

JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JANUARY 17, 2025



AGENDA



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

January 17, 2025 – 10:00 a.m. EST

via

Virtual/Video Conference using Microsoft Teams

- I. Call to Order.
- II. Adoption of the *Minutes* of the October 18, 2024 and November 15, 2024
- III. Investment Related Matters.
 - A. Staff Report - Lexington Investment Company Quarterly Update
 - B. Presentation by Baird Trust Company
- IV. Administrative Reports by Executive Director
 - A. Public Pension Oversight Board
 - B. 2025 Regular Session of the General Assembly
 - C. 2025-26 Personal Service Contracts – *Actionable Item*
 - D. Fiscal Year 2024 Financial Audit – Blue & Co.
 - E. Board Member Financial Disclosure Statements
- V. April 18, 2025 Meeting and Adjournment

*****PUBLIC NOTICE:** Please contact JFRS at (502) 564-5310 or via email at <https://kjfrs.ky.gov/Contact/> to request a link to join the meeting.

ITEM II-
Adoption of Minutes

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

October 18, 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 Administrative Office of the Courts, 1001 Vandalay Drive, Frankfort, Kentucky 40601 on Friday, October 18, 2024, at 10:00 a.m. All Board members, with the exception of Representative Scott Brinkman were present. Senator Jimmy Higdon participated via Microsoft Teams video-conferencing.

JFRS staff present included Bo Cracraft, Executive Director. Guests attending the meeting included Don Asfahl, Andy Means, and Derek Bonifer of Baird Trust Company.

Chairman Venters called the meeting to order at 10:01 a.m. The trustees considered the adoption of the previously distributed *Minutes* from the August 2, 2024 meeting. Upon motion by Mr. Stephen LeLaurin, seconded by Judge Douglas George, the Board unanimously approved the *Minutes* of the August 2, 2024 meeting.

The first item for consideration was the election of Chairs of the Board and Investment Committees. The trustees considered the election of Chair of the Board of Trustees and the Chairs of the Judicial and Legislative Investment Committees.

Upon a motion by Judge Douglas George, seconded by Chief Justice Laurance VanMeter, the Board unanimously elected Justice Daniel Venters as Chairman of the Board for the Judicial Form Retirement System.

Upon a motion by Judge Douglas George, seconded by Chief Justice Laurance VanMeter, the Investment Committee for the Judicial Retirement Fund unanimously elected Mr. Ben Allison as Chair of the Investment Committee of the Judicial Retirement Fund.

Upon a motion by Mr. Stephen LeLaurin, seconded by Senator Jimmy Higdon, the Investment Committee for the Legislators Retirement Fund unanimously elected Rep. Brad Montell as Chair of the Investment Committee of the Legislative Retirement Fund.

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 September 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 *Compliance Report*.

Chairman Venters welcomed Don Asfahl and Andy Means from Baird Trust, who joined the meeting at 10:10 a.m. Mr. Cracraft previously distributed copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated October 18, 2024. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. Don Asfahl began the review by informing the Trustees of his plan to retire at the end of the 2025 summer after more than fifty years in the industry. He introduced Derek Bonifer, who was a Senior Portfolio Manager with the fixed income team. Mr. Bonifer had joined Baird Trust three years ago after spending time at PNC Bank. Mr. Asfahl highlighted Mr. Bonifer's 25 years of investing experience and previous working relationships with several members of the Baird team, including John Craddock, Baird Trust's Director of Fixed Income.

Next, Andy Means drew attention to their most recent Market Commentary, titled "Focusing on What Matters." He noted how current investors find themselves with what seems like a never-ending stream of information, which can be overwhelming and at times, distracting. The key is to tune out information that is perishable or noise, while focusing on information that truly matters or what will have a real impact on a business. The equity team at Baird wants to have a long-term business owner mindset and that tends to focus their attention on information they believe will have a long shelf life. Information that will drive long-term investment outcomes and not short-term or distracting news that might impact Wall Street for a few days. Baird is not stock traders or pickers, but rather business analysts seeking to identify companies and management teams they can partner with for a long time, potentially decades.

Mr. Means noted the current investment environment and how strong equities had performed over the past couple of years. He acknowledged that it felt like equities were optimistically priced and that there was some risk, however he also pointed to the expectation for interest rates to be cut and how historically that positively impacted equity markets. In the end, he reminded the Trustees that Baird was not going to try to predict the future, but rather continue focusing on companies the team believes will perform in any scenario.

Mr. Asfahl reviewed several economic statistics before turning to current asset allocations, annual estimated income, and the current yield on the portfolios. He discussed the fixed income portfolio and schedule of maturities. Mr. Means reviewed a snapshot of the equity portfolio and highlighted relative sector weightings, top performers and recent portfolio attribution. He quickly discussed recent sector attribution, noting that the portfolios largest overweight had served to add value over all time periods, while the portfolios underweight to technology has detracted a bit. At a stock selection standpoint, he highlighted Progressive and GE Vernova as two very strong performers over the past year and noted that only two stocks, Disney and Carmax, had detracted from performance over the trailing 5 year period.

In response to a question from Mr. Cracraft regarding the team's recent decision to add to the position of Carmax, Mr. Means stated Carmax, like most used car dealers, was facing a macro headwind and the question they find themselves asking is how long will that last. He

reiterated how much the team believes there is long-term potential for the company, but it was currently a real test of patience.

In response to a question from Mr. Ben Allison regarding JP Morgan versus other banks such as Wells Fargo and US Bancorp, Mr. Means identified Jamie Dimon as the primary difference driving recent results. Mr. Dimon has differentiated himself in the space, while US Bancorp and Wells Fargo both, for different reasons, had not performed as well as expected. Mr. Means noted that both banks were years into new management transitions. Baird was encouraged by recent activity with Wells Fargo, while US Bancorp was a bit more disappointing, and the team was definitely losing patience.

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

The meeting recessed for lunch at 11:40 a.m. The meeting reconvened at 12:15 p.m. and Mr. Asfahl, Mr. Means, and Mr. Bonifer departed at that time.

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

(A) Public Pension Oversight Board (PPOB). Mr. Cracraft informed the trustees of one PPOB meetings since the August JFRS Board meeting.

August 27, 2024 – Each state-administered retirement system provided a quarterly investment and cash flow update. A copy of JFRS' presentation was included in the Board materials.

Mr. Cracraft indicated the PPOB did not meet in September and was scheduled to meet on October 22, 2024. JFRS was on the agenda for October and had been asked to provide a short presentation on membership and benefit information.

(B) 2024 Actuarial Valuations. Mr. Cracraft referenced GASB valuations for LRP and JRP, which had been completed and were included in the meeting materials. While he stated the reports were still in draft form, Mr. Cracraft indicated no changes were expected unless recommended by the Board.

Mr. Cracraft highlighted a few important items with regards to the valuations. First, he reminded the trustees that these valuations were completed for accounting purposes and utilized a roll-forward method to calculate a Net Pension Liability or Asset (NPL or NPA). Secondly, given the GASB method required the use of actual market value, versus the smoothed approach used for funding purposes, volatility in results was often evident. He referenced how funding rations could jump significantly during periods of strong positive or negative investment results. Lastly, as it related to the OPEB or medical insurance funds, he reminded the Board that 2025 projected premiums, which had increased quite a bit on the Medicare side, were not reflected in

this data. Overall, he stated that all four plans (pension and insurance for both JRP and LRP) had reported Net Pension Assets.

Mr. Cracraft informed the Board that staff would direct GRS to finalize these reports and copies would be forwarded to the System's auditors and LRC staff as required by statute.

(C) Fiscal Year 2024 Audit. Mr. Cracraft provided a brief verbal update of the audit, which he stated should be completed by early November. Thus far, he was unaware of any issues and was confident the report would be free of any material or significant findings. He advised the Trustees that staff would forward a copy via email as soon as the final report was received.

(D) Open Records Request Update. Mr. Cracraft referenced a discussion from the August meeting and informed the Board that staff had received a Subpoena Duces Tecum to produce some information that had been previously requested but was redacted due to privacy and open record laws. Mr. Cracraft indicated that staff was working with the agency's third-party legal counsel, Mr. Alan Pauw, and planned to respond with all requested documents by the required deadline.

(E) Death Benefit Review. Mr. Cracraft referenced a letter from Mr. Alan Pauw, related to Line of Duty Benefits, included in the meeting materials. As a result of the recent death of Judge Kevin Mullins, Mr. Pauw was asked to review the Fred Capps Memorial Act (KRS 61.621) and give an opinion on whether it could be interpreted to apply to JFRS plans. In addition, if deemed appropriate to apply, staff sought input as to what steps or process required for the Board to determine if an incident was deemed "duty-related" as defined in KRS 61.621.

Following a lengthy discussion, the Board agreed that Fred Capps Memorial Act benefits could be applied to JRP and LRP members, however additional information would be needed to make a final determination on the specific event in question. Staff was directed to gather additional information and the Board agreed to meet at a later date for the purpose of making a final determination.

(E) 2025 Regular Session. Mr. Cracraft noted the shorter, 30-day, session was expected to begin on the first Tuesday in January. As of the meeting, staff were unaware of any pension legislation that would materially impact either LRP and JRP, nor did they have any specific housekeeping language in mind.

(the rest of this page has been left blank on purpose)

There being no further business, the meeting adjourned at 12:54 p.m.

Justice Daniel Venters, Chairman
Board of Trustees

Mr. Ben Allison, Chairman
Judicial Retirement Fund Investment
Committee

Bo Cracraft, Executive Director

Representative Brad Montell, Chairman
Legislators Retirement Fund Investment
Committee

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

November 15, 2024
10:00 a.m. ET

The Board of Trustees of the Kentucky Judicial Form Retirement System convened via video-conference utilizing Microsoft Teams on Friday, November 15, 2024, at 10:00 A.M. All board members participated with the exception of Senator Jimmy Higdon and Mr. Ben Allison. JFRS staff present included Bo Cracraft, Executive Director.

Chairman Venters called the meeting to order at 10:01 am

(E) Duty-Related Injury Determination. Chairman Venters noted the sole purpose of the meeting was to the review and make determination with regards to a recent *Application for Benefits* under KRS 61.621, the Fred Capps Memorial Act.

The trustees reviewed additional documents provided, including a Security Incident Report provided by the Administrative Office of the Courts and a letter from Chief Staff and Counsel from the Office of the Chief Justice.

Following a short discussion, Chief Justice Laurance VanMeter made a motion, seconded by Mr. Steven LeLaurin, to approve the Application for Benefits under KRS 61.621, Fred Capps Act. Based upon the additional documentation received, the Board determined the incident was a "single traumatic event that occurs while the employee is performing the duties of his or her position" and thus deemed a duty-related injury as defined in KRS 61.621(2)(a)1.a.

There being no further business, the meeting adjourned at 10:09 a.m.

Justice Daniel Venters, Chairman
Board of Trustees

Bo Cracraft, Executive Director

ITEM III-

Investment Related Matters

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

October 1, 2024 – December 31, 2024

1. Equity allocation in each Fund has a target of 70% of the total portfolio market value, excluding cash and equivalent balances, within a range of 60% to 80%. Equity allocations on December 31st were Judicial 71.6%, and Legislators 71.4%, 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 December 31st were Judicial 26.8%, and Legislators 27.3%. 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 December 31st these positions represent 12.4% of the total equity portfolio in the Judicial Fund and 12.5% 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. As of December 31st, none of the equity positions in Judicial (7.3%) 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. Maturities During the Quarter:
 - \$6.0MM U.S. Treasury Note (Judicial) and \$3.0MM (Legislators).Purchases During the Quarter:
 - U.S. Bancorp Variable rate | Due 01/23/2035 (4MM Judicial & 2MM Legislators)
 - Cisco Sys. 4.95% | Due 02/26/2031 (2MM Judicial & 1.75MM Legislators)
 - U.S. Treasury note 4.125% | Due 11/30/2031 (6.0MM Judicial & 3MM Legislators)
 - U.S. Treasury 4.125% | Due 11/31/2029 (4.5MM Judicial only)
 - Omnicom Group Note 4.2% | Due 6/1/2030 (2.5MM Judicial only)

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(859) 224-7073 • (800) 264-7073



Investment Review
KY Judicial Retirement Fund
KY Legislator Retirement Fund
January 17, 2025

Investment Review

KY Judicial Retirement Fund
KY Legislators Retirement Fund
January 17, 2025

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John C. Watkins III, CFA®
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“Investment is most intelligent when it is most businesslike. ...Every corporate security may best be viewed as an ownership interest in, or a claim against, a specific business enterprise.”

— Benjamin Graham, *The Intelligent Investor*

Our Core Investment Principles

Stock prices soared higher the past two years. What should we do now?

The stock market return was robust last year for the second consecutive year. The S&P 500 index total return of 25.02% in 2024 followed the 26.29% advance in 2023. Back-to-back annual gains exceeding 25% have occurred only three other times since 1928, most recently in 1997 (33.36%) and 1998 (28.58%). While these substantial returns are pleasant, they unfortunately tell us nothing about what lies ahead. With stock prices at all-time highs, many investors are wondering if the stock market can continue its strong advance. The answer is, in short: No one knows with certainty.

The beginning of a new year is when Wall Street pundits make their initial predictions about stock market returns for the coming year. Some are bullish, some are bearish, and most will prove to be incorrect. We think the events of the past five years are conclusive evidence that the future is unpredictable, especially in the stock market. As noted economist John Kenneth Galbraith said, “There are two kinds of forecasters: those who don’t know, and those who don’t know they don’t know.” With this being the case, what should investors focus on today? We believe that how we think and how we act as investors are much more important and productive than making unreliable predictions about an unknowable future.

How We Think

Investment is most intelligent when it is most businesslike. ...Every corporate security may best be viewed as an ownership interest in, or a claim against, a specific business enterprise.” — Benjamin Graham, The Intelligent Investor

The core foundation of our investment philosophy is to always think and act as long-term business owners in our approach to investing in equities. We seek great businesses with durable business models, intelligent and honest managements, healthy and productive corporate cultures and valuations that are at least reasonable if not deeply discounted. We invest in businesses with the intention of holding them for 10, 20 or even 30 years in order to experience the powerful benefits of long-term compounding.

With this multiyear mindset, assessment of risk is always job No. 1, and we attempt to minimize the risk of permanent loss of capital in all investments we make. There are no riskless investments in the stock market, but by stacking the odds of success substantially in our favor, we attempt to mitigate the risks inherent in common stock investing.

Our focus is on the intrinsic values of businesses rather than their stock market values. Intrinsic values are determined by long-term business results and cash flows, while market values are determined by stock prices. Stock prices can fluctuate wildly and irrationally in the short and intermediate term, but it is underlying intrinsic value growth that is the primary driver of longer-term investment performance. We view short-term swings in the stock market to be a fickle popularity contest, while long-term stock price changes tend to reflect intrinsic business value growth.

Finally, we value independent thinking highly. It is critical that we think for ourselves and not just go along with what others think. The crowd is sometimes right and sometimes wrong, so we gain no advantage by following the crowd. There will be times that most other investors agree with us and times when they disagree. We attempt to be unaffected by what others think.

How We Act

“The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd.” — Warren Buffett

Mr. Buffett's quote on the importance of having the right temperament should be heeded by all investors, and we take it very seriously. A well-balanced temperament can prevent investors from making big investment mistakes at times of stock market extremes. These mistakes include selling during market declines due to fear and buying during ebullient markets due to "animal spirits." We believe that sound investing should remain rational, objective and dispassionate at all times.

We study businesses and the people who run them at length to form our own judgements on the strength of those companies and their leaders. At no point do we allow emotions to enter the process. After making an investment, we endeavor to remain unemotional about the company's rising or declining stock price. Instead, we attempt to stick to the facts as we know them and base our decisions entirely on business fundamentals. In his classic book on value investing, *The Intelligent Investor*, Benjamin Graham wrote "You are neither right nor wrong because the crowd disagrees with you. You are right because your data and reasoning are right." We let the data and reasoning guide our decision-making.

We always strive to act with focus and discipline in our daily activities. We focus on things that we can control and on information that is useful, and we spend precious little time on other, less productive activities. This disciplined process helps us tune out the noise of the crowd.

Furthermore, just as we always think like a business owner, we also try to act as one. Great business leaders are often patient when necessary, taking a very long-term view. Patience is a distinguishing and decidedly positive characteristic in the hyperactive trading world that defines much of Wall Street today. We always maintain a long-term investment horizon and have enough patience to allow a talented management team to work through any challenges that sometimes arise in business.

Executing Our Strategy in Today's Stock Market

Emotions in the market swing from optimistic to pessimistic, back and forth, over time. Today, the stock market is priced optimistically. Over the last two years, market values have grown faster than underlying intrinsic business values. However, no one knows when today's optimism will be replaced by tomorrow's pessimism.

The current optimism is being driven by strong and enduring economic growth, expected future cuts in interest rates and potential productivity enhancements that artificial intelligence may provide for people and businesses in the future. Since no one can consistently time the market by accurately predicting stock movements, we think it is best to concentrate on our core investment principles – how we think and how we act – when executing our equity investment strategy. Today's market conditions do not change this simple fact. Our strategy is one that can be successfully executed in all types of markets, from the most optimistic to the most pessimistic. Our belief in the ability of a carefully selected portfolio of companies to generate attractive long-term returns through full market cycles remains strong.

In *The Intelligent Investor*, Benjamin Graham also wrote that ***“To achieve satisfactory investment results is easier than most people realize; to achieve superior results is harder than it looks.”*** We designed our investment philosophy and process – how we think and how we act – to give us the best chance to achieve superior results for you.

Thank you for continuing to place your trust in us as we help you achieve your investment goals. We pledge to you our very best efforts. And we wish you all a very happy and healthy New Year!

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. Baird Trust does not provide tax or legal advice. This market commentary is not meant to be advice for all investors. Please consult with your Baird Financial Advisor about your own specific financial situation.

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- The U.S. added 227,000 jobs in November. The unemployment rate rose slightly to 4.2%. Real hourly wages were up 0.4% month-over-month and have risen 4% year-over-year.
- The CPI rose 0.3% in November and the core CPI also rose 0.3%. Gas prices rose 0.6% on the month. Food prices rose a modest 0.4%. Year-over-year the CPI has risen 2.7% and the core CPI is up 3.3%.
- The third estimate of the 2024 Q3 GDP came in at 3.1%, slightly above the expectations of 3.0%. This is compared to the previous quarter's growth of 3.0%.
- Retail sales rose 0.7% in November, compared to October, and retail sales were up 3.8% compared to November 2023. Gas station sales rose 0.1%. Bar and restaurant sales were down 0.4%. Department store sales were down 0.6% and furniture store sales fell 0.3%.
- The Consumer Confidence Index rose to 111.7 in November, up from 109.6 in October.
- Personal income increased 0.6% in October. Consumer spending increased by 0.4%. The saving rate fell to 4.4% in October from 4.6% in September.

