



# JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – OCTOBER 18, 2024



## AGENDA



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

**October 18, 2024 – 10:00 a.m. EST**

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

**AND**

**Video Conference using Zoom**

- I. Call to Order.
- II. Adoption of the *Minutes* of the August 2, 2024 Meetings.
- III. Election of Board and Committee Chairs.
- IV. Investment Related Matters.
  - A. Lexington Investment Company Compliance Report
  - B. Quarterly Investment Review by Baird Trust Company
- V. Reports by Executive Director.
  - A. Public Pension Oversight Board
  - B. 2024 GASB Actuarial Valuations
  - C. Blue and Co. Fiscal Year 2024 End Audit
  - D. Open Records Request Update
  - E. Death Benefit Review
  - F. 2025 Regular Session of General Assembly
- VI. January 17, 2025 Meeting

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

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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

**August 2, 2024**

The Board of Trustees of the Kentucky Judicial Form Retirement System (JFRS), the Investment Committee for the Kentucky Judicial Retirement Fund, and the Investment Committee for the Kentucky Legislators Retirement Fund, convened at the offices of Baird Trust Company, 500 West Jefferson Street, Louisville, KY 40202 on Friday, August 2, 2024, at 10:00 a.m. All board members were present. JFRS staff present included Bo Cracraft, Executive Director and Rebecca Stephens (virtual attendee). Guests joining the meeting included Don Asfahl, John Watkins, and Andy Means of Baird Trust Company, along with Danny White, Janie Shaw, and Krysti Kiesel of Gabriel Roeder & Smith (GRS). Guests attending the meeting virtually via video conference included Tracey Garrison and Larry Lowe of Humana, Inc.

Chairman Venters called the meeting to order at 10:02 a.m. He began by welcoming Chief Justice Laurance VanMeter, who was recently appointed to join the Board and replace Judge John Grise upon the end of his third consecutive term.

The Trustees considered the adoption of the previously distributed *Minutes* of the April 19, 2024 meeting. Upon motion by Representative Brad Montell, seconded by Judge Douglas George, the board unanimously approved the *Minutes* of the April 19, 2024 meeting.

Chairman Venters recognized Mr. Cracraft, who notified the Board that Stan Kerrick, Lexington Investment Partners, was not going to make the meeting. He noted for the record a copy of *Lexington Investment's Compliance Report as of June 30, 2024* was included in the materials distributed in advance. Mr. Cracraft highlighted page one of the report, which noted that each plan was within its prescribed allocation and policy guidelines. In accordance with policy, JFRS maintains a copy of the *Report*.

Chairman Venters welcomed Mr. Don Asfahl, Mr. Andy Means, and Mr. John Watkins of Baird Trust Company, who joined the meeting at 10:12 a.m. Mr. Cracraft referenced copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated August 2, 2024, which were included in the materials distributed in advance. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. Means began the review with a few comments regarding Baird's quarterly Market Commentary, titled "Artificial Intelligence Revisited," which was a follow up to the team's

commentary from one year earlier. AI continues to impact and disrupt markets, with businesses exploring ways to deploy and implement into their operations. But with most new and innovated developments, it is hard to know or predict how that is going to impact growth and profitability. Mr. Means emphasized a desire of Baird to be careful and mindful of the “Gates Law,” which highlights investors tendency to overestimate the impact of technology in the short term, while underestimating the effect in the long run. Mr. Means emphasized Baird’s desire to think very long term, with a business owner mindset, so the team continues to focus on investing in strong companies led by strong management teams who they believe will invest and allocate capital in a prudent and profitable manner.

Mr. Asfahl reviewed several economic statistics and discussed recent employment and consumer spending trends. He noted that recent data was not as strong as expected and markets appeared to have fully priced in an October rate cut of 50 basis points. Lastly, he highlighted the level of volatility being experienced on the fixed income side, where rates dropped to under four percent.

Mr. Asfahl continued with a review of current asset allocation, annual estimated income, and the current yield on the JRP legacy portfolio. Mr. Watkins reviewed a snapshot of the equity portfolio, which included relative sector weightings, top, and largest holdings. He pointed out the team had exited their position in Pfizer early in the quarter, using proceeds from the sale to increase their weight in GE Vernova. Progressive Insurance continues to be one of the funds strongest performers and Mr. Asfahl informed the Board the stock was trimmed during the quarter to remain within investment policy guidelines. Mr. Watkin stated proceeds from the sale of Progressive were added to Carmax, which is a company who has faced a bit of a down cycle but remained profitable and is well positioned to gain market share going forward.

In response to a few questions from trustees regarding Carmax and the team’s decision to add to the current holding, Mr. Means highlighted that much of the recent negativity with Carmax is really the result of a once-in-a-lifetime up cycle experienced during COVID within the used car industry. Demand for used cars were at all-time highs and so Carmax performed extremely well, but at a level that could not be sustained long term. Supply on the new vehicle side has increased, so naturally the used car market has been impacted and Carmax as one of the larger names has been overly punishing in the opinion on Baird. Longer term, Baird likes where this company is positioned and believes the management team has it poised to capture market share. And those factors give the team reason to be patient and confident to invest while the company is a little beaten up.

In response to a question from Mr. Allison with regard to the team’s decision to add to GE and Disney a few quarters ago, versus exiting their position in Pfizer now, Mr. Watkins pointed to a lack of confidence in the management team as the primary difference. In addition, the team is very positive on GE Vernova, so having an opportunity to replace with a strong alternative was another factor. In response to a follow up question regarding other healthcare companies, Mr. Watkins noted that Johnson & Johnson was the only company that currently met all three of the team criteria of business, management, and price.

Mr Watkins closed out his comments with a review of recent sector attribution and individual contributors to portfolio returns. He noted over the shorter, 1-year period, the team's decision to not hold NVIDIA had significantly detracted from performance relative to the benchmark. He acknowledged the company had performed extremely well, but noted semiconductors were historically very volatile and something the team generally did not hold. The team has concern about the cyclical nature of the business and their inability to predict with any confidence if the company can sustain those levels of cash flow going forward. Lastly, as it related to individual stock contributions, Mr. Watkins drew attention to Apple, which was a bottom contributor one quarter ago and now the second largest contributor. He also highlighted the trailing 5-year period and noted only a few stocks had negatively impacted performance, while the top contributors had performed two and three multiples better than the index.

Mr. Asfahl continued the presentation with a short review of the fixed income portion of the portfolio. He highlighted the quality and intermediate investment horizon and reiterated Baird's belief that staying on the shorter end from a maturity standpoint gives investors approximately 95% of the return with about half the risk.

Mr. Asfahl continued the presentation with a review of recent performance and the portfolios' risk statistics. Mr. Asfahl also quickly highlighted the cash balance plans, which currently have a very similar risk and return profile. He reminded the trustees that all account held identical equity portfolios, while the two cash balance portfolios utilized a basket of ETFs to try and best mirror the fixed income allocations. Over the shorter, 1-year period, the ETFs had slightly outperformed the legacy portfolios.

Chairman Venters recognized Mr. Cracraft to discuss one additional investment related topic. Mr. Cracraft informed the Board that JFRS staff, in coordination with Baird, had completed the annual cash balance interest credit calculation. He reminded the trustees that the base annual interest rate is 4%, but the member and plan shared any upside at a 75/25 split, based on the Plans' trailing 5-year plan. For the period ending June 30, 2024, the annual interest credit (guarantee + upside sharing) was calculated as 9.59% for JRP and 9.50% for LRP.

The meeting recessed for lunch at 11:40 and reconvened at 12:30 p.m. Mr. Asfahl, Mr. Means, and Mr. Watkins departed the meeting.

The next item on the agenda was an Actuarial Update provided by Gabriel Roeder & Smith (GRS). Mr. Cracraft recognized Mr. Danny White, Ms. Janie Shaw, and Ms. Krysti Kiesel of GRS. He reminded the trustees that GRS had assumed the role of actuary for JRP and LRP effective with the beginning of the current fiscal year. Mr. Cracraft highlighted how smooth the transition had been and noted GRS had spent several hours with staff in Frankfort earlier in the week. GRS was on hand for the meeting to provide an introduction, review recent valuation results, and outline upcoming projects.

Mr. White began with a short introduction of the GRS team supporting JFRS. Ms. Janie Shaw and Ms. Krysti Kiesel would serve as consulting actuaries, while Mr. White would act as

reviewing actuary. He highlighted that all three individuals were credentialed actuaries, and each brought significant experience working with other public pension plans, including those that included Judges and/or Legislators. He expressed excitement with the opportunity to work with JFRS and the Board of Trustees.

Ms. Kiesel continued with a brief review of the most recent funding valuations, which were performed as of July 1, 2023. As part of the transition, GRS was able to replicate the total pension and OPEB liabilities within less than 1% of the total calculated by the prior actuary, which was very close and well within actuarial standards. She noted that both of the OPEB plans had significant surplus assets, with the pension funds both fully funded as of the 2023 valuation date.

Ms. Shaw continued with a short review of upcoming projects and a quick review of key assumption. First, she noted work would soon begin with regard to the 2024 GASB Valuations, which are performed primarily for accounting purposes. She reminded the trustees that both JRP and LRP only conducted roll-forward valuations every other year for the primary purpose of calculating a net pension liability or asset, which is then reported in the financial statements of the Commonwealth. Secondly, GRS was also preparing to conduct an Experience Study in the spring or summer of 2025. Ms. Shaw noted this is a statutory requirement and would include a review of both economic and demographic assumptions utilized by both plans. She highlighted a few key assumptions, such as investment return, expected salary growth, retirement age, and mortality assumptions as important assumptions that would be reviewed.

In response to a question from Representative Brinkman with regard to how often a plan might change mortality tables, Mr. White stated that most plans tend to change tables every 4-5 years in line with experience studies. He noted in the past, plans largely relied on just actual plan experience, so every 5 years or so they would do a study, then adjust their tables accordingly. And depending on the plan size or experience, there could be pretty significant actuarial impacts on a plan. However, he stated most plans had recently moved to incorporate “improvement scales,” which combined actual plan data with an expected change or trend into the future. Adding this expected component has proven to minimize the impact of changes from experience study to experience study. Lastly, Mr. White noted that when JFRS adopted new tables in 2020, an improvement scale was incorporated.

The next agenda item was a review of 2025 Retiree Health Insurance. Chairman Venters recognized Mr. Cracraft, who referenced the *2025 Retiree Health Insurance – KEHP and Medicare Advantage Plan Premiums* staff memo that was included in the meeting materials and outlined proposed rates for the upcoming plan year.

Mr. Cracraft began with a discussion on the Kentucky Employees Health Plan (KEHP), in which retirees and dependents who are under the age of 65 participate. He informed the Board that after fairly significant rate increases over the past couple of years, premiums for 2025 were staying the same as 2024. Given the unchanged rates, any financial or actuarial impact should be minimal and largely based just on the number of members participating.



Following a discussion, Judge Douglas George made a motion, seconded by Mr. Stephen LeLaurin, to utilize the Kentucky Employees' Health Plan (KEHP) to provide non-Medicare eligible retirees and dependents health insurance coverage with a monthly contribution level for each classification (single, parent-plus, couple, family) equivalent to the Living Well PPO plan premium. The percentage of payment by the respective Plan is dependent upon the retiree's years of service and any balance will be deducted from the retiree's monthly benefit. If a retiree failed to comply with the 2024 Living Well promise, the \$40.00 monthly KEHP assessment will be the member's responsibility and deducted from their monthly allowance.

Next, Mr. Cracraft recognized Ms. Tracey Garrison and Mr. Larry Lowe of Humana, Inc. Ms. Garrison and Mr. Lowe had joined the meeting virtually via videoconference. Mr. Cracraft reminded the trustees that Humana provides a Medicare Advantage PPO plan which is utilized by retirees and dependents of JFRS who have reached the age of 65. Mr. Cracraft informed the Board that there were a few significant changes occurring within the Medicare space and as a result, premiums for JFRS were expected to increase over 40% in 2025. Much of the impact is due to recent federal legislation. He believed it would benefit the Board to have Humana join the meeting to discuss the changes, while also providing the Board with some alternative considerations, if desired.

Ms. Garrison began Humana's presentation with an update on recent Rate and Plan Changes. First, she highlighted an annual process conducted by the Centers for Medicare & Medicaid Services (CMS) to review and set Medicare Advantage rates of pay. She indicated that expected rates for the 2025 plan year were not expected to climb as much as recent trends in total medical cost, which was creating a gap and placing pressure on plan premiums. Secondly, and more impactful, were changes occurring with regard to Part D and prescription drug plans. As a result of the Inflation Reduction Act (IRA), effective January 2025, Part D is being significantly redesigned. Most notably is the establishment of a \$2,000 annual out-of-pocket cap on spending (versus \$8,000 in 2024) which increases the financial liability faced by Part D plan sponsors and employers offering Group Medicare plans, such as JFRS. With limited ability to change underlying benefits, the increased liability is leading to significant premium increases. In the case of JFRS, the expected rate is expected to climb to just over \$530 per month.

Next, Ms. Garrison provided a few alternative plan designs the Board could consider and how changes to a plan's deductible, co-pays, co-insurance, or max out of pockets could impact monthly premiums. She highlighted that the current JFRS plan was a high-quality plan, with a very small deductible and no copayments, which as expected, was highly utilized by members. She stated that several plan sponsors had moved to a no-deductible plan but offset that with small co-payments for physician and specialist visits. Other sponsors had decided to increase the plan's deductible and created some small co-pays to more costly services, such as emergency room visits.

There was a lengthy discussion amongst trustees regarding the Medicare plans, the increased premiums, and alternatives provided by Humana. Staff provided the Board with an



estimated annual cost increase from the changes in premiums and acknowledge there would definitely be a negative impact actuarially given the 2023 funding valuations were based on the significantly lower premiums.

Following the discussion, Chief Justice Laurance VanMeter made a motion, seconded by Mr. Stephen LeLaurin, to renew its hospital and medical insurance contract with Humana for the 2025 plan year, and to set the 2025 monthly contribution level at \$533.09, which includes supplement dental and vision coverage. The motion passed unanimously.

Next, Chairman Venters recognized Mr. Cracraft, who reported on several administrative matters. The trustees discussed the following items and took action where noted.

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

**April 22, 2024** – Each state-administered retirement system was on the agenda and provided an investment update.

**May 20, 2024** – JFRS was not on the agenda, but did attend the meeting. The only agenda item was related to KERS Nonhazardous participation and House Bill 8 Reporting.

Mr. Cracraft noted the Oversight Board did not meet in June or July and expected the August meeting to include fiscal year investment and cash flow reviews.

(B) Open Records Request. Mr. Cracraft reminded the Board of their approved Open Record Request Policy and provided a verbal update on a couple of requests that staff received. He stated the requests were made by a local attorney and related to a legal decision made in the past involving a retired member. He informed the Board that staff worked with Alan Pauw, the agency's third-party legal partner, to respond to the requests but acknowledged significant information being requested was private in nature and required redaction. Given the requirement to redact much of the information, Mr. Cracraft expected additional steps would be taken with regard to this situation. He promised to update the Board in the future, if needed.

(C) EOY Processing/Annual Financial Audit. Mr. Cracraft provided an update on the fiscal year end activities. He informed the Board that staff was very close to closing out the year financially and is hoping to quickly start the annual financial process. He also noted staff was working on a budget request, annual member statements, and gathering the actuarial valuation data.

(D) Member Self Service Portal Project. Mr. Cracraft provided an update on the final stage of the Pension Administration Software (MARC) Project. He informed the Board that staff had met with Milliman a week ago and initiated the process of activating an online member self-service portal. He stated that staff would introduce to active members first, then slowly open to

retirees who would like to use. With regard to new cash balance members, the portal can be very useful as members can check balances, run estimates, and share documents in a secure manner.

There being no further business, the meeting adjourned at 1:53 p.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

# ITEM IV-

## Investment Related Matters

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A. **Lexington Investment Company**

*Quarterly Compliance & Cash Flow*

B. **Baird Trust Company**

*Quarterly Portfolio & Performance Review*

# LEXINGTON INVESTMENTS LLC

## Kentucky Judicial and Legislators Retirement Funds

### INVESTMENT POLICY STATEMENT COMPLIANCE

July 1, 2024 – September 30, 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 June 30th were Judicial 73.8%, and Legislators 74.2%, each within the allowable range.
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 September 30 were Judicial 26.4%, and Legislators 25.6%. 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, and Berkshire Hathaway. On September 30<sup>th</sup> these positions represent 12.7% of the total equity portfolio in the Judicial Fund and 12.4% 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. During the week of April 15th Progressive Corp represented 8.88% in Judicial, and 8.76% in Legislators. As of September 30<sup>th</sup>, none of the equity positions in Judicial (6.7%) or Legislators (7.9%) exceeded the guideline.
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 is 3.75 years.
7. During the quarter there was one bond maturity for each account: \$5.0MM FFCB in Judicial and \$2.0MM in Legislators. Each of the accounts purchased Target Corporate Notes 4.50% due 09/15/2032, yield to maturity 4.168%. Judicial purchased 5MM (\$5,223,250) and Legislators purchased 2.5MM (\$2,611,625).

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# Investment Review

KY Judicial Retirement Fund  
KY Legislators Retirement Fund  
October 18, 2024

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**“The art of being wise is the art of knowing what to overlook.”**

**— William James  
The Principles of Psychology**

## Focusing on What Matters

Investors today are faced with a never-ending stream of information that can quickly become overwhelming and distracting. There are not enough hours in the day to consume and process all available information – so where should we be focusing our attention? One critical aspect of successful long-term investing in the stock market is knowing what to ignore so that we can use our limited time to focus on what truly matters. Tuning out the noise – and finding the underlying signal – is a daily battle.

### Information Overload

We have virtually all of the world’s information at our fingertips constantly, and there is no shortage of talking heads on television and social media offering opinions at all hours of the day. While this access to information can sometimes be valuable, it can also bog us down in irrelevant minutia. It is impossible to keep up with the deluge of information we are bombarded with daily, so we must find repeatable ways in our research process to tune out the distractions.

### Our Simple Idea

One of our favorite quotes from Charlie Munger, the late Vice Chairman of Berkshire Hathaway, is, “Take a simple idea and take it seriously.” Our simple idea is to always make investments with the mindset of a long-term business owner. We are not stock traders or stock “pickers” – we are business analysts trying to identify companies and management teams we can forge a partnership with, often for a decade or longer. This is our simple idea, and we take it seriously by channeling all our time, energy and effort toward it. For our investment process, we believe time spent on anything else is time wasted. It is this simple framework that acts as our filter for the vast amount of information that inundates us constantly.



Fortunately, not all information is created equal. Nick Sleep, founder of Nomad Investment Partnership, used an easy-to-understand analogy to illustrate this concept. He said, “Information, like food, has a sell-by date.” What he means is that some information becomes outdated very quickly (and is highly perishable), while other information endures for years (and has a long shelf life).

As long-term business owners, our focus is on information that has a long shelf life. This is information that will drive long-term investment outcomes and help us achieve our investment objectives over time. Focusing on perishable information will only distract us from this goal. Because of this, we must filter the constant onslaught of information and sort it into two buckets – what matters and what doesn’t. However, this is easier said than done. It sounds simple, but in the heat of the moment most information feels critically important.

### Tuning Out The Noise

Our information filter is built to quickly discard information that’s perishable. Charlie Munger taught us that the easiest way to get to the essence of what matters is often by first identifying what doesn’t matter. Instead of asking, “What should a business owner with a time horizon of 10 years or longer care the most about?”, we can invert the question to, “What should a long-term business owner care very little about?”

The following is a non-exhaustive list of information we believe to be highly perishable and therefore has very little impact on the success of a business franchise over the next decade or longer:

- Predictions concerning the Fed Funds rate
- Outcomes of political elections
- Company earnings in a single quarter  
(and any attempt to guess those earnings in advance)
- Much of the short-term-focused daily news flow  
found in the financial media
- Short-term stock price fluctuations
- Predictions of the economy or the stock market

**“Highly perishable information drives most of the daily discussion in our industry, yet it almost never drives the success of a business enterprise over the long term.”**

These topics drive most of the daily discussion in our industry, yet they almost never ultimately drive the success of a business enterprise over the long term. While we certainly aren’t perfect, we strive to spend as little of our valuable time as possible on this kind of information. Therefore, our limited time can be redirected to consuming the information that truly matters – that with a long shelf life.

### Finding The Signal

What kind of information has a long shelf life and helps us achieve our investment goals? We believe it is the information that a private business owner would care most about. Our equity investment process is centered on this idea through our strict focus on three investment criteria — business, management and price.

When evaluating a business, we seek information to help us answer questions like the ones below:

- Does the company have an identifiable advantage over its competition? What is the source of that advantage?
- Is its advantage getting stronger or weaker? Can the advantage endure for many years into the future? Can it be replicated by competitors?
- How does the company treat its customers, employees, suppliers and communities? Are any of these relationships eroding or strengthening? Why?
- Will this business be able to survive and thrive in a wide range of surprising and uncertain environments (political, economic, etc.)?
- Does the business produce attractive cash flow for its owners? Is that cash flow likely to grow materially over the next 5 and 10 years?

When evaluating a management team, we seek information to answer other questions, like the ones below:

- Does the CEO think and act like a long-term business owner? Or does he make short-sighted decisions and care too much about pleasing Wall Street?
- How will the CEO allocate the company's cash flow? Does she have a track record of intelligent capital allocation that will benefit the long-term owners (shareholders)?
- Does the management team cultivate a culture of honesty, integrity, humility and transparency?

Finally, on price, it comes down to one simple question: What price would we be happy to pay to acquire the entire business and still expect to generate an attractive return as its sole owner over time? Not from reselling the business but from the cash flow it is expected to generate for us, its owners.

These questions demonstrate our mindset when thinking about the companies we own or might hope to someday own. Every day is a constant battle as we sort through noisy information to find the signal hidden within it. We spend virtually all our time on this task and refer to it as “building our library of knowledge.” Our daily objective is to add more high-quality information to that library. We have done this day in and day out for over 30 years, and we believe continuing this disciplined approach is critical to our long-term investment success.

Ultimately, we aim to stay focused on our north star – the long-term compounding of our clients’ wealth. Everything we do is with this goal in mind. We are humbled and honored to be able to serve each of you and with the trust you place in our team.

**Disclosure**

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. Past performance is not a predictor of future success. All investing involves the risk of loss and any security may decline in value. This is not intended as a recommendation to buy any security and views expressed may change without notice. This market commentary is not meant to be advice for all investors.

Please consult with your Baird Financial Advisor about your own specific financial situation.

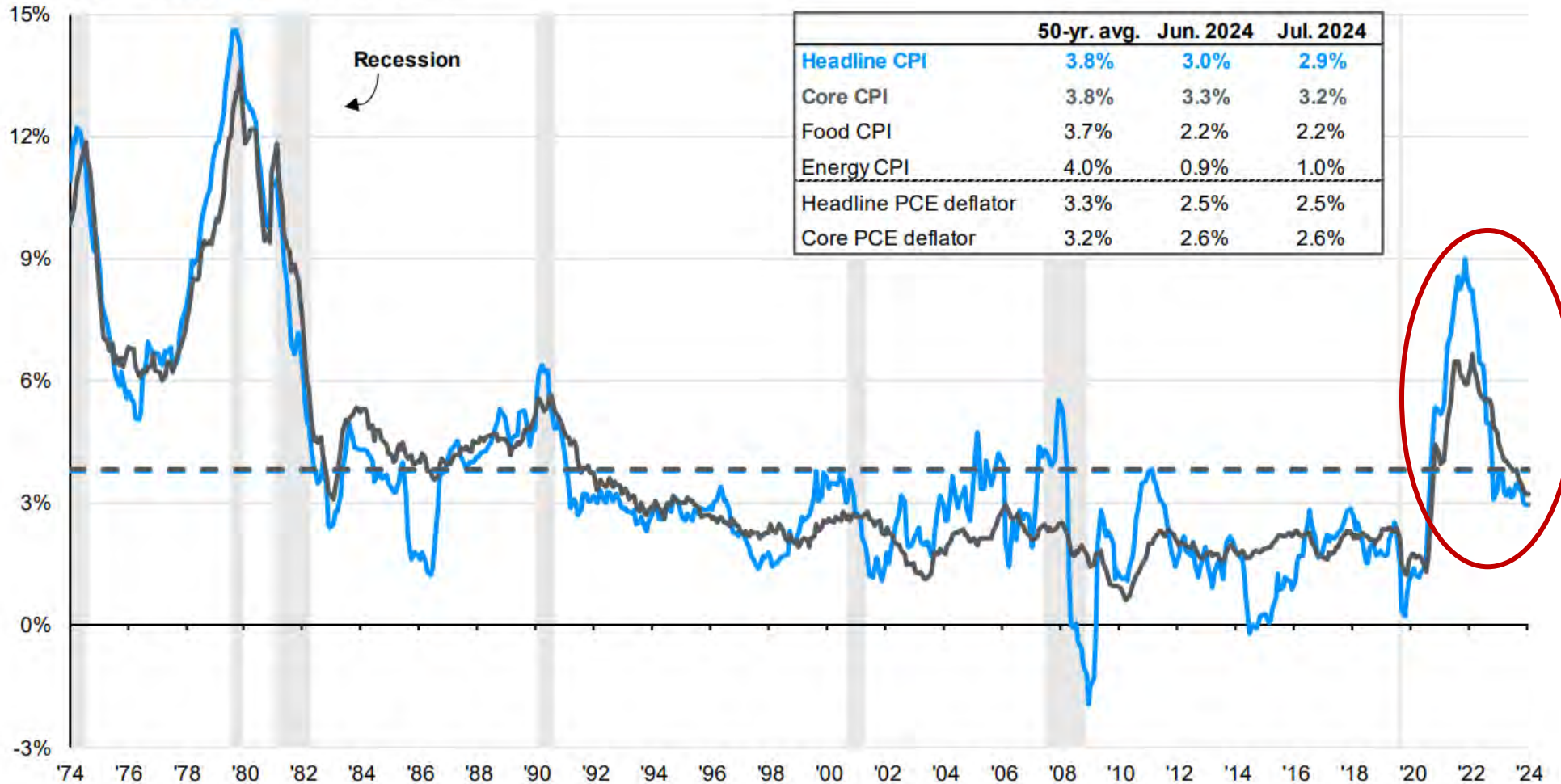
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- The U.S. added 142,000 jobs in July. The unemployment rate fell slightly to 4.2%. Real hourly wages were up 0.2% month-over-month and have risen 1.2% year-over-year.
- The CPI rose 0.2% in August and the core CPI also rose 0.3%. Gas prices fell 0.6% on the month. Food prices rose a modest 0.1%. Year-over-year the CPI has risen 2.5% and the core CPI is up 3.2%.
- The second estimate of the 2024 Q2 GDP came in at 3.0%, above the expectations of 2.1%. This is compared to the previous quarter's growth of 1.4%.
- Retail sales rose 0.1% in August, compared to July, and retail sales were up 2.1% compared to August 2023. Gas station sales fell 1.2%. Bar and restaurant sales were unchanged. Department store sales were down 1.1% and furniture store sales fell 0.7%.
- The Consumer Confidence Index rose to 103.3 in August, up from an upwardly revised 101.9 in July.
- Personal income increased 0.3% in July. Consumer spending increased by 0.5%. The saving rate fell to 2.9% in July from 3.4% in June.

