again on December 31. The forecasts cover periods ranging from 10 to 30-year time horizons and underlie our recommendation on all economic assumptions associated with the actuarial valuation, including the rate of investment return and inflation.

Milliman uses the Capital Asset Pricing Model ("CAPM") to forecast future returns for each asset class taking into account the expected risk-free rate, the expected return on the global portfolio of investible assets (nearly \$100 trillion) and the beta of each asset class, which is a function of the asset class's covariance with the global portfolio. Under the CAPM, the expected return on a particular asset is proportional to its systematic risk (beta) relative to a global portfolio of assets. Assets that bring higher risk to the global portfolio generally have higher expected returns than assets that bring lower risk.

Our Capital Market Assumptions committee then reviews all of the resulting expected returns from CAPM and may adjust based on current valuation measures or other factors.

The recommended investment return assumption will then consist of the rate of future expected inflation plus expected real rates of return. Milliman's assessment of the real rates of return expected over the long term in the various market segments of VRS' investment policy specifics is combined with the assumed rate of inflation to produce the recommendation. The future outlook of these markets, the extent of your participation in them and an analysis of the volatility and the correlations of historical returns of asset classes are critical factors in setting this assumption.

#### *Demographic Assumptions*

The non-economic (demographic) assumptions in an actuarial valuation include those listed below:

- a. Retirement rates
- b. Mortality rates
- c. Disability rates
- d. Termination rates, including probabilities of vesting
- e. Salary growth, exclusive of general wage increases
- f. Changes in membership size and distribution
- g. Loads to account for potential increases in JFRS benefits based on other employment

A study of active employees will encompass all listed items above. A study of inactive and retired employees will look into item b and potentially g.

When reviewing the results of an experience study, we often investigate if a select and ultimate assumption is appropriate based on the experience of the group.

“Select and ultimate” analysis is actuarial jargon for analyzing the variability of various rates (e.g., termination, retirement, salary growth, etc.) as a function of length of service as well as attained age. What this means in practice is that a different (usually much higher) rate of termination would be assumed for a new hire at age 30 than would be assumed for an employee aged 30 who has already completed 10 years of service. Similarly, higher rates of retirement frequently occur immediately following the time when a member first becomes eligible for unreduced service retirement than for other members of the same age who have already worked beyond first eligibility. Also, rates of salary increase due to merit frequently vary more significantly by length of service than by age or gender.

The results of experience studies that we have performed for other large public retirement systems (and for private sector pension plans as well) strongly suggest that rates of termination, retirement and salary growth are related to both age and service. In fact, in some professions, such as education and protective employment, service is often a stronger determinant of these rates than age. Our analysis will determine if an age and service based select and ultimate actuarial assumption is appropriate for termination rate, retirement rates and/or salary growth.

An experience study provides a periodic check on the reasonableness of actuarial assumptions. The results also provide the basis for recommended changes where warranted.

## **PURCHASE/TRANSFER CALCULATIONS**

Milliman has significant with purchase/transfer calculations, including developing batch processing when requests are frequent, advising on pricing and studying take rates to develop valuation assumptions. We will leverage the MARC system data and will work closely with JFRS to provide efficient and timely exchange of information.

## **SPECIAL PROJECT REQUESTS**

Milliman has voluminous experience with “standard” special requests such as preparing cost studies for proposed plan changes and assisting with collective bargaining analyses. Due to our long existence serving many public plans over time, we have also assisted with “special” special requests. Examples include:

- Working with system/legislature on a project to contribute lottery proceeds to system, and addressing auditor concerns
- Assisting system with analyses to prepare for the selling of member loans to private banks
- Representation in bankruptcy proceedings

- Assisting with reporting changes needed when a previously funded system exhausts assets and reports under new GASB standards (this was not anticipated by GASB during the development of the standards and involved discussion of the particular circumstances with GASB)

So whatever arises over time, we have probably seen it and can draw on past experiences. When special projects are requested by JFRS, Milliman will discuss in detail with JFRS to develop a scope, budget and timeline.

5. Proposed price schedule, including the following:

- a. The fee for services identified in Scope of Services B.1, B.2 and D.1 shall be a flat sum.
- b. The fee for services identified in Scope of Services C.1 and C.2 shall be an hourly rate.
- c. The fee for services identified in Scope of Services D.2 shall be a flat sum per calculation, not to exceed \$150.00 per member calculation.