Initial Claims for Unemployment Remain Low

Source: FactSet

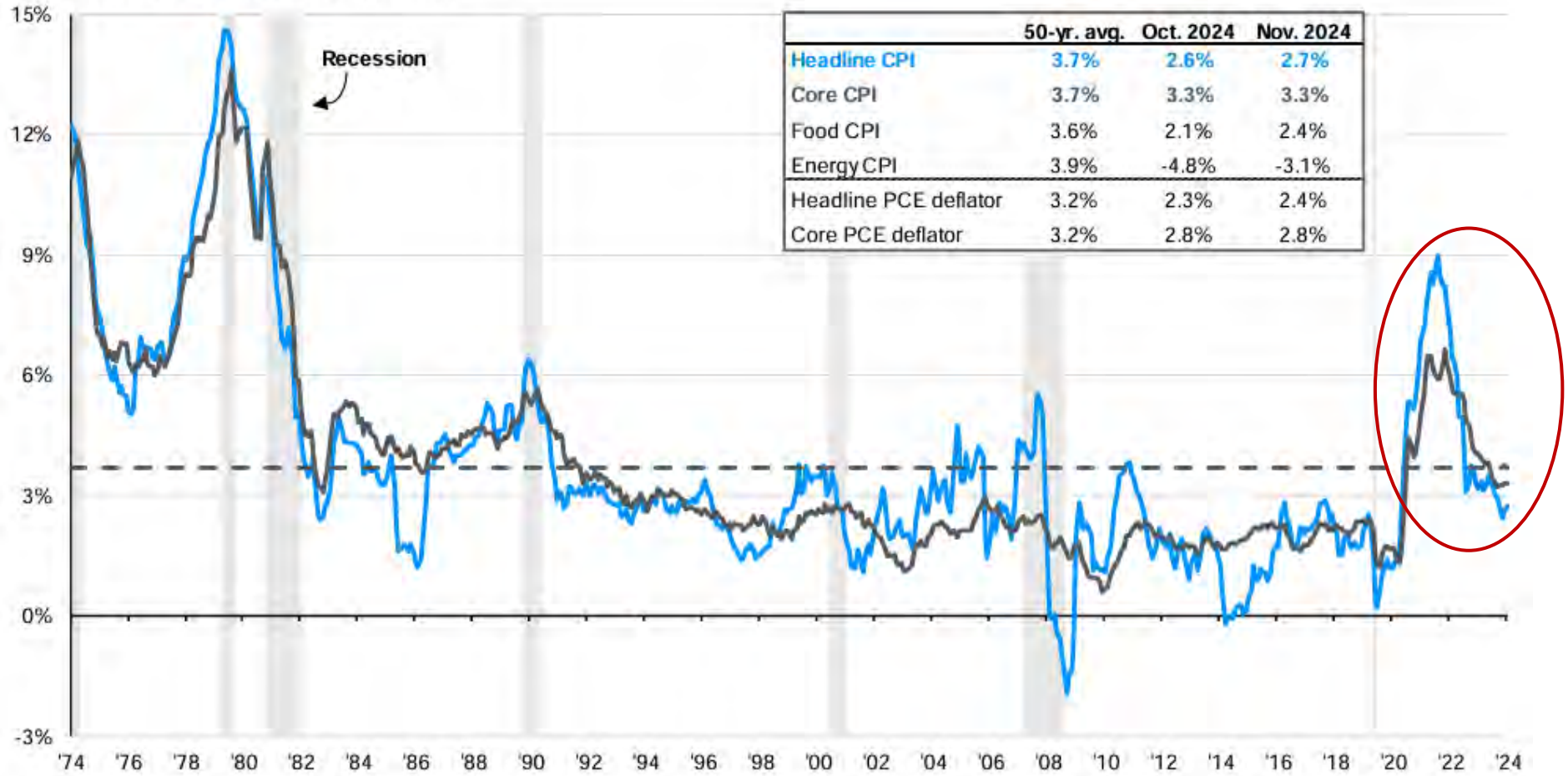


Source: FactSet

Inflation, while down considerably, is Not Fully Defeated

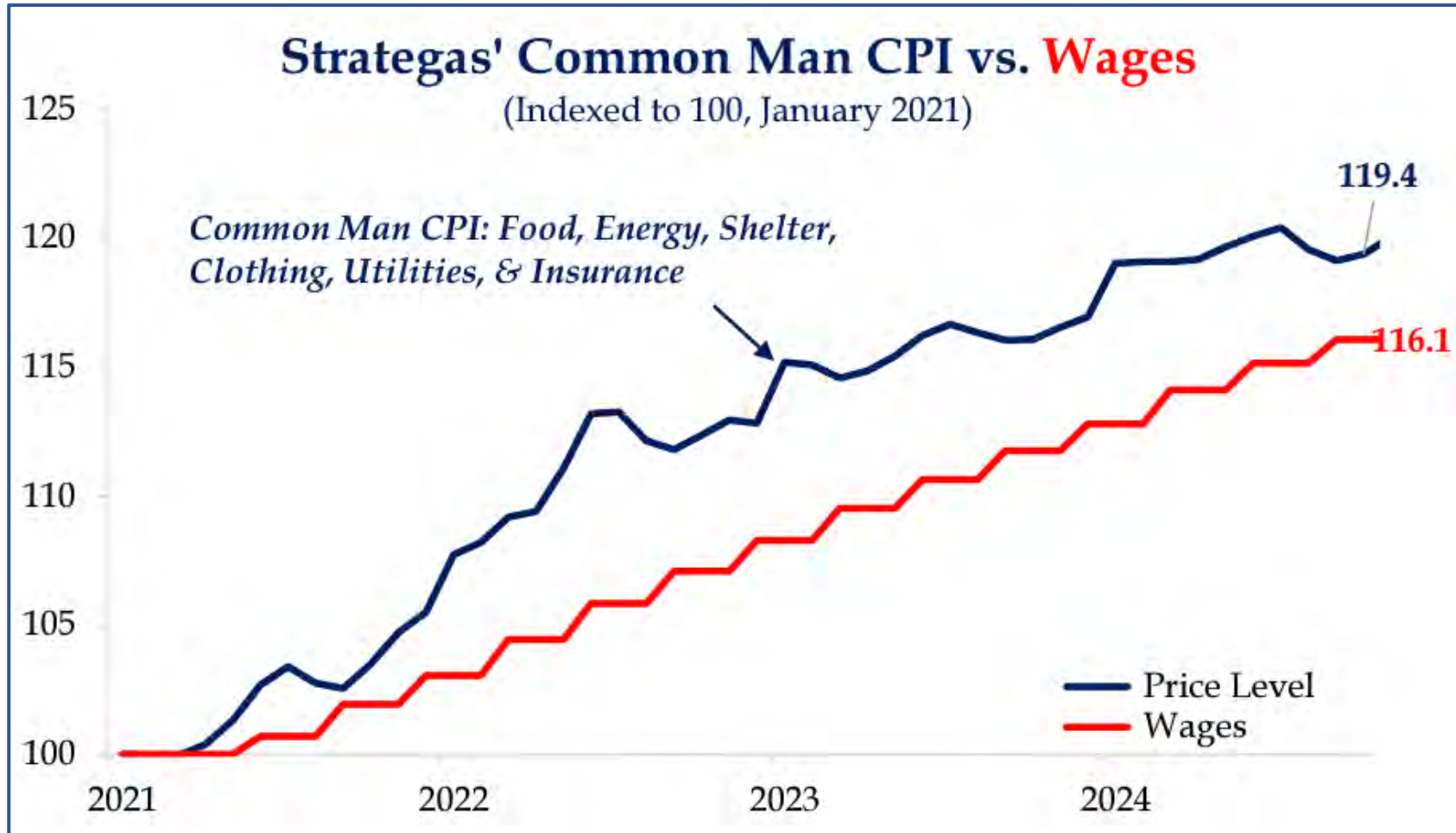
CPI and core CPI

% change vs. prior year, seasonally adjusted

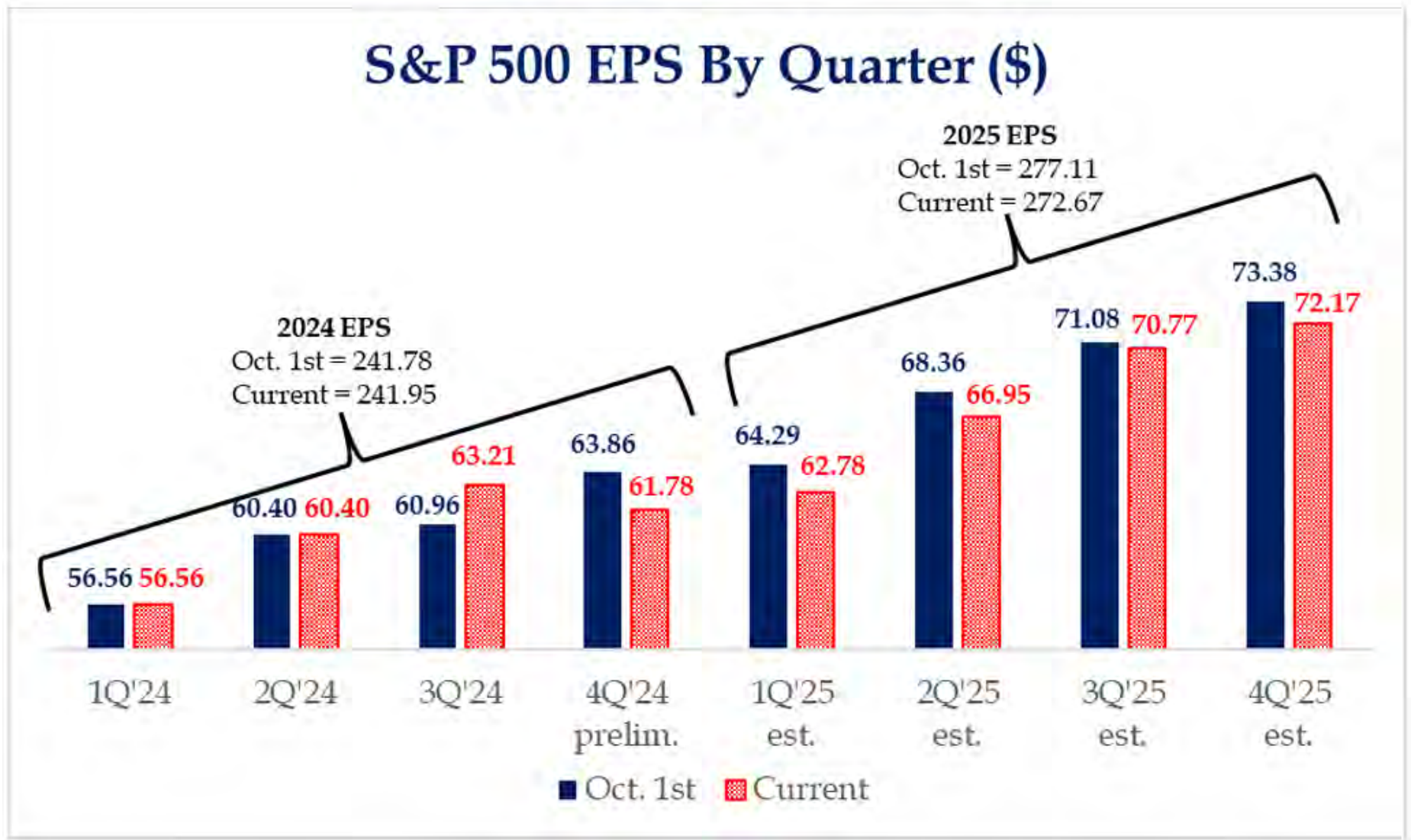


Source: J.P. Morgan Asset Management

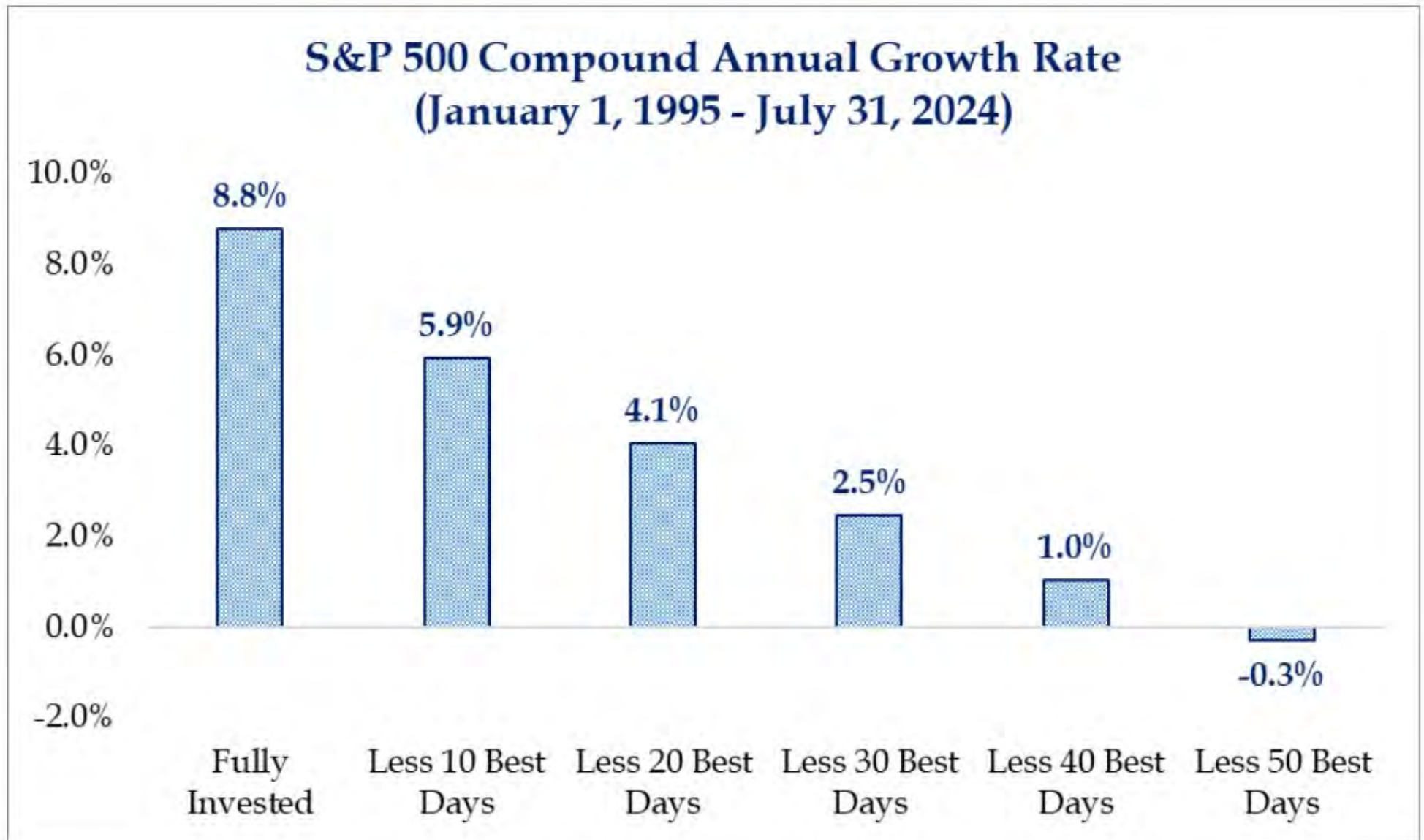
Average American Still Feeling the Impact of Inflation



Source: Strategas Research Partners



Source: Strategas Research Partners



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

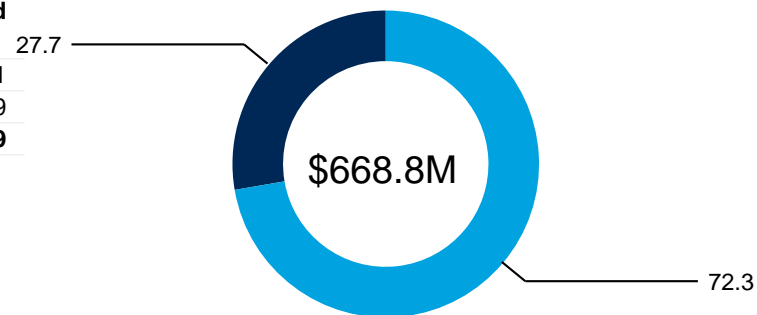
Meeting Date: 1/17/2025

Client Investment Review

Investment activity through 12/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	483,266,844	72.3	5,402,234.50	1.1
Total Fixed Income	185,556,067	27.7	7,070,977.60	3.9
Total	668,822,911	100.0	12,473,212.10	1.9

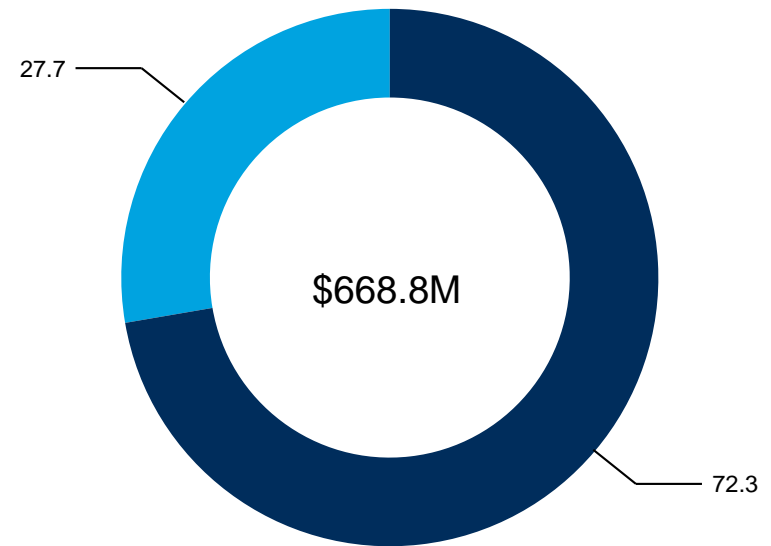


Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	631,300,606.45
Net Contributions/Withdrawals	-22,916,029.46
Income Earned	6,242,788.72
Market Appreciation	54,195,545.75
Ending Account Value	668,822,911.46

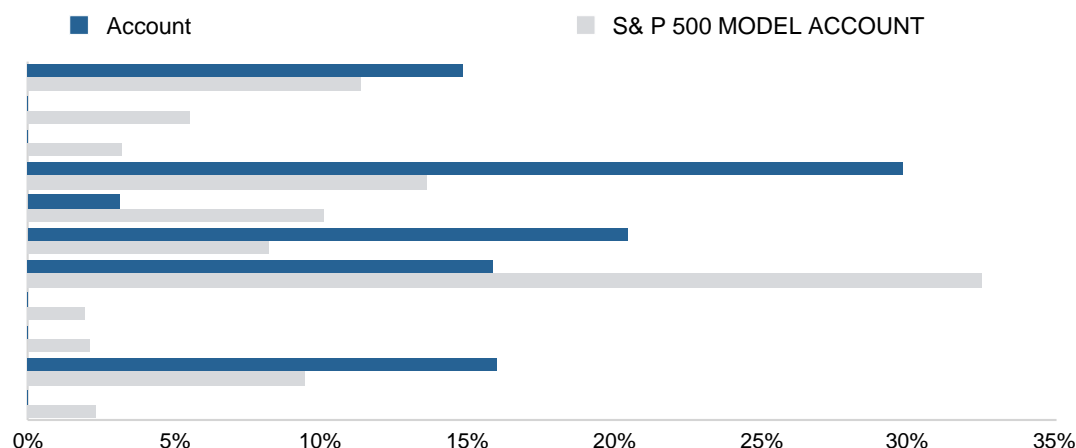
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	483,266,844	72.3
● Taxable Fixed Income	185,428,178	27.7
● Taxable Bond Funds	127,889	.0
Total	668,822,911	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.8	11.3
Consumer Staples	.0	5.5
Energy	.0	3.2
Financials	29.8	13.6
Health Care	3.1	10.1
Industrials	20.4	8.2
Information Tech	15.8	32.5
Materials	.0	1.9
Real Estate	.0	2.1
Communication Serv	16.0	9.4
Utilities	.0	2.3



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	23,958,708	3.6	132.99
META PLATFORMS INC.	23,031,036	3.4	66.14
GE AEROSPACE	21,628,882	3.2	63.91
PROGRESSIVE CORP OH COM	35,670,741	5.3	51.07
WELLS FARGO & CO NEW COM	9,342,271	1.4	45.45
JPMORGAN CHASE & CO COM	32,236,201	4.8	44.22
PARKER HANNIFIN CORP COM	20,095,368	3.0	39.16
ALPHABET INC CAP STK CL C	30,755,108	4.6	35.61
BANK OF AMERICA CORP COM	7,044,306	1.1	32.98
APPLE INC COM	31,549,164	4.7	30.65

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	35,670,741	5.3	51.07
JPMORGAN CHASE & CO COM	32,236,201	4.8	44.22
APPLE INC COM	31,549,164	4.7	30.65
ALPHABET INC CAP STK CL C	30,755,108	4.6	35.61
MICROSOFT CORP COM	30,750,533	4.6	12.76
BERKSHIRE HATHAWAY INC DE	30,632,662	4.6	27.13
HOME DEPOT INC COM	26,270,440	3.9	14.13
GE VERNOVA INC COM	23,958,708	3.6	132.99
META PLATFORMS INC.	23,031,036	3.4	66.14
GE AEROSPACE	21,628,882	3.2	63.91

Sector	Qtr*
Health Care	1.15
Consumer Staples	0.39
Materials	0.35
Real Estate	0.27
Utilities	0.22
Energy	0.18
Communication Services	0.13
Industrials	0.13
Financials	-0.08
Information Tech	-1.15
Consumer Disc	-1.34
Total	0.25

Sector	1 Year*
Industrials	4.18
Financials	1.52
Health Care	1.35
Energy	0.79
Consumer Staples	0.67
Materials	0.56
Real Estate	0.51
Communication Services	0.06
Utilities	0.05
Consumer Disc	-1.24
Information Tech	-5.44
Total	3.02

Sector	5 Years*
Industrials	1.43
Financials	0.49
Consumer Staples	0.40
Real Estate	0.27
Utilities	0.25
Health Care	0.20
Energy	0.12
Materials	0.11
Consumer Disc	0.05
Communication Services	-0.39
Information Tech	-1.20
Total	1.73

*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
GEV	GE Vernova	4.96	29.16	1.10
JPM	JP Morgan Chase	6.67	14.32	0.83
GOOG	Alphabet	6.36	14.15	0.76
SCHW	Charles Schwab	4.38	14.49	0.56
AAPL	Apple	6.53	7.58	0.45

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	4.96	132.99	3.63
PGR	Progressive	7.38	51.07	3.56
JPM	JP Morgan Chase	6.67	44.22	2.61
GE	GE Aerospace	4.48	63.91	2.60
GOOG	Alphabet	6.36	35.61	2.08

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.53	28.76	1.92
PGR	Progressive	7.38	29.91	1.90
MSFT	Microsoft	6.36	22.64	1.62
GOOG	Alphabet	6.36	23.37	1.24
BRK B	Berkshire Hathaway	6.34	14.93	0.99

Bottom Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
GE	GE Aerospace	4.48	-11.63	-0.57
PGR	Progressive	7.38	-5.59	-0.42
OMC	Omnicom	2.01	-16.14	-0.37
JNJ	Johnson & Johnson	3.12	-10.09	-0.34
EXPD	Expeditors	1.72	-15.74	-0.31

1 Year

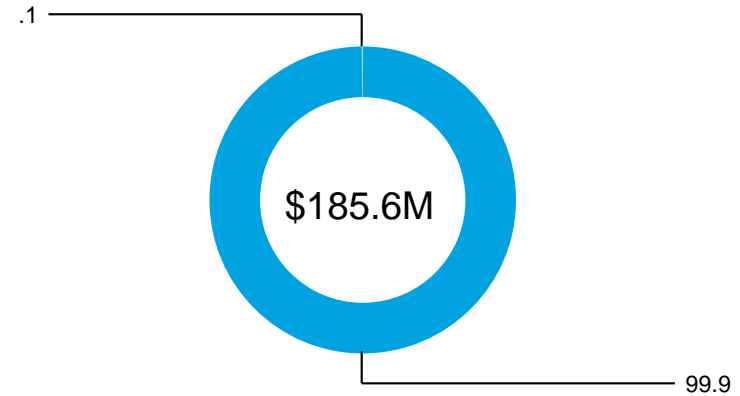
Ticker	Company	Ending Allocation	Total Return	Contribution
EXPD	Expeditors	1.72	-12.43	-0.30
JNJ	Johnson & Johnson	3.12	-5.54	-0.21
UNP	Union Pacific	1.89	-5.61	-0.14
OMC	Omnicom	2.01	2.41	0.09
USB	US Bancorp	1.66	15.76	0.28