# Inflation Continues To Come Down But Still a Bit Sticky

## CPI and core CPI

% change vs. prior year, seasonally adjusted

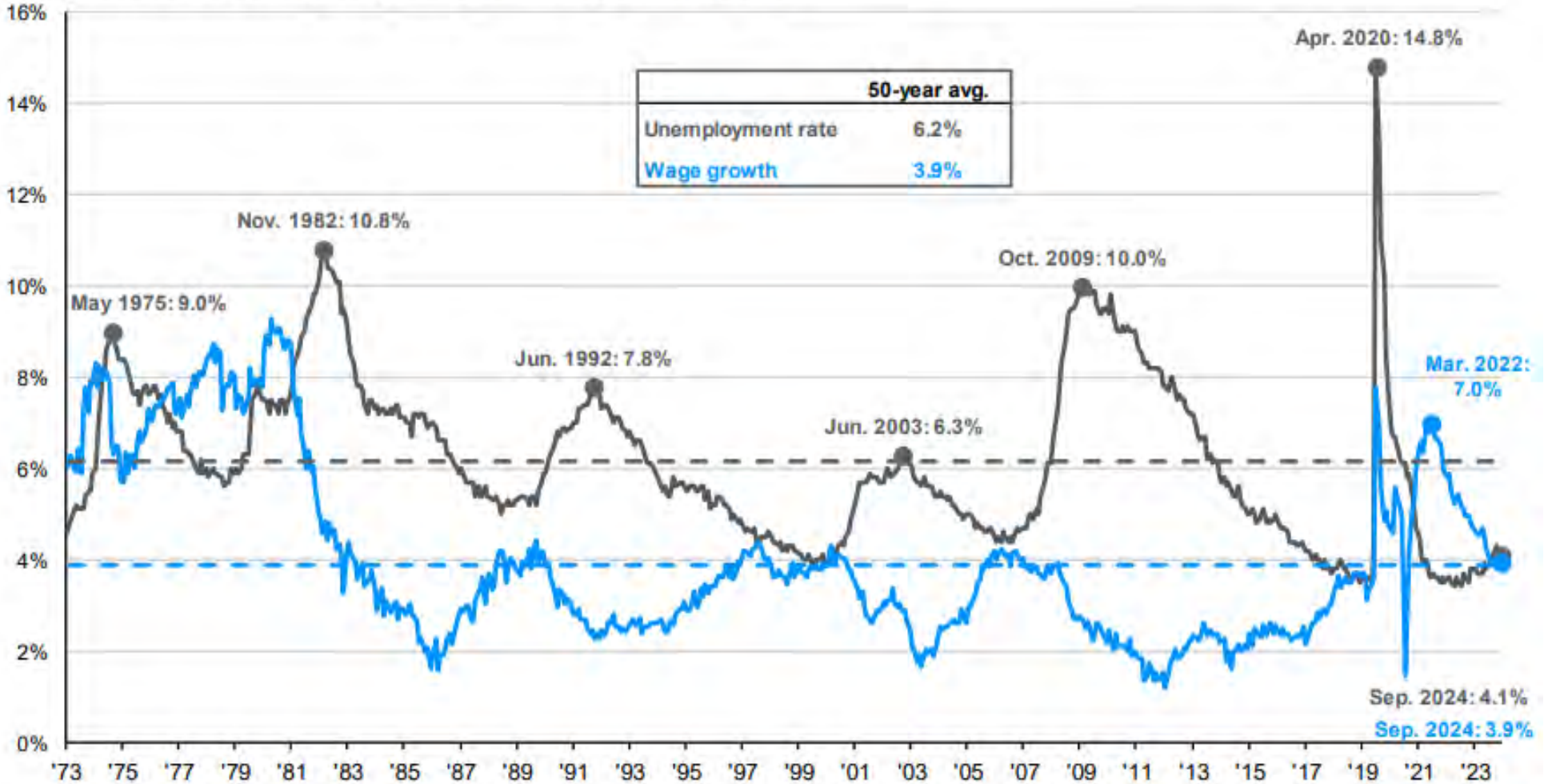


Source: J.P. Morgan Asset Management

# Labor Market Now the Primary Focus - Unemployment Rate 4.1% In September

## Civilian unemployment rate and year-over-year wage growth

Private production and non-supervisory workers, seasonally adjusted, percent

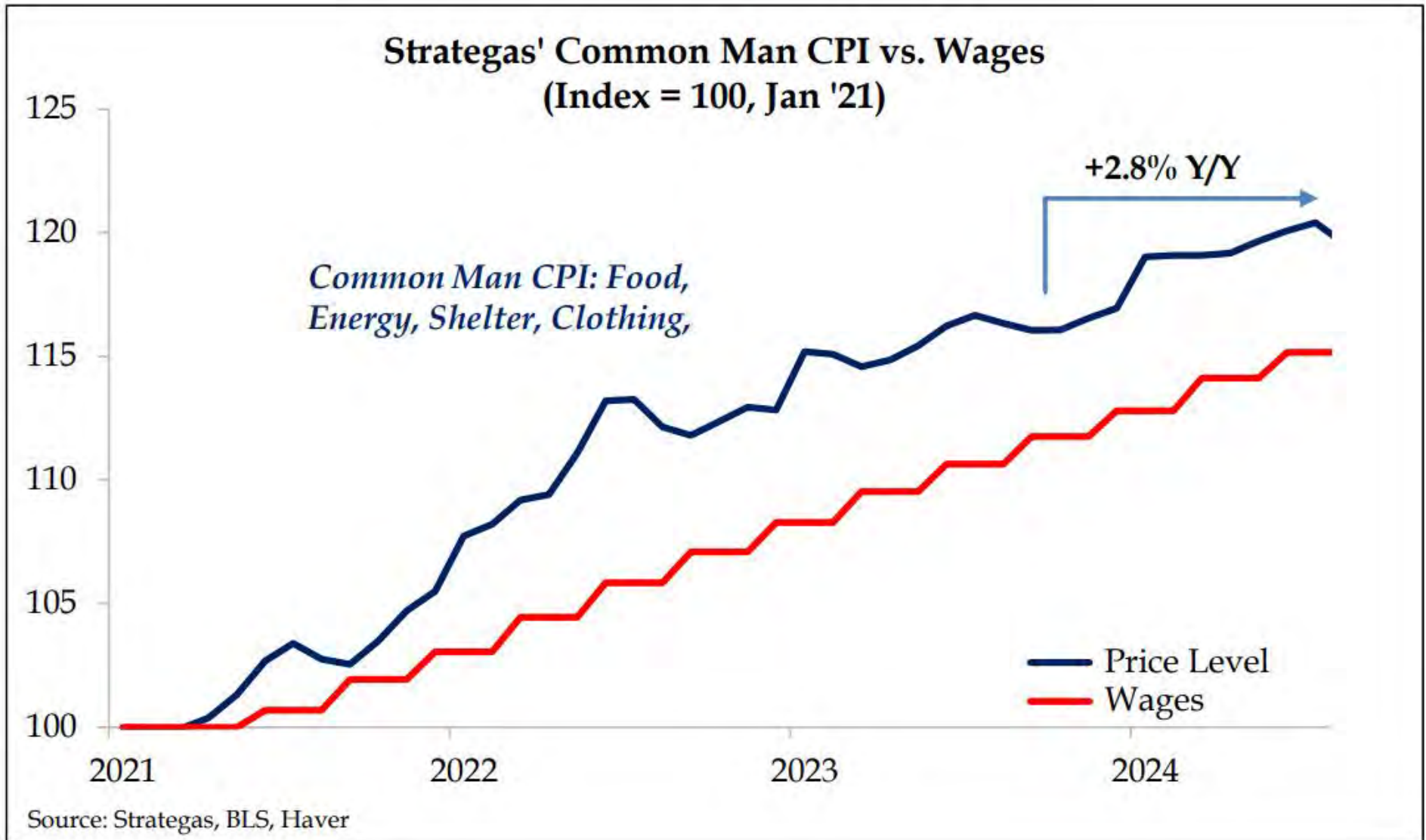


Source: J.P. Morgan Asset Management



# Consequences of Inflation vs Wages

## Average American Still Feeling the Impact of Inflation



Source: Strategas Research Partners



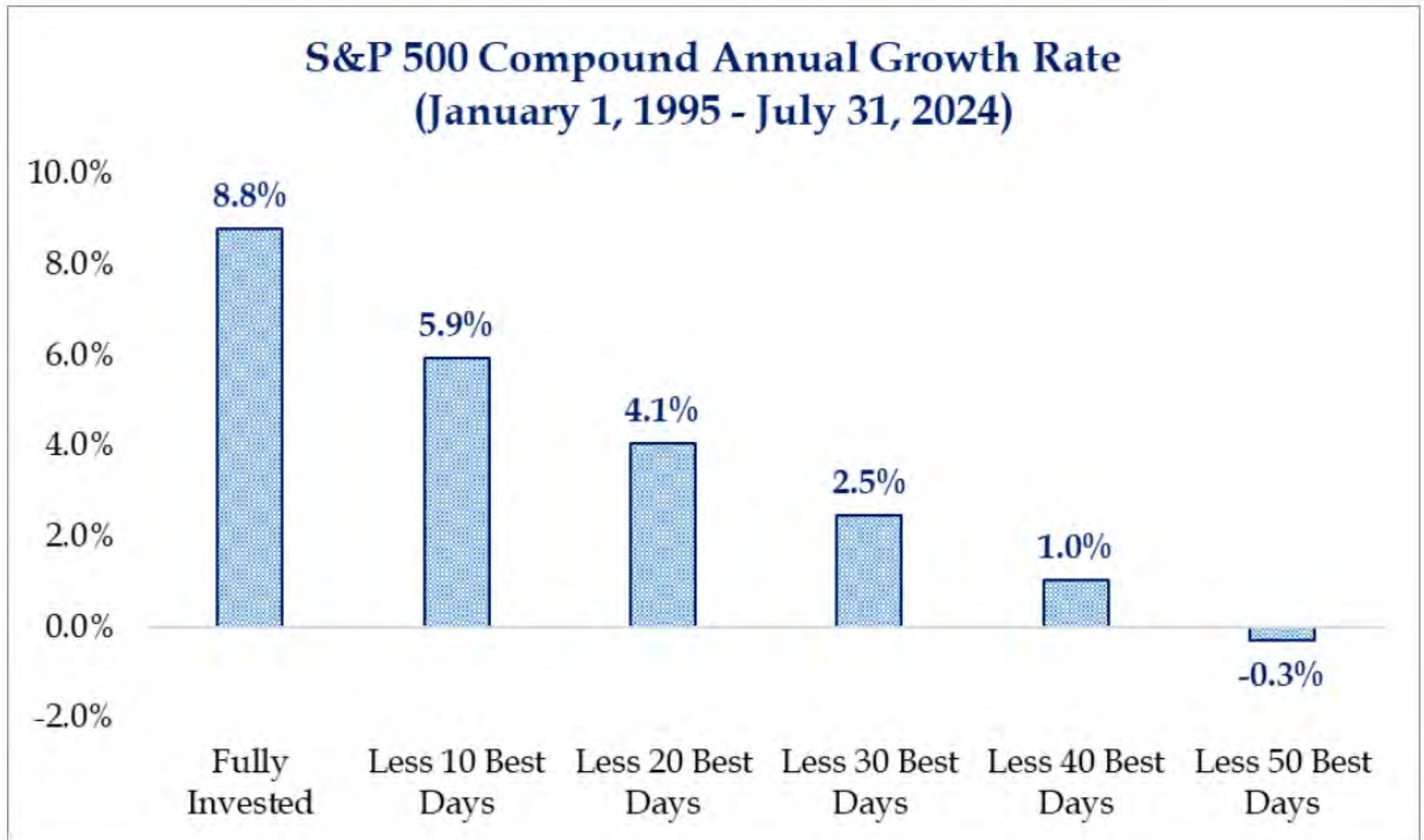
# Performance of the “Magnificent 7” vs. The Rest of the S&P 500

## Performance of “Magnificent 7” stocks in S&P 500\*

Indexed to 100 on 1/1/2021, price return



Source: J.P. Morgan Asset Management



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

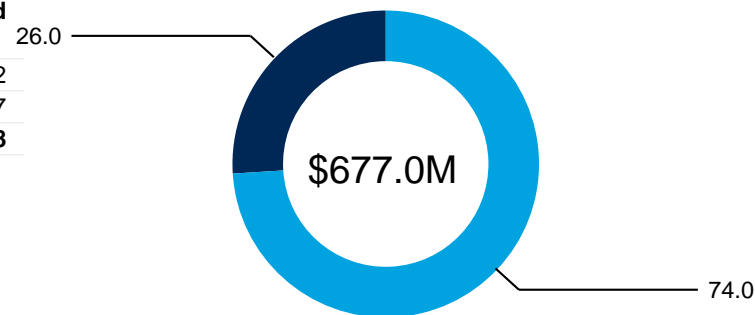
Meeting Date: 10/18/2024

## Client Investment Review

Investment activity through 09/30/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	500,978,690	74.0	5,761,754.80	1.2
Total Fixed Income	176,049,790	26.0	6,476,589.08	3.7
<b>Total</b>	<b>677,028,480</b>	<b>100.0</b>	<b>12,238,343.88</b>	<b>1.8</b>

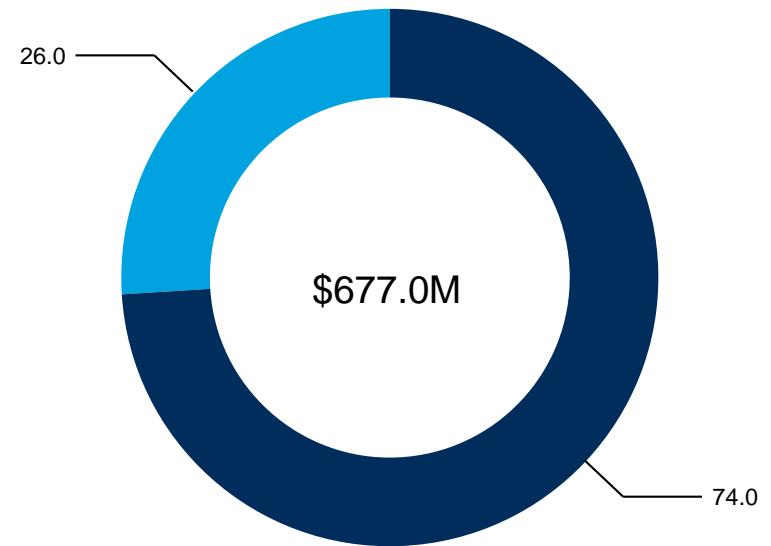


Investment Summary

	Fiscal Year to Date (3 Months)
Beginning Account Value	631,300,606.45
Net Contributions/Withdrawals	-2,692,316.27
Income Earned	2,554,625.39
Market Appreciation	45,865,564.17
Ending Account Value	677,028,479.74

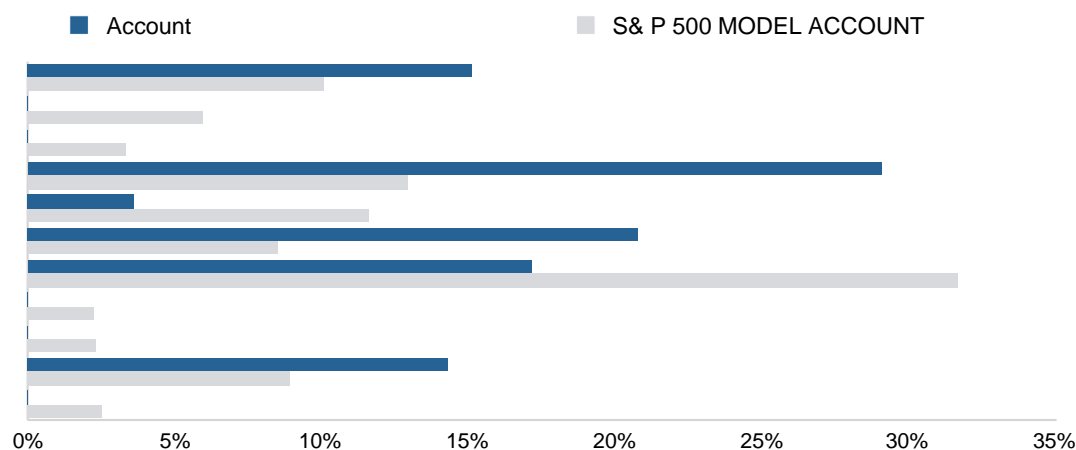
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	500,978,690	74.0
● Taxable Fixed Income	175,920,076	26.0
● Taxable Bond Funds	129,714	.0
<b>Total</b>	<b>677,028,480</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.1	10.1
Consumer Staples	.0	5.9
Energy	.0	3.3
Financials	29.1	12.9
Health Care	3.6	11.6
Industrials	20.8	8.5
Information Tech	17.1	31.7
Materials	.0	2.2
Real Estate	.0	2.3
Communication Serv	14.3	8.9
Utilities	.0	2.5



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE AEROSPACE	25,955,974	3.8	114.27
META PLATFORMS, INC.	18,249,387	2.7	91.08
PROGRESSIVE CORP OH COM	40,114,381	5.9	83.09
GE VERNOVA INC COM	19,706,894	2.9	80.39
PARKER HANNIFIN CORP COM	21,197,561	3.1	63.70
JPMORGAN CHASE & CO COM	30,117,134	4.5	49.09
BANK OF AMERICA CORP COM	6,754,925	1.0	47.71
US BANCORP DEL COM NEW	8,160,751	1.2	45.12
OMNICOM GROUP INC COM	12,361,728	1.8	42.97
WELLS FARGO & CO NEW COM	7,979,777	1.2	40.94

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	40,114,381	5.9	83.09
MICROSOFT CORP COM	33,335,341	4.9	37.05
BERKSHIRE HATHAWAY INC DE	33,030,559	4.9	31.45
APPLE INC COM	31,168,410	4.6	36.74
JPMORGAN CHASE & CO COM	30,117,134	4.5	49.09
HOME DEPOT INC COM	29,060,944	4.3	36.50
ALPHABET INC CAP STK CL C	28,658,038	4.2	26.98
GE AEROSPACE	25,955,974	3.8	114.27
PARKER HANNIFIN CORP COM	21,197,561	3.1	63.70
GE VERNOVA INC COM	19,706,894	2.9	80.39



Sector	Qtr*
Industrials	2.40
Information Tech	0.83
Consumer Disc	0.62
Energy	0.30
Health Care	0.16
Financials	0.00
Materials	-0.14
Consumer Staples	-0.19
Real Estate	-0.25
Utilities	-0.31
Communication Services	-0.36
<b>Total</b>	<b>3.05</b>

Sector	1 Year*
Industrials	5.41
Financials	2.80
Energy	1.59
Consumer Staples	0.73
Materials	0.18
Real Estate	-0.01
Consumer Disc	-0.07
Communication Services	-0.10
Utilities	-0.15
Health Care	-0.45
Information Tech	-5.74
<b>Total</b>	<b>4.19</b>

Sector	5 Years*
Industrials	1.56
Financials	0.50
Consumer Staples	0.40
Real Estate	0.28
Utilities	0.26
Consumer Disc	0.17
Energy	0.11
Materials	0.05
Health Care	-0.15
Communication Services	-0.42
Information Tech	-0.89
<b>Total</b>	<b>1.87</b>

\*Relative Contribution to Baird Trust Large Cap Equity Investment Return Versus S&P 500 Index (%)

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.01	22.23	1.59
GEV	GE Vernova	3.93	48.67	1.41
HD	Home Depot	5.80	18.50	0.99
PH	Parker Hannifin	4.23	25.32	0.93
GE	GE Aerospace	5.18	19.00	0.90

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.01	83.09	5.59
GE	GE Aerospace	5.18	114.27	4.35
JPM	JP Morgan Chase	6.01	49.09	2.83
MSFT	Microsoft	6.65	37.05	2.57
GEV	GE Vernova	3.93	80.39	2.50

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.22	34.03	2.30
PGR	Progressive	8.01	29.75	2.02
MSFT	Microsoft	6.65	26.39	1.90
GOOG	Alphabet	5.72	22.39	1.16
BRK B	Berkshire Hathaway	6.59	17.26	1.12

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	5.72	-8.75	-0.60
SCHW	Charles Schwab	3.93	-11.71	-0.57
MSFT	Microsoft	6.65	-3.57	-0.27
WFC	Wells Fargo	1.59	-4.33	-0.08
DIS	Walt Disney	2.51	-2.63	-0.08

### 1 Year

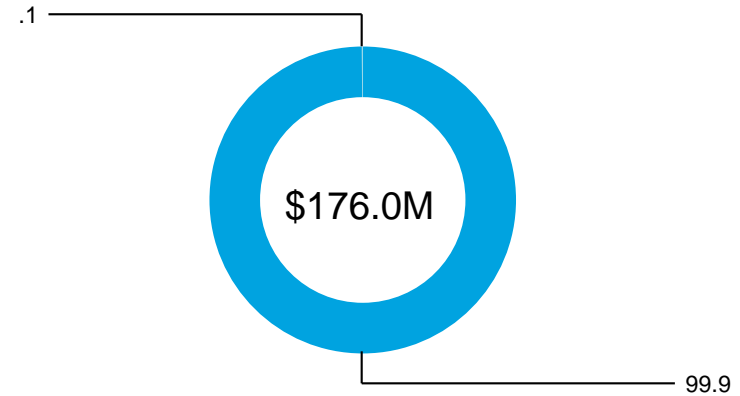
Ticker	Company	Ending Allocation	Total Return	Contribution
CSCO	Cisco	1.03	2.18	0.02
JNJ	Johnson & Johnson	3.58	6.51	0.31
KMX	Carmax	2.29	10.57	0.32
EXPD	Expeditors	2.09	15.96	0.40
UNP	Union Pacific	2.09	23.07	0.57

### 5 Years

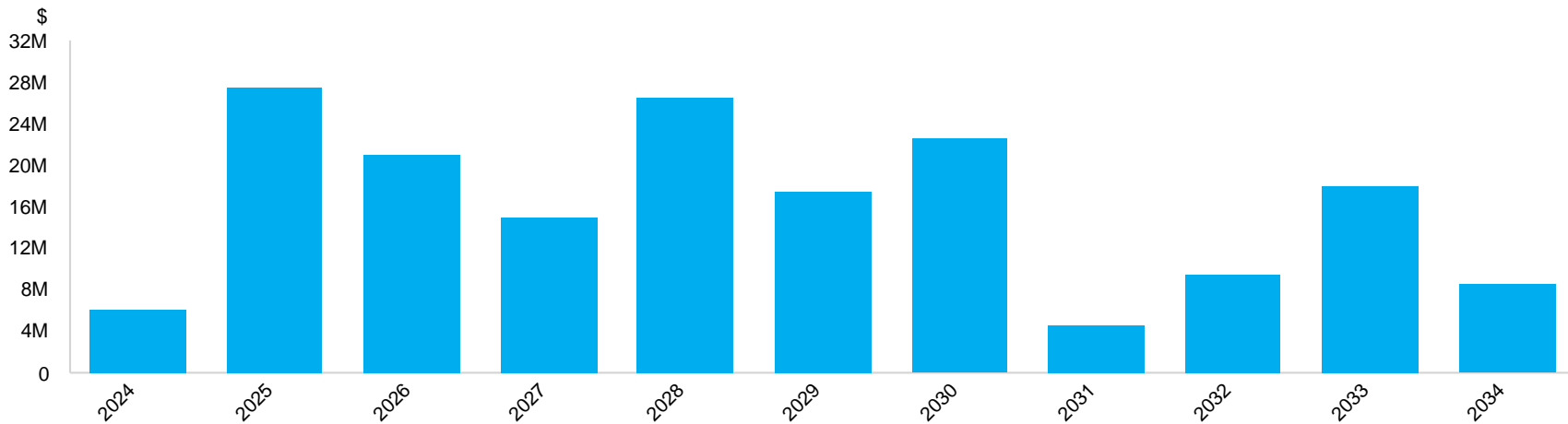
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.51	-5.78	-0.18
USB	US Bancorp	1.63	0.39	-0.02
KMX	Carmax	2.29	-2.38	0.01
CSCO	Cisco	1.03	4.70	0.07
WFC	Wells Fargo	1.59	4.98	0.07

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	175,920,076	99.9	6,471,725.00	3.7
● Taxable Bond Funds	129,714	.1	4,864.08	3.8
<b>Total</b>	<b>176,049,790</b>	<b>100.0</b>	<b>6,476,589.08</b>	<b>3.7</b>



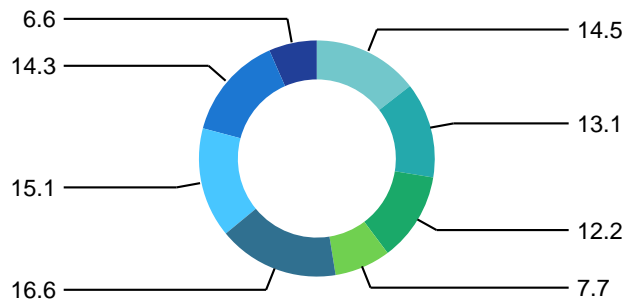
Fixed Income Maturity Schedule



Fixed Income Analysis

	09/30/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.69	3.27
Current Yield	3.71	3.34
Yield to Maturity	4.16	3.93
Maturity	4.30	4.31
Duration	3.85	3.72
Face Amount	176,500,000	
Market Value	174,349,755	
Total Accrual	1,570,321	
Cost	183,906,878	

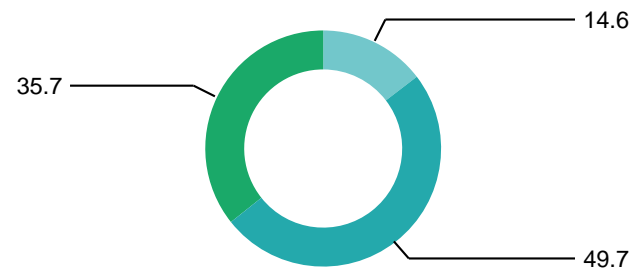
Quality Allocation by Market Value



■ 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	105.020	3,692,884.03	AA-	11/26/2033		176,750.00	4.392
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	5,000,000.000	99.980	101.252	5,110,100.00	AA+	01/19/2027		237,500.00	4.582
<b>Total Matures 2034</b>					<b>8,802,984.03</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	103.134	1,572,272.50	AA+	02/10/2033		64,500.00	3.868
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	100.501	1,026,185.00	AA+	04/27/2026		49,500.00	4.877
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	4,000,000.000	99.060	103.324	4,159,460.00	AA+			180,000.00	4.049
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	103.930	4,183,050.00	BBB+	05/14/2033		198,000.00	4.409
US BANCORP FR 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	106.667	1,639,005.00	A	10/21/2032		87,750.00	4.928
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	6,000,000.000	103.450	105.629	6,439,723.70	AAA			270,000.00	3.765
<b>Total Matures 2033</b>					<b>19,019,696.20</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	100.791	4,597,870.00	BBB	03/15/2032		211,500.00	4.576
TARGET CORP SR GLBL 4.500%09/15/2032	09/15/2032	5,000,000.000	102.240	101.529	5,086,450.00	A	06/15/2032		225,000.00	4.271
<b>Total Matures 2032</b>					<b>9,684,320.00</b>				<b>436,500.00</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	91.272	4,133,077.50	A-			119,250.00	4.247
<b>Total Matures 2031</b>					<b>4,133,077.50</b>				<b>119,250.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	92.539	4,184,130.00	A-	11/01/2029		119,250.00	4.226
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	92.177	4,202,122.50	AA-	07/15/2030		117,450.00	4.084
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	95.324	4,291,517.50	A	12/26/2029		139,500.00	4.059
PFIZER INC GLBL NT	04/01/2030	4,500,000.000	108.330	92.770	4,233,712.50	A	01/01/2030		118,125.00	4.106

	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	95.221	4,286,945.00	A	12/26/2029		144,000.00	4.184
3.200%03/26/2030										
<b>Total Matures 2030</b>					<b>21,198,427.50</b>				<b>638,325.00</b>	
<b>Matures 2029</b>										
BLACKROCK INC SR GLBL NT	04/30/2029	4,500,000.000	110.960	97.097	4,430,708.75	AA-	01/30/2029		146,250.00	3.948
3.250%04/30/2029										
MERCK & CO INC SR GLBL	03/07/2029	4,500,000.000	111.400	97.720	4,407,600.00	A+	12/07/2028		153,000.00	3.965
3.400%03/07/2029										
PARKER HANNIFIN CORP SR GLBL	09/15/2029	4,000,000.000	95.730	101.136	4,053,440.00	BBB+	07/15/2029		180,000.00	4.243
4.500%09/15/2029										
TEXAS INSTRS INC SR GLBL NT	09/04/2029	4,500,000.000	105.750	92.245	4,158,618.75	A+	06/04/2029		101,250.00	3.999
2.250%09/04/2029										
<b>Total Matures 2029</b>					<b>17,050,367.50</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	100.204	5,050,838.89	AA-	10/15/2027		192,500.00	3.782
3.850%01/15/2028										
META PLATFORMS INC GLBL NT	05/15/2028	4,000,000.000	99.780	102.576	4,172,551.11	AA-	04/15/2028		184,000.00	3.831
4.600%05/15/2028										
FEDERAL FARM CR BKS CONS SYSTEMWIDE	03/20/2028	6,000,000.000	99.650	102.173	6,138,171.67	AA+			255,000.00	3.578
4.250%03/20/2028										
JOHNSON & JOHNSON SR GLBL	01/15/2028	5,000,000.000	108.810	97.673	4,914,261.11	AAA	10/15/2027		145,000.00	3.657
2.900%01/15/2028										
SCHWAB CHARLES CORP SR GLBL	01/25/2028	4,500,000.000	106.380	97.054	4,393,830.00	A-	10/25/2027		144,000.00	4.159
3.200%01/25/2028										
US TREASURY NOTE	11/15/2028	2,000,000.000	108.180	98.272	1,989,047.34	AAA			62,500.00	3.579
3.125%11/15/2028										
<b>Total Matures 2028</b>					<b>26,658,700.12</b>				<b>983,000.00</b>	
<b>Matures 2027</b>										
BANK AMER CORP FR	10/21/2027	5,000,000.000	108.340	97.742	4,959,277.78	A-	10/21/2026		162,400.00	4.040
3.248%10/21/2027										
FEDERAL FARM CR BKS CONS SYSTEMWIDE	04/12/2027	5,000,000.000	100.000	98.318	4,994,062.50	AA+	04/12/2023		166,500.00	4.035
3.330%04/12/2027										
PEPSICO INC SR NT	03/19/2027	5,000,000.000	108.550	97.136	4,861,175.00	A+	01/19/2027		131,250.00	3.852
2.625%03/19/2027							100.000			
<b>Total Matures 2027</b>					<b>14,814,515.28</b>				<b>460,150.00</b>	
<b>Matures 2026</b>										
ABBVIE INC SR GLBL	05/14/2026	4,500,000.000	109.020	98.708	4,496,660.00	A-	02/14/2026		144,000.00	4.028