Section B.1, B.2 and D.1 services – flat sums:

- JRP valuation (GASB reporting) - \$9,500 (FY25)
- LRP valuation (GASB reporting) - \$9,500 (FY25)
- JRP experience study - \$10,000 (FY25)
- LRP experience study - \$10,000 (FY25)
- JRP valuation (KRS statutory funding, GASB reporting) - \$37,500 (FY26)
- JRP valuation (KRS statutory funding, GASB reporting) - \$37,500 (FY26)

Section C.1 and C.2 services – hourly rates:

- Senior Consultant – FSA (20+ years) - \$495
- Junior Consultant – ASA, EA, FSA (<20 years) - \$395
- Senior Actuarial Analyst (>10 years) - \$295
- Junior Actuarial Analyst (<10 years) - \$195
- Administrative personnel – no charge

Section D.2 services:

- Purchase/Transfer calculation - \$150 per calculation

Notes:

- Travel expenses are billed at cost

# Kentucky Judicial Form Retirement System Service Team

## JFRS LEAD CONSULTANT

**SCOTT PORTER**  
FSA, EA, MAAA  
Principal, Consulting Actuary



## PENSION TEAM

**KATHY WARREN**  
FSA, EA, MAAA  
Principal, Consulting Actuary  
Pension Lead



## HEALTH TEAM

**MARCELLA GIORGOU**  
ASA, FSA, EA, MAAA  
Principal, Consulting Actuary  
Health Lead



## SPECIALIZED EXPERTISE

**RYAN FALLS**  
FCA, FSA, EA, MAAA  
Consulting Actuary, Statewide  
System Marketing Lead  
Senior Peer Reviewer



**STEVE KOWALSKI**  
FSA, EA, MAAA  
Actuary  
Valuation Manager



**ANNA MORGAN**  
ASA, MAAA  
Consulting Actuary  
Valuation Manager



**ALAN PERRY**  
CFA, FSA, MAAA  
Principal, Consulting Actuary  
Chair, Capital Market  
Assumptions Committee



**NINA LANTZ**  
FSA, EA, MAAA  
Principal  
Director, Employee Benefits  
Research Group



Various professionals, including consultants, analysts, and support personnel will be assigned to these key individuals.



# SCOTT PORTER

FSA, EA, MAAA

Principal, Consulting Actuary

scott.porter@milliman.com

+1 610 975 8070



## Current Responsibility

Scott Porter is a consulting actuary with the Philadelphia office of Milliman. He joined the firm in 1992.

## Professional Work Experience

Scott serves both public and private sector clients with their defined benefit pension and retiree medical plans. Client assignments include actuarial valuations, cost studies, actuarial audits, accounting valuations under 67, 68, 74, and 75, and FASB codifications ASC Topic 715, and government filings.

He has developed cost-projection models for private and public sector clients to determine future funding levels and the cost of proposed plan changes, as well as for GASB 67 and 74 depletion date calculations. He has assisted clients in collective bargaining and in implementing plan changes; he has also testified to legislative bodies.

Scott has consulted to several governmental entities with unique funding strategies, including rate collars, phase-in strategies, pension obligation bonds, and dedicated revenue, such as from lottery enterprise and sales tax, to assist with funding and financial reporting of pension plans. He also has experience in performing actuarial audits for pension plans, including analysis of data, actuarial methods, and assumptions.

Scott is chair of Milliman's Public Sector Strategic Planning Group; a contributing member to Milliman's Pension and Health Experts Group; and a contributing member to the Society of Actuaries' Retirement Plan Experience Committee Public Plan Mortality.

## Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary, ERISA
- Member, American Academy of Actuaries

## Education

BBA (magna cum laude), concentration in Actuarial Science, Temple University

# KATHERINE WARREN

EA, FSA, MAAA

FSA, Principal, Consulting Actuary

katherine.warren@milliman.com

+1 610 975 8074



## Current Responsibility

Kathy Warren is a principal and consulting actuary with the Philadelphia office of Milliman. She joined the firm in 1991.

## Professional Work Experience

Kathy serves both public and private sector clients regarding their defined benefit pension plans and post-retirement welfare plans. Client assignments include actuarial valuations for minimum funding and employer accounting under ERISA, FASB, and GASB standards; cost studies and legislative impacts (including multi-year projections); and government filings. Kathy has experience in developing cost projection models for private and public sector clients to determine future funding levels and the cost of proposed plan changes. She also assists with participant communication by providing individual benefit statements and benefit calculations.

## Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary, ERISA
- Member, American Academy of Actuaries

## Education

BA (summa cum laude), Mathematics, University of Pennsylvania

## Presentations and Publications

Kathy currently serves on the Editorial Committee of Milliman's Benefit Perspectives and chairs Milliman's committee for the firm's valuation system. She has also assisted the Joint Board for the Enrollment of Actuaries and the Society of Actuaries in developing the Enrolled Actuaries examinations.

# STEPHEN KOWALSKI

FSA, EA, MAAA

Enrolled Actuary

steve.kowalski@milliman.com

+1 973-278-8860



## Current Responsibility

Steve Kowalski is an enrolled actuary at the Little Falls, New Jersey office of Milliman. He joined the firm in 2022.