5 Years

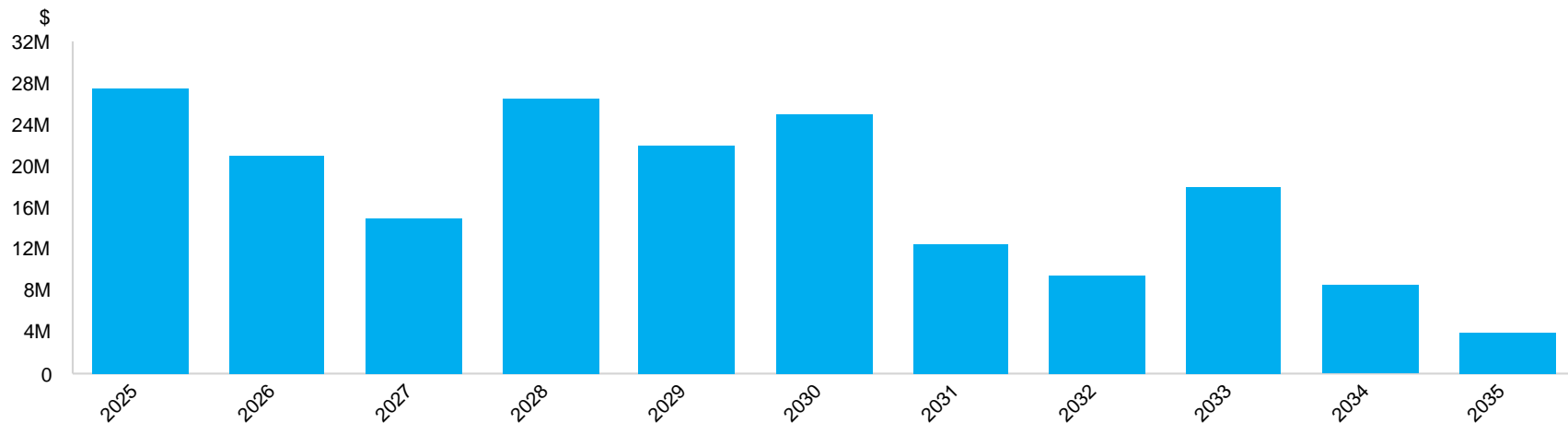
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.85	-5.01	-0.18
USB	US Bancorp	1.66	-0.04	-0.05
KMX	Carmax	2.37	-1.23	0.04
JNJ	Johnson & Johnson	3.12	2.45	0.11
BAC	Bank of America	1.46	7.09	0.12

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	185,428,178	99.9	7,065,970.00	3.9
● Taxable Bond Funds	127,889	.1	5,007.60	3.9
Total	185,556,067	100.0	7,070,977.60	3.9



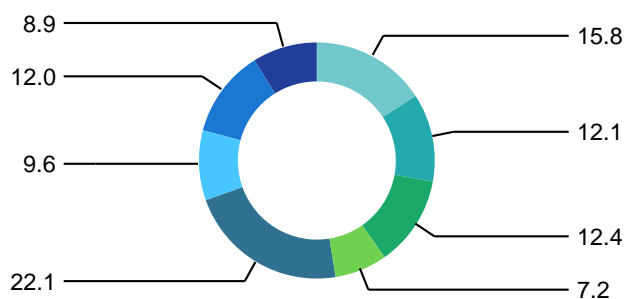
Fixed Income Maturity Schedule



Fixed Income Analysis

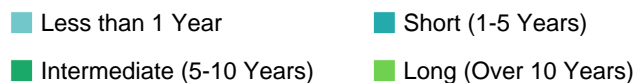
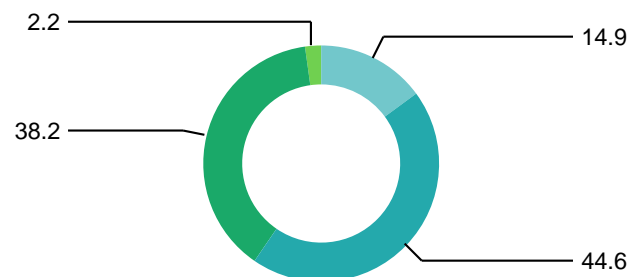
	12/31/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.75	3.34
Current Yield	3.85	3.49
Yield to Maturity	4.71	4.60
Maturity	4.43	4.23
Duration	3.94	3.66
Face Amount	189,500,000	
Market Value	183,451,190	
Total Accrual	1,976,988	
Cost	197,027,593	

Quality Allocation by Market Value



NR=Not rated by S&P

Maturity Allocation by Market Value



	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
Matures 2035										
US BANCORP FR 5.678%01/23/2035	01/23/2035	4,000,000.000	103.700	100.844	4,133,440.45	A	01/23/2034		227,120.00	5.567
Total Matures 2035					4,133,440.45				227,120.00	
Matures 2034										
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	3,500,000.000	101.950	99.639	3,548,736.53	AA-	11/26/2033		176,750.00	5.099
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	5,000,000.000	99.980	99.900	5,101,875.00	AA+	01/19/2027		237,500.00	4.763
Total Matures 2034					8,650,611.53				414,250.00	
Matures 2033										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	1,500,000.000	99.990	97.572	1,472,717.50	AA+	02/10/2033		64,500.00	4.653
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	99.803	1,006,830.00	AA+	04/27/2026		49,500.00	4.978
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	4,000,000.000	99.060	97.594	3,975,260.00	AA+			180,000.00	4.845
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	99.171	4,042,190.00	BBB+	05/14/2033		198,000.00	5.069
US BANCORP FR 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	102.202	1,550,092.50	A	10/21/2032		87,750.00	5.529
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	6,000,000.000	103.450	99.579	6,009,795.25	AAA			270,000.00	4.558
Total Matures 2033					18,056,885.25				849,750.00	
Matures 2032										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	4,500,000.000	98.570	96.604	4,356,580.00	BBB	03/15/2032		211,500.00	5.256
TARGET CORP SR GLBL 4.500%09/15/2032	09/15/2032	5,000,000.000	102.240	96.663	4,899,400.00	A	06/15/2032		225,000.00	5.027
Total Matures 2032					9,255,980.00				436,500.00	
Matures 2031										
CISCO SYS INC SR GLBL NT 4.950%02/26/2031	02/26/2031	2,000,000.000	102.300	100.359	2,041,555.00	AA-	12/26/2030		99,000.00	4.881
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	4,500,000.000	107.230	88.524	4,039,230.00	A			119,250.00	4.869
US TREASURY NOTE 4.125%11/30/2031	11/30/2031	6,000,000.000	99.860	97.889	5,895,098.24	AAA			247,500.00	4.483
Total Matures 2031					11,975,883.24				465,750.00	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
Matures 2030										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	89.585	4,081,012.50	A-	11/01/2029		119,250.00	4.995
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	89.099	4,034,250.00	AA-	07/15/2030		117,450.00	4.788
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	92.440	4,196,612.50	A	12/26/2029		139,500.00	4.747
OMNICOM GROUP INC SR GLBL 4.200%06/01/2030	06/01/2030	2,500,000.000	97.260	96.065	2,410,375.00	BBB+	03/01/2030		105,000.00	5.038
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	4,500,000.000	108.330	89.700	4,066,031.25	A	01/01/2030		118,125.00	4.872
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	4,500,000.000	109.830	92.345	4,193,525.00	A	12/26/2029		144,000.00	4.873
Total Matures 2030					22,981,806.25				743,325.00	
Matures 2029										
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	4,500,000.000	110.960	94.469	4,275,886.25	AA-	01/30/2029		146,250.00	4.675
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	4,500,000.000	111.400	95.135	4,329,525.00	A+	12/07/2028		153,000.00	4.693
PARKER HANNIFIN CORP SR GLBL 4.500%09/15/2029	09/15/2029	4,000,000.000	95.730	98.596	3,996,840.00	BBB+	07/15/2029		180,000.00	4.836
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	4,500,000.000	105.750	89.828	4,075,166.25	A+	06/04/2029		101,250.00	4.698
US TREASURY NOTE 4.125%11/30/2029	11/30/2029	4,500,000.000	99.500	98.880	4,465,918.68	AAA			185,625.00	4.380
Total Matures 2029					21,143,336.18				766,125.00	
Matures 2028										
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	5,000,000.000	100.840	98.640	5,020,763.89	AA-	10/15/2027		192,500.00	4.332
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	4,000,000.000	99.780	100.128	4,028,631.11	AA-	04/15/2028		184,000.00	4.557
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	6,000,000.000	99.650	99.648	6,050,421.67	AA+			255,000.00	4.367
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	5,000,000.000	108.810	95.687	4,851,211.11	AAA	10/15/2027		145,000.00	4.434
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	4,500,000.000	106.380	95.692	4,368,540.00	A-	10/25/2027		144,000.00	4.727
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	2,000,000.000	108.180	95.712	1,922,354.64	AAA			62,500.00	4.339
Total Matures 2028					26,241,922.42				983,000.00	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
Matures 2027										
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	5,000,000.000	108.340	96.376	4,850,377.78	A-	10/21/2026		162,400.00	4.640
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	5,000,000.000	100.000	97.453	4,909,187.50	AA+	04/12/2023		166,500.00	4.516
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	5,000,000.000	108.550	96.340	4,854,187.50	A+	01/19/2027 100.000		131,250.00	4.374
Total Matures 2027					14,613,752.78				460,150.00	
Matures 2026										
ABBVIE INC SR GBLB 3.200%05/14/2026	05/14/2026	4,500,000.000	109.020	98.221	4,438,745.01	A-	02/14/2026		144,000.00	4.552
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	108.980	97.430	4,417,537.50	A	07/01/2026 100.000		132,750.00	4.492
OMNICOM GROUP INC SR GBLB 3.600%04/15/2026	04/15/2026	3,000,000.000	104.300	98.602	2,980,860.00	BBB+	01/15/2026		108,000.00	4.728
VERIZON COMMUNICATIONS INC SR GBLB 2.625%08/15/2026	08/15/2026	4,500,000.000	108.120	97.009	4,410,030.00	BBB+			118,125.00	4.559
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	4,500,000.000	108.470	96.962	4,388,790.00	BBB+			135,000.00	4.770
Total Matures 2026					20,635,962.51				637,875.00	
Matures 2025										
CVS HEALTH CORP SR GBLB NT 3.875%07/20/2025	07/20/2025	3,500,000.000	101.290	99.357	3,538,149.51	BBB	04/20/2025		135,625.00	5.073
HOME DEPOT INC SR GBLB NT 3.350%09/15/2025	09/15/2025	5,000,000.000	97.990	99.150	5,006,819.44	A	06/15/2025		167,500.00	4.582
INTEL CORP SR GBLB 3.700%07/29/2025	07/29/2025	5,000,000.000	103.130	99.328	5,044,511.10	BBB	04/29/2025		185,000.00	4.897
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	4,500,000.000	104.400	99.395	4,502,893.76	A			177,750.00	4.697
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	3,500,000.000	102.850	99.351	3,510,097.50	BBB	07/01/2025		131,250.00	4.634
US TREASURY NOTE 4.750%07/31/2025	07/31/2025	6,000,000.000	99.940	100.281	6,136,126.30	AAA			285,000.00	4.248
Total Matures 2025					27,738,597.61				1,082,125.00	
Matures 2024										
US TREASURY NOTE 4.500%11/30/2024	11/30/2024	.000	.000	.000	.00	WR			.00	.000
Total Matures 2024					.00				.00	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
No Maturity										
		1,560.000	84.580	81.980	127,888.80	NR				.000
					127,888.80					
Total					185,556,067.02				7,065,970.00	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	161,495.000	.00	.00	190.44	30,755,107.80	4.6	.80	129,196.00	.420
DISNEY WALT CO COM	122,940.000	61.95	7,616,631.22	111.35	13,752,454.00	2.1	1.00	122,940.00	.898
META PLATFORMS INC.	39,335.000	304.86	11,991,583.65	585.51	23,031,035.85	3.4	2.00	78,670.00	.342
OMNICOM GROUP INC COM	111,870.000	51.26	5,734,253.98	86.04	9,703,603.80	1.5	2.80	313,236.00	3.254
Total for Communication Services			25,342,468.85		77,242,201.45	11.6		644,042.00	.835
Consumer Disc									
CARMAX INC COM	139,790.000	63.47	8,872,728.64	81.76	11,429,230.40	1.7	.00	.00	.000
HOME DEPOT INC COM	67,535.000	28.23	1,906,828.94	388.99	26,270,439.65	3.9	9.00	607,815.00	2.314
O REILLY AUTOMOTIVE INC NEW COM	15,620.000	180.26	2,815,701.00	1,185.80	18,522,196.00	2.8	.00	.00	.000
TJX COS INC NEW COM	127,610.000	6.32	806,054.56	120.81	15,416,564.10	2.3	1.50	191,415.00	1.242
Total for Consumer Disc			14,401,313.14		71,638,430.15	10.7		799,230.00	1.116
Financials									
BANK OF AMERICA CORP COM	160,280.000	26.92	4,314,261.51	43.95	7,044,306.00	1.1	1.04	166,691.20	2.366
BERKSHIRE HATHAWAY INC DEL CL B NEW	67,580.000	125.20	8,460,779.41	453.28	30,632,662.40	4.6	.00	.00	.000
JPMORGAN CHASE & CO COM	134,480.000	55.65	7,483,663.81	239.71	32,236,200.80	4.8	5.00	672,400.00	2.086
PROGRESSIVE CORP OH COM	148,870.000	34.04	5,067,323.34	239.61	35,670,740.70	5.3	.40	59,548.00	.167
SCHWAB CHARLES CORP NEW COM	285,910.000	39.85	11,393,287.90	74.01	21,160,199.10	3.2	1.00	285,910.00	1.351
US BANCORP DEL COM NEW	166,215.000	22.58	3,753,079.03	47.83	8,033,170.95	1.2	2.00	332,430.00	4.181
WELLS FARGO & CO NEW COM	133,005.000	27.11	3,605,586.53	70.24	9,342,271.20	1.4	1.60	212,808.00	2.278
Total for Financials			44,077,981.53		144,119,551.15	21.6		1,729,787.20	1.201
Health Care									
JOHNSON & JOHNSON COM	104,105.000	82.95	8,635,998.11	144.62	15,055,665.10	2.3	4.96	516,360.80	3.430
Total for Health Care			8,635,998.11		15,055,665.10	2.3		516,360.80	3.430
Industrials									
EXPEDITORS INTL WASH INC COM	74,935.000	38.11	2,855,651.42	110.77	8,300,549.95	1.2	1.46	109,405.10	1.318
FASTENAL CO COM	217,650.000	20.69	4,502,263.61	71.91	15,651,211.50	2.3	1.56	339,534.00	2.169
GE VERNOVA INC COM	72,783.000	77.99	5,676,045.76	328.93	23,958,707.94	3.6	1.00	72,783.00	.304

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	129,460.000	103.92	13,453,472.69	166.79	21,628,882.20	3.2	1.12	144,995.20	.672
PARKER HANNIFIN CORP COM	31,595.000	292.28	9,234,492.04	636.03	20,095,367.85	3.0	6.52	205,999.40	1.025
UNION PAC CORP COM	40,070.000	93.91	3,762,962.70	228.04	9,137,562.80	1.4	5.36	214,775.20	2.350
Total for Industrials			39,484,888.22		98,772,282.24	14.7		1,087,491.90	1.102
Information Tech									
APPLE INC COM	125,985.000	22.30	2,809,175.72	250.42	31,549,163.70	4.7	1.00	125,985.00	.399
MICROSOFT CORP COM	72,955.000	25.26	1,842,968.40	421.50	30,750,532.50	4.6	3.32	242,210.60	.788
TE CONNECTIVITY PLC ORD SHS	98,895.000	31.28	3,093,196.13	142.97	14,139,018.15	2.1	2.60	257,127.00	1.819
Total for Information Tech			7,745,340.25		76,438,714.35	11.4		625,322.60	.818
Total: Total Equity			139,687,990.10		483,266,844.44	72.3		5,402,234.50	1.119
Total Fixed Income									
Corporate Bonds									
ABBVIE INC SR GLBL 3.200% 05/14/2026	4,500,000.000	109.02	4,906,016.32	98.22	4,438,745.01	.7	3.20	144,000.00	3.258
APPLE INC SR GLBL 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	97.57	1,472,717.50	.2	4.30	64,500.00	4.407
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	96.38	4,850,377.78	.7	3.25	162,400.00	3.370
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	94.47	4,275,886.25	.6	3.25	146,250.00	3.440
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.29	3,545,260.35	99.36	3,538,149.51	.5	3.88	135,625.00	3.900
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	98.64	5,020,763.89	.8	3.85	192,500.00	3.903
CISCO SYS INC SR GLBL NT 4.950% 02/26/2031	2,000,000.000	102.30	2,046,000.00	100.36	2,041,555.00	.3	4.95	99,000.00	4.932
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	3,500,000.000	101.95	3,568,250.00	99.64	3,548,736.53	.5	5.05	176,750.00	5.068
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	4,500,000.000	107.85	4,853,306.19	89.58	4,081,012.50	.6	2.65	119,250.00	2.958

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
DISNEY WALT CO SR GLBL NT 2.650% 01/13/2031	4,500,000.000	107.23	4,825,574.74	88.52	4,039,230.00	.6	2.65	119,250.00	2.994
EXXON MOBIL CORP SR GLBL COCO 2.610% 10/15/2030	4,500,000.000	107.95	4,857,881.62	89.10	4,034,250.00	.6	2.61	117,450.00	2.929
META PLATFORMS INC GLBL NT 4.600% 05/15/2028	4,000,000.000	99.78	3,991,120.00	100.13	4,028,631.11	.6	4.60	184,000.00	4.594
HOME DEPOT INC SR GLBL NT 3.350% 09/15/2025	5,000,000.000	97.99	4,899,500.00	99.15	5,006,819.44	.7	3.35	167,500.00	3.379
INTEL CORP SR GLBL 3.700% 07/29/2025	5,000,000.000	103.13	5,156,596.70	99.33	5,044,511.10	.8	3.70	185,000.00	3.725
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	4,500,000.000	108.98	4,903,950.28	97.43	4,417,537.50	.7	2.95	132,750.00	3.028
JOHNSON & JOHNSON SR GLBL 2.900% 01/15/2028	5,000,000.000	108.81	5,440,382.18	95.69	4,851,211.11	.7	2.90	145,000.00	3.031
KIMBERLY CLARK CORP SR GLBL 3.100% 03/26/2030	4,500,000.000	109.26	4,916,915.28	92.44	4,196,612.50	.6	3.10	139,500.00	3.354
MCDONALDS CORP FR 4.950% 08/14/2033	4,000,000.000	98.74	3,949,400.00	99.17	4,042,190.00	.6	4.95	198,000.00	4.991
MERCK & CO INC SR GLBL 3.400% 03/07/2029	4,500,000.000	111.40	5,012,820.28	95.14	4,329,525.00	.6	3.40	153,000.00	3.574
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	4,500,000.000	104.40	4,698,095.06	99.39	4,502,893.76	.7	3.95	177,750.00	3.974
OREILLY AUTOMOTIVE INC SR GLBL 4.700% 06/15/2032	4,500,000.000	98.57	4,435,550.00	96.60	4,356,580.00	.7	4.70	211,500.00	4.865
OMNICOM GROUP INC SR GLBL 4.200% 06/01/2030	2,500,000.000	97.26	2,431,500.00	96.06	2,410,375.00	.4	4.20	105,000.00	4.372
OMNICOM GROUP INC SR GLBL 3.600% 04/15/2026	3,000,000.000	104.30	3,129,146.81	98.60	2,980,860.00	.4	3.60	108,000.00	3.651
PARKER HANNIFIN CORP SR GLBL 4.500% 09/15/2029	4,000,000.000	95.73	3,829,080.00	98.60	3,996,840.00	.6	4.50	180,000.00	4.564
PEPSICO INC SR NT 2.625% 03/19/2027	5,000,000.000	108.55	5,427,413.51	96.34	4,854,187.50	.7	2.63	131,250.00	2.725
PFIZER INC GLBL NT 2.625% 04/01/2030	4,500,000.000	108.33	4,874,850.53	89.70	4,066,031.25	.6	2.63	118,125.00	2.926

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
PROGRESSIVE CORP SR GBL 3.200% 03/26/2030	4,500,000.000	109.83	4,942,133.37	92.34	4,193,525.00	.6	3.20	144,000.00	3.465
SCHWAB CHARLES CORP SR GBL 3.200% 01/25/2028	4,500,000.000	106.38	4,787,060.00	95.69	4,368,540.00	.7	3.20	144,000.00	3.344
SYSCO CORP SR NT 3.750% 10/01/2025	3,500,000.000	102.85	3,599,581.69	99.35	3,510,097.50	.5	3.75	131,250.00	3.774
TARGET CORP SR GBL 4.500% 09/15/2032	5,000,000.000	102.24	5,112,000.00	96.66	4,899,400.00	.7	4.50	225,000.00	4.655
TEXAS INSTRS INC SR GBL NT 2.250% 09/04/2029	4,500,000.000	105.75	4,758,542.97	89.83	4,075,166.25	.6	2.25	101,250.00	2.505
US BANCORP FR 5.850% 10/21/2033	1,500,000.000	100.49	1,507,350.00	102.20	1,550,092.50	.2	5.85	87,750.00	5.724
US BANCORP FR 5.678% 01/23/2035	4,000,000.000	103.70	4,148,000.00	100.84	4,133,440.45	.6	5.68	227,120.00	5.630
VERIZON COMMUNICATIONS INC SR GBL 2.625% 08/15/2026	4,500,000.000	108.12	4,865,186.69	97.01	4,410,030.00	.7	2.63	118,125.00	2.706
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	4,500,000.000	108.47	4,881,224.62	96.96	4,388,790.00	.7	3.00	135,000.00	3.094
Total for Corporate Bonds			151,252,027.73		139,955,310.94	20.8		5,126,845.00	3.702
Governments									
FEDERAL HOME LOAN BKS CONS BDS 4.750% 01/19/2034	5,000,000.000	99.98	4,999,000.00	99.90	5,101,875.00	.8	4.75	237,500.00	4.755
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	5,000,000.000	100.00	5,000,000.00	97.45	4,909,187.50	.7	3.33	166,500.00	3.417
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	6,000,000.000	99.65	5,978,700.00	99.65	6,050,421.67	.9	4.25	255,000.00	4.265
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950% 04/27/2033	1,000,000.000	100.03	1,000,250.00	99.80	1,006,830.00	.2	4.95	49,500.00	4.960
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500% 08/08/2033	4,000,000.000	99.06	3,962,200.00	97.59	3,975,260.00	.6	4.50	180,000.00	4.611
US TREASURY NOTE 3.125% 11/15/2028	2,000,000.000	108.18	2,163,500.00	95.71	1,922,354.64	.3	3.13	62,500.00	3.265
US TREASURY NOTE	6,000,000.000	99.94	5,996,400.00	100.28	6,136,126.30	.9	4.75	285,000.00	4.737