	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	98.004	4,476,555.00	A-	07/01/2026		132,750.00	3.997
2.950%10/01/2026							100.000			
OMNICOM GROUP INC SR GLBL	04/15/2026	3,000,000.000	104.300	98.822	3,014,460.00	BBB+	01/15/2026		108,000.00	4.398
3.600%04/15/2026										
VERIZON COMMUNICATIONS INC SR GLBL	08/15/2026	4,500,000.000	108.120	97.198	4,389,003.75	BBB+			118,125.00	4.195
2.625%08/15/2026										
WELLS FARGO CO NEW SR NT	10/23/2026	4,500,000.000	108.470	97.736	4,457,370.00	BBB+			135,000.00	4.156
3.000%10/23/2026										
<b>Total Matures 2026</b>					<b>20,834,048.75</b>				<b>637,875.00</b>	
<b>Matures 2025</b>										
CVS HEALTH CORP SR GLBL NT	07/20/2025	3,500,000.000	101.290	99.282	3,501,618.26	BBB	04/20/2025		135,625.00	4.792
3.875%07/20/2025										
HOME DEPOT INC SR GLBL NT	09/15/2025	5,000,000.000	97.990	99.235	4,969,194.44	A	06/15/2025		167,500.00	4.172
3.350%09/15/2025										
INTEL CORP SR GLBL	07/29/2025	5,000,000.000	103.130	99.069	4,985,311.11	BBB+	04/29/2025		185,000.00	4.857
3.700%07/29/2025										
NORTHERN TR CORP SUB NT	10/30/2025	4,500,000.000	104.400	99.619	4,557,411.26	A			177,750.00	4.311
3.950%10/30/2025										
SYSCO CORP SR NT	10/01/2025	3,500,000.000	102.850	99.303	3,541,230.00	BBB	07/01/2025		131,250.00	4.468
3.750%10/01/2025										
US TREASURY NOTE	07/31/2025	6,000,000.000	99.940	100.543	6,080,596.30	AAA			285,000.00	4.072
4.750%07/31/2025										
<b>Total Matures 2025</b>					<b>27,635,361.37</b>				<b>1,082,125.00</b>	
<b>Matures 2024</b>										
US TREASURY NOTE	11/30/2024	6,000,000.000	99.560	99.964	6,088,577.70	AAA			270,000.00	4.683
4.500%11/30/2024										
<b>Total Matures 2024</b>					<b>6,088,577.70</b>				<b>270,000.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	83.150	129,714.00	NR				.000
<b>Total No Maturity</b>					<b>129,714.00</b>					
<b>Total</b>					<b>176,049,789.95</b>				<b>6,471,725.00</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	167.19	28,658,037.90	4.2	.80	137,128.00	.478
DISNEY WALT CO COM	130,570.000	59.83	7,812,035.07	96.19	12,559,528.30	1.9	.75	97,927.50	.780
META PLATFORMS, INC.	31,880.000	220.84	7,040,497.31	572.44	18,249,387.20	2.7	2.00	63,760.00	.349
OMNICOM GROUP INC COM	118,760.000	50.44	5,990,559.57	103.39	12,361,728.40	1.8	2.80	332,528.00	2.708
<b>Total for Communication Services</b>			<b>20,843,091.95</b>		<b>71,828,681.80</b>	<b>10.6</b>		<b>631,343.50</b>	<b>.880</b>
<b>Consumer Disc</b>									
CARMAX INC COM	148,475.000	63.25	9,391,773.32	77.38	11,488,995.50	1.7	.00	.00	.000
HOME DEPOT INC COM	71,720.000	28.92	2,073,866.10	405.20	29,060,944.00	4.3	9.00	645,480.00	2.221
O REILLY AUTOMOTIVE INC NEW COM	16,585.000	179.95	2,984,519.76	1,151.60	19,099,286.00	2.8	.00	.00	.000
TJX COS INC NEW COM	135,515.000	6.29	852,822.15	117.54	15,928,433.10	2.4	1.50	203,272.50	1.276
<b>Total for Consumer Disc</b>			<b>15,302,981.33</b>		<b>75,577,658.60</b>	<b>11.2</b>		<b>848,752.50</b>	<b>1.123</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	170,235.000	26.92	4,582,220.54	39.68	6,754,924.80	1.0	1.04	177,044.40	2.621
BERKSHIRE HATHAWAY INC DEL CL B NEW	71,765.000	120.74	8,664,644.07	460.26	33,030,558.90	4.9	.00	.00	.000
JPMORGAN CHASE & CO COM	142,830.000	54.21	7,742,359.33	210.86	30,117,133.80	4.4	5.00	714,150.00	2.371
PROGRESSIVE CORP OH COM	158,080.000	32.93	5,205,283.61	253.76	40,114,380.80	5.9	.40	63,232.00	.158
SCHWAB CHARLES CORP NEW COM	303,685.000	39.59	12,021,554.17	64.81	19,681,824.85	2.9	1.00	303,685.00	1.543
US BANCORP DEL COM NEW	176,525.000	22.98	4,056,382.50	45.73	8,160,750.75	1.2	2.00	353,050.00	4.373
WELLS FARGO & CO NEW COM	141,260.000	27.17	3,838,454.30	56.49	7,979,777.40	1.2	1.60	226,016.00	2.832
<b>Total for Financials</b>			<b>46,110,898.52</b>		<b>145,839,351.30</b>	<b>21.5</b>		<b>1,837,177.40</b>	<b>1.260</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	110,550.000	78.80	8,711,766.98	162.06	17,915,733.00	2.6	4.96	548,328.00	3.061
<b>Total for Health Care</b>			<b>8,711,766.98</b>		<b>17,915,733.00</b>	<b>2.6</b>		<b>548,328.00</b>	<b>3.061</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	79,580.000	38.06	3,028,451.45	131.40	10,456,812.00	1.5	1.46	116,186.80	1.111
FASTENAL CO COM	231,140.000	20.71	4,787,225.02	71.42	16,508,018.80	2.4	1.56	360,578.40	2.184
GE VERNOVA INC COM	77,288.000	73.44	5,676,045.76	254.98	19,706,894.24	2.9	.00	.00	.000

	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	188.58	25,955,974.10	3.8	1.12	153,927.20	.594
PARKER HANNIFIN CORP COM	33,550.000	291.57	9,782,178.84	631.82	21,197,561.00	3.1	6.52	218,746.00	1.032
UNION PAC CORP COM	42,560.000	93.91	3,996,797.92	246.48	10,490,188.80	1.5	5.36	228,121.60	2.175
<b>Total for Industrials</b>			<b>41,600,284.82</b>		<b>104,315,448.94</b>	<b>15.2</b>		<b>1,077,560.00</b>	<b>1.033</b>
<b>Information Tech</b>									
APPLE INC COM	133,770.000	21.85	2,923,111.67	233.00	31,168,410.00	4.6	1.00	133,770.00	.429
CISCO SYS INC COM	96,615.000	17.22	1,663,844.57	53.22	5,141,850.30	.8	1.60	154,584.00	3.006
MICROSOFT CORP COM	77,470.000	25.29	1,958,913.60	430.30	33,335,341.00	4.9	3.32	257,200.40	.772
TE CONNECTIVITY PLC ORD SHS	105,015.000	.00	.00	150.99	15,856,214.85	2.3	2.60	273,039.00	1.722
<b>Total for Information Tech</b>			<b>6,545,869.84</b>		<b>85,501,816.15</b>	<b>12.6</b>		<b>818,593.40</b>	<b>.957</b>
<b>Total: Total Equity</b>			<b>139,114,893.44</b>		<b>500,978,689.79</b>	<b>73.7</b>		<b>5,761,754.80</b>	<b>1.151</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	98.71	4,496,660.00	.7	3.20	144,000.00	3.242
APPLE INC SR GLBL 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	103.13	1,572,272.50	.2	4.30	64,500.00	4.169
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	97.74	4,959,277.78	.7	3.25	162,400.00	3.323
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	97.10	4,430,708.75	.7	3.25	146,250.00	3.347
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.29	3,545,260.35	99.28	3,501,618.26	.5	3.88	135,625.00	3.903
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	100.20	5,050,838.89	.7	3.85	192,500.00	3.842
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	3,500,000.000	101.95	3,568,250.00	105.02	3,692,884.03	.5	5.05	176,750.00	4.809
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	4,500,000.000	107.85	4,853,306.19	92.54	4,184,130.00	.6	2.65	119,250.00	2.864
DISNEY WALT CO SR GLBL NT	4,500,000.000	107.23	4,825,574.74	91.27	4,133,077.50	.6	2.65	119,250.00	2.903

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	4,500,000.000	107.95	4,857,881.62	92.18	4,202,122.50	.6	2.61	117,450.00	2.832
2.610% 10/15/2030 META PLATFORMS INC GBLB NT	4,000,000.000	99.78	3,991,120.00	102.58	4,172,551.11	.6	4.60	184,000.00	4.484
4.600% 05/15/2028 HOME DEPOT INC SR GBLB NT	5,000,000.000	97.99	4,899,500.00	99.23	4,969,194.44	.7	3.35	167,500.00	3.376
3.350% 09/15/2025 INTEL CORP SR GBLB	5,000,000.000	103.13	5,156,596.70	99.07	4,985,311.11	.7	3.70	185,000.00	3.735
3.700% 07/29/2025 JPMORGAN CHASE & CO SR NT	4,500,000.000	108.98	4,903,950.28	98.00	4,476,555.00	.7	2.95	132,750.00	3.010
2.950% 10/01/2026 JOHNSON & JOHNSON SR GBLB	5,000,000.000	108.81	5,440,382.18	97.67	4,914,261.11	.7	2.90	145,000.00	2.969
2.900% 01/15/2028 KIMBERLY CLARK CORP SR GBLB	4,500,000.000	109.26	4,916,915.28	95.32	4,291,517.50	.6	3.10	139,500.00	3.252
3.100% 03/26/2030 MCDONALDS CORP FR	4,000,000.000	98.74	3,949,400.00	103.93	4,183,050.00	.6	4.95	198,000.00	4.763
4.950% 08/14/2033 MERCK & CO INC SR GBLB	4,500,000.000	111.40	5,012,820.28	97.72	4,407,600.00	.7	3.40	153,000.00	3.479
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	4,500,000.000	104.40	4,698,095.06	99.62	4,557,411.26	.7	3.95	177,750.00	3.965
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GBLB	4,500,000.000	98.57	4,435,550.00	100.79	4,597,870.00	.7	4.70	211,500.00	4.663
4.700% 06/15/2032 OMNICOM GROUP INC SR GBLB	3,000,000.000	104.30	3,129,146.81	98.82	3,014,460.00	.4	3.60	108,000.00	3.643
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GBLB	4,000,000.000	95.73	3,829,080.00	101.14	4,053,440.00	.6	4.50	180,000.00	4.449
4.500% 09/15/2029 PEPSICO INC SR NT	5,000,000.000	108.55	5,427,413.51	97.14	4,861,175.00	.7	2.63	131,250.00	2.702
2.625% 03/19/2027 PFIZER INC GBLB NT	4,500,000.000	108.33	4,874,850.53	92.77	4,233,712.50	.6	2.63	118,125.00	2.830
2.625% 04/01/2030 PROGRESSIVE CORP SR GBLB	4,500,000.000	109.83	4,942,133.37	95.22	4,286,945.00	.6	3.20	144,000.00	3.361
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GBLB	4,500,000.000	106.38	4,787,060.00	97.05	4,393,830.00	.6	3.20	144,000.00	3.297

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.200% 01/25/2028 SYSCO CORP SR NT	3,500,000.000	102.85	3,599,581.69	99.30	3,541,230.00	.5	3.75	131,250.00	3.776
3.750% 10/01/2025 TARGET CORP SR GBL	5,000,000.000	102.24	5,112,000.00	101.53	5,086,450.00	.8	4.50	225,000.00	4.432
4.500% 09/15/2032 TEXAS INSTRS INC SR GBL NT	4,500,000.000	105.75	4,758,542.97	92.25	4,158,618.75	.6	2.25	101,250.00	2.439
2.250% 09/04/2029 US BANCORP FR	1,500,000.000	100.49	1,507,350.00	106.67	1,639,005.00	.2	5.85	87,750.00	5.484
5.850% 10/21/2033 VERIZON COMMUNICATIONS INC SR GBL	4,500,000.000	108.12	4,865,186.69	97.20	4,389,003.75	.6	2.63	118,125.00	2.701
2.625% 08/15/2026 WELLS FARGO CO NEW SR NT	4,500,000.000	108.47	4,881,224.62	97.74	4,457,370.00	.7	3.00	135,000.00	3.069
3.000% 10/23/2026 <b>Total for Corporate Bonds</b>			<b>142,626,527.73</b>		<b>133,894,151.74</b>	<b>19.4</b>		<b>4,695,725.00</b>	<b>3.537</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS 4.750% 01/19/2034	5,000,000.000	99.98	4,999,000.00	101.25	5,110,100.00	.8	4.75	237,500.00	4.691
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	5,000,000.000	100.00	5,000,000.00	98.32	4,994,062.50	.7	3.33	166,500.00	3.387
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	6,000,000.000	99.65	5,978,700.00	102.17	6,138,171.67	.9	4.25	255,000.00	4.160
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950% 04/27/2033	1,000,000.000	100.03	1,000,250.00	100.50	1,026,185.00	.2	4.95	49,500.00	4.925
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500% 08/08/2033	4,000,000.000	99.06	3,962,200.00	103.32	4,159,460.00	.6	4.50	180,000.00	4.355
US TREASURY NOTE 3.125% 11/15/2028	2,000,000.000	108.18	2,163,500.00	98.27	1,989,047.34	.3	3.13	62,500.00	3.180
US TREASURY NOTE 4.500% 11/30/2024	6,000,000.000	99.56	5,973,360.00	99.96	6,088,577.70	.9	4.50	270,000.00	4.502
US TREASURY NOTE 4.750% 07/31/2025	6,000,000.000	99.94	5,996,400.00	100.54	6,080,596.30	.9	4.75	285,000.00	4.724
US TREASURY NOTE 4.500% 11/15/2033	6,000,000.000	103.45	6,206,940.00	105.63	6,439,723.70	1.0	4.50	270,000.00	4.260
<b>Total for Governments</b>			<b>41,280,350.00</b>		<b>42,025,924.21</b>	<b>6.3</b>		<b>1,776,000.00</b>	<b>4.271</b>

**Portfolio Holdings by Asset Class**  
**KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)**

Ending: September 30, 2024  
 Managed Since: January 01, 1993

	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	1,560.000	84.58	131,943.81	83.15	129,714.00	.0	3.12	4,864.08	3.750
<b>Total for Taxable Bond Funds</b>			<b>131,943.81</b>		<b>129,714.00</b>	<b>.0</b>		<b>4,864.08</b>	<b>3.750</b>
<b>Total: Total Fixed Income</b>			<b>184,038,821.54</b>		<b>176,049,789.95</b>	<b>25.7</b>		<b>6,476,589.08</b>	<b>3.712</b>
<b>Total</b>			<b>323,153,714.98</b>		<b>677,028,479.74</b>	<b>100.0</b>		<b>12,238,343.88</b>	<b>1.812</b>

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>677,028,480</b>	<b>7.69</b>	<b>31.75</b>	<b>9.98</b>	<b>13.75</b>	<b>11.85</b>	<b>9.60</b>	<b>9.73</b>
<b>Total Portfolio - Net</b>	<b>677,028,480</b>	<b>7.67</b>	<b>31.65</b>	<b>9.90</b>	<b>13.66</b>	<b>11.77</b>	<b>9.54</b>	<b>9.68</b>
70% SP500 30% Bloomberg Int Govt Cr		5.45	27.91	8.54	11.69	10.09	8.60	9.12
<b>Total Equity</b>	<b>500,978,690</b>	<b>9.19</b>	<b>41.32</b>	<b>13.71</b>	<b>18.12</b>	<b>15.32</b>	<b>11.74</b>	<b>12.00</b>
S P 500 Index		5.89	36.35	11.91	15.98	13.38	10.71	10.84
<b>Total Fixed Income</b>	<b>176,049,790</b>	<b>3.66</b>	<b>9.13</b>	<b>.37</b>	<b>1.34</b>	<b>2.03</b>	<b>2.79</b>	<b>4.20</b>
Bloomberg US Government/Credit Interm Bond		4.17	9.45	.17	1.26	1.96	3.00	4.35

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.85	10.09
Standard Deviation	11.99	11.02
Beta	1.05	
Alpha	1.27	
R-Squared	.94	
Sharpe Ratio	.84	.75
Treynor Ratio	9.60	8.32
Tracking Error	3.08	
Information Ratio	.56	
Downside Deviation	7.36	6.87
Downside Standard Deviation	9.00	8.26
Sortino Ratio	1.72	1.56
Upside Capture	1.10	
Downside Capture	1.02	
Batting Average	.58	
Annualized Excess Return	1.76	
Cumulative Excess Return	45.00	
Turnover %	129.18	
M-Squared	11.03	
Residual Risk	.85	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.77	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.60	8.60
Standard Deviation	10.82	10.68
Beta	.97	
Alpha	1.14	
R-Squared	.92	
Sharpe Ratio	.73	.65
Treynor Ratio	8.19	6.94
Tracking Error	3.09	
Information Ratio	.30	
Downside Deviation	6.85	6.99
Downside Standard Deviation	8.17	8.16
Sortino Ratio	1.49	1.32
Upside Capture	1.02	
Downside Capture	.95	
Batting Average	.55	
Annualized Excess Return	1.00	
Cumulative Excess Return	104.86	
Turnover %	204.25	
M-Squared	9.50	
Residual Risk	.88	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.66	



# Proxy Voting Report

Jul 1, 2024 to Sep 30, 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
0	0
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
0	0
Number of Meetings With VAM	% of All Meetings Voted
0	NA
Number of Proposals With VAM	% of All Proposals Voted
0	NA
Number of Meetings With Votes For Mgmt	% of All Meetings Voted
0	NA
Number of Proposals With Votes For Mgmt	% of All Proposals Voted
0	NA
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
0	0
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
0	0
Number of Meetings With VAP	% of All Meetings Voted
0	NA
Number of Proposals With VAP	% of All Proposals Voted
0	NA
Number of Meetings With Votes For Policy	% of All Meetings Voted
0	NA
Number of Proposals With Votes For Policy	% of All Proposals Voted
0	NA
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted
0	NA

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

## Proposal Summary

<b>Number of Meetings:</b>	0
<b>Number of Mgmt Proposals:</b>	0
<b>Number of Shareholder Proposals:</b>	0

<b>Mgmt Proposals Voted FOR</b>		<b>% of All Mgmt Proposals</b>
	0	NA
<b>Mgmt Proposals Voted Against/Withhold</b>		<b>% of All Mgmt Proposals</b>
	0	NA
<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>
	0	NA
<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

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
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
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
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
04/09/2024	42,930.00	GE VERNOVA INC COM	132.22	5,676,045.76
04/25/2024	60,450.00	CARMAX INC COM	68.34	4,131,104.64
09/12/2024	5,000,000.00	TARGET CORP SR GLBL	102.24	5,112,000.00
				<u>52,541,300.40</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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
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

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to September 30, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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 PLATFORMS, 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
03/20/2024	-1,210.00	META PLATFORMS, 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

# Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to September 30, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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
04/01/2024	1,610.00	US BANCORP DEL COM NEW	244.72	-394,006.83	03/21/2005	17.47	-28,122.15	0.00
04/01/2024	-6,685.00	US BANCORP DEL COM NEW	42.62	284,925.11	03/21/2005	24.55	164,121.08	120,804.03
04/09/2024	-212,180.00	PFIZER INC COM	26.70	5,664,375.56	09/07/2011	26.46	5,615,315.95	49,059.61
04/25/2024	-24,000.00	PROGRESSIVE CORP OH COM	209.69	5,032,654.13	05/23/2007	22.43	538,241.00	4,494,413.13
05/06/2024	-3,500,000.00	APPLE INC SR GLBL NT	100.00	3,500,000.00	06/08/2016	1.03	3,598,323.99	-98,323.99
07/01/2024	0.00	GE VERNOVA INC COM	0.00	97.51	04/09/2024	0.00	0.00	0.00
08/22/2024	-5,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	100.00	5,000,000.00	10/03/2023	1.00	4,981,500.00	18,500.00
				64,375,383.76			39,460,257.38	26,856,758.68

# 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

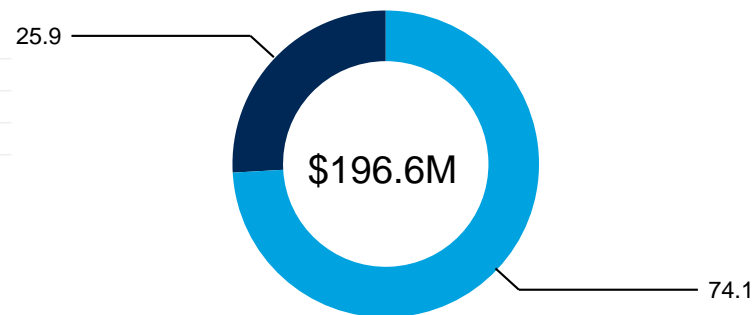
Meeting Date: 10/18/2024

## Client Investment Review

Investment activity through 09/30/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	145,662,118	74.1	1,667,623.95	1.1
Total Fixed Income	50,913,681	25.9	1,901,887.68	3.8
<b>Total</b>	<b>196,575,799</b>	<b>100.0</b>	<b>3,569,511.63</b>	<b>1.8</b>



Investment Summary

	Fiscal Year to Date (3 Months)
Beginning Account Value	182,797,500.30
Net Contributions/Withdrawals	-251,848.54
Income Earned	759,330.18
Market Appreciation	13,270,816.72
Ending Account Value	196,575,798.66

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

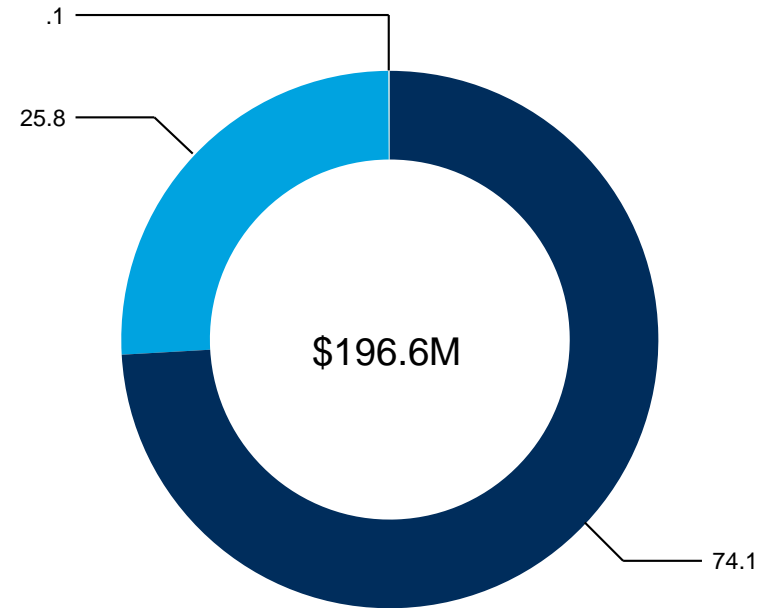


# Market Value by Asset Class

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

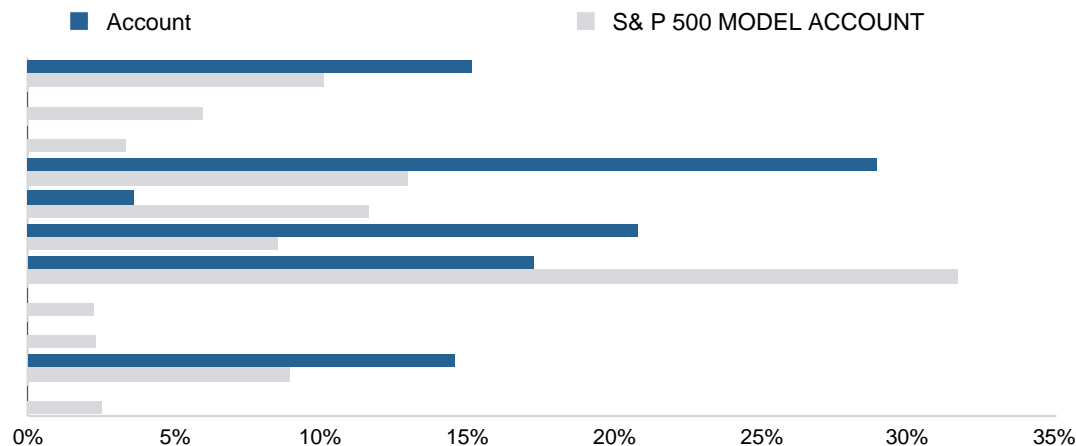
Ending: September 30, 2024  
Managed Since: January 01, 1993

	Market Value	% of Mkt Val
● Core Equity	145,662,118	74.1
● Taxable Fixed Income	50,767,337	25.8
● Taxable Bond Funds	146,344	.1
<b>Total</b>	<b>196,575,799</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	15.1	10.1
Consumer Staples	.0	5.9
Energy	.0	3.3
Financials	28.9	12.9
Health Care	3.6	11.6
Industrials	20.8	8.5
Information Tech	17.2	31.7
Materials	.0	2.2
Real Estate	.0	2.3
Communication Serv	14.5	8.9
Utilities	.0	2.5



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE AEROSPACE	7,632,777	3.9	114.25
META PLATFORMS, INC.	5,332,279	2.7	91.07
PROGRESSIVE CORP OH COM	11,656,466	5.9	83.13
GE VERNOVA INC COM	5,731,440	2.9	80.41
PARKER HANNIFIN CORP COM	6,122,336	3.1	63.68
JPMORGAN CHASE & CO COM	8,681,106	4.4	49.08
BANK OF AMERICA CORP COM	1,967,930	1.0	47.69
US BANCORP DEL COM NEW	2,290,697	1.2	44.79
OMNICOM GROUP INC COM	3,592,666	1.8	42.96
WELLS FARGO & CO NEW COM	2,294,059	1.2	40.93

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	11,656,466	5.9	83.13
MICROSOFT CORP COM	9,647,326	4.9	37.05
BERKSHIRE HATHAWAY INC DE	9,635,543	4.9	31.45
APPLE INC COM	9,144,085	4.7	36.73
JPMORGAN CHASE & CO COM	8,681,106	4.4	49.08
ALPHABET INC CAP STK CL C	8,422,196	4.3	26.97
HOME DEPOT INC COM	8,379,536	4.3	36.48
GE AEROSPACE	7,632,777	3.9	114.25
PARKER HANNIFIN CORP COM	6,122,336	3.1	63.68
GE VERNOVA INC COM	5,731,440	2.9	80.41

Sector	Qtr*
Industrials	2.40
Information Tech	0.83
Consumer Disc	0.62
Energy	0.30
Health Care	0.16
Financials	0.00
Materials	-0.14
Consumer Staples	-0.19
Real Estate	-0.25
Utilities	-0.31
Communication Services	-0.36
<b>Total</b>	<b>3.05</b>

Sector	1 Year*
Industrials	5.41
Financials	2.80
Energy	1.59
Consumer Staples	0.73
Materials	0.18
Real Estate	-0.01
Consumer Disc	-0.07
Communication Services	-0.10
Utilities	-0.15
Health Care	-0.45
Information Tech	-5.74
<b>Total</b>	<b>4.19</b>

Sector	5 Years*
Industrials	1.56
Financials	0.50
Consumer Staples	0.40
Real Estate	0.28
Utilities	0.26
Consumer Disc	0.17
Energy	0.11
Materials	0.05
Health Care	-0.15
Communication Services	-0.42
Information Tech	-0.89
<b>Total</b>	<b>1.87</b>

\*Relative Contribution to Baird Trust Large Cap Equity Investment Return Versus S&P 500 Index (%)

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.01	22.23	1.59
GEV	GE Vernova	3.93	48.67	1.41
HD	Home Depot	5.80	18.50	0.99
PH	Parker Hannifin	4.23	25.32	0.93
GE	GE Aerospace	5.18	19.00	0.90

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
PGR	Progressive	8.01	83.09	5.59
GE	GE Aerospace	5.18	114.27	4.35
JPM	JP Morgan Chase	6.01	49.09	2.83
MSFT	Microsoft	6.65	37.05	2.57
GEV	GE Vernova	3.93	80.39	2.50

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.22	34.03	2.30
PGR	Progressive	8.01	29.75	2.02
MSFT	Microsoft	6.65	26.39	1.90
GOOG	Alphabet	5.72	22.39	1.16
BRK B	Berkshire Hathaway	6.59	17.26	1.12

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	5.72	-8.75	-0.60
SCHW	Charles Schwab	3.93	-11.71	-0.57
MSFT	Microsoft	6.65	-3.57	-0.27
WFC	Wells Fargo	1.59	-4.33	-0.08
DIS	Walt Disney	2.51	-2.63	-0.08

### 1 Year

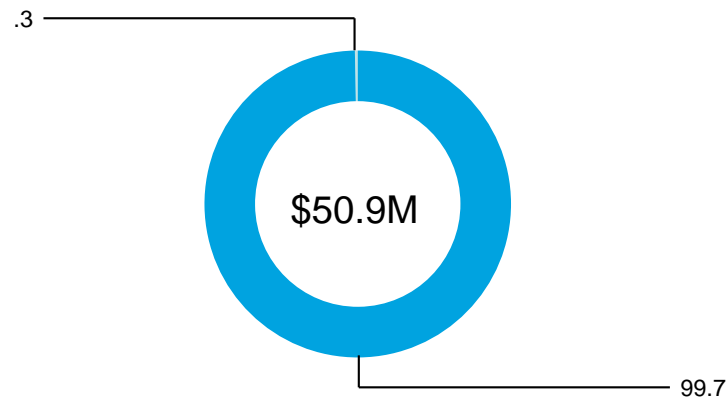
Ticker	Company	Ending Allocation	Total Return	Contribution
CSCO	Cisco	1.03	2.18	0.02
JNJ	Johnson & Johnson	3.58	6.51	0.31
KMX	Carmax	2.29	10.57	0.32
EXPD	Expeditors	2.09	15.96	0.40
UNP	Union Pacific	2.09	23.07	0.57