## Professional Work Experience

Steve has experience producing actuarial funding and accounting valuations for qualified, nonqualified, public sector, postretirement, and postemployment benefits plans. In addition, he has experience with plan redesign, funding and accounting projections and experience studies. He specializes in valuation and projection calculations for both corporate and public sector plans.

Additional responsibilities include government filings, nondiscrimination testing, retirement benefit calculations, and employee benefit statements. His clients include corporate and public sector organizations.

## Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary, ERISA
- Member, American Academy of Actuaries

## Education

BS, Risk Management, The Pennsylvania State University

# MARCELLA GIORGOU

ASA, EA, FSA, MAAA

Principal & Consulting Actuary

marcella.giorgou@milliman.com

+1 646 473 3311



## Current Responsibility

Marcella Giorgou is a principal and consulting actuary in the New York office of Milliman. She joined the firm in 2004.

## Professional Work Experience

Marcella provides health and welfare benefits consulting services. These services focus on the design and delivery of benefits and include plan design review and analysis, assistance in collective bargaining negotiations, compliance support, renewal negotiations, reserve calculations, Medicare Part D attestations, and financial projections.

Marcella also has experience providing actuarial support services to corporate, multiemployer, and not-for-profit post-retirement benefit plans. Her experience includes accounting valuations of pension and post-retirement medical plans.

## Professional Designations

- Enrolled Actuary
- Fellow, Society of Actuaries
- Member, American Academy of Actuaries

## Education

BS, Actuarial Science and Finance, New York University's Stern School of Business

# ANNA MORGAN

ASA, MAAA

Consulting Actuary

anna.morgan@milliman.com

+1 470 751 2572



## Current Responsibility

Anna Morgan is a consulting actuary with Milliman. She came to Milliman in 2021 from a national consulting firm where she served as chief actuary.

## Professional Work Experience

Anna served as principal and chief actuary for three national firms. She has experience providing consulting services to a broad range of plan sponsors, including governmental and corporate plans. She consults across the myriad of financial issues that health and welfare plan sponsors encounter as they manage their programs. Her consulting assignments have generally included the full scope of financial activities that self-funded and insured programs require: benefit design, rate and contribution setting, reserving and forecasting, vendor selection and negotiations, and overall healthcare strategy.

## Professional Designations

- Associate, Society of Actuaries
- Member, American Academy of Actuaries

## Education

- BS, Mathematics, University of Tennessee-Knoxville
- Actuarial Science, Georgia State University

# RYAN FALLS

FSA, FCA, EA, MAAA

Consulting Actuary & Statewide System Marketing Lead

ryan.falls@milliman.com

214-863-5635



## Current Responsibility

Ryan Falls is a consulting actuary in Milliman's Dallas, Texas office. Ryan joined Milliman's public sector consulting team in April 2023.

## Professional Work Experience

Ryan has 25 years of actuarial and benefits consulting experience, focusing on the needs of major public employee retirement systems and private sector employers. Throughout his career, Ryan has provided consulting services to statewide and municipal retirement systems across the country.

As an actuary and senior consultant, Ryan performs actuarial valuations for public pension plans, actuarial valuations for retiree health care plans, plan design analyses, including the design and implementation of cash balance and other hybrid plan designs, asset liability modeling, and actuarial audits.

Ryan is an expert in consulting on plan design and sustainability. His background includes many large plan design studies involving the impact on the plan cost and the impact on employee retention, administrative functions, and applicable stakeholders. Ryan has repeatedly seen first-hand the monumental effort required by retirement systems, stakeholders, and politicians to reform public pension plans. As a result, Ryan firmly believes that true reform and plan sustainability must include adaptable features such as actuarially determined contributions and adjustable benefit provisions.

Prior to joining Milliman, Ryan was the lead actuary for the Arizona State Retirement System, the Teachers Retirement System of Oklahoma, the New Mexico Educational Retirement Board, the New Mexico Public Employees Retirement Association, and the Employees Retirement System of Texas.

Ryan has also conducted nine actuarial audits over the past five years for many notable organizations, including the Nebraska Public Employees Retirement System, the Oregon Public Employees Retirement System, and the Texas Emergency Services Retirement System.

## Professional Designations

- Fellow, Society of Actuaries
- Fellow, Conference of Consulting Actuaries
- Enrolled Actuary
- Member, American Academy of Actuaries

## Education

Bachelor of Science, Applied Mathematical Science, Texas A&M

## Presentations and Publications

Ryan regularly serves as a speaker at national conferences for organizations such as the National Council on Teacher Retirement (NCTR), National Conference on Public Employee Retirement Systems (NCPERS), National Association of State Treasurers (NAST), and National Association of Public Pension Attorneys (NAPPA).