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

Ending: December 31, 2024
 Managed Since: January 01, 1993

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
4.750% 07/31/2025									
US TREASURY NOTE	6,000,000.000	103.45	6,206,940.00	99.58	6,009,795.25	.9	4.50	270,000.00	4.519
4.500% 11/15/2033									
US TREASURY NOTE	6,000,000.000	99.86	5,991,300.00	97.89	5,895,098.24	.9	4.13	247,500.00	4.214
4.125% 11/30/2031									
US TREASURY NOTE	4,500,000.000	99.50	4,477,275.00	98.88	4,465,918.68	.7	4.13	185,625.00	4.172
4.125% 11/30/2029									
Total for Governments			45,775,565.00		45,472,867.28	6.9		1,939,125.00	4.311
Taxable Bond Funds									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	81.98	127,888.80	.0	3.21	5,007.60	3.916
Total for Taxable Bond Funds			131,943.81		127,888.80	.0		5,007.60	3.916
Total: Total Fixed Income			197,159,536.54		185,556,067.02	27.7		7,070,977.60	3.852
Total			336,847,526.64		668,822,911.46	100.0		12,473,212.10	1.871

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
Total Portfolio - Gross	668,822,911	9.59	21.28	7.57	12.42	11.32	9.40	9.79
Total Portfolio - Net	668,822,911	9.54	21.18	7.50	12.34	11.24	9.34	9.74
70% SP500 30% Bloomberg Int Govt Cr		6.66	18.09	6.36	10.56	9.81	8.32	9.17
Total Equity	483,266,844	12.12	28.50	10.41	16.47	14.64	11.44	12.09
S P 500 Index		8.44	25.02	8.94	14.53	13.10	10.35	10.92
Total Fixed Income	185,556,067	2.62	3.18	.22	.98	1.86	2.71	4.16
Bloomberg US Government/Credit Interm Bond		2.50	3.00	-.18	.86	1.71	2.90	4.30

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.32	9.81
Standard Deviation	12.17	11.11
Beta	1.06	
Alpha	1.02	
R-Squared	.93	
Sharpe Ratio	.77	.71
Treynor Ratio	8.86	7.88
Tracking Error	3.17	
Information Ratio	.47	
Downside Deviation	7.46	6.90
Downside Standard Deviation	9.07	8.28
Sortino Ratio	1.63	1.52
Upside Capture	1.10	
Downside Capture	1.03	
Batting Average	.57	
Annualized Excess Return	1.51	
Cumulative Excess Return	37.34	
Turnover %	130.82	
M-Squared	10.50	
Residual Risk	.93	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.93	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.40	8.32
Standard Deviation	10.93	10.72
Beta	.98	
Alpha	1.18	
R-Squared	.92	
Sharpe Ratio	.70	.62
Treynor Ratio	7.84	6.60
Tracking Error	3.14	
Information Ratio	.33	
Downside Deviation	6.90	7.01
Downside Standard Deviation	8.21	8.15
Sortino Ratio	1.46	1.28
Upside Capture	1.02	
Downside Capture	.95	
Batting Average	.55	
Annualized Excess Return	1.08	
Cumulative Excess Return	108.67	
Turnover %	206.42	
M-Squared	9.25	
Residual Risk	.89	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.72	

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
10/24/2024	2,000,000.00	CISCO SYS INC SR GLBL NT	102.30	2,046,000.00
10/24/2024	4,000,000.00	US BANCORP FR	1.04	4,148,000.00
11/01/2024	1,750,000.00	CISCO SYS INC SR GLBL NT	102.30	1,790,250.00
11/01/2024	-1,750,000.00	CISCO SYS INC SR GLBL NT	102.30	-1,790,250.00
11/21/2024	9,555.00	META PLATFORMS INC.	562.97	5,379,200.33
12/10/2024	6,000,000.00	US TREASURY NOTE	99.86	5,991,300.00
12/16/2024	2,500,000.00	OMNICOM GROUP INC SR GLBL	97.26	2,431,500.00
12/16/2024	4,500,000.00	US TREASURY NOTE	99.50	4,477,275.00
				<u>77,014,575.73</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

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

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

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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
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
10/22/2024	-4,505.00	APPLE INC COM	234.90	1,058,228.41	04/25/2013	14.64	65,932.11	992,296.30

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
10/22/2024	-5,735.00	BANK OF AMERICA CORP COM	42.10	241,465.46	08/30/2019	26.92	154,369.16	87,096.30
10/22/2024	-2,420.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	460.87	1,115,298.35	07/26/2011	48.71	117,885.90	997,412.45
10/22/2024	-3,255.00	CISCO SYS INC COM	56.73	184,653.61	07/26/2011	18.22	59,305.33	125,348.28
10/22/2024	-4,400.00	DISNEY WALT CO COM	96.91	426,390.82	02/24/2023	25.61	112,683.74	313,707.08
10/22/2024	-2,680.00	EXPEDITORS INTL WASH INC COM	119.33	319,814.80	03/25/2013	37.20	99,699.48	220,115.32
10/22/2024	-7,785.00	FASTENAL CO COM	76.80	597,914.19	02/12/2015	21.12	164,449.56	433,464.63
10/22/2024	-4,630.00	GE AEROSPACE	177.82	823,286.02	08/02/2021	109.86	508,639.98	314,646.04
10/22/2024	-2,600.00	GE VERNOVA INC COM	277.12	720,513.80	04/09/2024	0.00	0.00	720,513.80
10/22/2024	-5,775.00	ALPHABET INC CAP STK CL C	166.14	959,463.58	10/05/2015	0.00	0.00	959,463.58
10/22/2024	-2,415.00	HOME DEPOT INC COM	400.95	968,304.75	06/30/2021	39.91	96,390.62	871,914.13
10/22/2024	-3,725.00	JOHNSON & JOHNSON COM	163.49	609,013.11	11/24/2021	5.79	21,565.35	587,447.76
10/22/2024	-4,810.00	JPMORGAN CHASE & CO COM	223.91	1,077,006.49	12/11/2008	30.98	149,021.01	927,985.48
10/22/2024	-5,000.00	CARMAX INC COM	71.64	358,180.03	01/30/2019	59.76	298,816.74	59,363.29
10/22/2024	-1,075.00	META PLATFORMS INC.	579.25	622,694.06	05/06/2020	203.86	219,153.59	403,540.47
10/22/2024	-2,600.00	MICROSOFT CORP COM	427.28	1,110,935.85	09/05/2006	25.68	66,768.00	1,044,167.85
10/22/2024	-4,000.00	OMNICOM GROUP INC COM	100.92	403,691.97	10/05/2004	37.20	148,798.60	254,893.37
10/22/2024	-560.00	O REILLY AUTOMOTIVE INC NEW COM	1,200.37	672,204.92	07/11/2017	174.94	97,967.36	574,237.56
10/22/2024	-5,325.00	PROGRESSIVE CORP OH COM	247.09	1,315,738.43	12/12/2008	14.98	79,765.30	1,235,973.13
10/22/2024	-1,130.00	PARKER HANNIFIN CORP COM	631.03	713,059.10	10/28/2022	280.15	316,565.77	396,493.33
10/22/2024	-10,230.00	SCHWAB CHARLES CORP NEW COM	70.66	722,833.74	08/26/2020	35.35	361,584.47	361,249.27
10/22/2024	-3,540.00	TE CONNECTIVITY PLC ORD SHS	146.27	517,796.98	09/30/2024	31.28	110,722.63	407,074.35
10/22/2024	-4,565.00	TJX COS INC NEW COM	114.94	524,697.46	12/06/2004	5.92	27,007.47	497,689.99
10/22/2024	-1,435.00	UNION PAC CORP COM	241.01	345,856.23	07/24/2015	93.91	134,760.46	211,095.77
10/22/2024	-5,950.00	US BANCORP DEL COM NEW	47.92	285,097.02	03/21/2005	27.72	164,923.17	120,173.85
10/22/2024	-4,760.00	WELLS FARGO & CO NEW COM	64.81	308,511.29	06/02/2011	28.21	134,276.27	174,235.02
11/21/2024	-93,360.00	CISCO SYS INC COM	57.65	5,382,521.08	07/26/2011	17.19	1,604,539.24	3,777,981.84
12/01/2024	-6,000,000.00	US TREASURY NOTE	100.00	6,000,000.00	02/16/2024	1.00	5,973,360.00	26,640.00
12/16/2024	-3,280.00	APPLE INC COM	249.23	817,470.69	04/25/2013	14.64	48,003.84	769,466.85
12/16/2024	-4,220.00	BANK OF AMERICA CORP COM	45.44	191,747.66	08/30/2019	26.92	113,589.87	78,157.79
12/16/2024	-1,765.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	459.46	810,946.06	07/26/2011	48.71	85,978.76	724,967.30
12/16/2024	-3,230.00	DISNEY WALT CO COM	112.40	363,061.60	02/24/2023	25.61	82,720.11	280,341.49
12/16/2024	-1,965.00	EXPEDITORS INTL WASH INC COM	118.39	232,638.92	03/25/2013	37.20	73,100.55	159,538.37
12/16/2024	-5,705.00	FASTENAL CO COM	78.34	446,945.21	02/12/2015	21.12	120,511.85	326,433.36
12/16/2024	-3,345.00	GE AEROSPACE	167.63	560,708.76	08/02/2021	109.86	367,473.16	193,235.60
12/16/2024	-1,905.00	GE VERNOVA INC COM	336.95	641,890.95	04/09/2024	0.00	0.00	641,890.95

Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/16/2024	-4,140.00	ALPHABET INC CAP STK CL C	198.23	820,664.28	10/05/2015	0.00	0.00	820,664.28
12/16/2024	-1,770.00	HOME DEPOT INC COM	416.05	736,413.51	06/30/2021	39.91	70,646.54	665,766.97
12/16/2024	-2,720.00	JOHNSON & JOHNSON COM	146.55	398,603.01	11/24/2021	19.93	54,203.52	344,399.49
12/16/2024	-3,540.00	JPMORGAN CHASE & CO COM	238.68	844,924.23	12/11/2008	30.98	109,674.51	735,249.72
12/16/2024	-3,685.00	CARMAX INC COM	85.88	316,458.62	01/30/2019	59.76	220,227.94	96,230.68
12/16/2024	-1,025.00	META PLATFORMS INC.	622.05	637,597.56	05/06/2020	203.86	208,960.40	428,637.16
12/16/2024	-1,915.00	MICROSOFT CORP COM	446.90	855,820.15	09/05/2006	25.68	49,177.20	806,642.95
12/16/2024	-2,890.00	OMNICOM GROUP INC COM	91.51	264,472.72	10/05/2004	37.20	107,506.99	156,965.73
12/16/2024	-405.00	O REILLY AUTOMOTIVE INC NEW COM	1,279.91	518,365.33	07/11/2017	174.94	70,851.40	447,513.93
12/16/2024	-3,885.00	PROGRESSIVE CORP OH COM	250.91	974,775.72	12/12/2008	14.98	58,194.97	916,580.75
12/16/2024	-825.00	PARKER HANNIFIN CORP COM	673.66	555,770.54	10/28/2022	280.15	231,121.03	324,649.51
12/16/2024	-7,545.00	SCHWAB CHARLES CORP NEW COM	78.37	591,298.78	08/26/2020	35.35	266,681.80	324,616.98
12/16/2024	-2,580.00	TE CONNECTIVITY PLC ORD SHS	150.58	388,501.84	09/30/2024	31.28	80,696.15	307,805.69
12/16/2024	-3,340.00	TJX COS INC NEW COM	124.42	415,568.61	12/06/2004	5.92	19,760.12	395,808.49
12/16/2024	-1,055.00	UNION PAC CORP COM	233.38	246,212.22	07/24/2015	93.91	99,074.76	147,137.46
12/16/2024	-4,360.00	US BANCORP DEL COM NEW	50.97	222,228.68	12/06/2010	31.74	138,380.30	83,848.38
12/16/2024	-3,495.00	WELLS FARGO & CO NEW COM	70.47	246,305.01	06/02/2011	28.21	98,591.50	147,713.51
				<u>105,859,945.97</u>			<u>53,524,335.96</u>	<u>54,277,242.31</u>

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

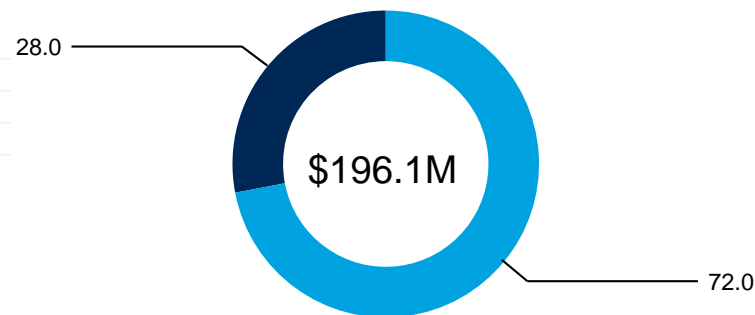
Meeting Date: 1/17/2025

Client Investment Review

Investment activity through 12/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	141,207,378	72.0	1,571,337.90	1.1
Total Fixed Income	54,871,943	28.0	2,131,584.60	3.9
Total	196,079,321	100.0	3,702,922.50	1.9

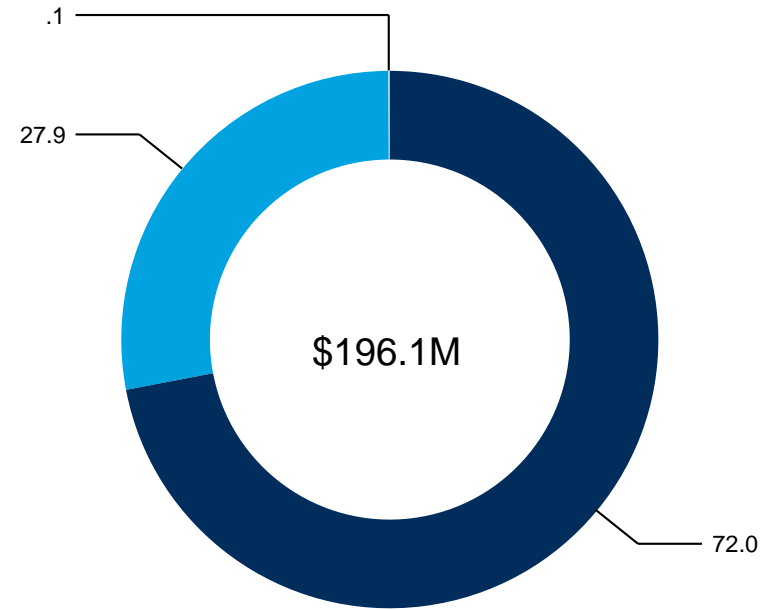


Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	182,797,500.30
Net Contributions/Withdrawals	-4,105,158.44
Income Earned	1,815,180.62
Market Appreciation	15,571,798.15
Ending Account Value	196,079,320.63

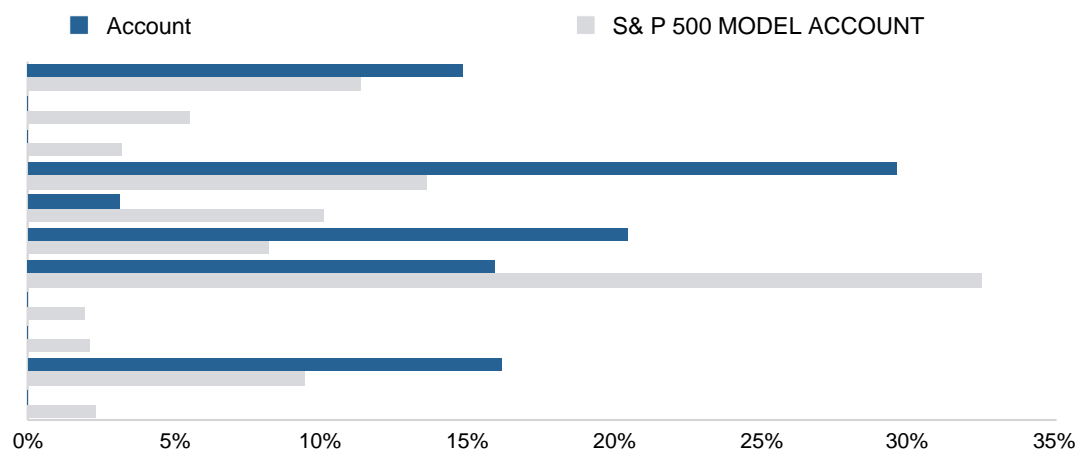
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	141,207,378	72.0
● Taxable Fixed Income	54,727,658	27.9
● Taxable Bond Funds	144,285	.1
Total	196,079,321	100.0



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.8	11.3
Consumer Staples	.0	5.5
Energy	.0	3.2
Financials	29.6	13.6
Health Care	3.1	10.1
Industrials	20.4	8.2
Information Tech	15.9	32.5
Materials	.0	1.9
Real Estate	.0	2.1
Communication Serv	16.1	9.4
Utilities	.0	2.3



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	7,002,646	3.6	133.00
META PLATFORMS INC.	6,762,641	3.5	66.13
GE AEROSPACE	6,391,263	3.3	63.88
PROGRESSIVE CORP OH COM	10,417,045	5.3	51.10
WELLS FARGO & CO NEW COM	2,699,323	1.4	45.44
JPMORGAN CHASE & CO COM	9,339,102	4.8	44.21
PARKER HANNIFIN CORP COM	5,832,395	3.0	39.15
ALPHABET INC CAP STK CL C	9,083,988	4.6	35.58
BANK OF AMERICA CORP COM	2,062,574	1.1	32.97
APPLE INC COM	9,300,599	4.7	30.64

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
PROGRESSIVE CORP OH COM	10,417,045	5.3	51.10
JPMORGAN CHASE & CO COM	9,339,102	4.8	44.21
APPLE INC COM	9,300,599	4.7	30.64
ALPHABET INC CAP STK CL C	9,083,988	4.6	35.58
BERKSHIRE HATHAWAY INC DE	8,981,743	4.6	27.13
MICROSOFT CORP COM	8,942,123	4.6	12.77
HOME DEPOT INC COM	7,612,534	3.9	14.12
GE VERNOVA INC COM	7,002,646	3.6	133.00
META PLATFORMS INC.	6,762,641	3.5	66.13
GE AEROSPACE	6,391,263	3.3	63.88

Sector	Qtr*
Health Care	1.15
Consumer Staples	0.39
Materials	0.35
Real Estate	0.27
Utilities	0.22
Energy	0.18
Communication Services	0.13
Industrials	0.13
Financials	-0.08
Information Tech	-1.15
Consumer Disc	-1.34
Total	0.25

Sector	1 Year*
Industrials	4.18
Financials	1.52
Health Care	1.35
Energy	0.79
Consumer Staples	0.67
Materials	0.56
Real Estate	0.51
Communication Services	0.06
Utilities	0.05
Consumer Disc	-1.24
Information Tech	-5.44
Total	3.02

Sector	5 Years*
Industrials	1.43
Financials	0.49
Consumer Staples	0.40
Real Estate	0.27
Utilities	0.25
Health Care	0.20
Energy	0.12
Materials	0.11
Consumer Disc	0.05
Communication Services	-0.39
Information Tech	-1.20
Total	1.73

*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
GEV	GE Vernova	4.96	29.15	1.11
JPM	JP Morgan Chase	6.61	14.32	0.82
GOOG	Alphabet	6.43	14.13	0.78
SCHW	Charles Schwab	4.30	14.50	0.55
AAPL	Apple	6.59	7.58	0.45

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	4.96	133.00	3.64
PGR	Progressive	7.38	51.10	3.52
GE	GE Aerospace	4.53	63.88	2.63
JPM	JP Morgan Chase	6.61	44.21	2.59
GOOG	Alphabet	6.43	35.58	2.10

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.59	28.77	1.94
PGR	Progressive	7.38	29.92	1.88
MSFT	Microsoft	6.33	22.60	1.61
GOOG	Alphabet	6.43	23.34	1.26
BRK B	Berkshire Hathaway	6.36	14.94	0.99

Bottom Contributors

Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
GE	GE Aerospace	4.53	-11.64	-0.58
PGR	Progressive	7.38	-5.59	-0.42
OMC	Omnicom	2.01	-16.14	-0.38
JNJ	Johnson & Johnson	3.09	-10.08	-0.34
EXPD	Expeditors	1.70	-15.73	-0.31

1 Year

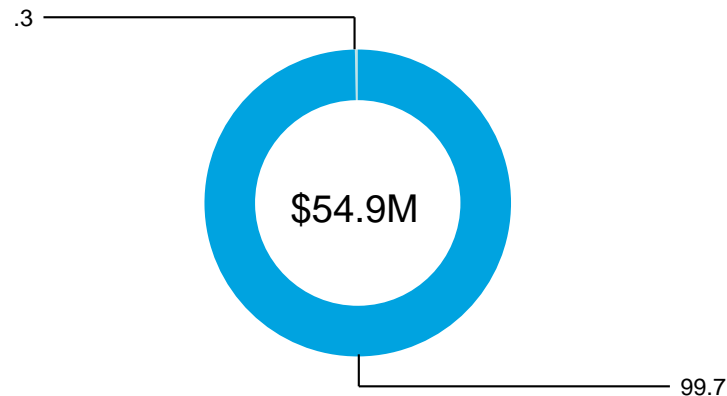
Ticker	Company	Ending Allocation	Total Return	Contribution
EXPD	Expeditors	1.70	-12.43	-0.30
JNJ	Johnson & Johnson	3.09	-5.53	-0.21
UNP	Union Pacific	1.88	-5.61	-0.14
OMC	Omnicom	2.01	2.40	0.09
USB	US Bancorp	1.60	15.50	0.27