### 5 Years

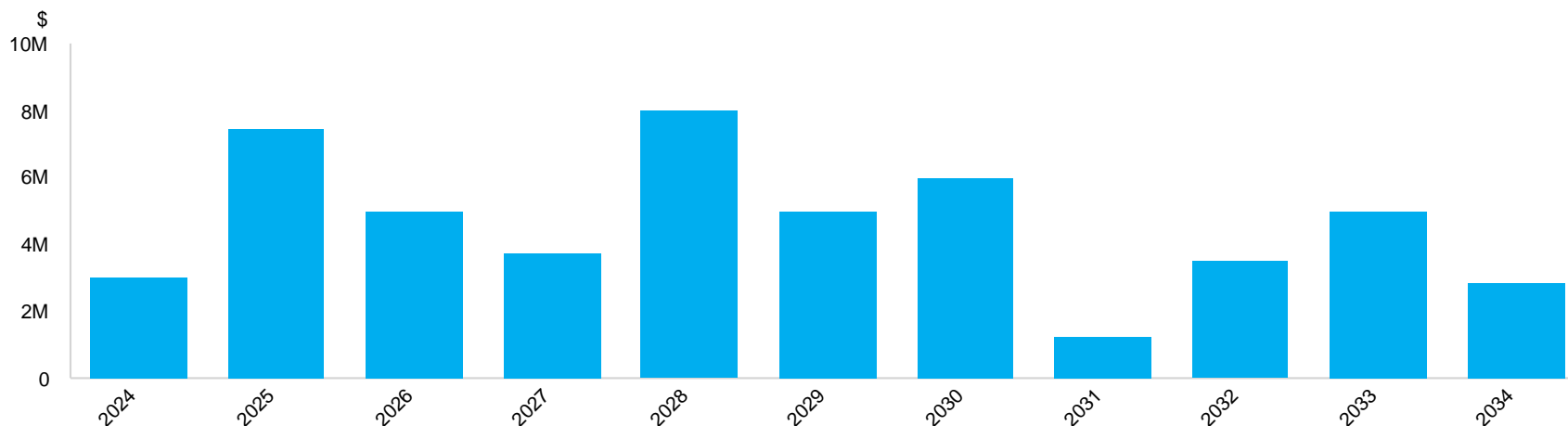
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.51	-5.78	-0.18
USB	US Bancorp	1.63	0.39	-0.02
KMX	Carmax	2.29	-2.38	0.01
CSCO	Cisco	1.03	4.70	0.07
WFC	Wells Fargo	1.59	4.98	0.07

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	50,767,337	99.7	1,896,400.00	3.8
● Taxable Bond Funds	146,344	.3	5,487.68	3.8
<b>Total</b>	<b>50,913,681</b>	<b>100.0</b>	<b>1,901,887.68</b>	<b>3.8</b>



**Fixed Income Maturity Schedule**



Fixed Income Analysis

	09/30/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.76	3.27
Current Yield	3.77	3.34
Yield to Maturity	4.18	3.93
Maturity	4.38	4.31
Duration	3.91	3.72
Face Amount	50,855,000	
Market Value	50,292,252	
Total Accrual	475,085	
Cost	52,895,329	

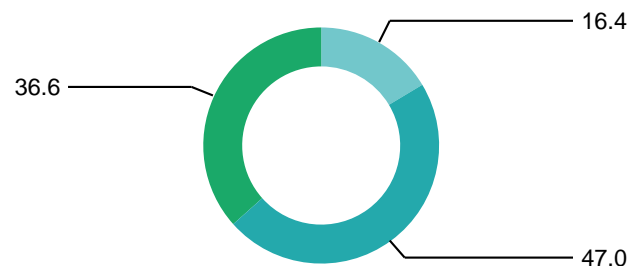
Quality Allocation by Market Value



■ 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	105.020	1,055,109.72	AA-	11/26/2033		50,500.00	4.392
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	1,855,000.000	99.980	101.252	1,895,847.10	AA+	01/19/2027		88,112.50	4.582
<b>Total Matures 2034</b>					<b>2,950,956.82</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	103.134	524,090.83	AA+	02/10/2033		21,500.00	3.868
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	103.324	1,039,865.00	AA+			45,000.00	4.049
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	103.930	1,045,762.50	BBB+	05/14/2033		49,500.00	4.409
US BANCORP FR 5.850%10/21/2033	10/21/2033	500,000.000	100.490	106.667	546,335.00	A	10/21/2032		29,250.00	4.928
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	2,000,000.000	103.450	105.629	2,146,574.56	AAA			90,000.00	3.765
<b>Total Matures 2033</b>					<b>5,302,627.89</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	100.791	1,021,748.89	BBB	03/15/2032		47,000.00	4.576
TARGET CORP SR GLBL 4.500%09/15/2032	09/15/2032	2,500,000.000	102.240	101.529	2,543,225.00	A	06/15/2032		112,500.00	4.271
<b>Total Matures 2032</b>					<b>3,564,973.89</b>				<b>159,500.00</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	91.272	1,148,077.09	A-			33,125.00	4.247
<b>Total Matures 2031</b>					<b>1,148,077.09</b>				<b>33,125.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	92.539	1,162,258.34	A-	11/01/2029		33,125.00	4.226
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	92.177	1,167,256.25	AA-	07/15/2030		32,625.00	4.084
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	92.770	1,176,031.25	A	01/01/2030		32,812.50	4.106
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	95.221	1,190,818.05	A	12/26/2029		40,000.00	4.184
UNION PAC CORP SR GLBL	02/05/2030	1,000,000.000	106.970	91.739	921,123.33	A-	11/05/2029		24,000.00	4.138

	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>5,617,487.22</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	97.097	1,230,752.43	AA-	01/30/2029		40,625.00	3.948
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	97.720	1,224,333.34	A+	12/07/2028		42,500.00	3.965
PARKER HANNIFIN CORP SR GLBL 4.500%09/15/2029	09/15/2029	1,250,000.000	98.540	101.136	1,266,700.00	BBB+	07/15/2029		56,250.00	4.243
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	1,250,000.000	105.830	92.245	1,155,171.88	A+	06/04/2029		28,125.00	3.999
<b>Total Matures 2029</b>					<b>4,876,957.65</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	101.087	1,283,804.51	A-	08/14/2028		53,125.00	3.961
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	1,250,000.000	100.840	100.204	1,262,709.72	AA-	10/15/2027		48,125.00	3.782
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	1,000,000.000	99.780	102.576	1,043,137.78	AA-	04/15/2028		46,000.00	3.831
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	1,000,000.000	99.650	102.173	1,023,028.61	AA+			42,500.00	3.578
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	97.673	1,228,565.28	AAA	10/15/2027		36,250.00	3.657
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	97.054	1,220,508.34	A-	10/25/2027		40,000.00	4.159
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	98.272	994,523.67	AAA			31,250.00	3.579
<b>Total Matures 2028</b>					<b>8,056,277.91</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	97.742	1,239,819.45	A-	10/21/2026		40,600.00	4.040
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	1,250,000.000	100.000	98.318	1,248,515.63	AA+	04/12/2023		41,625.00	4.035
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	1,250,000.000	109.150	97.136	1,215,293.75	A+	01/19/2027 100.000		32,812.50	3.852
<b>Total Matures 2027</b>					<b>3,703,628.83</b>				<b>115,037.50</b>	
<b>Matures 2026</b>										
JPMORGAN CHASE & CO SR NT	10/01/2026	1,250,000.000	108.130	98.004	1,243,487.50	A-	07/01/2026		36,875.00	3.997



	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 GLOBL	04/15/2026	1,250,000.000	104.400	98.822	1,256,025.00	BBB+	100.000 01/15/2026		45,000.00	4.398
3.600%04/15/2026 VERIZON COMMUNICATIONS INC SR GLOBL	08/15/2026	1,250,000.000	108.160	97.198	1,219,167.71	BBB+			32,812.50	4.195
2.625%08/15/2026 WELLS FARGO CO NEW SR NT	10/23/2026	1,250,000.000	108.470	97.736	1,238,158.33	BBB+			37,500.00	4.156
3.000%10/23/2026										
<b>Total Matures 2026</b>					<b>4,956,838.54</b>				<b>152,187.50</b>	
<b>Matures 2025</b>										
CVS HEALTH CORP SR GLOBL NT	07/20/2025	1,000,000.000	101.290	99.282	1,000,462.36	BBB	04/20/2025		38,750.00	4.792
3.875%07/20/2025 HOME DEPOT INC SR GLOBL NT	09/15/2025	1,000,000.000	97.990	99.235	993,838.89	A	06/15/2025		33,500.00	4.172
3.350%09/15/2025 INTEL CORP SR GLOBL	07/29/2025	1,250,000.000	102.400	99.069	1,246,327.78	BBB+	04/29/2025		46,250.00	4.857
3.700%07/29/2025 NORTHERN TR CORP SUB NT	10/30/2025	1,250,000.000	104.250	99.619	1,265,947.57	A			49,375.00	4.311
3.950%10/30/2025 SYSCO CORP SR NT	10/01/2025	1,000,000.000	102.850	99.303	1,011,780.00	BBB	07/01/2025		37,500.00	4.468
3.750%10/01/2025 US TREASURY NOTE	07/31/2025	2,000,000.000	99.940	100.543	2,026,865.43	AAA			95,000.00	4.072
4.750%07/31/2025										
<b>Total Matures 2025</b>					<b>7,545,222.03</b>				<b>300,375.00</b>	
<b>Matures 2024</b>										
US TREASURY NOTE	11/30/2024	3,000,000.000	99.560	99.964	3,044,288.85	AAA			135,000.00	4.683
4.500%11/30/2024										
<b>Total Matures 2024</b>					<b>3,044,288.85</b>				<b>135,000.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	83.150	146,344.00	NR				.000
<b>Total No Maturity</b>					<b>146,344.00</b>					
<b>Total</b>					<b>50,913,680.72</b>				<b>1,896,400.00</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	167.19	8,422,196.25	4.3	.80	40,300.00	.478
DISNEY WALT CO COM	38,745.000	65.20	2,526,180.57	96.19	3,726,881.55	1.9	.75	29,058.75	.780
META PLATFORMS, INC.	9,315.000	219.62	2,045,734.50	572.44	5,332,278.60	2.7	2.00	18,630.00	.349
OMNICOM GROUP INC COM	34,515.000	54.97	1,897,133.01	103.39	3,592,666.35	1.8	2.80	96,642.00	2.708
<b>Total for Communication Services</b>			<b>6,469,048.08</b>		<b>21,074,022.75</b>	<b>10.7</b>		<b>184,630.75</b>	<b>.877</b>
<b>Consumer Disc</b>									
CARMAX INC COM	43,105.000	63.34	2,730,464.43	77.38	3,335,464.90	1.7	.00	.00	.000
HOME DEPOT INC COM	20,680.000	58.21	1,203,783.10	405.20	8,379,536.00	4.3	9.00	186,120.00	2.221
O REILLY AUTOMOTIVE INC NEW COM	4,845.000	180.12	872,686.10	1,151.60	5,579,502.00	2.8	.00	.00	.000
TJX COS INC NEW COM	39,335.000	12.49	491,394.40	117.54	4,623,435.90	2.4	1.50	59,002.50	1.276
<b>Total for Consumer Disc</b>			<b>5,298,328.03</b>		<b>21,917,938.80</b>	<b>11.2</b>		<b>245,122.50</b>	<b>1.118</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	49,595.000	26.92	1,334,950.08	39.68	1,967,929.60	1.0	1.04	51,578.80	2.621
BERKSHIRE HATHAWAY INC DEL CL B NEW	20,935.000	126.98	2,658,408.27	460.26	9,635,543.10	4.9	.00	.00	.000
JPMORGAN CHASE & CO COM	41,170.000	60.79	2,502,719.19	210.86	8,681,106.20	4.4	5.00	205,850.00	2.371
PROGRESSIVE CORP OH COM	45,935.000	35.07	1,610,926.97	253.76	11,656,465.60	5.9	.40	18,374.00	.158
SCHWAB CHARLES CORP NEW COM	86,765.000	39.43	3,420,857.71	64.81	5,623,239.65	2.9	1.00	86,765.00	1.543
US BANCORP DEL COM NEW	49,550.000	30.18	1,495,624.22	45.73	2,290,696.50	1.2	2.00	99,100.00	4.373
WELLS FARGO & CO NEW COM	40,610.000	33.82	1,373,524.77	56.49	2,294,058.90	1.2	1.60	64,976.00	2.832
<b>Total for Financials</b>			<b>14,397,011.21</b>		<b>42,149,039.55</b>	<b>21.5</b>		<b>526,643.80</b>	<b>1.250</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	31,925.000	75.65	2,415,243.87	162.06	5,173,765.50	2.6	4.96	158,348.00	3.061
<b>Total for Health Care</b>			<b>2,415,243.87</b>		<b>5,173,765.50</b>	<b>2.6</b>		<b>158,348.00</b>	<b>3.061</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	22,915.000	40.20	921,231.20	131.40	3,011,031.00	1.5	1.46	33,455.90	1.111
FASTENAL CO COM	67,100.000	20.71	1,389,590.58	71.42	4,792,282.00	2.4	1.56	104,676.00	2.184
GE VERNOVA INC COM	22,478.000	72.79	1,636,176.71	254.98	5,731,440.44	2.9	.00	.00	.000

	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	188.58	7,632,776.90	3.9	1.12	45,264.80	.594
PARKER HANNIFIN CORP COM	9,690.000	291.50	2,824,599.63	631.82	6,122,335.80	3.1	6.52	63,178.80	1.032
UNION PAC CORP COM	12,325.000	93.91	1,157,437.37	246.48	3,037,866.00	1.5	5.36	66,062.00	2.175
<b>Total for Industrials</b>			<b>12,201,464.50</b>		<b>30,327,732.14</b>	<b>15.3</b>		<b>312,637.50</b>	<b>1.031</b>
<b>Information Tech</b>									
APPLE INC COM	39,245.000	24.87	976,160.99	233.00	9,144,085.00	4.7	1.00	39,245.00	.429
CISCO SYS INC COM	28,255.000	22.35	631,486.89	53.22	1,503,731.10	.8	1.60	45,208.00	3.006
MICROSOFT CORP COM	22,420.000	32.01	717,670.86	430.30	9,647,326.00	4.9	3.32	74,434.40	.772
TE CONNECTIVITY PLC ORD SHS	31,290.000	.00	.00	150.99	4,724,477.10	2.4	2.60	81,354.00	1.722
<b>Total for Information Tech</b>			<b>2,325,318.74</b>		<b>25,019,619.20</b>	<b>12.8</b>		<b>240,241.40</b>	<b>.960</b>
<b>Total: Total Equity</b>			<b>43,106,414.43</b>		<b>145,662,117.94</b>	<b>74.1</b>		<b>1,667,623.95</b>	<b>1.145</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	101.09	1,283,804.51	.7	4.25	53,125.00	4.204
APPLE INC SR GLBL 4.300% 05/10/2033	500,000.000	99.99	499,970.00	103.13	524,090.83	.3	4.30	21,500.00	4.169
BANK AMER CORP FR 3.248% 10/21/2027	1,250,000.000	108.96	1,362,048.44	97.74	1,239,819.45	.6	3.25	40,600.00	3.323
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	97.10	1,230,752.43	.6	3.25	40,625.00	3.347
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	1,000,000.000	101.29	1,012,931.54	99.28	1,000,462.36	.5	3.88	38,750.00	3.903
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	100.20	1,262,709.72	.6	3.85	48,125.00	3.842
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	1,000,000.000	101.95	1,019,500.00	105.02	1,055,109.72	.5	5.05	50,500.00	4.809
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	1,250,000.000	108.15	1,351,916.41	92.54	1,162,258.34	.6	2.65	33,125.00	2.864
DISNEY WALT CO SR GLBL NT	1,250,000.000	107.38	1,342,255.25	91.27	1,148,077.09	.6	2.65	33,125.00	2.903

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	1,250,000.000	107.91	1,348,900.66	92.18	1,167,256.25	.6	2.61	32,625.00	2.832
2.610% 10/15/2030 META PLATFORMS INC GBLB NT	1,000,000.000	99.78	997,780.00	102.58	1,043,137.78	.5	4.60	46,000.00	4.484
4.600% 05/15/2028 HOME DEPOT INC SR GBLB NT	1,000,000.000	97.99	979,900.00	99.23	993,838.89	.5	3.35	33,500.00	3.376
3.350% 09/15/2025 INTEL CORP SR GBLB	1,250,000.000	102.40	1,280,000.00	99.07	1,246,327.78	.6	3.70	46,250.00	3.735
3.700% 07/29/2025 JPMORGAN CHASE & CO SR NT	1,250,000.000	108.13	1,351,599.84	98.00	1,243,487.50	.6	2.95	36,875.00	3.010
2.950% 10/01/2026 JOHNSON & JOHNSON SR GBLB	1,250,000.000	109.21	1,365,091.23	97.67	1,228,565.28	.6	2.90	36,250.00	2.969
2.900% 01/15/2028 MCDONALDS CORP FR	1,000,000.000	98.74	987,350.00	103.93	1,045,762.50	.5	4.95	49,500.00	4.763
4.950% 08/14/2033 MERCK & CO INC SR GBLB	1,250,000.000	111.45	1,393,128.69	97.72	1,224,333.34	.6	3.40	42,500.00	3.479
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	1,250,000.000	104.25	1,303,135.51	99.62	1,265,947.57	.6	3.95	49,375.00	3.965
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GBLB	1,000,000.000	98.33	983,300.00	100.79	1,021,748.89	.5	4.70	47,000.00	4.663
4.700% 06/15/2032 OMNICOM GROUP INC SR GBLB	1,250,000.000	104.40	1,304,998.94	98.82	1,256,025.00	.6	3.60	45,000.00	3.643
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GBLB	1,250,000.000	98.54	1,231,687.50	101.14	1,266,700.00	.6	4.50	56,250.00	4.449
4.500% 09/15/2029 PEPSICO INC SR NT	1,250,000.000	109.15	1,364,337.28	97.14	1,215,293.75	.6	2.63	32,812.50	2.702
2.625% 03/19/2027 PFIZER INC GBLB NT	1,250,000.000	108.41	1,355,079.82	92.77	1,176,031.25	.6	2.63	32,812.50	2.830
2.625% 04/01/2030 PROGRESSIVE CORP SR GBLB	1,250,000.000	109.86	1,373,253.13	95.22	1,190,818.05	.6	3.20	40,000.00	3.361
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GBLB	1,250,000.000	106.19	1,327,430.00	97.05	1,220,508.34	.6	3.20	40,000.00	3.297
3.200% 01/25/2028 SYSCO CORP SR NT	1,000,000.000	102.85	1,028,451.91	99.30	1,011,780.00	.5	3.75	37,500.00	3.776

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield	
3.750% 10/01/2025 TARGET CORP SR GLBL	2,500,000.000	102.24	2,556,000.00	101.53	2,543,225.00	1.3	4.50	112,500.00	4.432	
4.500% 09/15/2032 TEXAS INSTRS INC SR GLBL NT	1,250,000.000	105.83	1,322,899.94	92.25	1,155,171.88	.6	2.25	28,125.00	2.439	
2.250% 09/04/2029 UNION PAC CORP SR GLBL	1,000,000.000	106.97	1,069,704.65	91.74	921,123.33	.5	2.40	24,000.00	2.616	
2.400% 02/05/2030 US BANCORP FR	500,000.000	100.49	502,450.00	106.67	546,335.00	.3	5.85	29,250.00	5.484	
5.850% 10/21/2033 VERIZON COMMUNICATIONS INC SR GLBL	1,250,000.000	108.16	1,351,938.92	97.20	1,219,167.71	.6	2.63	32,812.50	2.701	
2.625% 08/15/2026 WELLS FARGO CO NEW SR NT	1,250,000.000	108.47	1,355,895.73	97.74	1,238,158.33	.6	3.00	37,500.00	3.069	
3.000% 10/23/2026 <b>Total for Corporate Bonds</b>			<b>39,667,489.82</b>		<b>37,347,827.87</b>	<b>18.6</b>		<b>1,327,912.50</b>	<b>3.587</b>	
<b>Governments</b>										
FEDERAL HOME LOAN BKS CONS BDS	1,855,000.000	99.98	1,854,629.00	101.25	1,895,847.10	1.0	4.75	88,112.50	4.691	
4.750% 01/19/2034 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,250,000.000	100.00	1,250,000.00	98.32	1,248,515.63	.6	3.33	41,625.00	3.387	
3.330% 04/12/2027 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.65	996,450.00	102.17	1,023,028.61	.5	4.25	42,500.00	4.160	
4.250% 03/20/2028 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.06	990,550.00	103.32	1,039,865.00	.5	4.50	45,000.00	4.355	
4.500% 08/08/2033 US TREASURY NOTE	1,000,000.000	108.18	1,081,750.00	98.27	994,523.67	.5	3.13	31,250.00	3.180	
3.125% 11/15/2028 US TREASURY NOTE	3,000,000.000	99.56	2,986,680.00	99.96	3,044,288.85	1.5	4.50	135,000.00	4.502	
4.500% 11/30/2024 US TREASURY NOTE	2,000,000.000	99.94	1,998,800.00	100.54	2,026,865.43	1.0	4.75	95,000.00	4.724	
4.750% 07/31/2025 US TREASURY NOTE	2,000,000.000	103.45	2,068,980.00	105.63	2,146,574.56	1.1	4.50	90,000.00	4.260	
4.500% 11/15/2033 <b>Total for Governments</b>			<b>13,227,839.00</b>		<b>13,419,508.85</b>	<b>6.7</b>		<b>568,487.50</b>	<b>4.285</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	83.15	146,344.00	.1	3.12	5,487.68	3.750
<b>Total for Taxable Bond Funds</b>			<b>148,859.68</b>		<b>146,344.00</b>	<b>.1</b>		<b>5,487.68</b>	<b>3.750</b>
<b>Total: Total Fixed Income</b>			<b>53,044,188.50</b>		<b>50,913,680.72</b>	<b>25.4</b>		<b>1,901,887.68</b>	<b>3.771</b>
<b>Total</b>			<b>96,150,602.93</b>		<b>196,575,798.66</b>	<b>100.0</b>		<b>3,569,511.63</b>	<b>1.821</b>

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>196,575,799</b>	<b>7.69</b>	<b>31.86</b>	<b>10.12</b>	<b>13.84</b>	<b>11.93</b>	<b>9.61</b>	<b>9.73</b>
<b>Total Portfolio - Net</b>	<b>196,575,799</b>	<b>7.67</b>	<b>31.76</b>	<b>10.04</b>	<b>13.75</b>	<b>11.85</b>	<b>9.55</b>	<b>9.68</b>
70% SP500 30% Bloomberg Int Govt Cr		5.45	27.91	8.54	11.69	10.09	8.60	9.12
<b>Total Equity</b>	<b>145,662,118</b>	<b>9.18</b>	<b>41.32</b>	<b>13.71</b>	<b>18.12</b>	<b>15.30</b>	<b>11.71</b>	<b>11.81</b>
S P 500 Index		5.89	36.35	11.91	15.98	13.38	10.71	10.84
<b>Total Fixed Income</b>	<b>50,913,681</b>	<b>3.64</b>	<b>9.07</b>	<b>.34</b>	<b>1.26</b>	<b>2.07</b>	<b>2.78</b>	<b>4.20</b>
Bloomberg US Government/Credit Interm Bond		4.17	9.45	.17	1.26	1.96	3.00	4.35

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.93	10.09
Standard Deviation	12.00	11.02
Beta	1.06	
Alpha	1.33	
R-Squared	.94	
Sharpe Ratio	.85	.75
Treynor Ratio	9.58	8.32
Tracking Error	3.06	
Information Ratio	.59	
Downside Deviation	7.37	6.87
Downside Standard Deviation	9.01	8.26
Sortino Ratio	1.73	1.56
Upside Capture	1.11	
Downside Capture	1.02	
Batting Average	.57	
Annualized Excess Return	1.85	
Cumulative Excess Return	47.31	
Turnover %	123.46	
M-Squared	11.10	
Residual Risk	.85	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.77	



	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.61	8.60
Standard Deviation	10.78	10.68
Beta	.97	
Alpha	1.18	
R-Squared	.92	
Sharpe Ratio	.74	.65
Treynor Ratio	8.20	6.94
Tracking Error	3.11	
Information Ratio	.30	
Downside Deviation	6.81	6.99
Downside Standard Deviation	8.13	8.16
Sortino Ratio	1.50	1.32
Upside Capture	1.02	
Downside Capture	.95	
Batting Average	.55	
Annualized Excess Return	1.01	
Cumulative Excess Return	106.07	
Turnover %	202.16	
M-Squared	9.54	
Residual Risk	.88	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.66	

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
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
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
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
04/09/2024	12,375.00	GE VERNOVA INC COM	132.22	1,636,176.71
04/25/2024	18,000.00	CARMAX INC COM	68.34	1,230,105.60
09/12/2024	2,500,000.00	TARGET CORP SR GLBL	102.24	2,556,000.00
				<u>17,327,221.31</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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

# Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2023 to September 30, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale		Acquisition Purchase		Cost Basis	Gain/Loss
			Price	Proceeds	Date	Price		
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 PLATFORMS, 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
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 PLATFORMS, 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

## Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2023 to September 30, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale		Acquisition Purchase		Cost	
			Price	Proceeds	Date	Price	Basis	Gain/Loss
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
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
04/09/2024	-61,170.00	PFIZER INC COM	26.70	1,632,999.59	09/07/2011	28.98	1,772,696.93	-139,697.34
04/25/2024	-6,200.00	PROGRESSIVE CORP OH COM	209.69	1,300,102.31	12/12/2008	14.76	91,501.31	1,208,601.00
05/06/2024	-950,000.00	APPLE INC SR GLBL NT	100.00	950,000.00	06/08/2016	1.03	975,692.03	-25,692.03
07/01/2024	0.00	GE VERNOVA INC COM	0.00	97.51	04/09/2024	0.00	0.00	0.00
08/22/2024	-2,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	100.00	2,000,000.00	10/03/2023	1.00	1,992,600.00	7,400.00
				<u>18,616,941.86</u>			<u>12,624,569.87</u>	<u>5,992,274.48</u>

# 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

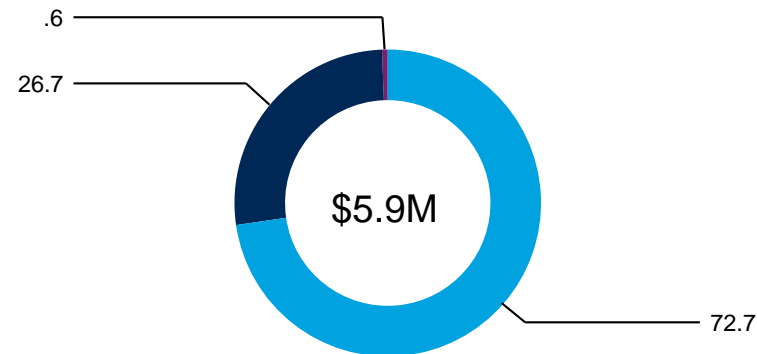
Meeting Date: 10/18/2024

## Client Investment Review

Investment activity through 09/30/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	4,308,043	72.7	49,551.01	1.2
Total Fixed Income	1,579,665	26.7	61,807.10	3.9
Cash & Equivalents	36,118	.6	1,678.46	4.7
<b>Total</b>	<b>5,923,827</b>	<b>100.0</b>	<b>113,036.57</b>	<b>1.9</b>



Investment Summary

	Fiscal Year to Date (3 Months)
Beginning Account Value	4,956,114.92
Net Contributions/Withdrawals	542,737.22
Income Earned	27,934.66
Market Appreciation	397,039.88
Ending Account Value	5,923,826.68