# ALAN PERRY

FSA, MAAA, CFA

Principal, Consulting Actuary

alan.perry@milliman.com

+1 610 975 8046



## Current Responsibility

Alan Perry is a principal and consulting actuary with the Philadelphia office of Milliman. He joined the firm in 1990.

## Professional Work Experience

Alan's experience covers retirement plans, college prepaid tuition and savings plans, endowments, foundations, and insurance organizations. He specializes in the development of capital markets assumptions and investment policy. Alan performs asset/liability studies, including stochastic modeling, to help plan sponsors develop investment and funding strategies and manage financial risk. He also performs valuations of employee stock options.

## Professional Designations

- Fellow, Society of Actuaries
- Member, American Academy of Actuaries
- Chartered Financial Analyst

## Affiliations

- Member, American Academy of Actuaries' Task Force on Employee Stock Options
- Member, Financial Analysts of Philadelphia

## Education

- BBA, Economics, Wharton School, University of Pennsylvania
- MS, Actuarial Science, Temple University

## Presentations and Publications

Alan serves on Milliman's Investment Oversight Committee and is the Chair of Milliman's Capital Markets Committee. He is a frequent speaker on pension and investment topics, including the following:

- National Association of State Treasurers
- International Foundation of Employee Benefit Plans
- Government Finance Officers Association

Alan is also the co-author of the annual Milliman Pension Funding Study that analyzes the funding progress of the 100 largest U.S. corporate defined benefit plans.



# NINA LANTZ

FSA, EA, MAAA

Principal and Director, Employee Benefits Research Group

nina.lantz@milliman.com

+1 503 227 0634



## Current Responsibility

Nina Lantz is a principal and director of the Employee Benefits Research Group at Milliman. She is based in Portland, Oregon. She joined the firm in 1993.

Nina supports Milliman's Employee Benefits Practice by keeping consultants informed on late-breaking legislation, regulations, accounting standards, and formal and informal agency guidance as it impacts employee benefits. She oversees the training of consultants on emerging technical matters and assists in producing Milliman publications and technical resources.

## Professional Work Experience

During her career, Nina has worked on a variety of corporate and public defined benefit plans, with a particular emphasis on multiemployer defined benefit plans. She has provided actuarial and consulting services to clients, supporting them in funding and administering their retirement plans, and developing strategies to help them navigate the challenges related to changing legislation and regulation, industry fluctuations, and market volatility.

## Professional Designations

- Fellow, Society of Actuaries
- Enrolled Actuary, ERISA
- Member, American Academy of Actuaries

## Education

BS, Mathematics, Oregon State University

## Affiliations

Member, International Foundation of Employee Benefit Plans



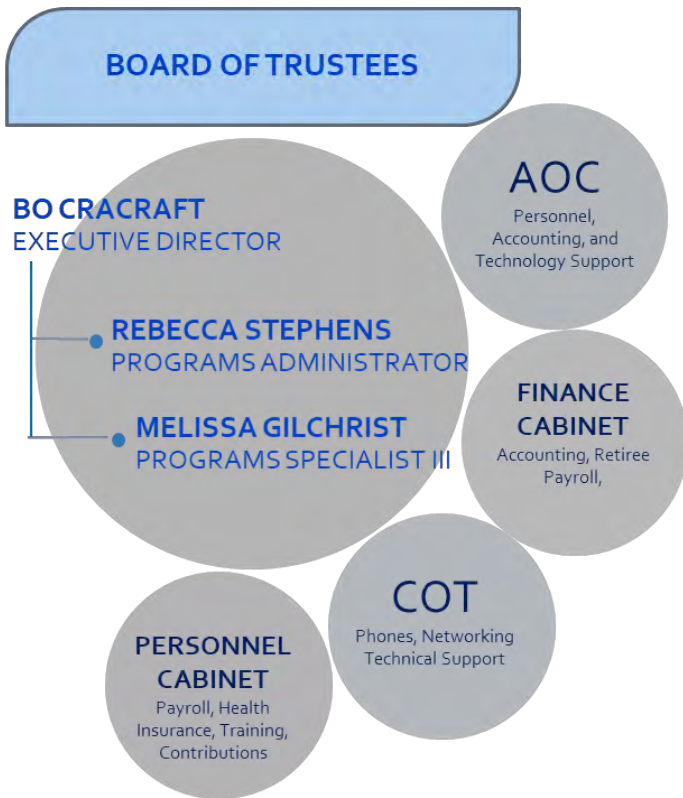
# APPENDIX

- Organization Chart &  
Service Providers



# JUDICIAL FORM RETIREMENT SYSTEM

## Organizational Structure



## Service Providers