5 Years

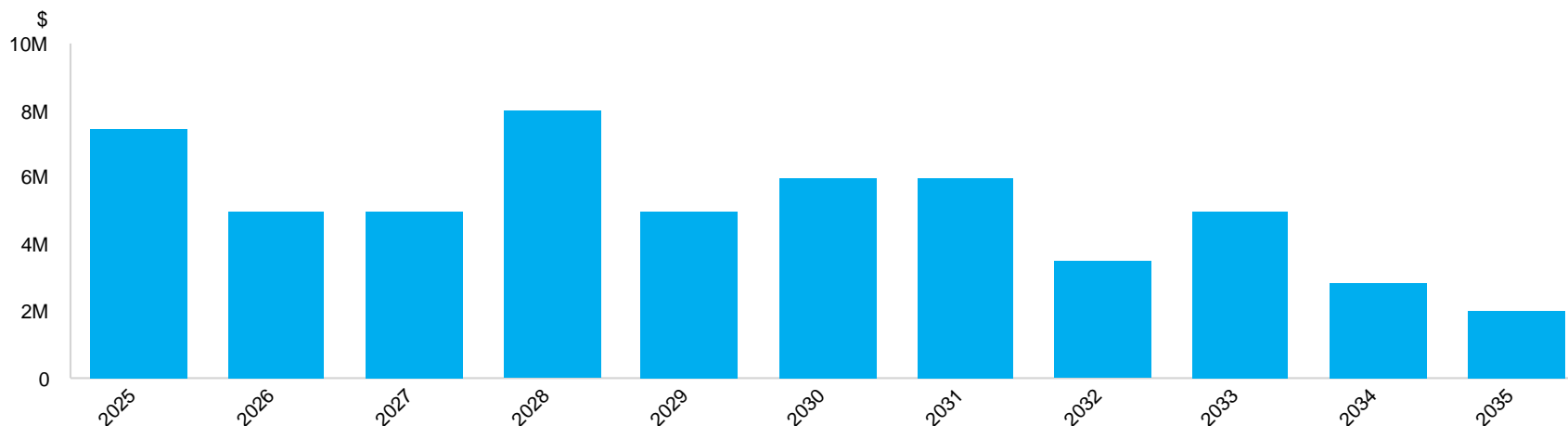
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.90	-4.99	-0.18
USB	US Bancorp	1.60	-0.08	-0.05
KMX	Carmax	2.36	-1.23	0.05
JNJ	Johnson & Johnson	3.09	2.45	0.11
BAC	Bank of America	1.46	7.10	0.12

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	54,727,658	99.7	2,125,935.00	3.9
● Taxable Bond Funds	144,285	.3	5,649.60	3.9
Total	54,871,943	100.0	2,131,584.60	3.9



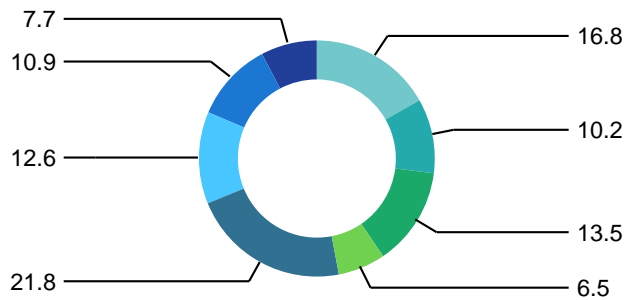
Fixed Income Maturity Schedule



Fixed Income Analysis

	12/31/2024	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.83	3.34
Current Yield	3.93	3.49
Yield to Maturity	4.74	4.60
Maturity	4.73	4.23
Duration	4.17	3.66
Face Amount	55,855,000	
Market Value	54,114,975	
Total Accrual	612,683	
Cost	57,976,799	

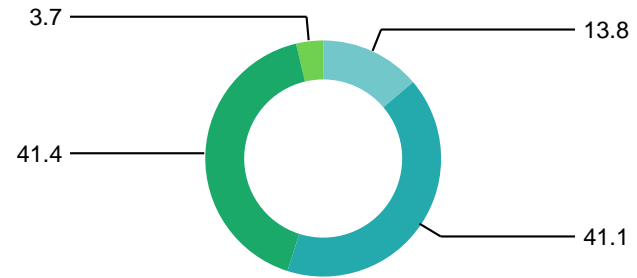
Quality Allocation by Market Value



■ 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) ■ Long (Over 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
Matures 2035										
US BANCORP FR 5.678%01/23/2035	01/23/2035	2,000,000.000	103.700	100.844	2,066,720.22	A	01/23/2034		113,560.00	5.567
Total Matures 2035					2,066,720.22				113,560.00	
Matures 2034										
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	1,000,000.000	101.950	99.639	1,013,924.72	AA-	11/26/2033		50,500.00	5.099
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	1,855,000.000	99.980	99.900	1,892,795.62	AA+	01/19/2027		88,112.50	4.763
Total Matures 2034					2,906,720.34				138,612.50	
Matures 2033										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	500,000.000	99.990	97.572	490,905.83	AA+	02/10/2033		21,500.00	4.653
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	97.594	993,815.00	AA+			45,000.00	4.845
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	99.171	1,010,547.50	BBB+	05/14/2033		49,500.00	5.069
US BANCORP FR 5.850%10/21/2033	10/21/2033	500,000.000	100.490	102.202	516,697.50	A	10/21/2032		29,250.00	5.529
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	2,000,000.000	103.450	99.579	2,003,265.08	AAA			90,000.00	4.558
Total Matures 2033					5,015,230.91				235,250.00	
Matures 2032										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	1,000,000.000	98.330	96.604	968,128.89	BBB	03/15/2032		47,000.00	5.256
TARGET CORP SR GLBL 4.500%09/15/2032	09/15/2032	2,500,000.000	102.240	96.663	2,449,700.00	A	06/15/2032		112,500.00	5.027
Total Matures 2032					3,417,828.89				159,500.00	
Matures 2031										
CISCO SYS INC SR GLBL NT 4.950%02/26/2031	02/26/2031	1,750,000.000	102.300	100.359	1,786,360.63	AA-	12/26/2030		86,625.00	4.881
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	1,250,000.000	107.380	88.524	1,122,008.34	A			33,125.00	4.869
US TREASURY NOTE 4.125%11/30/2031	11/30/2031	3,000,000.000	99.860	97.889	2,947,549.12	AAA			123,750.00	4.483
Total Matures 2031					5,855,918.09				243,500.00	
Matures 2030										

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	89.585	1,133,614.59	A-	11/01/2029		33,125.00	4.995
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	89.099	1,120,625.00	AA-	07/15/2030		32,625.00	4.788
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	89.700	1,129,453.12	A	01/01/2030		32,812.50	4.872
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	92.345	1,164,868.05	A	12/26/2029		40,000.00	4.873
UNION PAC CORP SR GLBL 2.400%02/05/2030	02/05/2030	1,000,000.000	106.970	88.775	897,483.33	A-	11/05/2029		24,000.00	4.918
Total Matures 2030					5,446,044.09				162,562.50	
Matures 2029										
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	1,250,000.000	110.360	94.469	1,187,746.18	AA-	01/30/2029		40,625.00	4.675
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	95.135	1,202,645.84	A+	12/07/2028		42,500.00	4.693
PARKER HANNIFIN CORP SR GLBL 4.500%09/15/2029	09/15/2029	1,250,000.000	98.540	98.596	1,249,012.50	BBB+	07/15/2029		56,250.00	4.836
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	1,250,000.000	105.830	89.828	1,131,990.63	A+	06/04/2029		28,125.00	4.698
Total Matures 2029					4,771,395.15				167,500.00	
Matures 2028										
ABBVIE INC SR GLBL NT 4.250%11/14/2028	11/14/2028	1,250,000.000	104.360	98.474	1,237,860.76	A-	08/14/2028		53,125.00	4.684
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	1,250,000.000	100.840	98.640	1,255,190.97	AA-	10/15/2027		48,125.00	4.332
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	1,000,000.000	99.780	100.128	1,007,157.78	AA-	04/15/2028		46,000.00	4.557
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	1,000,000.000	99.650	99.648	1,008,403.61	AA+			42,500.00	4.367
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	95.687	1,212,802.78	AAA	10/15/2027		36,250.00	4.434
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	95.692	1,213,483.34	A-	10/25/2027		40,000.00	4.727
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	95.712	961,177.32	AAA			31,250.00	4.339
Total Matures 2028					7,896,076.56				297,250.00	
Matures 2027										
BANK AMER CORP FR	10/21/2027	2,500,000.000	102.810	96.376	2,425,188.89	A-	10/21/2026		81,200.00	4.640

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
3.248%10/21/2027 FEDERAL FARM CR BKS CONS SYSTEMWIDE	04/12/2027	1,250,000.000	100.000	97.453	1,227,296.88	AA+	04/12/2023		41,625.00	4.516
3.330%04/12/2027 PEPSICO INC SR NT	03/19/2027	1,250,000.000	109.150	96.340	1,213,546.87	A+	01/19/2027		32,812.50	4.374
2.625%03/19/2027							100.000			
Total Matures 2027					4,866,032.64				155,637.50	
Matures 2026										
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	1,250,000.000	108.130	97.430	1,227,093.75	A	07/01/2026	100.000	36,875.00	4.492
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	1,250,000.000	104.400	98.602	1,242,025.00	BBB+	01/15/2026		45,000.00	4.728
VERIZON COMMUNICATIONS INC SR GLBL 2.625%08/15/2026	08/15/2026	1,250,000.000	108.160	97.009	1,225,008.34	BBB+			32,812.50	4.559
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	1,250,000.000	108.470	96.962	1,219,108.33	BBB+			37,500.00	4.770
Total Matures 2026					4,913,235.42				152,187.50	
Matures 2025										
CVS HEALTH CORP SR GLBL NT 3.875%07/20/2025	07/20/2025	1,000,000.000	101.290	99.357	1,010,899.86	BBB	04/20/2025		38,750.00	5.073
HOME DEPOT INC SR GLBL NT 3.350%09/15/2025	09/15/2025	1,000,000.000	97.990	99.150	1,001,363.89	A	06/15/2025		33,500.00	4.582
INTEL CORP SR GLBL 3.700%07/29/2025	07/29/2025	1,250,000.000	102.400	99.328	1,261,127.78	BBB	04/29/2025		46,250.00	4.897
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	1,250,000.000	104.250	99.395	1,250,803.82	A			49,375.00	4.697
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	1,000,000.000	102.850	99.351	1,002,885.00	BBB	07/01/2025		37,500.00	4.634
US TREASURY NOTE 4.750%07/31/2025	07/31/2025	2,000,000.000	99.940	100.281	2,045,375.43	AAA			95,000.00	4.248
Total Matures 2025					7,572,455.78				300,375.00	
Matures 2024										
US TREASURY NOTE 4.500%11/30/2024	11/30/2024	.000	.000	.000	.00	WR			.00	.000
Total Matures 2024					.00				.00	
No Maturity										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	81.980	144,284.80	NR				.000
Total No Maturity					144,284.80					
Total					54,871,942.89				2,125,935.00	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	47,700.000	.00	.00	190.44	9,083,988.00	4.6	.80	38,160.00	.420
DISNEY WALT CO COM	36,665.000	67.46	2,473,274.26	111.35	4,101,360.25	2.1	1.00	36,665.00	.898
META PLATFORMS INC.	11,550.000	303.31	3,503,282.81	585.51	6,762,640.50	3.4	2.00	23,100.00	.342
OMNICOM GROUP INC COM	32,675.000	55.59	1,816,494.98	86.04	2,834,229.50	1.4	2.80	91,490.00	3.254
Total for Communication Services			7,793,052.05		22,782,218.25	11.5		189,415.00	.833
Consumer Disc									
CARMAX INC COM	40,790.000	63.55	2,592,112.28	81.76	3,334,990.40	1.7	.00	.00	.000
HOME DEPOT INC COM	19,570.000	59.25	1,159,479.34	388.99	7,612,534.30	3.9	9.00	176,130.00	2.314
O REILLY AUTOMOTIVE INC NEW COM	4,585.000	180.41	827,201.26	1,185.80	5,436,893.00	2.8	.00	.00	.000
TJX COS INC NEW COM	37,225.000	12.86	478,614.65	120.81	4,497,152.25	2.3	1.50	55,837.50	1.242
Total for Consumer Disc			5,057,407.53		20,881,569.95	10.7		231,967.50	1.111
Financials									
BANK OF AMERICA CORP COM	46,930.000	26.92	1,263,216.20	43.95	2,062,573.50	1.1	1.04	48,807.20	2.366
BERKSHIRE HATHAWAY INC DEL CL B NEW	19,815.000	131.86	2,612,755.38	453.28	8,981,743.20	4.6	.00	.00	.000
JPMORGAN CHASE & CO COM	38,960.000	62.35	2,429,312.02	239.71	9,339,101.60	4.8	5.00	194,800.00	2.086
PROGRESSIVE CORP OH COM	43,475.000	36.14	1,571,286.28	239.61	10,417,044.75	5.3	.40	17,390.00	.167
SCHWAB CHARLES CORP NEW COM	82,100.000	39.66	3,255,970.95	74.01	6,076,221.00	3.1	1.00	82,100.00	1.351
US BANCORP DEL COM NEW	46,890.000	30.10	1,411,199.55	47.83	2,266,193.70	1.2	2.00	93,780.00	4.181
WELLS FARGO & CO NEW COM	38,430.000	34.14	1,312,028.50	70.24	2,699,323.20	1.4	1.60	61,488.00	2.278
Total for Financials			13,855,768.88		41,842,200.95	21.5		498,365.20	1.192
Health Care									
JOHNSON & JOHNSON COM	30,215.000	79.88	2,413,425.94	144.62	4,369,693.30	2.2	4.96	149,866.40	3.430
Total for Health Care			2,413,425.94		4,369,693.30	2.2		149,866.40	3.430
Industrials									
EXPEDITORS INTL WASH INC COM	21,690.000	40.37	875,659.61	110.77	2,402,601.30	1.2	1.46	31,667.40	1.318
FASTENAL CO COM	63,495.000	20.69	1,313,438.92	71.91	4,565,925.45	2.3	1.56	99,052.20	2.169
GE VERNOVA INC COM	21,273.000	76.91	1,636,176.71	328.93	7,002,646.14	3.6	1.00	21,273.00	.304

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	38,255.000	105.25	4,026,352.08	166.79	6,391,262.85	3.3	1.12	42,845.60	.672
PARKER HANNIFIN CORP COM	9,170.000	292.14	2,678,923.35	636.03	5,832,395.10	3.0	6.52	59,788.40	1.025
UNION PAC CORP COM	11,665.000	93.91	1,095,456.96	228.04	2,660,086.60	1.4	5.36	62,524.40	2.350
Total for Industrials			11,626,007.63		28,854,917.44	14.8		317,151.00	1.100
Information Tech									
APPLE INC COM	37,140.000	24.45	908,045.56	250.42	9,300,598.80	4.7	1.00	37,140.00	.399
MICROSOFT CORP COM	21,215.000	32.22	683,599.49	421.50	8,942,122.50	4.6	3.32	70,433.80	.788
TE CONNECTIVITY PLC ORD SHS	29,615.000	38.16	1,130,097.25	142.97	4,234,056.55	2.2	2.60	76,999.00	1.819
Total for Information Tech			2,721,742.30		22,476,777.85	11.5		184,572.80	.821
Total: Total Equity			43,467,404.33		141,207,377.74	72.2		1,571,337.90	1.113
Total Fixed Income									
Corporate Bonds									
ABBVIE INC SR GLBL NT 4.250% 11/14/2028	1,250,000.000	104.36	1,304,500.00	98.47	1,237,860.76	.6	4.25	53,125.00	4.316
APPLE INC SR GLBL 4.300% 05/10/2033	500,000.000	99.99	499,970.00	97.57	490,905.83	.3	4.30	21,500.00	4.407
BANK AMER CORP FR 3.248% 10/21/2027	2,500,000.000	102.81	2,570,298.44	96.38	2,425,188.89	1.2	3.25	81,200.00	3.370
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	94.47	1,187,746.18	.6	3.25	40,625.00	3.440
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	1,000,000.000	101.29	1,012,931.54	99.36	1,010,899.86	.5	3.88	38,750.00	3.900
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	98.64	1,255,190.97	.6	3.85	48,125.00	3.903
CISCO SYS INC SR GLBL NT 4.950% 02/26/2031	1,750,000.000	102.30	1,790,250.00	100.36	1,786,360.63	.9	4.95	86,625.00	4.932
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	1,000,000.000	101.95	1,019,500.00	99.64	1,013,924.72	.5	5.05	50,500.00	5.068
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	1,250,000.000	108.15	1,351,916.41	89.58	1,133,614.59	.6	2.65	33,125.00	2.958

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
DISNEY WALT CO SR GLBL NT 2.650% 01/13/2031	1,250,000.000	107.38	1,342,255.25	88.52	1,122,008.34	.6	2.65	33,125.00	2.994
EXXON MOBIL CORP SR GLBL COCO 2.610% 10/15/2030	1,250,000.000	107.91	1,348,900.66	89.10	1,120,625.00	.6	2.61	32,625.00	2.929
META PLATFORMS INC GLBL NT 4.600% 05/15/2028	1,000,000.000	99.78	997,780.00	100.13	1,007,157.78	.5	4.60	46,000.00	4.594
HOME DEPOT INC SR GLBL NT 3.350% 09/15/2025	1,000,000.000	97.99	979,900.00	99.15	1,001,363.89	.5	3.35	33,500.00	3.379
INTEL CORP SR GLBL 3.700% 07/29/2025	1,250,000.000	102.40	1,280,000.00	99.33	1,261,127.78	.6	3.70	46,250.00	3.725
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	1,250,000.000	108.13	1,351,599.84	97.43	1,227,093.75	.6	2.95	36,875.00	3.028
JOHNSON & JOHNSON SR GLBL 2.900% 01/15/2028	1,250,000.000	109.21	1,365,091.23	95.69	1,212,802.78	.6	2.90	36,250.00	3.031
MCDONALDS CORP FR 4.950% 08/14/2033	1,000,000.000	98.74	987,350.00	99.17	1,010,547.50	.5	4.95	49,500.00	4.991
MERCK & CO INC SR GLBL 3.400% 03/07/2029	1,250,000.000	111.45	1,393,128.69	95.14	1,202,645.84	.6	3.40	42,500.00	3.574
NORTHERN TR CORP SUB NT 3.950% 10/30/2025	1,250,000.000	104.25	1,303,135.51	99.39	1,250,803.82	.6	3.95	49,375.00	3.974
OREILLY AUTOMOTIVE INC SR GLBL 4.700% 06/15/2032	1,000,000.000	98.33	983,300.00	96.60	968,128.89	.5	4.70	47,000.00	4.865
OMNICOM GROUP INC SR GLBL 3.600% 04/15/2026	1,250,000.000	104.40	1,304,998.94	98.60	1,242,025.00	.6	3.60	45,000.00	3.651
PARKER HANNIFIN CORP SR GLBL 4.500% 09/15/2029	1,250,000.000	98.54	1,231,687.50	98.60	1,249,012.50	.6	4.50	56,250.00	4.564
PEPSICO INC SR NT 2.625% 03/19/2027	1,250,000.000	109.15	1,364,337.28	96.34	1,213,546.87	.6	2.63	32,812.50	2.725
PFIZER INC GLBL NT 2.625% 04/01/2030	1,250,000.000	108.41	1,355,079.82	89.70	1,129,453.12	.6	2.63	32,812.50	2.926
PROGRESSIVE CORP SR GLBL 3.200% 03/26/2030	1,250,000.000	109.86	1,373,253.13	92.34	1,164,868.05	.6	3.20	40,000.00	3.465
SCHWAB CHARLES CORP SR GLBL 3.200% 01/25/2028	1,250,000.000	106.19	1,327,430.00	95.69	1,213,483.34	.6	3.20	40,000.00	3.344

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
SYSCO CORP SR NT 3.750% 10/01/2025	1,000,000.000	102.85	1,028,451.91	99.35	1,002,885.00	.5	3.75	37,500.00	3.774
TARGET CORP SR GBL 4.500% 09/15/2032	2,500,000.000	102.24	2,556,000.00	96.66	2,449,700.00	1.2	4.50	112,500.00	4.655
TEXAS INSTRS INC SR GBL NT 2.250% 09/04/2029	1,250,000.000	105.83	1,322,899.94	89.83	1,131,990.63	.6	2.25	28,125.00	2.505
UNION PAC CORP SR GBL 2.400% 02/05/2030	1,000,000.000	106.97	1,069,704.65	88.78	897,483.33	.5	2.40	24,000.00	2.703
US BANCORP FR 5.850% 10/21/2033	500,000.000	100.49	502,450.00	102.20	516,697.50	.3	5.85	29,250.00	5.724
US BANCORP FR 5.678% 01/23/2035	2,000,000.000	103.70	2,074,000.00	100.84	2,066,720.22	1.1	5.68	113,560.00	5.630
VERIZON COMMUNICATIONS INC SR GBL 2.625% 08/15/2026	1,250,000.000	108.16	1,351,938.92	97.01	1,225,008.34	.6	2.63	32,812.50	2.706
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	1,250,000.000	108.47	1,355,895.73	96.96	1,219,108.33	.6	3.00	37,500.00	3.094
Total for Corporate Bonds			44,739,989.82		41,647,980.03	21.0		1,568,697.50	3.809
Governments									
FEDERAL HOME LOAN BKS CONS BDS 4.750% 01/19/2034	1,855,000.000	99.98	1,854,629.00	99.90	1,892,795.62	1.0	4.75	88,112.50	4.755
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	1,250,000.000	100.00	1,250,000.00	97.45	1,227,296.88	.6	3.33	41,625.00	3.417
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	1,000,000.000	99.65	996,450.00	99.65	1,008,403.61	.5	4.25	42,500.00	4.265
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500% 08/08/2033	1,000,000.000	99.06	990,550.00	97.59	993,815.00	.5	4.50	45,000.00	4.611
US TREASURY NOTE 3.125% 11/15/2028	1,000,000.000	108.18	1,081,750.00	95.71	961,177.32	.5	3.13	31,250.00	3.265
US TREASURY NOTE 4.750% 07/31/2025	2,000,000.000	99.94	1,998,800.00	100.28	2,045,375.43	1.0	4.75	95,000.00	4.737
US TREASURY NOTE 4.500% 11/15/2033	2,000,000.000	103.45	2,068,980.00	99.58	2,003,265.08	1.0	4.50	90,000.00	4.519
US TREASURY NOTE	3,000,000.000	99.86	2,995,650.00	97.89	2,947,549.12	1.5	4.13	123,750.00	4.214