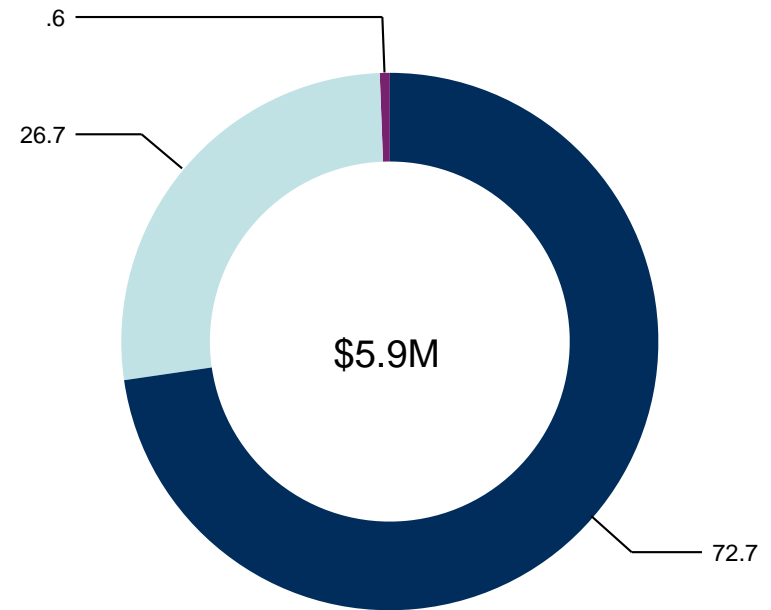
# Market Value by Asset Class

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Ending: September 30, 2024

Managed Since: June 01, 2015

	Market Value	% of Mkt Val
● Core Equity	4,308,043	72.7
● Taxable Bond Funds	1,579,665	26.7
● Cash & Equivalents	36,118	.6
<b>Total</b>	<b>5,923,827</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	35,985.250	1.00	35,985.25	1.00	36,118.29	.6	4.66	1,678.46	4.664
<b>Total for Money Markets</b>			<b>35,985.25</b>		<b>36,118.29</b>	<b>.6</b>		<b>1,678.46</b>	<b>4.664</b>
<b>Total: Cash &amp; Equivalents</b>			<b>35,985.25</b>		<b>36,118.29</b>	<b>.6</b>		<b>1,678.46</b>	<b>4.664</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	1,491.000	135.64	202,233.37	167.19	249,280.29	4.2	.80	1,192.80	.478
DISNEY WALT CO COM	1,121.000	147.82	165,705.30	96.19	107,828.99	1.8	.75	840.75	.780
META PLATFORMS, INC.	285.000	347.70	99,094.49	572.44	163,145.40	2.8	2.00	570.00	.349
OMNICOM GROUP INC COM	1,021.000	77.42	79,047.66	103.39	106,275.89	1.8	2.80	2,858.80	2.708
<b>Total for Communication Services</b>			<b>546,080.82</b>		<b>626,530.57</b>	<b>10.6</b>		<b>5,462.35</b>	<b>.873</b>
<b>Consumer Disc</b>									
CARMAX INC COM	1,287.000	94.86	122,087.18	77.38	99,588.06	1.7	.00	.00	.000
HOME DEPOT INC COM	606.000	327.83	198,665.92	405.20	245,551.20	4.1	9.00	5,454.00	2.221
O REILLY AUTOMOTIVE INC NEW COM	145.000	688.21	99,790.93	1,151.60	166,982.00	2.8	.00	.00	.000
TJX COS INC NEW COM	1,049.000	74.33	77,971.03	117.54	123,299.46	2.1	1.50	1,573.50	1.276
<b>Total for Consumer Disc</b>			<b>498,515.06</b>		<b>635,420.72</b>	<b>10.7</b>		<b>7,027.50</b>	<b>1.106</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	1,469.000	39.38	57,855.93	39.68	58,289.92	1.0	1.04	1,527.76	2.621
BERKSHIRE HATHAWAY INC DEL CL B NEW	625.000	306.63	191,646.20	460.26	287,662.50	4.9	.00	.00	.000
JPMORGAN CHASE & CO COM	1,296.000	157.58	204,229.47	210.86	273,274.56	4.6	5.00	6,480.00	2.371
PROGRESSIVE CORP OH COM	1,372.000	111.27	152,655.74	253.76	348,158.72	5.9	.40	548.80	.158
SCHWAB CHARLES CORP NEW COM	2,598.000	67.03	174,154.06	64.81	168,376.38	2.8	1.00	2,598.00	1.543
US BANCORP DEL COM NEW	1,409.000	53.02	74,708.02	45.73	65,138.07	1.1	2.00	2,818.00	4.373
WELLS FARGO & CO NEW COM	1,163.000	48.73	56,674.60	56.49	65,697.87	1.1	1.60	1,860.80	2.832
<b>Total for Financials</b>			<b>911,924.02</b>		<b>1,266,598.02</b>	<b>21.4</b>		<b>15,833.36</b>	<b>1.251</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	944.000	170.19	160,662.08	162.06	152,984.64	2.6	4.96	4,682.24	3.061
<b>Total for Health Care</b>			<b>160,662.08</b>		<b>152,984.64</b>	<b>2.6</b>		<b>4,682.24</b>	<b>3.061</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	664.000	120.32	79,892.75	131.40	87,249.60	1.5	1.46	969.44	1.111
FASTENAL CO COM	1,973.000	56.37	111,223.86	71.42	140,911.66	2.4	1.56	3,077.88	2.184
GE VERNOVA INC COM	623.000	110.95	69,124.44	254.98	158,852.56	2.7	.00	.00	.000
GE AEROSPACE	1,108.000	74.99	83,089.44	188.58	209,256.88	3.5	1.12	1,240.96	.594
PARKER HANNIFIN CORP COM	293.000	329.75	96,616.11	631.82	185,123.26	3.1	6.52	1,910.36	1.032
UNION PAC CORP COM	382.000	226.06	86,355.27	246.48	94,155.36	1.6	5.36	2,047.52	2.175
<b>Total for Industrials</b>			<b>526,301.87</b>		<b>875,549.32</b>	<b>14.8</b>		<b>9,246.16</b>	<b>1.056</b>
<b>Information Tech</b>									
APPLE INC COM	1,170.000	157.78	184,603.78	233.00	272,610.00	4.6	1.00	1,170.00	.429
CISCO SYS INC COM	985.000	53.71	52,902.46	53.22	52,421.70	.9	1.60	1,576.00	3.006
MICROSOFT CORP COM	680.000	302.83	205,927.23	430.30	292,604.00	4.9	3.32	2,257.60	.772
TE CONNECTIVITY PLC ORD SHS	883.000	146.78	129,610.12	150.99	133,324.17	2.3	2.60	2,295.80	1.722
<b>Total for Information Tech</b>			<b>573,043.59</b>		<b>750,959.87</b>	<b>12.7</b>		<b>7,299.40</b>	<b>.972</b>
<b>Total: Total Equity</b>			<b>3,216,527.44</b>		<b>4,308,043.14</b>	<b>72.8</b>		<b>49,551.01</b>	<b>1.151</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	18,650.000	52.79	984,543.75	52.66	982,109.00	16.6	2.00	37,262.70	3.794
VANGUARD SCOTTSDALE FDS VANGUARD	7,135.000	87.82	626,604.76	83.75	597,556.25	10.1	3.44	24,544.40	4.107
<b>Total for Taxable Bond Funds</b>			<b>1,611,148.51</b>		<b>1,579,665.25</b>	<b>26.7</b>		<b>61,807.10</b>	<b>3.913</b>
<b>Total: Total Fixed Income</b>			<b>1,611,148.51</b>		<b>1,579,665.25</b>	<b>26.7</b>		<b>61,807.10</b>	<b>3.913</b>
<b>Total</b>			<b>4,863,661.20</b>		<b>5,923,826.68</b>	<b>100.0</b>		<b>113,036.57</b>	<b>1.909</b>

Performance Overview

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>5,923,827</b>	<b>7.62</b>	<b>32.33</b>	<b>10.03</b>	<b>12.77</b>	<b>10.72</b>
<b>Total Portfolio - Net</b>	<b>5,923,827</b>	<b>7.60</b>	<b>32.23</b>	<b>9.94</b>	<b>12.68</b>	<b>10.64</b>
70% SP500 30% Bloomberg Int Govt Cr		5.45	27.91	8.54	11.69	10.09
<b>Total Equity</b>	<b>4,308,043</b>	<b>9.10</b>	<b>41.35</b>	<b>13.73</b>	<b>16.99</b>	<b>13.91</b>
S P 500 Index		5.89	36.35	11.91	15.98	13.42
<b>Total Fixed Income</b>	<b>1,579,665</b>	<b>4.64</b>	<b>11.81</b>	<b>.87</b>	<b>1.57</b>	<b>2.76</b>
Bloomberg US Government/Credit Interm Bond		4.17	9.45	.17	1.26	1.85
<b>Cash &amp; Equivalents</b>	<b>36,118</b>	<b>.98</b>	<b>5.19</b>	<b>4.26</b>	<b>2.71</b>	<b>1.91</b>
3 Mos Treasury Bill Rate		1.31	5.53	3.87	2.47	1.87

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.77	11.69
Standard Deviation	13.44	13.28
Beta	.99	
Alpha	1.05	
R-Squared	.97	
Sharpe Ratio	.76	.69
Treynor Ratio	10.37	9.19
Tracking Error	2.40	
Information Ratio	.41	
Downside Deviation	8.37	8.33
Downside Standard Deviation	10.21	10.06
Sortino Ratio	1.65	1.52
Upside Capture	1.03	
Downside Capture	.98	
Batting Average	.60	
Annualized Excess Return	1.08	
Cumulative Excess Return	8.53	
Turnover %	.38	
M-Squared	12.65	
Residual Risk	.67	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.50	

	IGSB	Bloomberg Intermediate Gov/Cr
Duration	2.59	3.72
Effective Maturity	3.45	4.31
Credit Rating	A-	AA2/AA3
Weighted Coupon	4.07	3.27
Weighted Price	99.04	97.95
Yield to Maturity	---	3.93

Source: Morningstar | Investment As of Oct 8, 2024, Category: Short-Term Bond as of Aug 31, 2024

Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Sept 30, 2024

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.61)	0.09	0.44	0.09	-	-	-	-	-
AA (9.70)	-	-	-	-	-	-	-	-
A (45.64)	0.99	27.49	17.14	0.02	-	-	-	-
BBB (42.81)	1.46	23.38	17.96	-	-	-	-	0.01
BB (0.97)	0.09	0.55	0.33	-	-	-	-	-
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated (0.26)	0.02	0.10	0.10	-	-	-	-	0.05

Source: Morningstar

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

	VCIT	Bloomberg Intermediate Gov/Cr
Duration	6.08	3.72
Effective Maturity	7.40	4.31
Credit Rating	BBB+	AA2/AA3
Weighted Coupon	4.27	3.27
Weighted Price	97.02	97.95
Yield to Maturity	5.10	3.93

Source: Morningstar | As of Aug 31, 2024 | Category: Corporate Bond  
 Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Sept 30, 2024

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.27)	-	-	0.00	0.20	0.06	-	-	-
AA (5.53)	-	-	0.74	3.70	1.09	-	-	-
A (43.07)	0.00	0.00	6.84	28.66	7.36	-	-	0.21
BBB (50.05)	-	0.15	10.77	31.23	7.84	-	-	0.07
BB (1.08)	-	-	0.47	0.54	0.06	-	-	-
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated	-	-	-	-	-	-	-	-

Source: Morningstar

As of Aug 31, 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

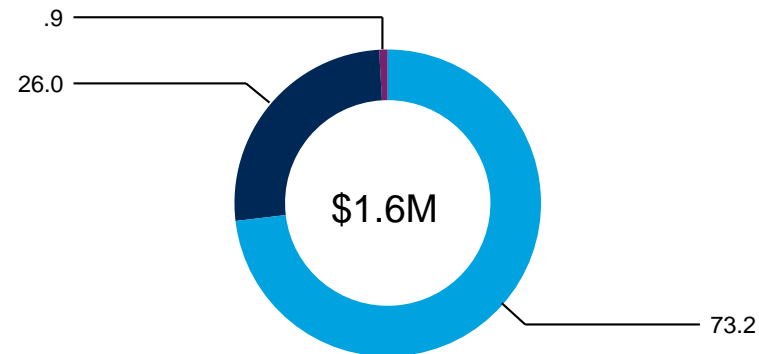
Meeting Date: 10/18/2024

## Client Investment Review

Investment activity through 09/30/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	1,152,473	73.2	13,299.49	1.2
Total Fixed Income	408,676	25.9	15,985.17	3.9
Cash & Equivalents	13,750	.9	638.90	4.7
<b>Total</b>	<b>1,574,899</b>	<b>100.0</b>	<b>29,923.56</b>	<b>1.9</b>



Investment Summary

	Fiscal Year to Date (3 Months)
Beginning Account Value	1,256,859.62
Net Contributions/Withdrawals	204,445.72
Income Earned	7,258.88
Market Appreciation	106,334.57
Ending Account Value	1,574,898.79

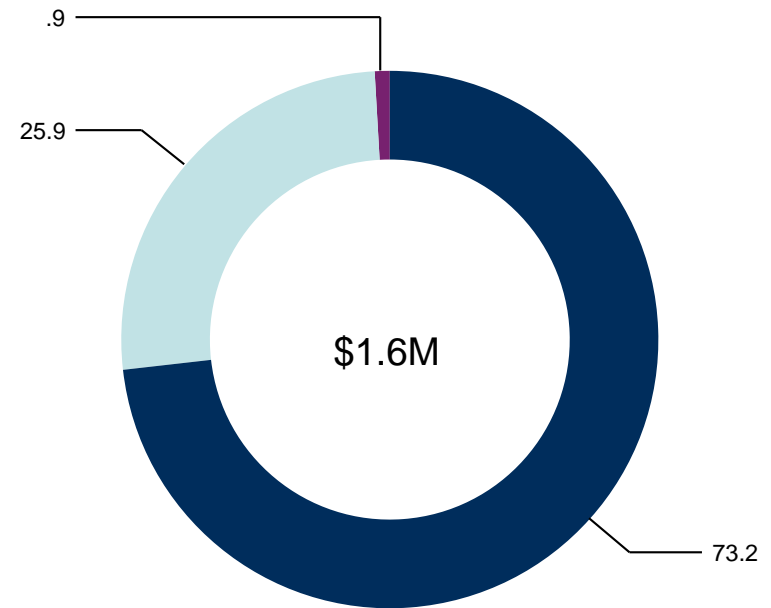
# Market Value by Asset Class

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Ending: September 30, 2024

Managed Since: June 01, 2015

	Market Value	% of Mkt Val
● Core Equity	1,152,473	73.2
● Taxable Bond Funds	408,676	25.9
● Cash & Equivalents	13,750	.9
<b>Total</b>	<b>1,574,899</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	13,697.590	1.00	13,697.59	1.00	13,749.83	.9	4.66	638.90	4.664
<b>Total for Money Markets</b>			<b>13,697.59</b>		<b>13,749.83</b>	<b>.9</b>		<b>638.90</b>	<b>4.664</b>
<b>Total: Cash &amp; Equivalents</b>			<b>13,697.59</b>		<b>13,749.83</b>	<b>.9</b>		<b>638.90</b>	<b>4.664</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	377.000	136.60	51,497.85	167.19	63,030.63	4.0	.80	301.60	.478
DISNEY WALT CO COM	295.000	143.45	42,317.96	96.19	28,376.05	1.8	.75	221.25	.780
META PLATFORMS, INC.	75.000	349.51	26,213.10	572.44	42,933.00	2.7	2.00	150.00	.349
OMNICOM GROUP INC COM	273.000	78.05	21,308.68	103.39	28,416.57	1.8	2.80	764.40	2.708
<b>Total for Communication Services</b>			<b>141,337.59</b>		<b>162,756.25</b>	<b>10.3</b>		<b>1,437.25</b>	<b>.884</b>
<b>Consumer Disc</b>									
CARMAX INC COM	347.000	93.26	32,360.18	77.38	26,850.86	1.7	.00	.00	.000
HOME DEPOT INC COM	163.000	327.95	53,455.81	405.20	66,047.60	4.2	9.00	1,467.00	2.221
O REILLY AUTOMOTIVE INC NEW COM	39.000	723.72	28,225.09	1,151.60	44,912.40	2.9	.00	.00	.000
TJX COS INC NEW COM	278.000	75.83	21,081.99	117.54	32,676.12	2.1	1.50	417.00	1.276
<b>Total for Consumer Disc</b>			<b>135,123.07</b>		<b>170,486.98</b>	<b>10.9</b>		<b>1,884.00</b>	<b>1.105</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	397.000	39.21	15,566.98	39.68	15,752.96	1.0	1.04	412.88	2.621
BERKSHIRE HATHAWAY INC DEL CL B NEW	168.000	315.96	53,081.92	460.26	77,323.68	4.9	.00	.00	.000
JPMORGAN CHASE & CO COM	348.000	158.74	55,242.69	210.86	73,379.28	4.7	5.00	1,740.00	2.371
PROGRESSIVE CORP OH COM	364.000	117.44	42,746.35	253.76	92,368.64	5.9	.40	145.60	.158
SCHWAB CHARLES CORP NEW COM	692.000	67.29	46,563.44	64.81	44,848.52	2.8	1.00	692.00	1.543
US BANCORP DEL COM NEW	381.000	52.16	19,872.62	45.73	17,613.63	1.1	2.00	762.00	4.373
WELLS FARGO & CO NEW COM	313.000	48.80	15,272.94	56.49	17,681.37	1.1	1.60	500.80	2.832
<b>Total for Financials</b>			<b>248,346.94</b>		<b>338,968.08</b>	<b>21.5</b>		<b>4,253.28</b>	<b>1.255</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	260.000	170.05	44,212.82	162.06	42,135.60	2.7	4.96	1,289.60	3.061
<b>Total for Health Care</b>			<b>44,212.82</b>		<b>42,135.60</b>	<b>2.7</b>		<b>1,289.60</b>	<b>3.061</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	180.000	119.31	21,475.97	131.40	23,652.00	1.5	1.46	262.80	1.111
FASTENAL CO COM	523.000	56.92	29,766.55	71.42	37,352.66	2.4	1.56	815.88	2.184
GE VERNOVA INC COM	170.000	113.70	19,328.38	254.98	43,346.63	2.8	.00	.00	.000
GE AEROSPACE	307.000	78.60	24,131.52	188.58	57,980.02	3.7	1.12	343.84	.594
PARKER HANNIFIN CORP COM	75.000	338.49	25,386.96	631.82	47,386.50	3.0	6.52	489.00	1.032
UNION PAC CORP COM	104.000	226.98	23,605.74	246.48	25,633.92	1.6	5.36	557.44	2.175
<b>Total for Industrials</b>			<b>143,695.12</b>		<b>235,351.73</b>	<b>15.0</b>		<b>2,468.96</b>	<b>1.049</b>
<b>Information Tech</b>									
APPLE INC COM	321.000	160.87	51,638.10	233.00	74,793.00	4.7	1.00	321.00	.429
CISCO SYS INC COM	260.000	53.24	13,842.08	53.22	13,837.20	.9	1.60	416.00	3.006
MICROSOFT CORP COM	180.000	307.56	55,361.31	430.30	77,454.00	4.9	3.32	597.60	.772
TE CONNECTIVITY PLC ORD SHS	243.000	145.97	35,470.71	150.99	36,690.57	2.3	2.60	631.80	1.722
<b>Total for Information Tech</b>			<b>156,312.20</b>		<b>202,774.77</b>	<b>12.8</b>		<b>1,966.40</b>	<b>.970</b>
<b>Total: Total Equity</b>			<b>869,027.74</b>		<b>1,152,473.41</b>	<b>73.2</b>		<b>13,299.49</b>	<b>1.154</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	4,855.000	52.69	255,805.62	52.66	255,664.30	16.2	2.00	9,700.29	3.794
VANGUARD SCOTTSDALE FDS VANGUARD	1,827.000	87.44	159,745.41	83.75	153,011.25	9.7	3.44	6,284.88	4.107
<b>Total for Taxable Bond Funds</b>			<b>415,551.03</b>		<b>408,675.55</b>	<b>25.9</b>		<b>15,985.17</b>	<b>3.911</b>
<b>Total: Total Fixed Income</b>			<b>415,551.03</b>		<b>408,675.55</b>	<b>25.9</b>		<b>15,985.17</b>	<b>3.911</b>
<b>Total</b>			<b>1,298,276.36</b>		<b>1,574,898.79</b>	<b>100.0</b>		<b>29,923.56</b>	<b>1.901</b>

## Performance Overview

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>1,574,899</b>	<b>7.63</b>	<b>32.23</b>	<b>9.92</b>	<b>12.65</b>	<b>10.68</b>
<b>Total Portfolio - Net</b>	<b>1,574,899</b>	<b>7.61</b>	<b>32.13</b>	<b>9.84</b>	<b>12.56</b>	<b>10.59</b>
70% SP500 30% Bloomberg Int Govt Cr		5.45	27.91	8.54	11.69	10.09
<b>Total Equity</b>	<b>1,152,473</b>	<b>9.20</b>	<b>41.42</b>	<b>13.71</b>	<b>16.98</b>	<b>13.90</b>
S P 500 Index		5.89	36.35	11.91	15.98	13.42
<b>Total Fixed Income</b>	<b>408,676</b>	<b>4.64</b>	<b>11.81</b>	<b>.86</b>	<b>1.58</b>	<b>2.76</b>
Bloomberg US Government/Credit Interm Bond		4.17	9.45	.17	1.26	1.85
<b>Cash &amp; Equivalents</b>	<b>13,750</b>	<b>1.02</b>	<b>5.12</b>	<b>3.70</b>	<b>2.38</b>	<b>1.72</b>
3 Mos Treasury Bill Rate		1.31	5.53	3.87	2.47	1.87

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.65	11.69
Standard Deviation	13.39	13.28
Beta	.99	
Alpha	.97	
R-Squared	.97	
Sharpe Ratio	.76	.69
Treynor Ratio	10.25	9.19
Tracking Error	2.39	
Information Ratio	.37	
Downside Deviation	8.34	8.33
Downside Standard Deviation	10.17	10.06
Sortino Ratio	1.64	1.52
Upside Capture	1.02	
Downside Capture	.98	
Batting Average	.60	
Annualized Excess Return	.96	
Cumulative Excess Return	7.59	
Turnover %	2.31	
M-Squared	12.57	
Residual Risk	.67	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.50	



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

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### 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 V-**

## **Administrative Reports**

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- A. Public Pension Oversight Board**
- B. 2024 GASB Actuarial Valuations**
- C. Blue and Co. Fiscal Year 2024 End Audit**
- D. Open Records Request Update**
- E. Death Benefit Review**
- F. 2025 Regular Session of General Assembly**



# JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY INVESTMENT AND CASH FLOW UPDATE

PUBLIC PENSION OVERSIGHT BOARD – AUGUST 27, 2024



**JUSTICE DANEIL VENTERS, CHAIR**  
BOARD OF TRUSTEES

**BEN ALLISON, CHAIR**  
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

**REPRESENTATIVE BRAD MONTELL, CHAIR**  
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

**BO CRACRAFT**  
EXECUTIVE DIRECTOR



# INVESTMENT PERFORMANCE



Investment Performance								
As of June 30, 2024								
		MV	FY20224	3 Years	5 Years	10 Years	20 Years	30 Years
<b>JRP</b>	Defined Benefit	\$631.3M	19.4%	7.4%	12.5%	11.1%	9.1%	9.5%
	Cash Balance	\$5.0M	20.0%	7.5%	11.5%	-	-	-
	Benchmark <sup>2</sup>		18.2%	6.8%	10.9%	9.6%	8.3%	9.1%
<b>LRP</b>	Defined Benefit	\$182.8M	19.5%	7.5%	12.6%	11.2%	9.1%	9.5%
	Cash Balance	\$1.3M	19.8%	7.4%	11.3%	-	-	-
	Benchmark <sup>2</sup>		18.2%	6.8%	10.9%	9.6%	8.3%	9.1%

Returns are Net of Fees with exception of 20-year and Since Inception

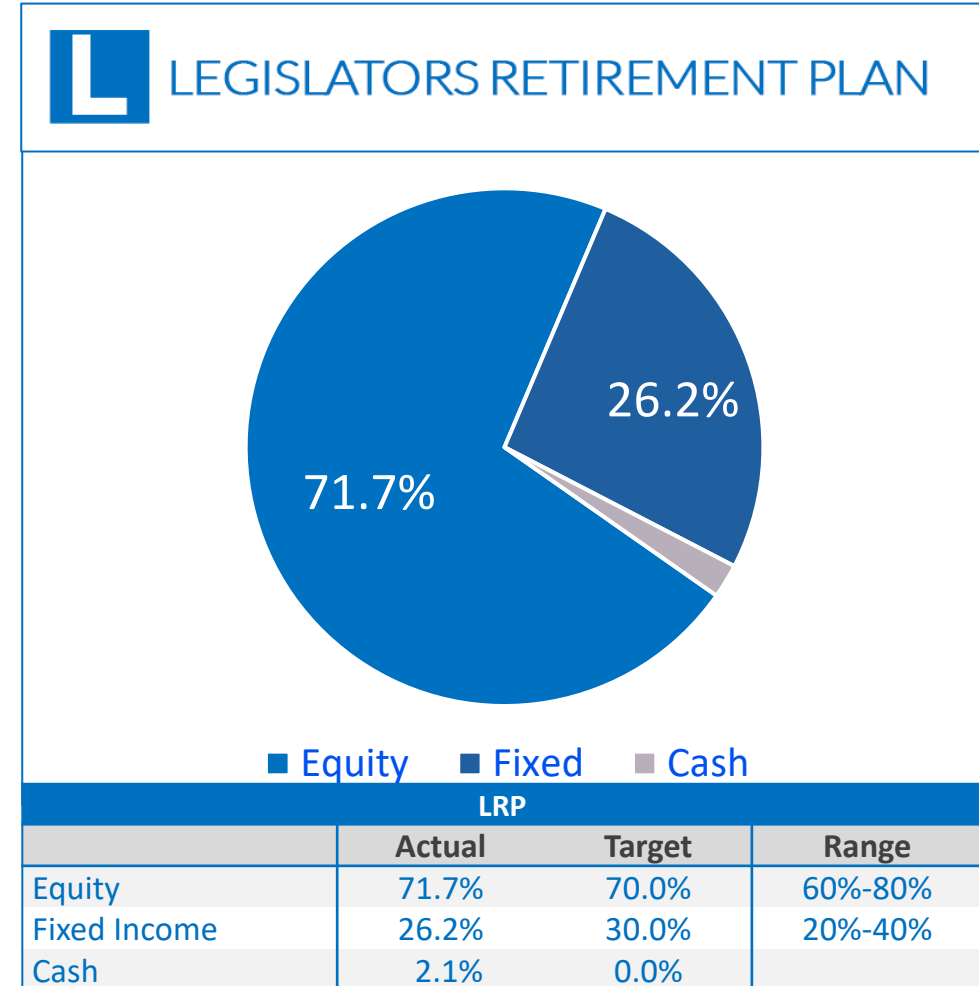
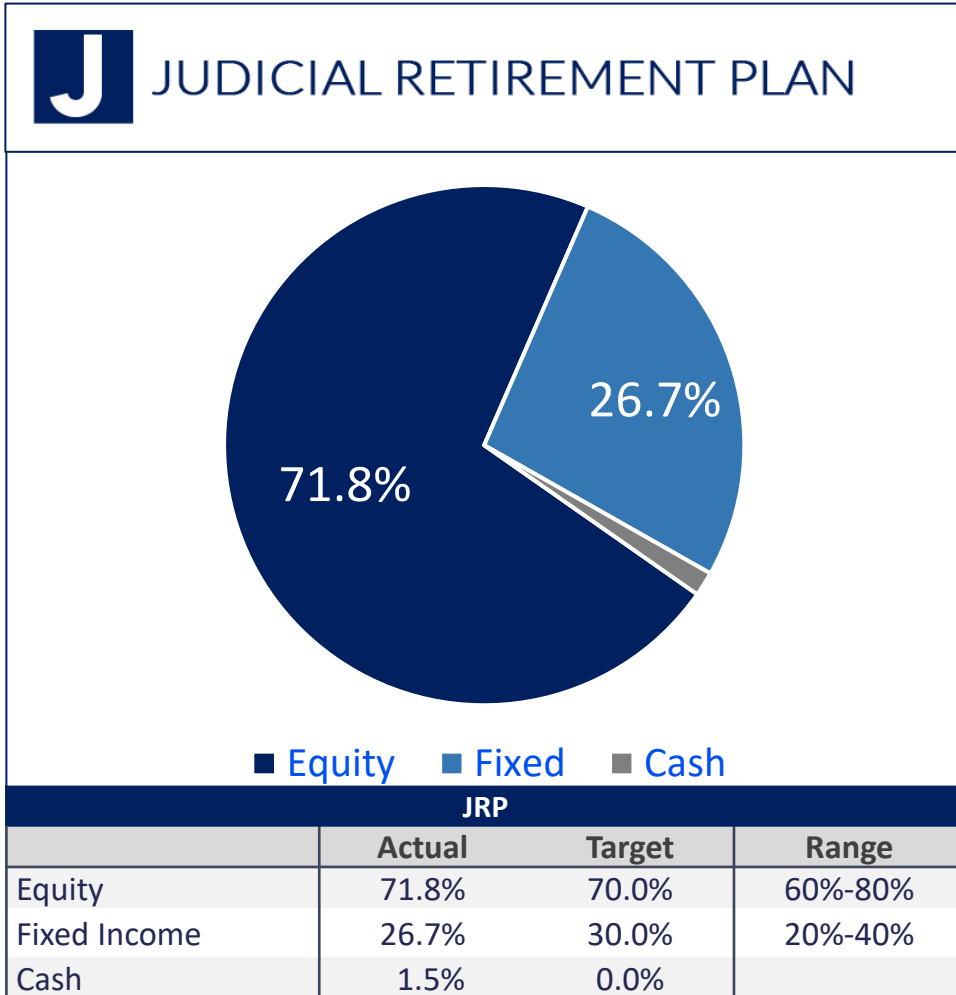
<sup>1</sup> Inception to Date performance: January 1, 1993 (Legacy DB) and June 1, 2015 (Cash Balance)

<sup>2</sup> Benchmark is 70% S&P 500 Index + 30% Barclays Intermediate Government/Credit Index (compounded monthly)





# ASSET ALLOCATION





# JFRS CASH FLOW

**Fiscal Year ending June 30, 2024**  
*compared to June 30, 2023*

	Judicial Retirement Plan		Legislators Retirement Plan	
<i>12 Months ending June 30</i>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2023</b>	<b>FY2024</b>
<i>Member Contributions</i>	\$2.152	\$1.587	\$0.224	\$0.261
<i>Employer Contributions/Appropriations</i>	\$4.982	\$5.306	\$0.000	\$0.000
<i>Investment Income (Net of Inv. Expense)</i>	<u>\$13.839</u>	<u>\$11.534</u>	<u>\$4.033</u>	<u>\$3.322</u>
<b>Total Cash Inflows</b>	<b>\$20.973</b>	<b>\$18.427</b>	<b>\$4.256</b>	<b>\$3.583</b>
<i>Benefit Payments/Refunds</i>	\$28.941	\$30.529	\$6.390	\$6.484
<i>Administrative Expense</i>	<u>\$0.372</u>	<u>\$0.356</u>	<u>\$0.248</u>	<u>\$0.233</u>
<b>Total Cash Outflows</b>	<b>\$29.314</b>	<b>\$30.885</b>	<b>\$6.638</b>	<b>\$6.717</b>
<b>Net Cash Flow - BEFORE Asset Gain/(Losses)</b>	<b>(\$8.340)</b>	<b>(\$12.458)</b>	<b>(\$2.605)</b>	<b>(\$3.134)</b>
<i>NCF Ratio (before Asset G/L)</i>	-1.63%	-2.21%	-1.61%	-1.92%
<i>Realized &amp; Unrealized Asset Gains/(Losses)</i>	\$61.003	\$95.428	\$17.508	\$27.498
<b>Net Cash Flow – AFTER Asset Gain/(Losses)</b>	<b>\$52.663</b>	<b>\$82.969</b>	<b>\$15.126</b>	<b>\$24.365</b>
<i>Beginning of Period</i>	\$510.256	\$562.919	\$147.893	\$163.019
<i>End of Period</i>	\$562.919	\$645.888	\$163.019	\$187.383

# Kentucky Judicial Retirement Plan

GASB Reporting Information for the Measurement  
Period Ending June 30, 2024

DRAFT





September 23, 2024

Board of Trustees  
Kentucky Judicial Form Retirement System  
The Whitaker Bank Building  
305 Ann Street, Suite 302  
Frankfort, KY 40601

**Subject: GASB Reporting Information for Measurement Period Ending June 30, 2024**

Dear Members of the Board:

This report provided herein contains information for the **Judicial Retirement Plan (JRP)** in connection with the Governmental Accounting Standards Board (GASB) Statements No. 67, 68, 74, and 75. The information provided herein was prepared for the purpose of assisting the Kentucky Judicial Form Retirement System (JFRS) and the Commonwealth of Kentucky in compliance with the financial reporting and disclosure requirements of GASB. This information can be used by the Commonwealth of Kentucky for fiscal years ending between (and including) June 30, 2024 and June 30, 2025, for the financial reporting and disclosure requirements of GASB Statement No. 68 and No. 75.