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
4.125% 11/30/2031									
Total for Governments			13,236,809.00		13,079,678.06	6.6		557,237.50	4.308
Taxable Bond Funds									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.68	81.98	144,284.80	.1	3.21	5,649.60	3.916
Total for Taxable Bond Funds			148,859.68		144,284.80	.1		5,649.60	3.916
Total: Total Fixed Income			58,125,658.50		54,871,942.89	27.7		2,131,584.60	3.929
Total			101,593,062.83		196,079,320.63	100.0		3,702,922.50	1.895

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
Total Portfolio - Gross	196,079,321	9.44	21.20	7.61	12.49	11.36	9.41	9.78
Total Portfolio - Net	196,079,321	9.40	21.10	7.54	12.40	11.28	9.35	9.73
70% SP500 30% Bloomberg Int Govt Cr		6.66	18.09	6.36	10.56	9.81	8.32	9.17
Total Equity	141,207,378	12.11	28.52	10.41	16.47	14.61	11.42	11.90
S P 500 Index		8.44	25.02	8.94	14.53	13.10	10.35	10.92
Total Fixed Income	54,871,943	2.39	2.97	.11	.89	1.84	2.69	4.16
Bloomberg US Government/Credit Interm Bond		2.50	3.00	-.18	.86	1.71	2.90	4.30

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	11.36	9.81
Standard Deviation	12.18	11.11
Beta	1.06	
Alpha	1.04	
R-Squared	.94	
Sharpe Ratio	.77	.71
Treynor Ratio	8.90	7.88
Tracking Error	3.14	
Information Ratio	.49	
Downside Deviation	7.47	6.90
Downside Standard Deviation	9.07	8.28
Sortino Ratio	1.63	1.52
Upside Capture	1.11	
Downside Capture	1.03	
Batting Average	.56	
Annualized Excess Return	1.55	
Cumulative Excess Return	38.23	
Turnover %	126.61	
M-Squared	10.53	
Residual Risk	.86	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.93	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	9.41	8.32
Standard Deviation	10.89	10.72
Beta	.97	
Alpha	1.21	
R-Squared	.92	
Sharpe Ratio	.71	.62
Treynor Ratio	7.93	6.60
Tracking Error	3.16	
Information Ratio	.32	
Downside Deviation	6.86	7.01
Downside Standard Deviation	8.17	8.15
Sortino Ratio	1.46	1.28
Upside Capture	1.02	
Downside Capture	.95	
Batting Average	.55	
Annualized Excess Return	1.09	
Cumulative Excess Return	109.44	
Turnover %	206.92	
M-Squared	9.29	
Residual Risk	.89	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.72	

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
10/24/2024	1,750,000.00	CISCO SYS INC SR GLBL NT	102.30	1,790,250.00
10/24/2024	2,000,000.00	US BANCORP FR	1.04	2,074,000.00
11/05/2024	1,250,000.00	BANK AMER CORP FR	96.66	1,208,250.00
11/21/2024	2,790.00	META PLATFORMS INC.	562.97	1,570,692.72
12/10/2024	3,000,000.00	US TREASURY NOTE	99.86	2,995,650.00
				<u>26,966,064.03</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

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/03/2024	-2,140.00	FASTENAL CO COM	62.60	133,966.77	02/12/2015	21.12	45,205.15	88,761.62
01/03/2024	-1,290.00	GE AEROSPACE	124.73	160,898.86	08/02/2021	113.92	146,962.61	13,936.25
01/03/2024	-1,605.00	ALPHABET INC CAP STK CL C	140.09	224,839.92	10/05/2015	370.73	595,017.94	-370,178.02
01/03/2024	-660.00	HOME DEPOT INC COM	337.08	222,471.94	04/23/2015	39.91	26,342.78	196,129.16
01/03/2024	-1,020.00	JOHNSON & JOHNSON COM	161.03	164,255.30	11/24/2021	1.06	1,084.38	163,170.92
01/03/2024	-1,315.00	JPMORGAN CHASE & CO COM	171.32	225,290.96	12/10/2008	30.98	40,740.67	184,550.29
01/03/2024	-800.00	CARMAX INC COM	72.36	57,887.69	01/30/2019	59.76	47,810.68	10,077.01
01/03/2024	-300.00	META 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

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
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
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
10/22/2024	-1,340.00	APPLE INC COM	234.90	314,767.16	04/23/2015	32.36	43,360.89	271,406.27
10/22/2024	-1,690.00	BANK OF AMERICA CORP COM	42.10	71,155.47	08/30/2019	26.92	45,489.78	25,665.69
10/22/2024	-715.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	460.87	329,519.96	03/27/2020	40.76	29,144.48	300,375.48
10/22/2024	-965.00	CISCO SYS INC COM	56.73	54,743.69	12/12/2008	16.39	15,819.92	38,923.77
10/22/2024	-1,320.00	DISNEY WALT CO COM	96.91	127,917.24	04/23/2015	25.44	33,575.16	94,342.08
10/22/2024	-780.00	EXPEDITORS INTL WASH INC COM	119.33	93,080.43	03/25/2013	37.20	29,017.01	64,063.42
10/22/2024	-2,290.00	FASTENAL CO COM	76.80	175,879.70	02/12/2015	21.12	48,373.73	127,505.97
10/22/2024	-1,380.00	GE AEROSPACE	177.82	245,385.46	08/02/2021	113.92	157,215.82	88,169.64
10/22/2024	-765.00	GE VERNOVA INC COM	277.12	211,997.33	04/09/2024	0.00	0.00	211,997.33
10/22/2024	-1,715.00	ALPHABET INC CAP STK CL C	166.14	284,931.60	10/05/2015	0.00	0.00	284,931.60
10/22/2024	-705.00	HOME DEPOT INC COM	400.95	282,672.82	04/23/2015	39.91	28,138.87	254,533.95
10/22/2024	-1,090.00	JOHNSON & JOHNSON COM	163.49	178,207.86	11/24/2021	1.06	1,158.80	177,049.06
10/22/2024	-1,400.00	JPMORGAN CHASE & CO COM	223.91	313,473.82	12/10/2008	32.52	45,534.50	267,939.32
10/22/2024	-1,470.00	CARMAX INC COM	71.64	105,304.93	01/30/2019	59.76	87,852.12	17,452.81

Portfolio Turnover

KY LEGISLATORS RET DEFINED BEN AGT (920006012)

December 31, 2023 to December 31, 2024

Managed since: January 01, 1993

Date	Amount	Security	Sale		Acquisition Purchase		Cost Basis	Gain/Loss
			Price	Proceeds	Date	Price		
10/22/2024	-315.00	META PLATFORMS INC.	579.25	182,463.84	05/06/2020	203.86	64,217.10	118,246.74
10/22/2024	-765.00	MICROSOFT CORP COM	427.28	326,871.51	06/30/2021	28.27	21,630.37	305,241.14
10/22/2024	-1,175.00	OMNICOM GROUP INC COM	100.92	118,584.52	06/30/2021	43.83	51,494.39	67,090.13
10/22/2024	-165.00	O REILLY AUTOMOTIVE INC NEW COM	1,200.37	198,060.37	07/11/2017	174.94	28,865.38	169,194.99
10/22/2024	-1,560.00	PROGRESSIVE CORP OH COM	247.09	385,455.76	01/26/2009	15.70	24,491.22	360,964.54
10/22/2024	-330.00	PARKER HANNIFIN CORP COM	631.03	208,238.50	10/28/2022	280.15	92,448.41	115,790.09
10/22/2024	-2,955.00	SCHWAB CHARLES CORP NEW COM	70.66	208,795.08	08/26/2020	35.35	104,445.95	104,349.13
10/22/2024	-1,065.00	TE CONNECTIVITY PLC ORD SHS	146.27	155,777.90	09/30/2024	38.16	40,640.00	115,137.90
10/22/2024	-1,340.00	TJX COS INC NEW COM	114.94	154,018.53	04/23/2015	6.06	8,116.05	145,902.48
10/22/2024	-420.00	UNION PAC CORP COM	241.01	101,226.21	07/24/2015	93.91	39,442.08	61,784.13
10/22/2024	-1,690.00	US BANCORP DEL COM NEW	47.92	80,977.13	09/07/2007	31.74	53,638.23	27,338.90
10/22/2024	-1,385.00	WELLS FARGO & CO NEW COM	64.81	89,766.41	06/02/2011	28.21	39,069.88	50,696.53
11/21/2024	-27,290.00	CISCO SYS INC COM	57.65	1,573,361.18	01/26/2009	22.56	615,666.97	957,694.21
12/01/2024	-3,000,000.00	US TREASURY NOTE	100.00	3,000,000.00	02/16/2024	1.00	2,986,680.00	13,320.00
12/16/2024	-765.00	APPLE INC COM	249.23	190,660.08	04/23/2015	32.36	24,754.54	165,905.54
12/16/2024	-975.00	BANK OF AMERICA CORP COM	45.44	44,301.88	08/30/2019	26.92	26,244.10	18,057.78
12/16/2024	-405.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	459.46	186,081.10	03/27/2020	40.76	16,508.41	169,572.69
12/16/2024	-760.00	DISNEY WALT CO COM	112.40	85,426.26	04/23/2015	25.44	19,331.15	66,095.11
12/16/2024	-445.00	EXPEDITORS INTL WASH INC COM	118.39	52,684.13	03/25/2013	37.20	16,554.58	36,129.55
12/16/2024	-1,315.00	FASTENAL CO COM	78.34	103,020.67	02/12/2015	21.12	27,777.93	75,242.74
12/16/2024	-780.00	GE AEROSPACE	167.63	130,748.23	08/02/2021	113.92	88,861.11	41,887.12
12/16/2024	-440.00	GE VERNOVA INC COM	336.95	148,258.27	04/09/2024	0.00	0.00	148,258.27
12/16/2024	-960.00	ALPHABET INC CAP STK CL C	198.23	190,298.96	10/05/2015	0.00	0.00	190,298.96
12/16/2024	-405.00	HOME DEPOT INC COM	416.05	168,501.39	04/23/2015	39.91	16,164.89	152,336.50
12/16/2024	-620.00	JOHNSON & JOHNSON COM	146.55	90,858.04	11/24/2021	1.06	659.13	90,198.91
12/16/2024	-810.00	JPMORGAN CHASE & CO COM	238.68	193,330.12	12/12/2008	34.41	27,872.67	165,457.45
12/16/2024	-845.00	CARMAX INC COM	85.88	72,566.50	01/30/2019	59.76	50,500.03	22,066.47
12/16/2024	-240.00	META PLATFORMS INC.	622.05	149,291.13	05/06/2020	203.86	48,927.31	100,363.82
12/16/2024	-440.00	MICROSOFT CORP COM	446.90	196,637.53	06/30/2021	28.27	12,441.00	184,196.53
12/16/2024	-665.00	OMNICOM GROUP INC COM	91.51	60,856.17	06/30/2021	43.83	29,143.64	31,712.53
12/16/2024	-95.00	O REILLY AUTOMOTIVE INC NEW COM	1,279.91	121,591.86	07/11/2017	174.94	16,619.46	104,972.40
12/16/2024	-900.00	PROGRESSIVE CORP OH COM	250.91	225,816.77	06/10/2009	16.83	15,149.47	210,667.30
12/16/2024	-190.00	PARKER HANNIFIN CORP COM	673.66	127,995.64	10/28/2022	280.15	53,227.87	74,767.77
12/16/2024	-1,710.00	SCHWAB CHARLES CORP NEW COM	78.37	134,012.05	08/26/2020	35.35	60,440.81	73,571.24
12/16/2024	-610.00	TE CONNECTIVITY PLC ORD SHS	150.58	91,855.08	09/30/2024	38.16	23,277.37	68,577.71

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/16/2024	-770.00	TJX COS INC NEW COM	124.42	95,804.73	04/23/2015	6.06	4,663.70	91,141.03
12/16/2024	-240.00	UNION PAC CORP COM	233.38	56,010.36	07/24/2015	93.91	22,538.33	33,472.03
12/16/2024	-970.00	US BANCORP DEL COM NEW	50.97	49,440.78	09/07/2007	31.74	30,786.44	18,654.34
12/16/2024	-795.00	WELLS FARGO & CO NEW COM	70.47	56,026.46	06/02/2011	28.21	22,426.39	33,600.07
				<u>31,211,650.46</u>			<u>18,014,967.31</u>	<u>13,196,585.64</u>

Proxy Voting Report

Oct 1, 2024 to Dec 31, 2024

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

Vote Against Management (VAM) Summary

Number of Meetings	Number of Proposals
3	43
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
1	1
Number of Meetings With VAM	% of All Meetings Voted
1	33.3%
Number of Proposals With VAM	% of All Proposals Voted
1	2.3%
Number of Meetings With Votes For Mgmt	% of All Meetings Voted
3	100.0%
Number of Proposals With Votes For Mgmt	% of All Proposals Voted
42	97.7%
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
3	43
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
1	1
Number of Meetings With VAP	% of All Meetings Voted
1	33.3%
Number of Proposals With VAP	% of All Proposals Voted
4	9.3%
Number of Meetings With Votes For Policy	% of All Meetings Voted
3	100.0%
Number of Proposals With Votes For Policy	% of All Proposals Voted
39	90.7%
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted

	0	NA
Number of Proposals with Votes with GL		% of All Proposals Voted
	39	90.7%

Proposal Summary

Number of Meetings:	3
Number of Mgmt Proposals:	37
Number of Shareholder Proposals:	6

Mgmt Proposals Voted FOR		% of All Mgmt Proposals
	36	97.3%
Mgmt Proposals Voted Against/Withhold		% of All Mgmt Proposals
	1	2.7%
Mgmt Proposals Voted Abstain		% of All Mgmt Proposals
	0	NA
Mgmt Proposals With No Votes Cast		% of All Mgmt Proposals
	0	NA
Mgmt Proposals Voted 1 Year		% of All Mgmt Proposals
	0	NA
Mgmt Proposals Voted 2 Years		% of All Mgmt Proposals
	0	NA
Mgmt Proposals Voted 3 Years		% of All Mgmt Proposals
	0	NA

ShrHldr Proposal Voted FOR		% of All ShrHldr Proposals
	0	NA
ShrHldr Proposals Voted Against/Withhold		% of All ShrHldr Proposals
	6	100.0%
ShrHldr Proposals Voted Abstain		% of All ShrHldr Proposals
	0	NA
ShrHldr Proposals With No Votes Cast		% of All ShrHldr Proposals
	0	NA

Parker-Hannifin Corp.

Voted	Ballot Status	Counted	Decision Status	Approved		
Ballot Created	09/21/2024	Ballot Voted	10/19/2024			
Vote Deadline Date Contested	10/22/2024 No	Record Date Agenda Type	09/06/2024 Mgmt	Ticker Country Of Origin	PH US	Share Blocking No Country Of Trade US
Ballot Sec ID	CUSIP9-701094104					

Annual Meeting Agenda (10/23/2024)

	Mgmt Rec	GL Rec	HLT Main Policy	Vote Cast
1 Elect Denise Russell Fleming	For	For	For	For
2 Elect Lance M. Fritz	For	For	For	For
3 Elect Linda A. Harty	For	For	For	For
4 Elect Kevin A. Lobo	For	For	For	For
5 Elect Jennifer A. Parmentier	For	For	For	For
6 Elect E. Jean Savage	For	For	For	For
7 Elect Joseph Scaminace	For	For	For	For
8 Elect Laura K. Thompson	For	For	For	For
9 Elect James R. Verrier	For	For	For	For
10 Elect James L. Wainscott	For	For	For	For
11 Advisory Vote on Executive Compensation	For	For	For	For
12 Ratification of Auditor	For	For	For	For

Accounts With Shares

	Shares Voted	Holdings Id	Shares Held	Shares On Loan	Policy Id	Voting Group
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	33,550	KJLA	33,550	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	9,690	KJLB	9,690	0	Hilliard Lyons Main	Baird Main
Totals	43,240		43,240	0		

Cisco Systems, Inc.

Voted	Ballot Status	Confirmed	Decision Status	Approved		
Ballot Created	10/22/2024	Ballot Voted	12/05/2024			
Vote Deadline Date Contested	12/06/2024 No	Record Date Agenda Type	10/10/2024 Mgmt	Ticker Country Of Origin	CSCO US	Share Blocking No Country Of Trade US
Ballot Sec ID	CUSIP9-17275R102					

Annual Meeting Agenda (12/09/2024)

	Mgmt Rec	GL Rec	HLT Main Policy	Vote Cast
1 Elect Wesley G. Bush	For	For	For	For
2 Elect Michael D. Capellas	For	For	For	For
3 Elect Mark S. Garrett	For	For	For	For
4 Elect John D. Harris II	For	For	For	For
5 Elect Kristina M. Johnson	For	For	For	For
6 Elect Sarah Rae Murphy	For	For	For	For
7 Elect Charles H. Robbins	For	For	For	For
8 Elect Daniel H. Schulman	For	For	For	For
9 Elect Marianna Tessel	For	For	For	For
10 Advisory Vote on Executive Compensation	For	Against	Against	Against
Vote Note: Pay for performance disconnect; Insufficient response to shareholder dissent				
11 Ratification of Auditor	For	For	For	For

Accounts With Shares

Shares Voted	Holdings Id	Shares Held	Shares On Loan	Policy Id	Voting Group
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State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	96,615	KJLA	96,615	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	28,255	KJLB	28,255	0	Hilliard Lyons Main	Baird Main
Totals	124,870		124,870	0		

Microsoft Corporation

Voted Ballot Created	Ballot Status	Counted	Decision Status	Approved		
	10/26/2024	Ballot Voted	12/05/2024			
Vote Deadline Date Contested	12/09/2024 No	Record Date Agenda Type	09/30/2024 Mgmt	Ticker Country Of Origin	MSFT US	Share Blocking No Country Of Trade US
Ballot Sec ID	CUSIP9-594918104					

Annual Meeting Agenda (12/10/2024)

	Mgmt Rec	GL Rec	HLT Main Policy	Vote Cast
1 Elect Reid G. Hoffman	for	for	For	For
2 Elect Hugh F. Johnston	for	against	Against	For

Vote Note:We have a very high opinion of him based on his time as CFO of Pepsi as well as what he has been able to do alongside Bob Iger at Disney so far. We believe he is a very strong executive and would prefer that he stays on the board of Microsoft even though he does have other commitments. We do not believe in hard and fast rules for how many boards is too many.