The liability calculations presented in this report were performed for the purpose of satisfying the requirements of GASB Statements No. 67, 68, 74, and 75 and are not applicable for other purposes, such as determining the plan's funding requirements. The calculation of the plan's liability for other purposes may produce significantly different results. This report may be provided to parties other than the Board of Trustees only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The total pension liability, net pension liability, total OPEB liability, net OPEB liability and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total pension/OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward information provided in this report is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

## Actuarial Assumptions and Plan Provisions

There have been no actuarial assumption or plan provision changes that would materially impact the total pension/OPEB liability since June 30, 2023.

## Additional Disclosures

This report is based upon information furnished by JFRS, which includes benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided by JFRS. This report complements the "Actuarial Valuation Report as of July 1, 2023", which was prepared by the prior actuary for plan funding purposes. Together, these reports should be considered as a complete report for the measurement period that ended June 30, 2024. Please see the actuarial valuation report for information regarding the nature of actuarial calculations, participant data, economic and demographic assumptions, and benefit provisions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

To the best of our knowledge, this report is complete and accurate and is in accordance with generally recognized actuarial practices and methods. Mr. White and Ms. Shaw are Enrolled Actuaries. All of the undersigned are members of the American Academy of Actuaries and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, all three are independent of JFRS and are experienced in performing valuations for large public retirement systems. This communication shall not be construed to provide tax advice, legal advice or investment advice.

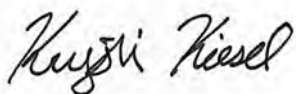
Respectfully submitted,  
**Gabriel, Roeder, Smith & Company**



Daniel J. White, FSA, EA, MAAA  
Senior Consultant and Actuary



Janie Shaw, ASA, EA, MAAA  
Consultant and Actuary



Krysti Kiesel, ASA, MAAA  
Consultant and Actuary



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## **SECTION 1**

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### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

## Statement of Changes in Fiduciary Net Position

	Year Ending		
	June 30, 2024	June 30, 2024	June 30, 2024
	(1)	(2)	(3)
	<b>Retirement</b>	<b>Retiree Medical</b>	<b>Pension + Retiree Medical</b>
1. Market Value of assets at beginning of year	\$ 427,648,157	\$ 135,129,919	\$ 562,778,076
2. Revenue for the year			
a. Contributions			
i. Member contributions	\$ 1,427,093	\$ 95,923	\$ 1,523,016
ii. Employer contributions	5,305,600	0	5,305,600
iii. Other contributions	0	0	0
iv. Total	<u>\$ 6,732,693</u>	<u>\$ 95,923</u>	<u>\$ 6,828,616</u>
b. Transfer In Payments	\$ 0	\$ 0	\$ 0
c. Investment Income	\$ 80,976,423	\$ 26,462,821	\$ 107,439,244
d. Total revenue	\$ 87,709,116	\$ 26,558,744	\$ 114,267,860
3. Expenditures for the year			
a. Disbursements			
i. Benefit Payments / Refunds	\$ 28,080,819	\$ 2,448,366	\$ 30,529,185
ii. Administrative Expenses	268,364	87,700	356,064
iii. Other	0	0	0
v. Total	<u>\$ 28,349,183</u>	<u>\$ 2,536,066</u>	<u>\$ 30,885,249</u>
4. Increase in net assets (Item 2. - Item 3.)	\$ 59,359,933	\$ 24,022,678	\$ 83,382,611
5. Market Value of assets at end of year (Item 1. + Item 4.)	\$ 487,008,090	\$ 159,152,597	\$ 646,160,687

The fiduciary net position has been allocated between the retirement and insurance plan using the following methodology. This methodology was developed by the prior actuary and based on guidance by the plan's auditor.

1. State and member contributions are allocated based on the Actuarially Determined Contribution for the fiscal year;
2. Benefits paid reflect actual benefits paid relative to retirement and insurance benefits;
3. Preliminary assets are determined by adjusting the beginning asset value by contributions and benefit payments;
4. Net investment return and administrative expenses are allocated relative to the preliminary asset value determined in item #3;
5. The fiduciary net position as of the end of the year is the sum of item #3 and item #4, which totals to actual net plan assets as of June 30, 2024.



## **SECTION 2**

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### **GASB 67/68 – EXECUTIVE SUMMARY**

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# Executive Summary

## Summary of Principal Results

Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
<b>Membership Information</b>	
Number of	
- Inactive employees or beneficiaries currently receiving benefits	405
- Inactive employees entitled to but not yet receiving benefits	12
- Active employees	201
- Total	618
Covered Payroll	\$ 27,833,503
<b>Net Pension Liability/(Asset)</b>	
Total Pension Liability	\$ 383,914,910
Plan Fiduciary Net Position	487,008,090
Net Pension Liability/(Asset)	\$ (103,093,180)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	126.85%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-370.39%
<b>Pension Expense and Deferred Outflows/(Inflows) of Resources</b>	
GASB 68 Pension Expense	\$ (20,467,346)
Deferred Outflows of Resources	30,051,454
Deferred Inflow of Resources	82,491,880
<b>Employer Contributions for Fiscal Year Ending June 30, 2024</b>	
Actuarially Determined Contribution	\$ 5,305,585
Actual Contribution	5,305,600
Contribution Deficiency / (Excess)	\$ (15)
Actual Contribution as a Percentage of Covered Payroll	19.06%
<b>Development of the Single Discount Rate</b>	
Single Discount Rate	6.50%
Long-Term Expected Rate of Return	6.50%
Long-Term Municipal Bond Rate	N/A



## Summary of Change in Net Pension Liability/(Asset)

	Total Pension Liability (1)	Plan Fiduciary Net Position (2)	Net Pension Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2023	\$ 382,515,060	\$ 427,648,157	\$ (45,133,097)
Adjustment to prior year			
1. Service cost	3,899,474		3,899,474
2. Interest	24,077,585		24,077,585
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	1,503,610		1,503,610
6. Employer contributions		5,305,600	(5,305,600)
7. Member contributions		1,427,093	(1,427,093)
8. Net investment income		80,976,423	(80,976,423)
9. Benefit payments	(28,080,819)	(28,080,819)	-
10. Administrative expense		(268,364)	268,364
11. Other changes	-	-	-
12. Net changes	\$ 1,399,850	\$ 59,359,933	\$ (57,960,083)
Balance at June 30, 2024	\$ 383,914,910	\$ 487,008,090	\$ (103,093,180)



## Report Purpose and Scope

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

## Financial Reporting Overview

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The statement of fiduciary net position presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.



## Timing of the Valuation

For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total pension liability, net pension liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

There have been no actuarial assumption or plan provision changes that would materially impact the total pension liability since June 30, 2023.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.50% was used to measure the total pension liability for the fiscal year ending June 30, 2024. This single discount rate was based on the expected rate of return on pension plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.



## Summary of Population Statistics

The total pension liability described in this report is based on the plan membership as of June 30, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	405
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	12
Active Plan Members	201
Total Plan Members	618

## Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB Statement No. 68, *differences between expected and actual experience and changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive members) determined as of the beginning of the measurement period.

At the beginning of the 2024 measurement period, the expected remaining service lives of all employees was 1,814 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2024 measurement period was 2.94 years (1,814 total expected remaining service period divided by 618 plan members).

Differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

## Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

As of June 30, 2024, the Net Pension Liability/(Asset) is \$(103,093,180). Below is a table providing the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net Pension Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
\$ (67,459,518)	\$ (103,093,180)	\$ (133,717,839)



## **SECTION 4**

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### **GASB 67/68 – ACCOUNTING EXHIBITS**

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## Exhibit 1

### Schedule of Pension Expense as of June 30, 2024

1. Total Service Cost	\$	3,899,474
2. Interest on the Total Pension Liability		24,077,585
3. Current-Period Benefit Changes		0
4. Member Contributions		(1,427,093)
5. Projected Earnings on Plan Investments		(27,094,594)
6. Administrative Expense		268,364
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		2,737,859
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(22,928,941)
<b>10. Total Pension Expense</b>	<b>\$</b>	<b>(20,467,346)</b>

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## Exhibit 2

### Outstanding Balance of Deferred Outflows and Inflows of Resources to be Recognized in Future Years

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	\$ 1,156,444	\$ -
2. Changes in assumptions	-	4,836
3. Differenced between projected and actual earnings on plan investments	28,235,364	82,487,044
4. Employer contributions subsequent to the measurement date	659,646	
5. Total	\$ 30,051,454	\$ 82,491,880

Paragraph 34 of GASB No. 68 indicates that employer contributions made subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The deferred outflow of \$659,649 is based on the actuarially determined contribution for fiscal year ending 2025.



## Exhibit 3

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

#### Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ 76,877	\$ 34,045	14.36	\$ 5,354	\$ 5,354	\$ 5,354	\$ 5,354	\$ 5,354	\$ 5,354	\$ 7,275
2018-2019	225,765	130,221	14.18	15,924	15,924	15,924	15,924	15,924	15,924	50,601
2020-2021	(5,262,350)	-	2.64	-	-	-	-	-	-	-
2022-2023	4,411,820	-	2.00	2,205,910	-	-	-	-	-	-
2023-2024	1,503,610	992,178	2.94	511,432	511,432	480,746	-	-	-	-
		\$ 1,156,444		\$ 2,738,620	\$ 532,710	\$ 502,024	\$ 21,278	\$ 21,278	\$ 21,278	\$ 57,876

#### Differences Between Projected and Actual Earnings on Pension Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on Pension Plan Investments						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2019-2020	\$ 1,768,945	\$ -	5.00	\$ 353,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020-2021	(101,226,383)	(20,245,275)	5.00	(20,245,277)	(20,245,275)	-	-	-	-	-
2021-2022	70,588,410	28,235,364	5.00	14,117,682	14,117,682	14,117,682	-	-	-	-
2022-2023	(31,893,844)	(19,136,306)	5.00	(6,378,769)	(6,378,769)	(6,378,769)	(6,378,768)	-	-	-
2023-2024	(53,881,829)	(43,105,463)	5.00	(10,776,366)	(10,776,366)	(10,776,366)	(10,776,366)	(10,776,365)	-	-
		\$ (54,251,680)		\$ (22,928,941)	\$ (23,282,728)	\$ (3,037,453)	\$ (17,155,134)	\$ (10,776,365)	\$ -	\$ -

#### Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ (10,924)	\$ (4,836)	14.36	\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (1,031)
2020-2021	9,129,940	-	2.64	-	-	-	-	-	-	-
2021-2022	(5,908,071)	-	1.64	-	-	-	-	-	-	-
2023-2024	-	-	2.94	-	-	-	-	-	-	-
		\$ (4,836)		\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (761)	\$ (1,031)



## Exhibit 4

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

	<u>Period</u>		<u>Amount</u>
	(1)		(2)
1.	Fiscal Year + 1	\$	(22,750,779)
2.	Fiscal Year + 2		(2,536,190)
3.	Fiscal Year + 3		(17,134,617)
4.	Fiscal Year + 4		(10,755,848)
5.	Fiscal Year + 5		20,517
6.	Thereafter		56,845
7.	<b>Total</b>	<b>\$</b>	<b>(53,100,072)</b>

## Exhibit 5

### Schedule of Changes in the Employers' Net Pension Liability/(Asset) (\$ in millions)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service Cost	\$ 3.9	\$ 4.3	\$ 4.3	\$ 3.6	\$ 3.5	\$ 4.1	\$ 4.1	\$ 4.9	\$ 5.0	\$ 5.0
Interest on the Total Pension Liability	24.1	23.9	23.8	23.7	23.4	22.9	22.7	23.8	23.4	22.2
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Difference between Expected and Actual Experience	1.5	4.4	0.0	(5.3)	0.0	(0.1)	0.0	(8.8)	0.0	4.4
Assumption Changes	0.0	0.0	(5.9)	9.1	0.0	(7.7)	0.0	(2.1)	0.0	(4.4)
Benefit Payments and Refunds	(28.1)	(26.8)	(25.0)	(24.4)	(24.4)	(24.2)	(23.2)	(23.0)	(22.9)	(22.3)
<b>Net Change in Total Pension Liability</b>	<b>\$ 1.4</b>	<b>\$ 5.8</b>	<b>\$ (2.8)</b>	<b>\$ 6.7</b>	<b>\$ 2.5</b>	<b>\$ (5.0)</b>	<b>\$ 3.7</b>	<b>\$ (5.3)</b>	<b>\$ 5.5</b>	<b>\$ 5.0</b>
<b>Total Pension Liability - Beginning</b>	<b>382.5</b>	<b>376.7</b>	<b>379.5</b>	<b>372.7</b>	<b>370.3</b>	<b>375.2</b>	<b>371.5</b>	<b>376.8</b>	<b>371.3</b>	<b>366.3</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 383.9</b>	<b>\$ 382.5</b>	<b>\$ 376.7</b>	<b>\$ 379.5</b>	<b>\$ 372.7</b>	<b>\$ 370.3</b>	<b>\$ 375.2</b>	<b>\$ 371.5</b>	<b>\$ 376.8</b>	<b>\$ 371.3</b>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 5.3	\$ 5.0	\$ 7.1	\$ 6.8	\$ 8.7	\$ 8.7	\$ 12.0	\$ 12.0	\$ 15.2	\$ 15.1
Member Contributions	1.4	2.0	2.4	1.9	1.7	1.5	2.0	1.6	1.8	1.9
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.1	0.2
Pension Plan Net Investment Income	81.0	56.5	(42.0)	122.8	19.5	38.6	27.1	34.6	8.7	25.6
Benefit Payments and Refunds	(28.1)	(26.8)	(25.0)	(24.4)	(24.4)	(24.2)	(23.2)	(23.0)	(22.9)	(22.2)
Pension Plan Administrative Expense	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 59.4</b>	<b>\$ 36.7</b>	<b>\$ (57.5)</b>	<b>\$ 107.1</b>	<b>\$ 5.6</b>	<b>\$ 24.6</b>	<b>\$ 18.4</b>	<b>\$ 25.2</b>	<b>\$ 2.9</b>	<b>\$ 20.7</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>427.6</b>	<b>390.9</b>	<b>448.4</b>	<b>341.3</b>	<b>335.7</b>	<b>311.1</b>	<b>292.7</b>	<b>267.5</b>	<b>264.6</b>	<b>243.9</b>
<b>Prior Period Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 487.0</b>	<b>\$ 427.6</b>	<b>\$ 390.9</b>	<b>\$ 448.4</b>	<b>\$ 341.3</b>	<b>\$ 335.7</b>	<b>\$ 311.1</b>	<b>\$ 292.7</b>	<b>\$ 267.5</b>	<b>\$ 264.6</b>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ (103.1)</b>	<b>\$ (45.1)</b>	<b>\$ (14.2)</b>	<b>\$ (68.9)</b>	<b>\$ 31.4</b>	<b>\$ 34.6</b>	<b>\$ 64.1</b>	<b>\$ 78.8</b>	<b>\$ 109.3</b>	<b>\$ 106.7</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	126.9 %	111.8 %	103.8 %	118.2 %	91.6 %	90.7 %	82.9 %	78.8 %	71.0 %	71.3 %
<b>Covered Employee Payroll</b>	\$ 27.8	\$ 27.7	\$ 29.8	\$ 29.5	\$ 30.9	\$ 30.6	\$ 30.6	\$ 30.3	\$ 31.9	\$ 31.9
<b>Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll</b>	(370.4)%	(162.8)%	(47.7)%	(233.6)%	101.6 %	113.1 %	209.5 %	260.1 %	342.6 %	334.5 %

\* Exhibit may not add due to rounding



## Exhibit 6

### Schedule of the Employers' Contributions (\$ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 15.1	\$ 15.1	\$ 0.0	\$ 31.9	47.3 %
2016	15.2	15.2	0.0	31.9	47.6 %
2017	12.0	12.0	0.0	30.3	39.6 %
2018	12.0	12.0	0.0	30.6	39.2 %
2019	9.3	8.7	0.6	30.6	28.4 %
2020	9.9	8.7	1.2	30.9	28.2 %
2021	6.7	6.8	(0.1)	29.5	23.1 %
2022	7.9	7.1	0.8	29.8	23.8 %
2023	5.0	5.0	0.0	27.7	18.1 %
2024	5.3	5.3	0.0	27.8	19.1 %

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## Notes to Schedule of Employers' Contributions for FYE 2024

**Valuation Date:** July 1, 2021

**Notes** The actuarially determined contribution effective for fiscal year ending 2024 that is documented in the schedule on the previous page was calculated as of July 1, 2021.

### **Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2024:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 3 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

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## SECTION 5

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### **GASB 74/75 – EXECUTIVE SUMMARY**

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# Executive Summary

## Summary of Principal Results

Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
<b>Membership Information</b>	
Number of	
- Inactive employees or beneficiaries currently receiving benefits	320
- Inactive employees entitled to but not yet receiving benefits	9
- Active employees	201
- Total	530
Covered Payroll	\$ 27,833,503
<b>Net OPEB Liability/(Asset)</b>	
Total OPEB Liability	\$ 53,559,375
Plan Fiduciary Net Position	159,152,597
Net OPEB Liability/(Asset)	\$ (105,593,222)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	297.15%
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-379.37%
<b>OPEB Expense and Deferred Outflows/(Inflows) of Resources</b>	
GASB 75 OPEB Expense	\$ (8,600,487)
Deferred Outflows of Resources	13,382,000
Deferred Inflow of Resources	26,663,191
<b>Employer Contributions for Fiscal Year Ending June 30, 2024</b>	
Actuarially Determined Contribution	\$ -
Actual Contribution	-
Contribution Deficiency / (Excess)	\$ -
Actual Contribution as a Percentage of Covered Payroll	0.00%
<b>Development of the Single Discount Rate</b>	
Single Discount Rate	6.50%
Long-Term Expected Rate of Return	6.50%
Long-Term Municipal Bond Rate	N/A



## Summary of Change in Net OPEB Liability/(Asset)

	Total OPEB Liability (1)	Plan Fiduciary Net Position (2)	Net OPEB Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2023	\$ 49,266,254	\$ 135,129,919	\$ (85,863,665)
Adjustment to prior year			
1. Service cost	862,839		862,839
2. Interest	3,150,777		3,150,777
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	2,727,871		2,727,871
6. Employer contributions		-	-
7. Member contributions		95,923	(95,923)
8. Net investment income		26,462,821	(26,462,821)
9. Benefit payments	(2,448,366)	(2,448,366)	-
10. Administrative expense		(87,700)	87,700
11. Other changes	-	-	-
12. Net changes	\$ 4,293,121	\$ 24,022,678	\$ (19,729,557)
Balance at June 30, 2024	\$ 53,559,375	\$ 159,152,597	\$ (105,593,222)



## Report Purpose and Scope

For post-employment (OPEB) benefit plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, “Financial Reporting for Postemployment Benefit Plans other than Pension Plans,” replaces the requirements of GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” Similarly, GASB Statement No. 75 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose net OPEB liability, OPEB expense, and other information associated with providing OPEB to their employees (and former employees) on their financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

## Financial Reporting Overview

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan’s fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan’s reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

## Timing of the Valuation

For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

There have been no actuarial assumption or plan provision changes that would materially impact the total OPEB liability since June 30, 2023.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.50% was used to measure the total OPEB liability for the fiscal year ending June 30, 2024. This single discount rate was based on the expected rate of return on OPEB plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the OPEB plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.



## Summary of Population Statistics

The total OPEB liability described in this report is based on the plan membership as of June 30, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	320
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	9
Active Plan Members	<u>201</u>
Total Plan Members	530

Note, the membership counts for the health insurance plan may be different than the membership counts for the pension plan due to differences in eligibility provisions as well as actual elections made by members currently receiving benefits.

## Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive members) determined as of the beginning of the measurement period.

At the beginning of the 2024 measurement period, the expected remaining service lives of all employees was 1,814 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2024 measurement period was 3.42 years (1,814 total expected remaining service period divided by 530 plan members).

Differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.



## Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Trend Rates

As of June 30, 2024, the Net OPEB Liability/(Asset) is \$(105,593,222). Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

<b>1% Decrease</b>	<b>Current Discount Rate Assumption</b>	<b>1% Increase</b>
<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
\$ (99,553,957)	\$ (105,593,222)	\$ (110,654,712)

Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the healthcare cost trend rates. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using healthcare cost trend rates that are one-percentage point lower or one-percentage point higher:

<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
\$ (111,470,315)	\$ (105,593,222)	\$ (97,437,548)



## **SECTION 6**

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### **GASB 74/75 – ACCOUNTING EXHIBITS**

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## Exhibit 1

### Schedule of OPEB Expense as of June 30, 2024

1. Total Service Cost	\$	862,839
2. Interest on the Total OPEB Liability		3,150,777
3. Current-Period Benefit Changes		0
4. Member Contributions		(95,923)
5. Projected Earnings on Plan Investments		(8,704,140)
6. Administrative Expense		87,700
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		3,316,465
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(7,218,205)
<b>10. Total OPEB Expense</b>	<b>\$</b>	<b>(8,600,487)</b>

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## Exhibit 2

### Outstanding Balance of Deferred Outflows and Inflows of Resources to be Recognized in Future Years

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	\$ 4,761,035	\$ -
2. Changes in assumptions	951	302,445
3. Differenced between projected and actual earnings on plan investments	8,620,014	26,360,746
4. Employer contributions subsequent to the measurement date	-	-
5. Total	\$ 13,382,000	\$ 26,663,191

GASB No. 75 indicates that employer contributions made subsequent to the measurement date of the Net OPEB Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources. The deferred outflow of \$0 is based on the actuarially determined contribution for fiscal year ending 2025.

## Exhibit 3

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

#### Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ 4,815	\$ 2,135	14.36	\$ 335	\$ 335	\$ 335	\$ 335	\$ 335	\$ 335	\$ 460
2018-2019	15,449	8,909	14.18	1,090	1,090	1,090	1,090	1,090	1,090	3,459
2022-2023	8,459,232	2,819,744	3.00	2,819,744	2,819,744	-	-	-	-	-
2023-2024	2,727,871	1,930,247	3.42	797,624	797,624	797,624	334,999	-	-	-
		\$ 4,761,035		\$ 3,618,793	\$ 3,618,793	\$ 799,049	\$ 336,424	\$ 1,425	\$ 1,425	\$ 3,919

#### Differences Between Projected and Actual Earnings on OPEB Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on OPEB Plan Investments						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2019-2020	\$ 526,440	\$ -	5.00	\$ 105,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020-2021	(30,228,715)	(6,045,743)	5.00	(6,045,743)	(6,045,743)	-	-	-	-	-
2021-2022	21,550,035	8,620,014	5.00	4,310,007	4,310,007	4,310,007	-	-	-	-
2022-2023	(10,180,099)	(6,108,059)	5.00	(2,036,020)	(2,036,020)	(2,036,020)	(2,036,019)	-	-	-
2023-2024	(17,758,681)	(14,206,944)	5.00	(3,551,737)	(3,551,737)	(3,551,737)	(3,551,737)	(3,551,733)	-	-
		\$ (17,740,732)		\$ (7,218,205)	\$ (7,323,493)	\$ (1,277,750)	\$ (5,587,756)	\$ (3,551,733)	\$ -	\$ -

#### Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2018-2019	\$ 1,653	\$ 951	14.18	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 366
2022-2023	\$ (907,335)	\$ (302,445)	3.00	\$ (302,445)	\$ (302,445)	\$ -	\$ -	\$ -	\$ -	\$ -
2023-2024	-	-	3.42	-	-	-	-	-	-	-
		\$ (301,494)		\$ (302,328)	\$ (302,328)	\$ 117	\$ 117	\$ 117	\$ 117	\$ 366





## Exhibit 4

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

	<u>Period</u>		<u>Amount</u>
	(1)		(2)
1.	Fiscal Year + 1	\$	(4,007,028)
2.	Fiscal Year + 2		(478,584)
3.	Fiscal Year + 3		(5,251,215)
4.	Fiscal Year + 4		(3,550,191)
5.	Fiscal Year + 5		1,542
6.	Thereafter		4,285
7.	<b>Total</b>	<b>\$</b>	<b>(13,281,191)</b>

## Exhibit 5

### Schedule of Changes in the Employers' Net OPEB Liability/(Asset) (\$ in millions)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total OPEB Liability</b>										
Service Cost	\$ 0.9	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.9	\$ 0.9	\$ 1.2		
Interest on the Total OPEB Liability	3.2	2.5	2.5	3.2	3.0	3.6	3.3	4.6		
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Difference between Expected and Actual Experience	2.7	8.5	0.0	(9.3)	0.0	(9.7)	0.0	(22.1)		
Assumption Changes	0.0	(0.9)	0.0	(2.3)	0.0	0.1	0.0	5.6		
Benefit Payments and Refunds	(2.4)	(2.2)	(1.9)	(1.8)	(2.0)	(2.0)	(2.0)	(1.9)		
<b>Net Change in Total OPEB Liability</b>	<b>\$ 4.3</b>	<b>\$ 8.6</b>	<b>\$ 1.3</b>	<b>\$ (9.6)</b>	<b>\$ 1.8</b>	<b>\$ (7.1)</b>	<b>\$ 2.2</b>	<b>\$ (12.6)</b>		
<b>Total OPEB Liability - Beginning</b>	<b>49.3</b>	<b>40.6</b>	<b>39.4</b>	<b>49.0</b>	<b>47.3</b>	<b>54.4</b>	<b>52.1</b>	<b>64.7</b>		
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 53.6</b>	<b>\$ 49.2</b>	<b>\$ 40.6</b>	<b>\$ 39.4</b>	<b>\$ 49.0</b>	<b>\$ 47.3</b>	<b>\$ 54.4</b>	<b>\$ 52.1</b>		
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.2	\$ 1.2		
Member Contributions	0.1	0.1	0.1	0.1	0.0	0.0	0.2	0.1		
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0		
OPEB Plan Net Investment Income	26.5	17.9	(12.8)	36.7	5.6	11.0	7.6	9.4		
Benefit Payments and Refunds	(2.4)	(2.2)	(1.9)	(1.8)	(2.0)	(2.0)	(2.0)	(1.9)		
OPEB Plan Administrative Expense	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 24.0</b>	<b>\$ 15.8</b>	<b>\$ (14.5)</b>	<b>\$ 35.0</b>	<b>\$ 3.7</b>	<b>\$ 9.1</b>	<b>\$ 7.1</b>	<b>\$ 8.8</b>		
<b>Plan Fiduciary Net Position - Beginning</b>	<b>135.1</b>	<b>119.3</b>	<b>133.9</b>	<b>99.0</b>	<b>95.4</b>	<b>86.3</b>	<b>79.2</b>	<b>70.3</b>		
<b>Prior Period Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 159.2</b>	<b>\$ 135.0</b>	<b>\$ 119.3</b>	<b>\$ 133.9</b>	<b>\$ 99.0</b>	<b>\$ 95.4</b>	<b>\$ 86.3</b>	<b>\$ 79.2</b>		
<b>Net OPEB Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ (105.6)</b>	<b>\$ (85.8)</b>	<b>\$ (78.7)</b>	<b>\$ (94.5)</b>	<b>\$ (50.1)</b>	<b>\$ (48.0)</b>	<b>\$ (31.9)</b>	<b>\$ (27.0)</b>		
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>297.2 %</b>	<b>274.4 %</b>	<b>293.8 %</b>	<b>339.8 %</b>	<b>202.0 %</b>	<b>201.7 %</b>	<b>158.6 %</b>	<b>152.0 %</b>		
<b>Covered Employee Payroll</b>	<b>\$ 27.8</b>	<b>\$ 26.7</b>	<b>\$ 29.8</b>	<b>\$ 29.5</b>	<b>\$ 30.9</b>	<b>\$ 30.6</b>	<b>\$ 30.6</b>	<b>\$ 30.3</b>		
<b>Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll</b>	<b>(379.4)%</b>	<b>(321.3)%</b>	<b>(264.1)%</b>	<b>(320.3)%</b>	<b>(162.1)%</b>	<b>(156.9)%</b>	<b>(104.2)%</b>	<b>(89.1)%</b>		

\* Exhibit may not add due to rounding



## Exhibit 6

### Schedule of the Employers' Contributions (\$ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015					
2016					
2017	\$ 1.2	\$ 1.2	\$ 0.0	\$ 30.3	4.0 %
2018	1.2	1.2	0.0	30.6	3.9 %
2019	0.0	0.0	0.0	30.6	0.0 %
2020	0.0	0.0	0.0	30.9	0.0 %
2021	0.0	0.0	0.0	29.5	0.0 %
2022	0.0	0.1	(0.1)	29.8	0.3 %
2023	0.0	0.0	0.0	26.7	0.0 %
2024	0.0	0.0	0.0	27.8	0.0 %

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## Notes to Schedule of Employers' Contributions for FYE 2024

<b>Valuation Date:</b>	July 1, 2021
Notes	The actuarially determined contribution effective for fiscal year ending 2024 that is documented in the schedule on the previous page was calculated as of July 1, 2021.

### Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 3 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020
Healthcare Trend Rates (Pre-65)	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075
Healthcare Trend Rates (Post-65)	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075
Participation Rates	100% of future eligible retirees are assumed to elect coverage at retirement.



**Kentucky Legislators Retirement Plan**  
GASB Reporting Information for the Measurement  
Period Ending June 30, 2024

DRAFT





September 23, 2024

Board of Trustees  
Kentucky Judicial Form Retirement System  
The Whitaker Bank Building  
305 Ann Street, Suite 302  
Frankfort, KY 40601

**Subject: GASB Reporting Information for Measurement Period Ending June 30, 2024**

Dear Members of the Board:

This report provided herein contains information for the **Kentucky Legislators Retirement Plan (LRP)** in connection with the Governmental Accounting Standards Board (GASB) Statements No. 67, 68, 74, and 75. The information provided herein was prepared for the purpose of assisting the Kentucky Judicial Form Retirement System (JFRS) and the Commonwealth of Kentucky in compliance with the financial reporting and disclosure requirements of GASB. This information can be used by the Commonwealth of Kentucky for fiscal years ending between (and including) June 30, 2024 and June 30, 2025, for the financial reporting and disclosure requirements of GASB Statement No. 68 and No. 75.

The liability calculations presented in this report were performed for the purpose of satisfying the requirements of GASB Statements No. 67, 68, 74, and 75 and are not applicable for other purposes, such as determining the plan's funding requirements. The calculation of the plan's liability for other purposes may produce significantly different results. This report may be provided to parties other than the Board of Trustees only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The total pension liability, net pension liability, total OPEB liability, net OPEB liability and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total pension/OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward information provided in this report is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

## Actuarial Assumptions and Plan Provisions

There have been no actuarial assumption or plan provision changes that would materially impact the total pension/OPEB liability since June 30, 2023.

## Additional Disclosures

This report is based upon information furnished by JFRS, which includes benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided by JFRS. This report complements the "Actuarial Valuation Report as of July 1, 2023", which was prepared by the prior actuary for plan funding purposes. Together, these reports should be considered as a complete report for the measurement period that ended June 30, 2024. Please see the actuarial valuation report for information regarding the nature of actuarial calculations, participant data, economic and demographic assumptions, and benefit provisions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

To the best of our knowledge, this report is complete and accurate and is in accordance with generally recognized actuarial practices and methods. Mr. White and Ms. Shaw are Enrolled Actuaries. All of the undersigned are members of the American Academy of Actuaries and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, all three are independent of JFRS and are experienced in performing valuations for large public retirement systems. This communication shall not be construed to provide tax advice, legal advice or investment advice.

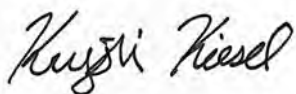
Respectfully submitted,  
**Gabriel, Roeder, Smith & Company**



Daniel J. White, FSA, EA, MAAA  
Senior Consultant and Actuary



Janie Shaw, ASA, EA, MAAA  
Consultant and Actuary



Krysti Kiesel, ASA, MAAA  
Consultant and Actuary



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## **SECTION 1**

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### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

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## Statement of Changes in Fiduciary Net Position

	Year Ending		
	June 30, 2024	June 30, 2024	June 30, 2024
	(1)	(2)	(3)
	<b>Retirement</b>	<b>Retiree Medical</b>	<b>Pension + Retiree Medical</b>
1. Market Value of assets at beginning of year	\$ 91,267,801	\$ 71,739,956	\$ 163,007,757
2. Revenue for the year			
a. Contributions			
i. Member contributions	\$ 224,654	\$ 30,529	\$ 255,183
ii. Employer contributions	0	0	0
iii. Other contributions	0	0	0
iv. Total	<u>\$ 224,654</u>	<u>\$ 30,529</u>	<u>\$ 255,183</u>
b. Transfer In Payments	\$ 0	\$ 0	\$ 0
c. Investment Income	\$ 16,979,408	\$ 13,962,657	\$ 30,942,065
d. Total revenue	\$ 17,204,062	\$ 13,993,186	\$ 31,197,248
3. Expenditures for the year			
a. Disbursements			
i. Benefit Payments / Refunds	\$ 5,460,078	\$ 1,023,582	\$ 6,483,660
ii. Administrative Expenses	127,782	105,079	232,861
iii. Other	0	0	0
v. Total	<u>\$ 5,587,860</u>	<u>\$ 1,128,661</u>	<u>\$ 6,716,521</u>
4. Increase in net assets (Item 2. - Item 3.)	\$ 11,616,202	\$ 12,864,525	\$ 24,480,727
5. Market Value of assets at end of year (Item 1. + Item 4.)	\$ 102,884,003	\$ 84,604,481	\$ 187,488,484

The fiduciary net position has been allocated between the retirement and insurance plan using the following methodology. This methodology was developed by the prior actuary and based on guidance by the plan's auditor.

1. State and member contributions are allocated based on the Actuarially Determined Contribution for the fiscal year;
2. Benefits paid reflect actual benefits paid relative to retirement and insurance benefits;
3. Preliminary assets are determined by adjusting the beginning asset value by contributions and benefit payments;
4. Net investment return and administrative expenses are allocated relative to the preliminary asset value determined in item #3;
5. The fiduciary net position as of the end of the year is the sum of item #3 and item #4, which totals to actual net plan assets as of June 30, 2024.



## **SECTION 2**

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### **GASB 67/68 – EXECUTIVE SUMMARY**

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# Executive Summary

## Summary of Principal Results

Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
<b>Membership Information</b>	
Number of	
- Inactive employees or beneficiaries currently receiving benefits	259
- Inactive employees entitled to but not yet receiving benefits	45
- Active employees	96
- Total	400
Covered Payroll	\$ 4,147,191
<b>Net Pension Liability/(Asset)</b>	
Total Pension Liability	\$ 68,183,085
Plan Fiduciary Net Position	102,884,003
Net Pension Liability/(Asset)	\$ (34,700,918)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	150.89%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-836.73%
<b>Pension Expense and Deferred Outflows/(Inflows) of Resources</b>	
GASB 68 Pension Expense	\$ (6,930,254)
Deferred Outflows of Resources	6,388,970
Deferred Inflow of Resources	17,361,006
<b>Employer Contributions for Fiscal Year Ending June 30, 2024</b>	
Actuarially Determined Contribution	\$ 30,634
Actual Contribution	-
Contribution Deficiency / (Excess)	\$ 30,634
Actual Contribution as a Percentage of Covered Payroll	0.00%
<b>Development of the Single Discount Rate</b>	
Single Discount Rate	6.50%
Long-Term Expected Rate of Return	6.50%
Long-Term Municipal Bond Rate	N/A



## Summary of Change in Net Pension Liability/(Asset)

	Total Pension Liability (1)	Plan Fiduciary Net Position (2)	Net Pension Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2023	\$ 68,059,010	\$ 91,267,801	\$ (23,208,791)
Adjustment to prior year			
1. Service cost	409,328		409,328
2. Interest	4,259,686		4,259,686
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	915,139		915,139
6. Employer contributions		-	-
7. Member contributions		224,654	(224,654)
8. Net investment income		16,979,408	(16,979,408)
9. Benefit payments	(5,460,078)	(5,460,078)	-
10. Administrative expense		(127,782)	127,782
11. Other changes	-	-	-
12. Net changes	\$ 124,075	\$ 11,616,202	\$ (11,492,127)
Balance at June 30, 2024	\$ 68,183,085	\$ 102,884,003	\$ (34,700,918)

## Report Purpose and Scope

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

## Financial Reporting Overview

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The statement of fiduciary net position presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.



## Timing of the Valuation

For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total pension liability, net pension liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

There have been no actuarial assumption or plan provision changes that would materially impact the total pension liability since June 30, 2023.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.50% was used to measure the total pension liability for the fiscal year ending June 30, 2024. This single discount rate was based on the expected rate of return on pension plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.



## Summary of Population Statistics

The total pension liability described in this report is based on the plan membership as of June 30, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	259
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	45
Active Plan Members	96
Total Plan Members	400

## Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB Statement No. 68, *differences between expected and actual experience and changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive members) determined as of the beginning of the measurement period.

At the beginning of the 2024 measurement period, the expected remaining service lives of all employees was 745 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2024 measurement period was 1.86 years (745 total expected remaining service period divided by 400 plan members).

Differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

## Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

As of June 30, 2024, the Net Pension Liability/(Asset) is \$(34,700,918). Below is a table providing the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net Pension Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
\$ (28,594,858)	\$ (34,700,918)	\$ (39,928,863)





## **SECTION 4**

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### **GASB 67/68 – ACCOUNTING EXHIBITS**

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## Exhibit 1

### Schedule of Pension Expense as of June 30, 2024

1. Total Service Cost	\$	409,328
2. Interest on the Total Pension Liability		4,259,686
3. Current-Period Benefit Changes		0
4. Member Contributions		(224,654)
5. Projected Earnings on Plan Investments		(5,758,103)
6. Administrative Expense		127,782
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		(839,969)
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(4,904,324)
<b>10. Total Pension Expense</b>	<b>\$</b>	<b>(6,930,254)</b>

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## Exhibit 2

### Outstanding Balance of Deferred Outflows and Inflows of Resources to be Recognized in Future Years

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	\$ 446,629	\$ -
2. Changes in assumptions	-	1,105
3. Differenced between projected and actual earnings on plan investments	5,942,341	17,359,901
4. Employer contributions subsequent to the measurement date	-	
5. Total	\$ 6,388,970	\$ 17,361,006

Paragraph 34 of GASB No. 68 indicates that employer contributions made subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The deferred outflow of \$0 is based on the actuarially determined contribution for fiscal year ending 2025.

## Exhibit 3

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

#### Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ 17,914	\$ 5,938	11.97	\$ 1,497	\$ 1,497	\$ 1,497	\$ 1,497	\$ 1,447	\$ -	\$ -
2018-2019	35,899	17,563	11.75	3,056	3,056	3,056	3,056	3,056	3,056	2,283
2022-2023	(2,672,509)	-	2.00	(1,336,254)	-	-	-	-	-	-
2023-2024	915,139	423,128	1.86	492,011	423,128	-	-	-	-	-
		\$ 446,629		\$ (839,690)	\$ 427,681	\$ 4,553	\$ 4,553	\$ 4,503	\$ 3,056	\$ 2,283

#### Differences Between Projected and Actual Earnings on Pension Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on Pension Plan Investments						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2019-2020	\$ 477,677	\$ -	5.00	\$ 95,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020-2021	(21,993,629)	(4,398,725)	5.00	(4,398,726)	(4,398,725)	-	-	-	-	-
2021-2022	14,855,851	5,942,341	5.00	2,971,170	2,971,170	2,971,171	-	-	-	-
2022-2023	(6,640,220)	(3,984,132)	5.00	(1,328,044)	(1,328,044)	(1,328,044)	(1,328,044)	-	-	-
2023-2024	(11,221,305)	(8,977,044)	5.00	(2,244,261)	(2,244,261)	(2,244,261)	(2,244,261)	(2,244,261)	-	-
		\$ (11,417,560)		\$ (4,904,324)	\$ (4,999,860)	\$ (601,134)	\$ (3,572,305)	\$ (2,244,261)	\$ -	\$ -

#### Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ (3,337)	\$ (1,105)	11.97	\$ (279)	\$ (279)	\$ (279)	\$ (279)	\$ (268)	\$ -	\$ -
2023-2024	-	-	1.86	-	-	-	-	-	-	-
		\$ (1,105)		\$ (279)	\$ (279)	\$ (279)	\$ (279)	\$ (268)	\$ -	\$ -



## Exhibit 4

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

	<u>Period</u>	<u>Amount</u>
	(1)	(2)
1.	Fiscal Year + 1	\$ (4,572,458)
2.	Fiscal Year + 2	(596,860)
3.	Fiscal Year + 3	(3,568,031)
4.	Fiscal Year + 4	(2,240,026)
5.	Fiscal Year + 5	3,056
6.	Thereafter	2,283
7.	<b>Total</b>	<b>\$ (10,972,036)</b>

## Exhibit 5

### Schedule of Changes in the Employers' Net Pension Liability/(Asset) (\$ in millions)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service Cost	\$ 0.4	\$ 0.6	\$ 0.6	\$ 0.5	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.9	\$ 1.0
Interest on the Total Pension Liability	4.3	4.5	4.5	4.6	4.5	4.6	4.6	5.3	5.2	5.1
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience	0.9	(2.7)	0.0	(2.0)	0.0	(2.8)	0.0	(6.4)	0.0	(3.4)
Assumption Changes	0.0	0.0	(1.3)	2.6	0.0	(0.3)	0.0	(0.2)	0.0	(1.5)
Benefit Payments and Refunds	(5.5)	(5.4)	(5.2)	(5.1)	(5.0)	(4.7)	(4.5)	(4.2)	(4.0)	(3.7)
<b>Net Change in Total Pension Liability</b>	\$ 0.1	\$ (3.0)	\$ (1.4)	\$ 0.6	\$ 0.1	\$ (2.5)	\$ 0.8	\$ (4.7)	\$ 2.1	\$ (2.5)
<b>Total Pension Liability - Beginning</b>	68.1	71.1	72.6	72.0	71.9	74.4	73.6	78.4	76.2	78.7
<b>Total Pension Liability - Ending (a)</b>	\$ 68.2	\$ 68.1	\$ 71.1	\$ 72.6	\$ 72.0	\$ 71.9	\$ 74.4	\$ 73.6	\$ 78.4	\$ 76.2
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 2.4	\$ 2.4	\$ 3.4	\$ 3.4
Member Contributions	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.3	0.2
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Pension Plan Net Investment Income	17.0	11.9	(8.7)	26.7	4.3	8.6	6.2	7.9	2.0	5.6
Benefit Payments and Refunds	(5.5)	(5.4)	(5.2)	(5.1)	(5.0)	(4.7)	(4.5)	(4.2)	(4.0)	(3.7)
Pension Plan Administrative Expense	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Change in Plan Fiduciary Net Position</b>	\$ 11.6	\$ 6.7	\$ (13.7)	\$ 21.9	\$ (0.5)	\$ 4.1	\$ 4.4	\$ 6.6	\$ 1.7	\$ 5.5
<b>Plan Fiduciary Net Position - Beginning</b>	91.3	84.6	98.3	76.4	76.9	72.8	68.4	61.9	60.1	54.6
<b>Prior Period Adjustments</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 102.9	\$ 91.3	\$ 84.6	\$ 98.3	\$ 76.4	\$ 76.9	\$ 72.8	\$ 68.4	\$ 61.9	\$ 60.1
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	\$ (34.7)	\$ (23.2)	\$ (13.5)	\$ (25.7)	\$ (4.4)	\$ (5.0)	\$ 1.6	\$ 5.2	\$ 16.5	\$ 16.1
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	150.9 %	134.1 %	119.0 %	135.4 %	106.1 %	107.0 %	97.8 %	92.9 %	79.0 %	78.9 %
<b>Covered Employee Payroll</b>	\$ 4.1	\$ 4.1	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4	\$ 4.9	\$ 4.9
<b>Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll</b>	(836.7)%	(565.9)%	(321.4)%	(611.9)%	(102.3)%	(116.3)%	36.4 %	118.2 %	336.7 %	328.6 %

\* Exhibit may not add due to rounding



## Exhibit 6

### Schedule of the Employers' Contributions (\$ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 3.4	\$ 3.4	\$ 0.0	\$ 4.9	69.3 %
2016	3.4	3.4	0.0	4.9	69.4 %
2017	2.4	2.4	0.0	4.4	54.9 %
2018	2.4	2.4	0.0	4.4	54.8 %
2019	1.1	0.0	1.1	4.3	0.0 %
2020	1.2	0.0	1.2	4.3	0.0 %
2021	0.4	0.0	0.4	4.2	0.0 %
2022	0.6	0.0	0.6	4.2	0.0 %
2023	0.0	0.0	0.0	4.1	0.0 %
2024	0.0	0.0	0.0	4.1	0.0 %

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# Notes to Schedule of Employers' Contributions for FYE 2024

**Valuation Date:** July 1, 2021

**Notes** The actuarially determined contribution effective for fiscal year ending 2024 that is documented in the schedule on the previous page was calculated as of July 1, 2021.

**Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2024:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 3 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

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## **SECTION 5**

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### **GASB 74/75 – EXECUTIVE SUMMARY**

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# Executive Summary

## Summary of Principal Results

Actuarial Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
<b>Membership Information</b>	
Number of	
- Inactive employees or beneficiaries currently receiving benefits	156
- Inactive employees entitled to but not yet receiving benefits	36
- Active employees	96
- Total	288
Covered Payroll	\$ 4,147,191
<b>Net OPEB Liability/(Asset)</b>	
Total OPEB Liability	\$ 19,050,428
Plan Fiduciary Net Position	84,604,481
Net OPEB Liability/(Asset)	\$ (65,554,053)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	444.11%
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-1580.69%
<b>OPEB Expense and Deferred Outflows/(Inflows) of Resources</b>	
GASB 75 OPEB Expense	\$ (6,089,706)
Deferred Outflows of Resources	5,675,414
Deferred Inflow of Resources	13,903,178
<b>Employer Contributions for Fiscal Year Ending June 30, 2024</b>	
Actuarially Determined Contribution	\$ -
Actual Contribution	-
Contribution Deficiency / (Excess)	\$ -
Actual Contribution as a Percentage of Covered Payroll	0.00%
<b>Development of the Single Discount Rate</b>	
Single Discount Rate	6.50%
Long-Term Expected Rate of Return	6.50%
Long-Term Municipal Bond Rate	N/A



## Summary of Change in Net OPEB Liability/(Asset)

	Total OPEB Liability (1)	Plan Fiduciary Net Position (2)	Net OPEB Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2023	\$ 18,115,490	\$ 71,739,956	\$ (53,624,466)
Adjustment to prior year			
1. Service cost	143,908		143,908
2. Interest	1,148,917		1,148,917
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	665,695		665,695
6. Employer contributions		-	-
7. Member contributions		30,529	(30,529)
8. Net investment income		13,962,657	(13,962,657)
9. Benefit payments	(1,023,582)	(1,023,582)	-
10. Administrative expense		(105,079)	105,079
11. Other changes	-	-	-
12. Net changes	\$ 934,938	\$ 12,864,525	\$ (11,929,587)
Balance at June 30, 2024	\$ 19,050,428	\$ 84,604,481	\$ (65,554,053)

## Report Purpose and Scope

For post-employment (OPEB) benefit plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, “Financial Reporting for Postemployment Benefit Plans other than Pension Plans,” replaces the requirements of GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” Similarly, GASB Statement No. 75 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose net OPEB liability, OPEB expense, and other information associated with providing OPEB to their employees (and former employees) on their financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

## Financial Reporting Overview

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan’s fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan’s reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

## Timing of the Valuation

For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2023. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2024 using generally accepted actuarial principles. GRS did not conduct the June 30, 2023 actuarial valuation; however, GRS did replicate the valuation results based on the same assumptions, methods, and data, as of that date. The roll-forward is based on this replicated valuation. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

There have been no actuarial assumption or plan provision changes that would materially impact the total OPEB liability since June 30, 2023.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.50% was used to measure the total OPEB liability for the fiscal year ending June 30, 2024. This single discount rate was based on the expected rate of return on OPEB plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the OPEB plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.



## Summary of Population Statistics

The total OPEB liability described in this report is based on the plan membership as of June 30, 2023:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	156
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	36
Active Plan Members	<u>96</u>
Total Plan Members	288

Note, the membership counts for the health insurance plan may be different than the membership counts for the pension plan due to differences in eligibility provisions as well as actual elections made by members currently receiving benefits.

## Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive members) determined as of the beginning of the measurement period.

At the beginning of the 2024 measurement period, the expected remaining service lives of all employees was 745 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2024 measurement period was 2.59 years (745 total expected remaining service period divided by 288 plan members).

Differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.



## Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Trend Rates

As of June 30, 2024, the Net OPEB Liability/(Asset) is \$(65,554,053). Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
\$ (63,389,680)	\$ (65,554,053)	\$ (67,354,003)

Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the healthcare cost trend rates. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using healthcare cost trend rates that are one-percentage point lower or one-percentage point higher:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ (67,568,410)	\$ (65,554,053)	\$ (62,738,561)

## **SECTION 6**

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### **GASB 74/75 – ACCOUNTING EXHIBITS**

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## Exhibit 1

### Schedule of OPEB Expense as of June 30, 2024

1. Total Service Cost	\$	143,908
2. Interest on the Total OPEB Liability		1,148,917
3. Current-Period Benefit Changes		0
4. Member Contributions		(30,529)
5. Projected Earnings on Plan Investments		(4,627,408)
6. Administrative Expense		105,079
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		964,714
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(3,794,387)
<b>10. Total OPEB Expense</b>	<b>\$</b>	<b>(6,089,706)</b>

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## Exhibit 2

### Outstanding Balance of Deferred Outflows and Inflows of Resources to be Recognized in Future Years

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	\$ 1,228,345	\$ -
2. Changes in assumptions	994	106,437
3. Differenced between projected and actual earnings on plan investments	4,446,075	13,796,741
4. Employer contributions subsequent to the measurement date	-	
5. Total	\$ 5,675,414	\$ 13,903,178

GASB No. 75 indicates that employer contributions made subsequent to the measurement date of the Net OPEB Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources. The deferred outflow of \$0 is based on the actuarially determined contribution for fiscal year ending 2025.

## Exhibit 3

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

#### Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2016-2017	\$ 7,216	\$ 2,392	11.97	\$ 603	\$ 603	\$ 603	\$ 603	\$ 583	\$ -	\$ -
2018-2019	9,745	4,765	11.75	830	830	830	830	830	830	615
2022-2023	2,437,557	812,519	3.00	812,519	812,519	-	-	-	-	-
2023-2024	665,695	408,669	2.59	257,026	257,026	151,643	-	-	-	-
		\$ 1,228,345		\$ 1,070,978	\$ 1,070,978	\$ 153,076	\$ 1,433	\$ 1,413	\$ 830	\$ 615

#### Differences Between Projected and Actual Earnings on OPEB Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on OPEB Plan Investments						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2019-2020	\$ 336,349	\$ -	5.00	\$ 67,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020-2021	(15,810,977)	(3,162,197)	5.00	(3,162,195)	(3,162,197)	-	-	-	-	-
2021-2022	11,115,186	4,446,075	5.00	2,223,037	2,223,037	2,223,038	-	-	-	-
2022-2023	(5,277,241)	(3,166,345)	5.00	(1,055,448)	(1,055,448)	(1,055,448)	(1,055,449)	-	-	-
2023-2024	(9,335,249)	(7,468,199)	5.00	(1,867,050)	(1,867,050)	(1,867,050)	(1,867,050)	(1,867,049)	-	-
		\$ (9,350,666)		\$ (3,794,387)	\$ (3,861,658)	\$ (699,460)	\$ (2,922,499)	\$ (1,867,049)	\$ -	\$ -

#### Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2024	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Thereafter
2018-2019	\$ 2,032	\$ 994	11.75	\$ 173	\$ 173	\$ 173	\$ 173	\$ 173	\$ 173	\$ 129
2022-2023	\$ (319,311)	\$ (106,437)	3.00	\$ (106,437)	\$ (106,437)	\$ -	\$ -	\$ -	\$ -	\$ -
2023-2024	-	-	2.59	-	-	-	-	-	-	-
		\$ (105,443)		\$ (106,264)	\$ (106,264)	\$ 173	\$ 173	\$ 173	\$ 173	\$ 129



## Exhibit 4

### Summary of Deferred Outflows and Inflows of Resources Arising from Current and Prior Reporting Periods

	<u>Period</u>		<u>Amount</u>
	(1)		(2)
1.	Fiscal Year + 1	\$	(2,896,944)
2.	Fiscal Year + 2		(546,211)
3.	Fiscal Year + 3		(2,920,893)
4.	Fiscal Year + 4		(1,865,463)
5.	Fiscal Year + 5		1,003
6.	Thereafter		744
7.	<b>Total</b>	<b>\$</b>	<b>(8,227,764)</b>

## Exhibit 5

### Schedule of Changes in the Employers' Net OPEB Liability/(Asset) (\$ in millions)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total OPEB Liability</b>										
Service Cost	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.4		
Interest on the Total OPEB Liability	1.1	1.0	1.0	1.3	1.2	1.5	1.4	2.0		
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Difference between Expected and Actual Experience	0.7	2.4	0.0	(4.8)	0.0	(4.4)	0.0	(10.6)		
Assumption Changes	0.0	(0.3)	0.0	(0.4)	0.0	0.0	0.0	2.3		
Benefit Payments and Refunds	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)		
<b>Net Change in Total OPEB Liability</b>	<b>\$ 0.9</b>	<b>\$ 2.3</b>	<b>\$ 0.2</b>	<b>\$ (4.5)</b>	<b>\$ 0.5</b>	<b>\$ (3.4)</b>	<b>\$ 0.9</b>	<b>\$ (6.6)</b>		
<b>Total OPEB Liability - Beginning</b>	<b>18.1</b>	<b>15.9</b>	<b>15.7</b>	<b>20.2</b>	<b>19.7</b>	<b>23.1</b>	<b>22.0</b>	<b>28.6</b>		
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 19.1</b>	<b>\$ 18.1</b>	<b>\$ 15.9</b>	<b>\$ 15.7</b>	<b>\$ 20.2</b>	<b>\$ 19.7</b>	<b>\$ 23.1</b>	<b>\$ 22.0</b>		
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0		
Member Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
OPEB Plan Net Investment Income	14.0	9.4	(6.5)	19.2	2.9	5.7	3.9	4.9		
Benefit Payments and Refunds	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)		
OPEB Plan Administrative Expense	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 12.9</b>	<b>\$ 8.5</b>	<b>\$ (7.4)</b>	<b>\$ 18.4</b>	<b>\$ 2.1</b>	<b>\$ 4.9</b>	<b>\$ 3.1</b>	<b>\$ 4.2</b>		
<b>Plan Fiduciary Net Position - Beginning</b>	<b>71.7</b>	<b>63.3</b>	<b>70.7</b>	<b>52.2</b>	<b>50.1</b>	<b>45.1</b>	<b>42.0</b>	<b>37.8</b>		
<b>Prior Period Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 84.6</b>	<b>\$ 71.7</b>	<b>\$ 63.3</b>	<b>\$ 70.7</b>	<b>\$ 52.2</b>	<b>\$ 50.1</b>	<b>\$ 45.1</b>	<b>\$ 42.0</b>		
<b>Net OPEB Liability/(Asset) - Ending (a) - (b)</b>	<b>\$ (65.6)</b>	<b>\$ (53.6)</b>	<b>\$ (47.4)</b>	<b>\$ (55.0)</b>	<b>\$ (32.1)</b>	<b>\$ (30.4)</b>	<b>\$ (22.1)</b>	<b>\$ (20.0)</b>		
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	444.1 %	396.1 %	398.1 %	450.3 %	258.4 %	254.3 %	195.2 %	190.9 %		
<b>Covered Employee Payroll</b>	\$ 4.1	\$ 4.0	\$ 4.2	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4		
<b>Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll</b>	(1,580.7)%	(1,340.0)%	(1,128.6)%	(1,309.5)%	(746.5)%	(707.0)%	(502.3)%	(454.5)%		

\* Exhibit may not add due to rounding



## Exhibit 6

### Schedule of the Employers' Contributions (\$ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015					
2016					
2017	\$ 0.0	\$ 0.0	\$ 0.0	\$ 4.4	0.0 %
2018	0.0	0.0	0.0	4.4	0.0 %
2019	0.0	0.0	0.0	4.3	0.0 %
2020	0.0	0.0	0.0	4.3	0.0 %
2021	0.0	0.0	0.0	4.2	0.0 %
2022	0.0	0.0	0.0	4.2	0.0 %
2023	0.0	0.0	0.0	4.0	0.0 %
2024	0.0	0.0	0.0	4.1	0.0 %

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## Notes to Schedule of Employers' Contributions for FYE 2024

**Valuation Date:** July 1, 2021

**Notes** The actuarially determined contribution effective for fiscal year ending 2024 that is documented in the schedule on the previous page was calculated as of July 1, 2021.