3 Elect Teri L. List	for	for	For	For
4 Elect Catherine MacGregor	for	for	For	For
5 Elect Mark Mason	for	for	For	For
6 Elect Satya Nadella	for	for	For	For
7 Elect Sandra E. Peterson	for	for	For	For
8 Elect Penny S. Pritzker	for	for	For	For
9 Elect Carlos A. Rodriguez	for	for	For	For
10 Elect Charles W. Scharf	for	for	For	For
11 Elect John W. Stanton	for	for	For	For
12 Elect Emma N. Walmsley	for	for	For	For
13 Advisory Vote on Executive Compensation	for	for	For	For
14 Ratification of Auditor	for	for	For	For
(SHP) 15 Shareholder Proposal Regarding Risks of Developing Military Weapons	against	for	For	Against

Vote Note:BT has reviewed and agrees with mgmt

(SHP) 16 Shareholder Proposal Regarding Assessment of Investments in Bitcoin	against	against	Against	Against
(SHP) 17 Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	against	against	Against	Against
(SHP) 18 Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production	against	against	Against	Against
(SHP) 19 Shareholder Proposal Regarding Report on AI Misinformation and Disinformation	against	for	For	Against

Vote Note:BT has reviewed and agrees with mgmt

(SHP) 20 Shareholder Proposal Regarding Report on Risks of AI Data Sourcing	against	for	For	Against
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Vote Note:BT has reviewed and agrees with mgmt

Accounts With Shares

	Shares Voted	Holdings Id	Shares Held	Shares On Loan	Policy Id	Voting Group
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	77,470	KJLA	77,470	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	22,420	KJLB	22,420	0	Hilliard Lyons Main	Baird Main
Totals	99,890		99,890	0		

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

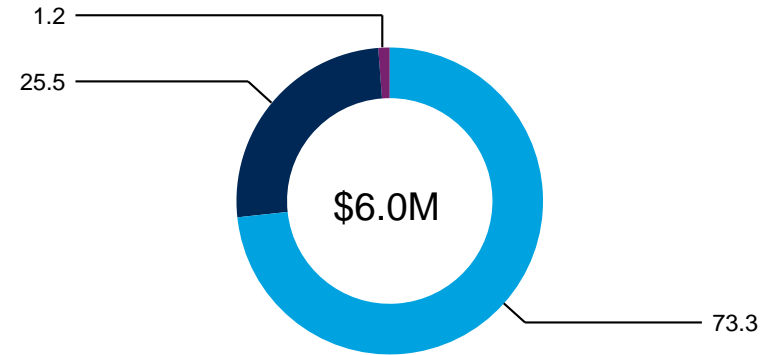
Meeting Date: 1/17/2025

Client Investment Review

Investment activity through 12/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	4,413,177	73.3	49,078.26	1.1
Total Fixed Income	1,536,931	25.5	64,138.27	4.2
Cash & Equivalents	70,578	1.2	2,939.63	4.2
Total	6,020,687	100.0	116,156.17	1.9



Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	4,956,114.92
Net Contributions/Withdrawals	541,409.34
Income Earned	63,450.68
Market Appreciation	459,711.86
Ending Account Value	6,020,686.80

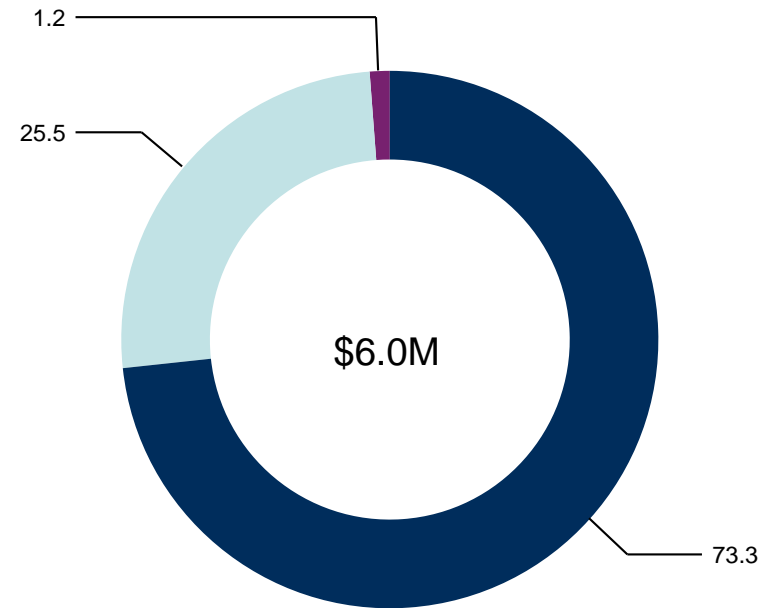
Market Value by Asset Class

KY JUDICIAL RET HYBRID CASH BAL AGT (920007010)

Ending: December 31, 2024

Managed Since: June 01, 2015

	Market Value	% of Mkt Val
● Core Equity	4,413,177	73.3
● Taxable Bond Funds	1,536,931	25.5
● Cash & Equivalents	70,578	1.2
Total	6,020,687	100.0



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	70,343.020	1.00	70,343.02	1.00	70,577.93	1.2	4.18	2,939.63	4.179
Total for Money Markets			70,343.02		70,577.93	1.2		2,939.63	4.179
Total: Cash & Equivalents			70,343.02		70,577.93	1.2		2,939.63	4.179
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	1,491.000	135.64	202,233.37	190.44	283,946.04	4.7	.80	1,192.80	.420
DISNEY WALT CO COM	1,121.000	147.82	165,705.30	111.35	124,823.35	2.1	1.00	1,121.00	.898
META PLATFORMS INC.	385.000	403.42	155,317.94	585.51	225,421.35	3.7	2.00	770.00	.342
OMNICOM GROUP INC COM	1,021.000	77.42	79,047.66	86.04	88,561.54	1.5	2.80	2,858.80	3.254
Total for Communication Services			602,304.27		722,752.28	12.0		5,942.60	.823
Consumer Disc									
CARMAX INC COM	1,287.000	94.86	122,087.18	81.76	105,225.12	1.7	.00	.00	.000
HOME DEPOT INC COM	606.000	327.83	198,665.92	388.99	235,727.94	3.9	9.00	5,454.00	2.314
O REILLY AUTOMOTIVE INC NEW COM	145.000	688.21	99,790.93	1,185.80	171,941.00	2.9	.00	.00	.000
TJX COS INC NEW COM	1,049.000	74.33	77,971.03	120.81	126,729.69	2.1	1.50	1,573.50	1.242
Total for Consumer Disc			498,515.06		639,623.75	10.6		7,027.50	1.099
Financials									
BANK OF AMERICA CORP COM	1,469.000	39.38	57,855.93	43.95	64,562.55	1.1	1.04	1,527.76	2.366
BERKSHIRE HATHAWAY INC DEL CL B NEW	625.000	306.63	191,646.20	453.28	283,300.00	4.7	.00	.00	.000
JPMORGAN CHASE & CO COM	1,296.000	157.58	204,229.47	239.71	310,664.16	5.2	5.00	6,480.00	2.086
PROGRESSIVE CORP OH COM	1,372.000	111.27	152,655.74	239.61	328,744.92	5.5	.40	548.80	.167
SCHWAB CHARLES CORP NEW COM	2,598.000	67.03	174,154.06	74.01	192,277.98	3.2	1.00	2,598.00	1.351
US BANCORP DEL COM NEW	1,409.000	53.02	74,708.02	47.83	68,096.97	1.1	2.00	2,818.00	4.181
WELLS FARGO & CO NEW COM	1,163.000	48.73	56,674.60	70.24	81,689.12	1.4	1.60	1,860.80	2.278
Total for Financials			911,924.02		1,329,335.70	22.2		15,833.36	1.192

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Health Care									
JOHNSON & JOHNSON COM	944.000	170.19	160,662.08	144.62	136,521.28	2.3	4.96	4,682.24	3.430
Total for Health Care			160,662.08		136,521.28	2.3		4,682.24	3.430
Industrials									
EXPEDITORS INTL WASH INC COM	664.000	120.32	79,892.75	110.77	73,551.28	1.2	1.46	969.44	1.318
FASTENAL CO COM	1,973.000	56.37	111,223.86	71.91	141,878.43	2.4	1.56	3,077.88	2.169
GE VERNOVA INC COM	623.000	110.95	69,124.44	328.93	205,079.16	3.4	1.00	623.00	.304
GE AEROSPACE	1,108.000	74.99	83,089.44	166.79	185,113.56	3.1	1.12	1,240.96	.672
PARKER HANNIFIN CORP COM	293.000	329.75	96,616.11	636.03	186,356.79	3.1	6.52	1,910.36	1.025
UNION PAC CORP COM	382.000	226.06	86,355.27	228.04	87,111.28	1.4	5.36	2,047.52	2.350
Total for Industrials			526,301.87		879,090.50	14.6		9,869.16	1.123
Information Tech									
APPLE INC COM	1,170.000	157.78	184,603.78	250.42	292,991.40	4.9	1.00	1,170.00	.399
MICROSOFT CORP COM	680.000	302.83	205,927.23	421.50	286,620.00	4.8	3.32	2,257.60	.788
TE CONNECTIVITY PLC ORD SHS	883.000	146.78	129,610.12	142.97	126,242.51	2.1	2.60	2,295.80	1.819
Total for Information Tech			520,141.13		705,853.91	11.8		5,723.40	.811
Total: Total Equity			3,219,848.43		4,413,177.42	73.5		49,078.26	1.113
Total Fixed Income									
Taxable Bond Funds									
ISHARES TRUST ISHARES 1-5 YEAR	18,650.000	52.79	984,543.75	51.70	964,205.00	16.0	2.08	38,773.35	4.021
VANGUARD SCOTTSDALE FDS VANGUARD	7,135.000	87.82	626,604.76	80.27	572,726.45	9.5	3.56	25,364.92	4.429
Total for Taxable Bond Funds			1,611,148.51		1,536,931.45	25.5		64,138.27	4.173
Total: Total Fixed Income			1,611,148.51		1,536,931.45	25.5		64,138.27	4.173
Total			4,901,339.96		6,020,686.80	100.0		116,156.17	1.930

Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	6,020,687	9.41	21.35	7.68	11.70	10.62
Total Portfolio - Net	6,020,687	9.36	21.25	7.60	11.61	10.53
70% SP500 30% Bloomberg Int Govt Cr		6.66	18.09	6.36	10.56	9.95
Total Equity	4,413,177	12.08	28.59	10.45	15.60	13.84
S P 500 Index		8.44	25.02	8.94	14.53	13.33
Total Fixed Income	1,536,931	3.28	4.34	.65	1.25	2.54
Bloomberg US Government/Credit Interm Bond		2.50	3.00	-.18	.86	1.63
Cash & Equivalents	70,578	2.15	5.01	4.66	2.85	1.98
3 Mos Treasury Bill Rate		2.46	5.28	4.26	2.62	1.94

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	11.70	10.56
Standard Deviation	13.78	13.43
Beta	1.01	
Alpha	1.04	
R-Squared	.96	
Sharpe Ratio	.65	.58
Treynor Ratio	8.86	7.81
Tracking Error	2.68	
Information Ratio	.40	
Downside Deviation	8.53	8.39
Downside Standard Deviation	10.31	10.03
Sortino Ratio	1.49	1.38
Upside Capture	1.05	
Downside Capture	.99	
Batting Average	.60	
Annualized Excess Return	1.14	
Cumulative Excess Return	8.67	
Turnover %	.39	
M-Squared	11.47	
Residual Risk	.79	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.75	

	IGSB	Bloomberg Intermediate Gov/Cr
Modified Duration	2.64	3.66
Effective Maturity	3.47	4.23
Credit Rating	A-	AA2/AA3
Weighted Coupon	4.09	3.34
Weighted Price	98.03	95.65
Yield to Maturity	4.78	4.60

Source: Morningstar | Investment As of Jan 07, 2025 | Category: Short-Term Bond as of Nov 30, 2024

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

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.54)	-	0.45	0.09	-	-	-	-	-
AA (9.11)	0.22	6.36	2.52	-	-	-	-	0.01
A (46.89)	1.63	28.71	16.51	0.02	-	-	-	0.02
BBB (42.17)	1.48	23.89	16.79	-	-	-	-	0.01
BB (0.94)	0.12	0.64	0.17	-	-	-	-	-
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated (0.36)	-	0.10	0.10	-	-	-	-	0.17

Source: Morningstar

As of Jan 06, 2025 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	VCIT	Bloomberg Intermediate Gov/Cr
Modified Duration	--	3.66
Effective Maturity	7.30	4.23
Credit Rating	BBB+	AA2/AA3
Weighted Coupon	4.36	3.34
Weighted Price	96.68	95.65
Yield to Maturity	5.19	4.60

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

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.42)	-	-	-	0.20	0.22	-	-	-
AA (4.92)	-	-	0.71	3.55	0.66	-	-	-
A (42.80)	-	0.00	7.47	27.80	7.30	-	-	0.23
BBB (50.68)	-	0.11	11.28	30.37	8.93	-	-	-
BB (117)	-	-	0.51	0.66	-	-	-	-
B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Not Rated	-	-	-	-	-	-	-	-

Source: Morningstar

As of Nov 30, 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

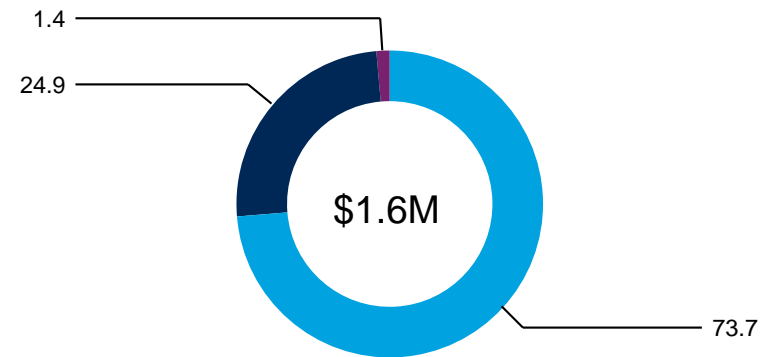
Meeting Date: 1/17/2025

Client Investment Review

Investment activity through 12/31/2024

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	1,179,733	73.7	13,179.24	1.1
Total Fixed Income	397,657	24.9	16,588.53	4.2
Cash & Equivalents	23,052	1.4	960.07	4.2
Total	1,600,442	100.0	30,727.84	1.9



Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	1,256,859.62
Net Contributions/Withdrawals	204,091.35
Income Earned	16,622.66
Market Appreciation	122,868.27
Ending Account Value	1,600,441.90

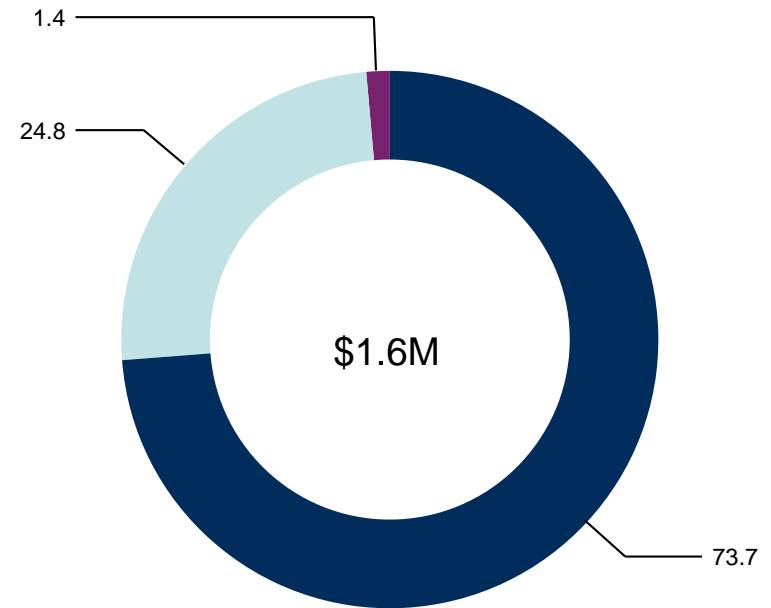
Market Value by Asset Class

KY LEGISLATORS RET HYBRID CSH BL AGT (920008018)

Ending: December 31, 2024

Managed Since: June 01, 2015

	Market Value	% of Mkt Val
● Core Equity	1,179,733	73.7
● Taxable Bond Funds	397,657	24.8
● Cash & Equivalents	23,052	1.4
Total	1,600,442	100.0



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	22,973.590	1.00	22,973.59	1.00	23,052.13	1.4	4.18	960.07	4.179
Total for Money Markets			22,973.59		23,052.13	1.4		960.07	4.179
Total: Cash & Equivalents			22,973.59		23,052.13	1.4		960.07	4.179
Total Equity									
Communication Services									
ALPHABET INC CAP STK CL C	377.000	136.60	51,497.85	190.44	71,795.88	4.5	.80	301.60	.420
DISNEY WALT CO COM	295.000	143.45	42,317.96	111.35	32,848.25	2.1	1.00	295.00	.898
META PLATFORMS INC.	101.000	404.27	40,831.20	585.51	59,136.51	3.7	2.00	202.00	.342
OMNICOM GROUP INC COM	273.000	78.05	21,308.68	86.04	23,680.02	1.5	2.80	764.40	3.254
Total for Communication Services			155,955.69		187,460.66	11.8		1,563.00	.835
Consumer Disc									
CARMAX INC COM	347.000	93.26	32,360.18	81.76	28,370.72	1.8	.00	.00	.000
HOME DEPOT INC COM	163.000	327.95	53,455.81	388.99	63,405.37	4.0	9.00	1,467.00	2.314
O REILLY AUTOMOTIVE INC NEW COM	39.000	723.72	28,225.09	1,185.80	46,246.20	2.9	.00	.00	.000
TJX COS INC NEW COM	278.000	75.83	21,081.99	120.81	33,585.18	2.1	1.50	417.00	1.242
Total for Consumer Disc			135,123.07		171,607.47	10.8		1,884.00	1.098
Financials									
BANK OF AMERICA CORP COM	397.000	39.21	15,566.98	43.95	17,448.15	1.1	1.04	412.88	2.366
BERKSHIRE HATHAWAY INC DEL CL B NEW	168.000	315.96	53,081.92	453.28	76,151.04	4.8	.00	.00	.000
JPMORGAN CHASE & CO COM	348.000	158.74	55,242.69	239.71	83,419.08	5.2	5.00	1,740.00	2.086
PROGRESSIVE CORP OH COM	364.000	117.44	42,746.35	239.61	87,218.04	5.4	.40	145.60	.167
SCHWAB CHARLES CORP NEW COM	692.000	67.29	46,563.44	74.01	51,214.92	3.2	1.00	692.00	1.351
US BANCORP DEL COM NEW	381.000	52.16	19,872.62	47.83	18,413.73	1.2	2.00	762.00	4.181
WELLS FARGO & CO NEW COM	313.000	48.80	15,272.94	70.24	21,985.12	1.4	1.60	500.80	2.278
Total for Financials			248,346.94		355,850.08	22.3		4,253.28	1.196

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Health Care									
JOHNSON & JOHNSON COM	260.000	170.05	44,212.82	144.62	37,601.20	2.3	4.96	1,289.60	3.430
Total for Health Care			44,212.82		37,601.20	2.3		1,289.60	3.430
Industrials									
EXPEDITORS INTL WASH INC COM	180.000	119.31	21,475.97	110.77	19,938.60	1.2	1.46	262.80	1.318
FASTENAL CO COM	523.000	56.92	29,766.55	71.91	37,608.93	2.3	1.56	815.88	2.169
GE VERNOVA INC COM	170.000	113.70	19,328.38	328.93	55,960.61	3.5	1.00	170.00	.304
GE AEROSPACE	307.000	78.60	24,131.52	166.79	51,290.49	3.2	1.12	343.84	.672
PARKER HANNIFIN CORP COM	75.000	338.49	25,386.96	636.03	47,702.25	3.0	6.52	489.00	1.025
UNION PAC CORP COM	104.000	226.98	23,605.74	228.04	23,716.16	1.5	5.36	557.44	2.350
Total for Industrials			143,695.12		236,217.04	14.7		2,638.96	1.118
Information Tech									
APPLE INC COM	321.000	160.87	51,638.10	250.42	80,384.82	5.0	1.00	321.00	.399
MICROSOFT CORP COM	180.000	307.56	55,361.31	421.50	75,870.00	4.7	3.32	597.60	.788
TE CONNECTIVITY PLC ORD SHS	243.000	145.97	35,470.71	142.97	34,741.71	2.2	2.60	631.80	1.819
Total for Information Tech			142,470.12		190,996.53	11.9		1,550.40	.812
Total: Total Equity			869,803.76		1,179,732.98	73.8		13,179.24	1.118
Total Fixed Income									
Taxable Bond Funds									
ISHARES TRUST ISHARES 1-5 YEAR	4,855.000	52.69	255,805.62	51.70	251,003.50	15.7	2.08	10,093.55	4.021
VANGUARD SCOTTSDALE FDS VANGUARD	1,827.000	87.44	159,745.41	80.27	146,653.29	9.2	3.56	6,494.98	4.429
Total for Taxable Bond Funds			415,551.03		397,656.79	24.9		16,588.53	4.172
Total: Total Fixed Income			415,551.03		397,656.79	24.9		16,588.53	4.172
Total			1,308,328.38		1,600,441.90	100.0		30,727.84	1.921

Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	1,600,442	9.40	21.27	7.62	11.58	10.57
Total Portfolio - Net	1,600,442	9.35	21.18	7.53	11.49	10.49
70% SP500 30% Bloomberg Int Govt Cr		6.66	18.09	6.36	10.56	9.95
Total Equity	1,179,733	12.13	28.59	10.42	15.57	13.83
S P 500 Index		8.44	25.02	8.94	14.53	13.33
Total Fixed Income	397,657	3.29	4.35	.64	1.26	2.55
Bloomberg US Government/Credit Interm Bond		2.50	3.00	-.18	.86	1.63
Cash & Equivalents	23,052	2.19	4.94	4.10	2.52	1.79
3 Mos Treasury Bill Rate		2.46	5.28	4.26	2.62	1.94

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	11.58	10.56
Standard Deviation	13.74	13.43
Beta	1.00	
Alpha	.95	
R-Squared	.96	
Sharpe Ratio	.64	.58
Treynor Ratio	8.83	7.81
Tracking Error	2.68	
Information Ratio	.36	
Downside Deviation	8.51	8.39
Downside Standard Deviation	10.27	10.03
Sortino Ratio	1.48	1.38
Upside Capture	1.04	
Downside Capture	.99	
Batting Average	.60	
Annualized Excess Return	1.01	
Cumulative Excess Return	7.72	
Turnover %	2.19	
M-Squared	11.38	
Residual Risk	.79	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.75	

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.



INVESTMENT POLICY STATEMENT

Effective as of April 23, 2022

INTRODUCTION



This Investment Policy Statement amends and completely replaces the Investment Policy Statement of the **Investment Committees for the Kentucky Judicial Retirement Fund** and the **Kentucky Legislators Retirement Fund**, dated October 25, 2019.

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

A. OBJECTIVES

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

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

B. POLICIES AND RESTRICTIONS

The Committees intend the investment policies and restrictions presented in this **Statement** to be used as a framework to help the Manager achieve the investment objectives of the Funds, at a level of risk the Committees deem acceptable. The Committees allow the Manager discretion in the asset allocation and diversification of the Funds, for the purposes of increasing investment returns and/or reducing risk exposure in accordance with the policies and restrictions of this **Statement**. When appropriate and from time to time, the Committees may also give the Manager broad responsibility in writing to shift the commitment of any of the Funds’ investments among asset classes, industry sectors, and individual securities or funds of securities to pursue opportunities presented by long-term secular changes within the capital markets.

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

ASSET ALLOCATION



C. ASSET ALLOCATION GUIDELINES

The Committees expect each of the four Funds' asset allocation policies to separately reflect, and be consistent with, the investment objectives and risk tolerances expressed throughout this *Statement*. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide a high probability of maximizing the Committees' return objectives while minimizing risk. Although dynamic capital markets may cause fluctuating risk and return opportunities over a market cycle, the following standards and limits will be used to evaluate the asset allocation and Fund performance (as measured at market value) over a full market cycle not to exceed five years.

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

1. Cash and cash equivalent balances will be held separately for each Fund as a liquidity reserve for the payment of certain Fund expenses, pension or qualified refund payments, and insurance premium requirements. Such liquidity reserve balances will be held separately from a Fund's overall investment portfolio as managed by the Manager.
2. Equities (generally, common stock investments) in each Fund's investment portfolio will have a target allocation of 70% of the total portfolio market value, not including cash and cash equivalents balances, of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 60% to 80% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.
3. Fixed income investments in each Fund's investment portfolio will have a target allocation of 30% of the total portfolio market value, not including cash and cash equivalent balances, of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 20% to 40% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.
4. If a Fund's portfolio allocation falls outside of its targeted range, the Manager will notify the applicable Investment Committee, or its designee, of the status of the Fund's portfolio allocation percentages. Such Committee may direct the Manager to, on a timely basis, adjust the Fund's applicable allocation percentage to bring the Fund's portfolio back into its targeted range. If the Committee does not make a rebalancing recommendation, the Manager, at its discretion, may or may not adjust the Fund's portfolio allocations. The Committees' designee will review all of the Funds' portfolio allocations on a monthly basis and will make quarterly or more frequent reports to the Committees, if the target portfolio allocations fall outside of the parameters above.