### **Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2024:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 3 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020
Healthcare Trend Rates (Pre-65)	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075
Healthcare Trend Rates (Post-65)	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075
Participation Rates	100% of future eligible retirees are assumed to elect coverage at retirement.





October 14, 2024

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

Bo.Cracraft@ky.gov

**Re:** line of duty (LOD) benefits -- Fred Capps Memorial Act

Dear Bo:

I reviewed the Fred Capps Memorial Act and conclude that it can be interpreted to apply to JRP. I found some other references in KRS 61.621 which push the argument in favor of that conclusion. As explained below, whether the surviving spouse of Judge Mullins is entitled to the benefits under the Fred Capps Act depends on whether the Judge was killed in the LOD as defined in KRS 61.621(2).

Chapter 21. The term “line of duty” appears in JRP in KRS 21.427 with respect to JRP’s cash balance tier. The term LOD is cross-referenced to the definition in KRS 61.621 (see below). For hybrid JRP members, death in LOD accelerates vesting for survivors’ hybrid health benefits. Judge Mullins was not a hybrid member.

Fred Capps Act. This Act was enacted in 2001 by way of KRS 61.621. It was initially effective June 1, 2000. Its key language says that notwithstanding any provision of any statutes to the contrary, any employee participating in one of the state-administered retirement systems who is not in a hazardous duty position shall be eligible for benefits under the Fred Capps Act. KRS 7A.210 defines “state-administered retirement system” to include JRP along with SPRS, TRS, KERS, CERS, and LRP. Judge Mullins does not serve in a hazardous position.

The definition of “employee” for KRS 61.510 to 61.705 appears in KRS 61.510(5). For purposes of the Fred Capps Act an employee is an elective [read, elected] officer or employee of a participating department. A “department” includes an agency participating in KERS, according to KRS 61.510(3). Judge Mullins was an elected judge in Letcher County District Court and a W-2 employee of AOC. As I understand, AOC participates in KERS for the benefits of AOC employees. Therefore, Judge Mullins can be considered an elective officer or an employee – at least for tax purposes as a W-2 employee -- of a participating department, namely AOC. The Fred Capps Act does not require that a judge be a contributing member of the participating department referred to in KRS 61.510(5). Judge Mullins should be considered an “employee” for the Fred Capps Act.



This conclusion is supported by the language of KRS 61.621(3)(b) which says that the surviving spouse may elect benefits under KRS 61.640 or “other applicable death benefit statutes.” This reference to other death benefit statutes should be read as reference to similar statutes in other state-administered retirement systems, JRP for example. Specifically, KRS 61.640 establishes a death benefit for a KPPA member who dies before retirement. JRP has a similar provision, KRS 21.420, which provides a survivor benefit on death before retirement. In fact, the phrase “death benefits” is in the title of KRS. 21.420. Since the provisions of KRS 61.640 are similar to JRP’s death benefits under KRS 21.420, the reference to KRS 61.640 suggests that the Fred Capps Act was intended to include JRP members. Finally, KRS 61.621(7) provides that death benefits for a child beneficiary will be paid under the Fred Capps Act notwithstanding applicable death benefits in any other state-administered retirement system.

There is a reporting component to the benefits under the Fred Capps Act. For example, KRS 7A.255(4) requires KPPA to make annual reports to Public Pension Oversight Board of the disability payments made under the Fred Capps Act. Such information, according to KRS 7A.255, shall be “broken down by system.” This further points to legislative intent meant to cover JRP members and their families under the Act.

Line of Duty. The Fred Capps Act defines “death related injury” in KRS 61.621(2). To meet this definition, such an injury (or death) must have occurred while the judge was performing the duties of his position, or the act of violence was related to his job duties whether or not the act occurred at his job site. I do not have any facts to assess whether Judge Mullins’s death can be considered a “death related injury.”

For statutory clarification to JRP provisions in KRS Chapter 21, a legislative change would be useful to provide a more direct cross reference from Chapter 21 to the Fred Capps Memorial Act.

I can join a call this week to discuss, but I’m out here in California three hours behind you. We are traveling back to Louisville this Friday, October 18 and out of pocket most of the day.

Sincerely,



Alan D. Pauw

\ADP

26840.1

**61.621 Fred Capps Memorial Act -- Eligibility for benefits for duty-related injury -- Benefits for surviving spouse and dependent children -- Receipt of benefits pending final determination.**

- (1) Notwithstanding any provision of any statutes to the contrary, effective June 1, 2000, any employee participating in one (1) of the state-administered retirement systems who is not in a hazardous duty position, as defined in KRS 61.592 or 78.5520, shall be eligible for minimum benefits equal to the benefits payable under this section or KRS 61.702 or 78.5536, as applicable, if the employee dies or becomes totally and permanently disabled to engage in any occupation for remuneration or profit as a result of a duty-related injury.
- (2) (a) For purposes of this section, "duty-related injury" means:
  1. a. A single traumatic event that occurs while the employee is performing the duties of his or her position; or
  - b. A single act of violence committed against the employee that is found to be related to his or her job duties, whether or not it occurs at his or her job site; and
  2. The event or act of violence produces a harmful change in the human organism evidenced by objective medical findings.
- (b) "Duty-related injury" does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by nature of the employment, or a psychological, psychiatric, or stress-related change in the human organism unless it is the direct result of a physical injury.
- (3) (a) If the employee dies as a result of a duty-related injury and is survived by a spouse, the surviving spouse shall be the beneficiary, and this shall supersede the designation of all previous beneficiaries of the deceased employee's retirement account, except as provided in KRS 61.542(2)(e).
- (b) The surviving spouse, provided he or she supersedes all previously designated beneficiaries, may elect to receive the benefits payable under KRS 61.640 or other applicable death benefit statutes, or may elect to receive a lump-sum payment of ten thousand dollars (\$10,000) and a monthly payment equal to seventy-five percent (75%) of the member's monthly average pay beginning in the month following the member's death and continuing each month until the death of the surviving spouse.
- (c) In addition, if the member is also survived by dependent children, monthly payments shall be made for each dependent child equal to ten percent (10%) of the deceased member's monthly average pay, except that the combined maximum payment made to the:
  1. Surviving spouse and dependent children under this subsection shall not exceed one hundred percent (100%) of the deceased member's monthly average pay; and
  2. Dependent children, while the surviving spouse is living, shall not exceed twenty-five percent (25%) of the deceased member's monthly average pay.

Payments made to the dependent children under this subsection shall be divided equally among all the dependent children.

- (4) If the employee dies as a result of a duty-related injury and is not survived by a spouse but is survived by a dependent child or children, the following benefits shall be paid to the dependent child or children:
- (a) Fifty percent (50%) of the deceased member's monthly average pay, if the deceased member has one (1) dependent child;
  - (b) Sixty-five percent (65%) of the deceased member's monthly average pay, if the deceased member has two (2) dependent children; or
  - (c) Seventy-five percent (75%) of the deceased member's monthly average pay, if the deceased member has three (3) or more dependent children.

Payments made to the dependent children under this subsection shall be divided equally among all the dependent children.

- (5) If the employee is determined to be disabled as provided in KRS 61.600, or other applicable disability statutes in any other state-administered retirement system, as the result of a duty-related injury, the employee may elect to receive benefits determined under the provisions of KRS 61.605, or other applicable disability statutes in any other state-administered retirement system, except that:
- (a) If an employee is working in a nonhazardous position that could be certified as a hazardous position based upon KRS 61.592, the monthly retirement allowance shall not be less than seventy-five percent (75%) of the employee's monthly average pay; or
  - (b) If an employee is working in a nonhazardous position that could not be certified as a hazardous position based upon KRS 61.592, the monthly retirement allowance shall not be less than twenty-five percent (25%) of the employee's monthly final rate of pay.

For purposes of determining a disability that is the result of a duty related injury, the service requirement in KRS 61.600(1)(a), or other applicable statutes in any other state-administered retirement system, shall be waived.

- (6) (a) In the period of time following the disability of a member covered by subsection (5)(a) of this section during which dependent children survive, a monthly payment shall be made for each dependent child who is alive which shall be equal to ten percent (10%) of the disabled member's monthly average pay, except that:
- 1. Member and dependent children payments under this section shall not exceed one hundred percent (100%) of the member's monthly average pay; and
  - 2. Total maximum dependent children's benefits shall not exceed twenty-five percent (25%) of the member's monthly average pay while the member is living and forty percent (40%) of the disabled member's monthly average pay after the member's death. The payment shall commence in the month following the date of disability of the member and shall be payable to the

dependent children, or to a legally appointed guardian, or as directed by the system and shall be divided equally among all dependent children.

- (b) In the period of time following the disability of a member covered by subsection (5)(b) of this section during which dependent children survive, a monthly payment shall be made for each dependent child who is alive which shall be equal to ten percent (10%) of the disabled member's monthly final rate of pay; except that total maximum dependent children's benefits shall not exceed forty percent (40%) of the disabled member's monthly final rate of pay at the time any particular payment is due. The payment shall commence in the month following the date of disability of the member and shall be payable to the dependent children, or to a legally appointed guardian, or as directed by the system.
- (7) Benefits for death as a result of a duty-related injury to a dependent child shall be payable under this section notwithstanding an election by a surviving spouse or beneficiary to withdraw the deceased member's accumulated account balance as provided in KRS 61.625 or benefits under any other provisions of KRS 61.515 to 61.705 or other applicable death benefit statutes in any other state-administered retirement system.
- (8)
  - (a) A spouse applying for benefits under this section who is also eligible for benefits under KRS 61.640 or 78.5532 may elect to receive benefits under KRS 61.640(2)(a) or (b) or 78.5532(2)(a) or (b) while the application for benefits under this section is pending.
  - (b) If a final determination results in a finding of eligibility for benefits under this section, the system shall recalculate the benefits due the spouse in accordance with this subsection.
  - (c) If the spouse has been paid less than the amount of benefits to which the spouse was entitled to receive under this section, the system shall pay the additional funds due to the spouse.
  - (d) If the spouse has been paid more than the benefit the spouse was eligible to receive under this section, then the system shall deduct the amount owed by the spouse from the ten thousand dollars (\$10,000) lump-sum payment and from the monthly retirement allowance payments until the amount owed to the systems has been recovered.
- (9) For purposes of this section, "dependent child" has the same meaning as in KRS 16.505.
- (10) This section shall be known as "The Fred Capps Memorial Act."

**Effective:** June 29, 2021

**History:** Amended 2021 Ky. Acts ch. 102, sec. 64, effective April 1, 2021; and ch. 106, sec. 3, effective June 29, 2021. -- Amended 2020 Ky. Acts ch. 46, sec. 2, effective March 27, 2020. -- Amended 2018 Ky. Acts ch. 151, sec. 5, effective April 13, 2018. -- Amended 2016 Ky. Acts ch. 114, sec. 2, effective April 13, 2016. -- Amended 2013 Ky. Acts ch. 120, sec. 61, effective July 1, 2013. -- Amended 2004 Ky. Acts ch. 36, sec. 19, effective July 13, 2004. -- Amended 2002 Ky. Acts ch. 176, sec. 1, effective July 15, 2002. -- Created 2001 Ky. Acts ch. 7, sec. 1, effective June 21, 2001.

**2020-2022 Budget Reference.** See State/Executive Branch Budget, 2021 Ky. Acts ch. 169, Pt. IV, 5 at 1155.

**Legislative Research Commission Note (6/29/2021).** This statute was amended by 2021 Ky. Acts chs. 102 and 106, which do not appear to be in conflict and have been codified together.

**Legislative Research Commission Note (6/29/2021).** See 2021 Ky. Acts ch. 106, secs. 10, 11, 12, and 13 for information regarding the application of the amendments to this statute made in that Act.

**Legislative Research Commission Note (3/27/2020).** KRS 16.601 and 61.621 were amended in 2020 Ky. Acts ch. 46, secs. 1 and 2, respectively. Section 3 of that Act reads as follows:

"Notwithstanding KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, 161.220 to 161.716, or any provision of Section 1 or 2 of this Act to the contrary:

- (1) In the month following the effective date of this Act, the surviving spouse, if the spouse is receiving a monthly benefit due to a member's death that was determined by the systems to be a direct result of an act in line of duty as defined in KRS 16.505(19) or whose death resulted from a duty-related injury as defined in Section 2 of this Act, and who following the member's death has subsequently remarried prior to the effective date of this Act and had their retirement benefit reduced due to remarriage, shall have his or her monthly benefit increased to the amount specified by Section 1 or 2 of this Act, as applicable, as if the remarriage had occurred after the effective date of this Act, except that the amount shall not be increased above a level that exceeds one hundred percent (100%) of the member's monthly average pay when combined with any dependent child payments from the systems.
- (2) In the month following the effective date of the Act, the surviving spouse of a member whose death was determined by the systems to be a direct result of an act in line of duty as defined in KRS 16.505(19) or whose death resulted from a duty-related injury as defined in Section 2 of this Act, but who chose to receive lifetime monthly benefits otherwise payable under KRS 16.578 or 61.640 in lieu of the benefits payable under subsection (1) of Section 1 of this Act or subsection (3) of Section 2 of this Act, shall have his or her monthly benefit increased to the amount specified by Section 1 or 2 of this Act, as applicable, except that the amount shall not be increased above a level that exceeds one hundred percent (100%) of the member's monthly average pay when combined with any dependent child payments from the systems.
- (3) The Kentucky Retirement Systems shall establish by administrative regulation a process by which a surviving spouse of a member who died prior to retirement and prior to April 13, 2018, may apply for the death benefits established by Section 1 and 2 of this Act, provided the surviving spouse:
  - (a) Is currently receiving a monthly benefit from the systems;
  - (b) Did not prior to April 13, 2018, seek a determination by the systems of whether or not the death was a direct result of an act in line of duty as defined in KRS 16.505(19) or resulted from a duty-related injury as defined in Section 2 of this Act; and
  - (c) Submits an application developed by the systems on or before January 1, 2021.

If the systems determines the death was a direct result of an act in line of duty as defined in KRS 16.505(19) or resulted from a duty-related injury as defined in Section 2 of this Act, then in the month following the determination, the systems shall adjust the surviving spouse monthly benefits prospectively in accordance with Section 1 or 2 of this Act except that the amount shall not be increased above a level that exceeds one hundred percent (100%) of the

members monthly average pay when combined with any dependent child payments from the systems.

- (4) In the month following the effective date of this Act, the surviving spouse, if the spouse is receiving a monthly benefit due to a member's death that was determined by the systems to be a direct result of an act in line of duty as defined in KRS 16.505(19) or whose death resulted from a duty-related injury as defined in Section 2 of this Act, and who following the member's death subsequently remarried prior to April 13, 2018, shall have his or her monthly benefit increased to the amount specified by Section 1 or 2 of the Act, as applicable, except that the amount shall not be increased above a level that exceeds one hundred percent (100%) of the member's monthly average pay when combined with any dependent child payments from the systems."

**Legislative Research Commission Note (3/27/2020).** KRS 16.601 and 61.621 were amended in 2020 Ky. Acts ch. 46, secs. 1 and 2, respectively. Section 4 of that Act reads as follows:

"The provisions of Sections 1 to 3 of this Act shall not reduce any benefits payable to any surviving spouse or dependent children of a member who died prior to the effective date of this Act and whose death was determined by the systems to be the direct result of an act in line of duty as defined in KRS 16.505(19) or resulted from a duty-related injury as defined in Section 2 of this Act."

**Legislative Research Commission Note (4/13/2018).** This statute was amended in 2018 Ky. Acts ch. 151, sec. 5. Section 8 of that Act reads as follows:

"Notwithstanding KRS 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, 161.220 to 161.716, or any provision of Sections 1 to 7 of this Act to the contrary, the Kentucky Retirement Systems shall provide the following benefit adjustments to surviving spouses and dependent children of those members who died prior to the effective date of this Act [April 13, 2018] and whose death was determined by the systems to be a direct result of an act in line of duty as defined in subsection (19) of Section 1 of this Act [KRS 16.505] or whose death resulted from a duty-related injury as defined in Section 5 of this Act [KRS 61.621]:

- (1) In the month following the effective date of this Act [April 13, 2018], the surviving spouse, if the spouse is receiving a monthly benefit due to a member's death, shall have his or her monthly benefit increased to the amount specified by Section 2 or 5 of this Act [this statute or KRS 61.621], as applicable, except that the amount shall not be increased above a level that exceeds 100 percent of the member's monthly average pay when combined with any dependent child payments from the systems;
- (2) In the month following the effective date of this Act [April 13, 2018], any dependent child who is receiving a monthly benefit due to a member's death shall have his or her monthly benefit increased to the amount specified by Section 2 or 5 of this Act [this statute or KRS 61.621], as applicable, if the member was not married at the time of death;
- (3) In the month following the effective date of this Act [April 13, 2018], a surviving spouse who was married to the deceased member at the time of death but who was ineligible for monthly benefits payable to the surviving spouse under KRS 16.601 as codified prior to the effective date of this Act [April 13, 2018], shall receive the monthly benefit payable to the surviving spouse in Section 2 of this Act [this statute], provided the member's death occurred on or after January 1, 2017; and
- (4) In the month following the effective date of this Act [April 13, 2018], any surviving spouse and any dependent child of a deceased member who is receiving a monthly benefit shall be eligible for the health benefits specified by Section 6 of this Act [KRS 61.702].

The provisions of this section shall only be construed to provide benefit adjustments to surviving spouses and dependent children of those members who died prior to the effective date of this Act [April 13, 2018] and only in situations where the member's death was determined by the systems to be the direct result of an act in line of duty as defined in subsection (19) of Section 1 of this Act [KRS 16.505] or resulted from a duty-related injury as defined in Section 5 of this Act [KRS 61.621]."

### **61.510 Definitions for KRS 61.510 to 61.705.**

As used in KRS 61.510 to 61.705, unless the context otherwise requires:

- (1) "System" means the Kentucky Employees Retirement System created by KRS 61.510 to 61.705;
- (2) "Board" means the board of trustees of the system as provided in KRS 61.645;
- (3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.510 to 61.705, the members, officers, and employees of the General Assembly and any other body, entity, or instrumentality designated by executive order by the Governor, shall be deemed to be a department, notwithstanding whether said body, entity, or instrumentality is an integral part of state government;
- (4) "Examiner" means the medical examiners as provided in KRS 61.665;
- (5) "Employee" means the members, officers, and employees of the General Assembly and every regular full-time, appointed or elective officer or employee of a participating department, including the Department of Military Affairs. The term does not include persons engaged as independent contractors, seasonal, emergency, temporary, interim, and part-time workers. In case of any doubt, the board shall determine if a person is an employee within the meaning of KRS 61.510 to 61.705;
- (6) "Employer" means a department or any authority of a department having the power to appoint or select an employee in the department, including the Senate and the House of Representatives, or any other entity, the employees of which are eligible for membership in the system pursuant to KRS 61.525;
- (7) "State" means the Commonwealth of Kentucky;
- (8) "Member" means any employee who is included in the membership of the system or any former employee whose membership has not been terminated under KRS 61.535;
- (9) "Service" means the total of current service and prior service as defined in this section;
- (10) "Current service" means the number of years and months of employment as an employee, on and after July 1, 1956, except that for members, officers, and employees of the General Assembly this date shall be January 1, 1960, for which creditable compensation is paid and employee contributions deducted, except as otherwise provided, and each member, officer, and employee of the General Assembly shall be credited with a month of current service for each month he or she serves in the position;
- (11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employee, prior to July 1, 1956, for which creditable compensation was paid; except that for members, officers, and employees of the General Assembly, this date shall be January 1, 1960. An employee shall be credited with one (1) month of prior service only in those months he or she received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer, and employee of the General Assembly shall be credited with a month of prior service for each month he or she



**21.420 Death benefits for members -- Designation of beneficiary to receive accumulated contributions or accumulated account balance.**

- (1) After the death of a member who began participating in the Judicial Retirement Plan prior to January 1, 2014, who at the time of his death was receiving a service retirement allowance (other than an actuarially reduced allowance under subsection (3) of KRS 21.400), or was receiving a disability retirement allowance, his surviving spouse is entitled to receive during his lifetime a monthly allowance equal to one-half (1/2) of that he was receiving.
- (2)
  - (a) If a member who began participating in the Judicial Retirement Plan prior to January 1, 2014, dies before retirement and before reaching normal retirement age, without regard to length of service, his surviving spouse is entitled to receive during his lifetime a monthly allowance equal to one-half (1/2) of the monthly allowance the member would have received commencing at his normal retirement date if he had continued in service until that date and had then retired, computed however on the basis of his final compensation at time of death.
  - (b) If a member who began participating in the Judicial Retirement Plan prior to January 1, 2014, dies before retirement and after reaching normal retirement age, his surviving spouse is entitled to receive during his lifetime a monthly allowance equal to one-half (1/2) of the monthly allowance the member would have been entitled to, on the basis of his years of service, had he retired on the date of his death.
- (3) If a member who began participating in the Judicial Retirement Plan prior to January 1, 2014, dies after retirement and was at the time of his death receiving an actuarially reduced allowance under subsection (3) of KRS 21.400, or was not at the time of his death receiving a retirement allowance but had acquired the vested right under subsection (2) of KRS 21.400 to have received an allowance upon reaching normal retirement age, his surviving spouse is entitled to receive during his lifetime a monthly allowance equal to one-half (1/2) of the monthly allowance the member would have received when he reached normal retirement age.
- (4) A member, or a retiree who began participating in the plan prior to January 1, 2014, who has not commenced drawing retirement benefits pursuant to KRS 21.400, and who dies without a spouse or eligible children entitled to survivor's benefits, may designate a beneficiary who shall receive the accumulated contributions of the member. A member, or a retiree who began participating in the plan on or after January 1, 2014, who has not commenced drawing retirement benefits pursuant to KRS 21.402, who dies without a spouse or eligible children entitled to survivor's benefits, may designate a beneficiary who shall receive the accumulated account balance of the member. Absent a designation by the member or retiree, the accumulated contributions or accumulated account balance, as applicable based upon the member's participation date, shall be paid to the member's estate.
- (5) A member who began participating in the plan prior to January 1, 2014, who commences drawing retirement benefits pursuant to KRS 21.400 or 21.410, and who dies without a spouse or eligible children entitled to survivor's benefits and

before the benefits received by the member equal the accumulated contributions of the member, may designate a beneficiary who shall receive the balance of the accumulated contributions of the member. A member who began participating in the plan on or after January 1, 2014, who commences drawing retirement benefits pursuant to KRS 21.402 or 21.410, and who dies without a spouse or eligible children entitled to survivor's benefits and before the benefits received by the member equal the accumulated account balance of the member, may designate a beneficiary who shall receive the balance of the accumulated account balance of the member. Any benefits received shall be deducted from the accumulated contributions or accumulated account balance. Absent a designation by the member, the balance of the accumulated contributions or accumulated account balance, as applicable based upon the member's participation date, shall be paid to the member's estate.

- (6) A member who begins participating in the Judicial Retirement Plan prior to January 1, 2014, may designate a beneficiary who shall receive the balance of the accumulated contributions of the member, in the event survivor's benefits are being paid pursuant to subsection (1), (2), or (3) of this section, and the survivor dies prior to receiving benefits equal to the member's contributions. In this event, the provisions of subsection (5) of this section shall apply as to offset and payment.
- (7) A member who begins participating in the Judicial Retirement Plan prior to January 1, 2014, may, prior to the drawing of benefits, elect in writing to the executive secretary of the Judicial Form Retirement System, to take an optional retirement allowance which shall be actuarially equivalent to the amount of retirement allowance otherwise payable to the member and the member's spouse. If the member dies after retirement, the option chosen shall prevail over the provisions of subsections (1) and (3) of this section. If the member dies prior to retirement, the option chosen shall prevail over the provisions of subsection (2) of this section. The options shall include:
  - (a) Survivorship one hundred percent (100%). The member may elect to receive a decreased retirement allowance during the member's lifetime and have the retirement allowance continued after death to the spouse during the lifetime of the spouse.
  - (b) Survivorship sixty-six and two-thirds percent (66 2/3%). The member may elect to receive a decreased retirement allowance during the member's lifetime and have two-thirds (2/3) of the retirement allowance continue after death to the spouse during the lifetime of the spouse.

If a retiree, living or deceased, chose either of the optional retirement benefit allowances specified in paragraphs (a) or (b) of this subsection from July 15, 1994, to July 15, 1998, the optional allowance shall be adjusted accordingly, and the new benefit shall commence August 1, 1998. Each recipient of benefits from the plan, who retired from July 15, 1994, to July 15, 1998, shall have a one-time opportunity to select an optional retirement allowance. The election by the recipient shall be prior to August 1, 1998, at which time the new benefit shall commence. The option chosen shall prevail, subsections (1), (2), and (3) of this section notwithstanding.

(8) For a member who begins participating in the Judicial Retirement Plan on or after January 1, 2014:

- (a) If the member dies prior to drawing a retirement allowance, then the surviving spouse may elect to:
1. Take a refund of the member's accumulated account balance or accumulated contributions as provided by KRS 21.402; or
  2. If the member had at least five (5) years of service in the plan at the time of his or her death, have the member's accumulated account balance annuitized into a monthly benefit payable for life that is equal to the benefit that would have been paid had the member retired immediately prior to his or her date of death and elected to receive benefits payable under the survivorship one hundred percent (100%) option as provided by paragraph (b)1. of this subsection.

In lieu of the benefits provided by this paragraph to the surviving spouse, the member may elect to have the benefits payable under this paragraph paid to an individual dependent child by completing the forms provided prescribed by the Judicial Form Retirement System. If no surviving spouse or dependent children are eligible to receive benefits, then the provisions of subsection (4) of this section shall apply to the member.

- (b) If a member dies on or after the date the member begins drawing a retirement allowance, the benefits payable to the surviving spouse shall be based upon whether or not the member elects prior to retirement to receive an optional retirement allowance. The election shall be in writing on the forms prescribed by the Judicial Form Retirement System and shall be actuarially equivalent to the amount of retirement allowance otherwise payable to the member. The optional retirement allowances shall include:

1. Survivorship one hundred percent (100%). The member may elect to receive a decreased retirement allowance during the member's lifetime and have the retirement allowance continued after death to the spouse during the lifetime of the spouse;
2. Survivorship sixty-six and two-thirds percent (66-2/3%). The member may elect to receive a decreased retirement allowance during the member's lifetime and have two-thirds (2/3) of the retirement allowance continue after death to the spouse during the lifetime of the spouse; or
3. Survivorship fifty percent (50%). The member may elect to receive a decreased retirement allowance during the member's lifetime and have one-half (1/2) of the retirement allowance continue after death to the spouse during the lifetime of the spouse.

In lieu of the benefits provided by this paragraph to the surviving spouse, the member may elect prior to retirement to have the benefits payable under this paragraph paid to an individual dependent child by completing the forms provided by the Judicial Form Retirement System. If no surviving spouse or dependent children are eligible to receive benefits, then the provisions of

subsection (5) of this section shall apply to the member.

- (c) For purposes of this section a "dependent child" shall mean a child who is less than twenty-one (21) years of age or a disabled child who is eligible for Social Security disability benefits.

**Effective:** July 15, 2016

**History:** Amended 2016 Ky. Acts ch. 12, sec. 8, effective July 15, 2016. -- Amended 2013 Ky. Acts ch. 120, sec. 27, effective July 1, 2013. -- Amended 1998 Ky. Acts ch. 389, sec. 1, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 266, sec. 4, effective July 15, 1994. -- Amended 1974 Ky. Acts ch. 386, sec. 3. -- Created 1960 Ky. Acts ch. 84, Art. III, sec. 8.

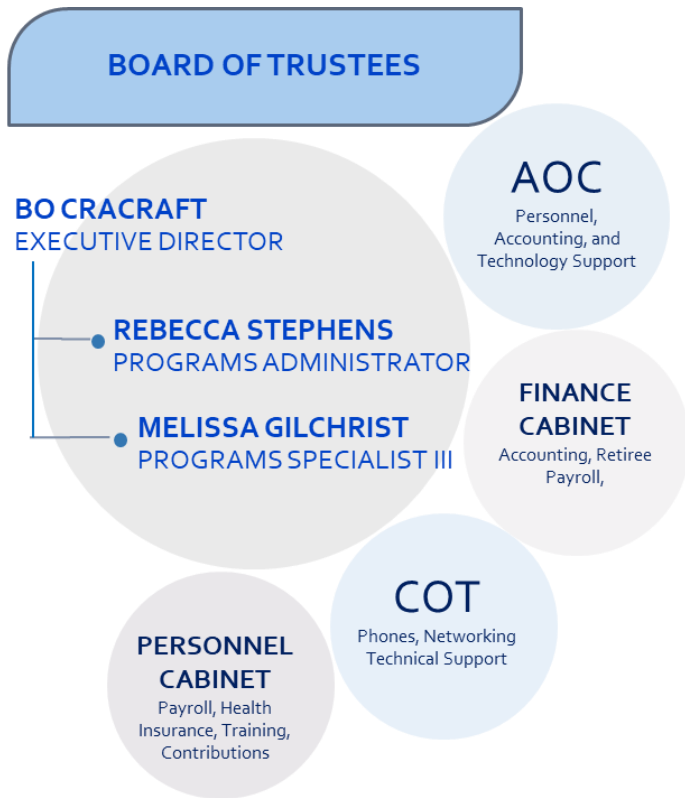
# APPENDIX

- Organization Chart & Service Providers



# JUDICIAL FORM RETIREMENT SYSTEM

## Organizational Structure



## Service Providers