D. EQUITY GUIDELINES

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

At the Manager's discretion, equity allocations may be achieved by the purchase of individual securities, shares of one or more registered mutual funds invested substantially in equities, and/or shares of one or more registered exchange traded funds (ETFs) invested substantially in equities.

Should the Manager elect to invest in mutual funds or ETFs for a Fund's equity allocation, the aggregate of such funds' investments must be consistent with the Equity Guidelines herein for such Fund, and must in the aggregate generally comply with the underlying diversification characteristics, risk and limits in the Equity Guidelines for such Fund as described herein. The Committees understand that any mutual Funds or ETFs utilized by the Manager may allow broader latitude, but whose investment objective, in the Manager's opinion, is consistent with the Fund's investment guidelines.

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

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

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

1. Each Fund's investment in equities (generally, common stocks) shall be from those stocks that meet the statutory standards for investment of trust funds, except that 50% of the total equity portfolio of each Fund may not be invested in common stocks with a dividend payment history of less than five years.
2. Investment in an individual security, at time of purchase shall not exceed 5% of a Fund's then current market value of such Fund's equity portfolio. At a time when a security's value reaches 8% of such Fund's equity portfolio market value, the Manager shall promptly notify the applicable Investment Committee, or its designee. Upon notification of a security value reaching 8%, the Committee may recommend a course of action to the Manager; absent a Committee recommendation to reduce the equity holding, the Manager, at its discretion, may or may not reduce the equity holding.

3. Investment in a particular sector of a Fund's equity portfolio shall not exceed more than 20% of the sector's weighting in the S&P 500.

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

4. Any equity benchmark selected by the Manager for any Fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such Fund's equity portfolio.

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

E. FIXED INCOME GUIDELINES

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

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

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

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

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

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

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

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

10. The fixed income benchmark selected by the Manager for any Fund shall be approved by the Committee' and must be a broad market benchmark that reasonably reflects the nature and risk of the underlying investments of such Fund's fixed income portfolio.

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

F. CASH AND CASH EQUIVALENT GUIDELINES

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

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

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

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

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

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

G. OTHER ASSETS

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

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

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

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

H. SALES AND PURCHASES

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

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

MONITORING



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**

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

**Investment Committee
Kentucky Legislators Retirement Plan**

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

Baird Trust Company

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

ITEM IV-

Administrative Reports

- A. Public Pension Oversight Board**
- B. 2025 Regular Session of General Assembly**
- C. 2025-26 Personal Service Contracts**
- D. Fiscal Year 2024 End Audit Reports**
- E. Board Member Financial Disclosure**



JUDICIAL FORM RETIREMENT SYSTEM

MEMBERSHIP OVERVIEW

PUBLIC PENSION OVERSIGHT BOARD – OCTOBER 22, 2024

JUSTICE DANIEL VENTERS, CHAIR
BOARD OF TRUSTEES

BEN ALLISON, CHAIR
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

REPRESENTATIVE BRAD MONTELL, CHAIR
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

BO CRACRAFT
EXECUTIVE DIRECTOR



MEMBERSHIP TRENDS



J JUDICIAL RETIREMENT PLAN

	2024	2023	2022	2021	2020
Active	198	201	235	231	232
Inactive	17	12	9	14	12
Retiree	405	405	366	356	352
Total	620	618	610	601	596

L LEGISLATORS RETIREMENT PLAN

	2024	2023	2022	2021	2020
Active	97	96	104	101	102
Inactive	54	45	37	47	38
Retiree	260	259	248	245	241
Total	411	400	389	393	381

Active Summary

	2024	2023	2022	2021	2020
Cash Balance	72	70	57	52	44
Legacy Tier	126	131	178	179	188
<i>Active to Retire</i>	<i>49%</i>	<i>50%</i>	<i>64%</i>	<i>65%</i>	<i>66%</i>

	2024	2023	2022	2021	2020
Cash Balance	71	70	61	58	48
Legacy Tier	26	26	43	43	54
<i>Active to Retire</i>	<i>37%</i>	<i>37%</i>	<i>42%</i>	<i>41%</i>	<i>42%</i>



ACTIVE MEMBERSHIP



J JUDICIAL RETIREMENT PLAN

L LEGISLATORS RETIREMENT PLAN

<i>All Active Members</i>	2023	2021	2019	2017	2015	2023	2021	2019	2017	2015
Active Payroll (<i>in millions</i>)	27.737	29.537	30.566	30.287	31.945	4.118	4.201	4.325	4.404	4.886
Avg. Salary	137,997	127,864	128,427	121,635	121,464	42,894	41,597	41,991	42,754	42,490
Avg. Age (yrs)	56.0	57.4	56.1	56.1	55.0	55.6	56.3	56.7	56.9	56.7
Avg. Service Credit (yrs)	14.2	15.1	13.9	13.9	12.7	8.3	9.9	10.5	11.6	11.6
<i>Career Employees (25+ Yrs)</i>	2023	2021	2019	2017	2015	2023	2021	2019	2017	2015
Avg. Salary	139,742	130,636	132,154	126,382	126,924	44,950	46,956	46,530	49,563	51,632
Highest Salary	142,815	140,535	148,836	136,859	136,859	47,386	61,415	61,415	57,913	57,913
Lowest Salary	129,121	118,372	119,556	113,795	113,795	42,913	38,929	35,961	40,173	40,173

*Data pulled from LRP and JRP Funding Valuations (performed every other year)

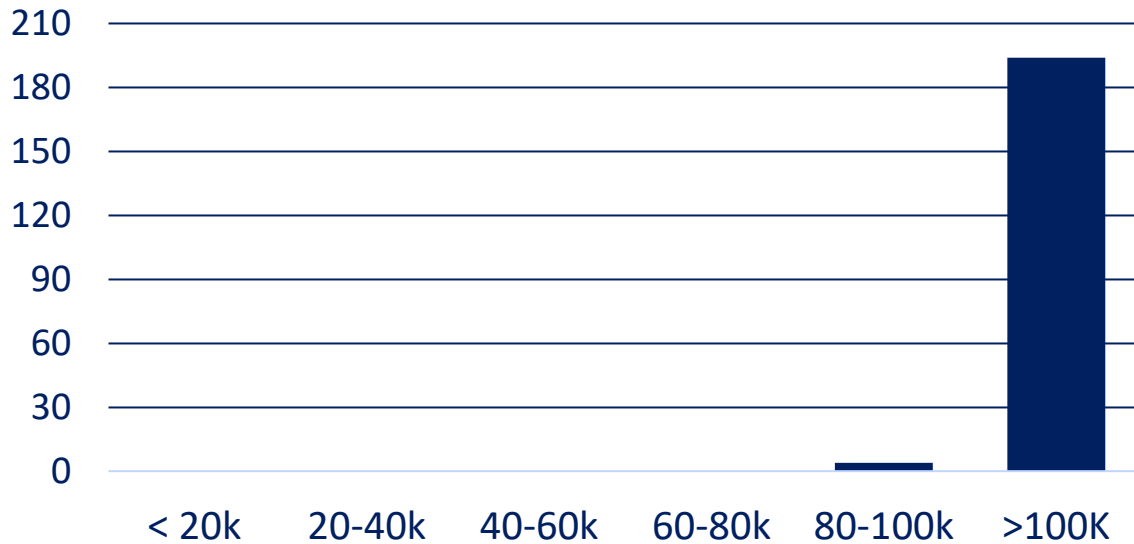


ACTIVE SALARY DISTRIBUTION



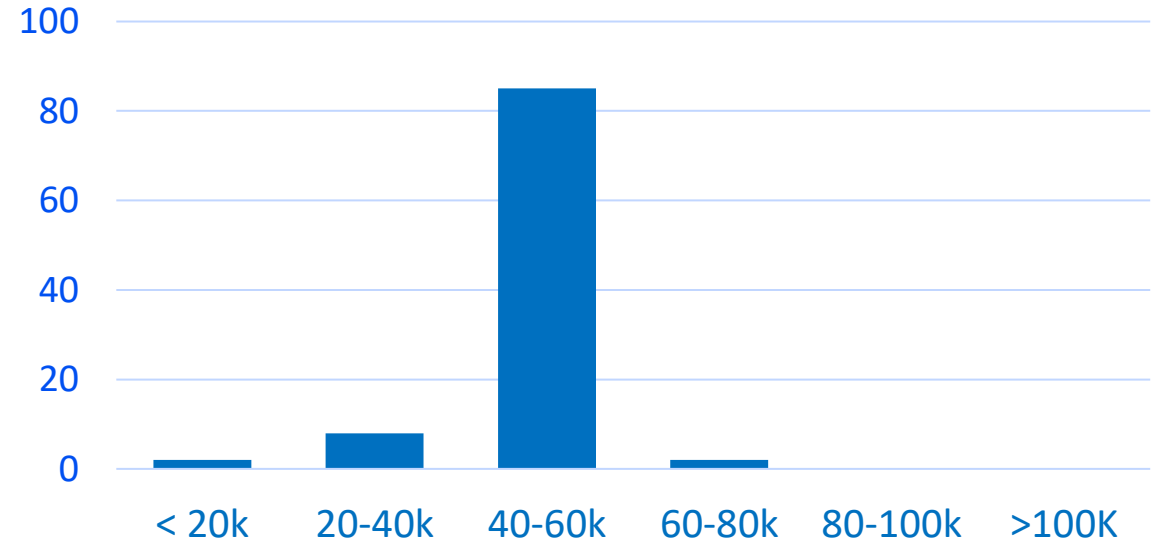
 JUDICIAL RETIREMENT PLAN

Fiscal Year Ending June 30, 2024



 LEGISLATORS RETIREMENT PLAN

Calendar Year Ending December 31, 2023





RETIRED MEMBERSHIP



J JUDICIAL RETIREMENT PLAN

L LEGISLATORS RETIREMENT PLAN

<i>All Recipients</i>	2023	2021	2019	2017	2015	2023	2021	2019	2017	2015
Retiree Payroll (<i>in millions</i>)	26.672	24.990	24.365	24.402	23.909	5.408	5.205	5.117	4.961	4.729
Average Benefit	65,857	68,279	68,441	69,323	67,539	20,881	20,987	20,887	20,586	19,869
Highest Benefit	146,693	146,693	146,693	146,693	146,693	154,913	154,913	154,913	154,913	154,913
Lowest Benefit	827	827	827	827	827	523	523	523	523	523
Avg. Final Comp	104,516	101,988	100,812	99,360	97,464	42,401	41,297	40,542	40,056	39,333
Avg Service	18.8	18.6	18.6	18.4	18.5	15.5	15.3	15.3	15.1	15.1
<i>Career Employees (25+ Yrs)</i>	2023	2021	2019	2017	2015	2023	2021	2019	2017	2015
Avg. Benefit	104,403	105,108	105,348	108,960	108,864	43,888	44,604	45,024	45,648	45,336
Highest Benefit	146,693	146,693	146,693	146,693	146,693	104,240	104,240	104,240	104,240	104,240
Lowest Benefit	29,264	29,264	29,264	29,264	29,264	15,036	15,436	15,436	15,436	15,436
Avg. Final Comp	114,264	113,052	112,860	111,048	110,208	54,683	54,612	55,008	56,076	55,908
Avg. Service	28.88	28.72	28.6	28.6	28.6	30.8	31.7	30.9	30.9	30.8

*Data pulled from LRP and JRP Funding Valuations (performed every other year)

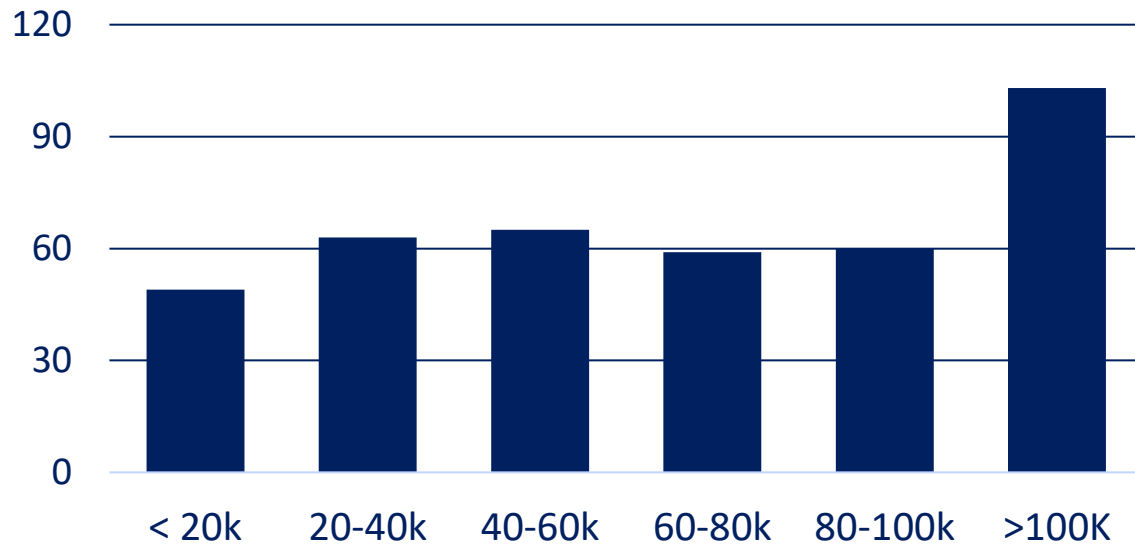


BENEFIT DISTRIBUTION



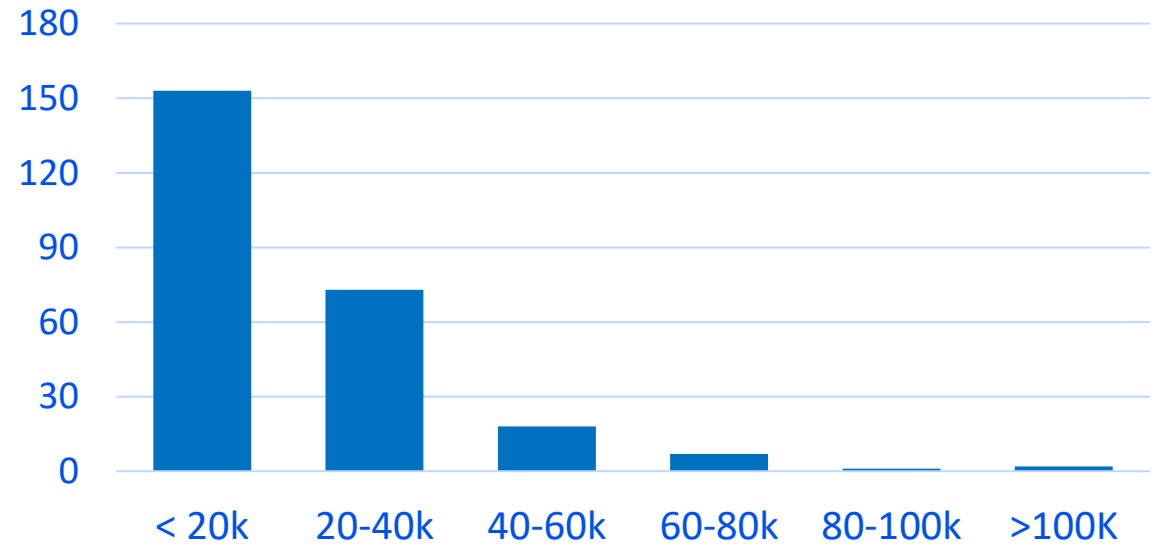
JUDICIAL RETIREMENT PLAN

as of June 30, 2024



LEGISLATORS RETIREMENT PLAN

as of June 30, 2024





Do you have any questions?

Contact Us!

Phone Number

502.564.5310

Website

kjfrs.ky.gov

Email Address

bo.cracraft@ky.gov





JUDICIAL FORM RETIREMENT SYSTEM

ACTUARIAL OVERVIEW

PUBLIC PENSION OVERSIGHT BOARD – NOVEMBER 19, 2024

JUSTICE DANIEL VENTERS, CHAIR
BOARD OF TRUSTEES

BEN ALLISON, CHAIR
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

REPRESENTATIVE BRAD MONTELL, CHAIR
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

BO CRACRAFT
EXECUTIVE DIRECTOR



VALUATION PROCESS



- **Full Actuarial Valuations performed every other year (odd numbered FYs)**
 - Determination of Required Funding (i.e. ADEC or ARC) for 2-year budget period
 - July 1, 2023 Valuation provided requirements for 2024 and 2025 fiscal years
- **Roll Forward Valuations performed in even Numbered Fiscal Years**
 - Only GASB results are provided
 - Based on data and assumptions from previous full actuarial valuation
 - Liability compared to Actual Market Value of assets rather than 5-year smoothed value
- **Experience Analysis Scheduled for late 2025**
 - Full studies (economic and demographic assumptions) conducted at least every 5 years
 - HB 76 requires investigation of key economic assumptions, new review will be included in full experience study.



GASB RESULTS



- **All plans have Net Pension Asset for Current Fiscal Year**

- Slight change in Total Pension Liability, as expected given roll-forward methodology
- Net Plan Position, or Market Value of Assets, grew significantly due to strong investment result

	Judicial Retirement		Legislators Retirement	
	Pension	Health	Pension	Health
Total Liability	\$383.9M	\$53.6M	\$68.2M	\$19.1M
<u>Market Value Assets</u>	<u>\$487.0M</u>	<u>\$159.2M</u>	<u>\$102.9M</u>	<u>\$84.6M</u>
Net GASB Liability (Asset)	(\$103.1M)	(\$105.6M)	(\$34.7M)	(\$65.5M)

NOTE: GASB data provided for information purposes, does NOT have impact on funding or budget request.

- **2025 Funding Valuation will incorporate**

- Health Insurance Premium Experience: Premiums, especially related to Over-65 plans, have increased significantly, could result in some deterioration in funding.



DO YOU HAVE ANY QUESTIONS?

Contact us anytime!

Phone Number

502.564.5310

Website

kjfrs.ky.gov

Email Address

bo.cracraft@ky.gov





APPENDIX - Historical GASB Results



J JUDICIAL RETIREMENT PLAN

L LEGISLATORS RETIREMENT PLAN

	2024	2023	2022	2021	2020
<i>Pension (GASB 67/68)</i>					
Total Pension Liability	\$383.91	\$382.52	\$376.66	\$379.53	\$371.00
Plan Net Position	<u>\$487.01</u>	<u>\$427.65</u>	<u>\$390.89</u>	<u>\$448.44</u>	<u>\$339.69</u>
Net Pension Liability (Asset)	(\$103.09)	(\$45.13)	(\$14.23)	(\$68.91)	\$31.31
<i>Insurance (GASB 74/75)</i>					
Total OPEB Liability	\$53.56	\$49.27	\$40.62	\$39.39	\$48.82
Plan Net Position	<u>\$159.15</u>	<u>\$135.13</u>	<u>\$119.34</u>	<u>\$133.92</u>	<u>\$98.82</u>
Net Pension Liability (Asset)	(\$105.59)	(\$85.86)	(\$78.72)	(\$94.53)	(\$50.00)

	2024	2023	2022	2021	2020
Total Pension Liability	\$68.18	\$68.06	\$71.12	\$72.57	\$71.48
Plan Net Position	<u>\$102.88</u>	<u>\$91.27</u>	<u>\$84.60</u>	<u>\$98.29</u>	<u>\$76.01</u>
Net Pension Liability (Asset)	(\$34.70)	(\$23.21)	(\$13.48)	(\$25.72)	(\$4.53)
Total OPEB Liability	\$19.05	\$18.12	\$15.86	\$15.67	\$20.11
Plan Net Position	<u>\$84.60</u>	<u>\$71.74</u>	<u>\$63.30</u>	<u>\$70.66</u>	<u>\$52.16</u>
Net Pension Liability (Asset)	(\$65.55)	(\$53.62)	(\$47.44)	(\$54.99)	(\$32.05)



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

Memo

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

FROM: Bo Cracraft, Executive Director

DATE: January 17, 2025

SUBJECT: 2025 Regular Session – Legislative Update

Part I of the 2025 Regular Session of the General Assembly began on Tuesday, January 7, 2025. The General Assembly met for four days, before adjourning until February 4, 2025 when Part II of the shorter, 30-day, session will convene. As of the close of Part I, over 260 total bills had been filed.

As of January 17, 2025, only one bill would directly impact JFRS:

JFRS RELATED LEGISLATION –
Bill/Description
<p>SB 58 (R. Webb) – Act relating to designating a special needs trust to receive state-administered retirement benefits.</p> <ul style="list-style-type: none"> • Bill would amend KRS 21.420 to allow for a SNT to be selected as a beneficiary and define "special needs trust." Would amend KRS 21.425 to allow a member to designate a SNT to receive lifetime survivorship benefits on behalf of a surviving spouse, dependent child, or disabled child. <p>STAFF NOTE: This is a follow up to a similar bill that was filed in 2024. Staff did work with sponsor in the drafting process. It is largely administrative in nature and does not appear to have a financial impact.</p>

As it relates to broader, retirement related retirement measures, below is a summary of proposed legislation:

OTHER RETIREMENT RELATED LEGISLATION -
Bill/Description
<p>HB 76 (M. Lehman) – Act relating to retirement benefits for state and county employees in hazardous positions.</p> <ul style="list-style-type: none"> • Bill would transition all KERS/CERS/SPRS hazardous members participating in the Cash Balance plan to the same benefits provided to members who are participating in Tier 2 (hired prior to January 1, 2014) and close Tier 3 to new members prospectively. • Current Tier 3 members would have right to make one-time election to opt out of the change.
<p>HB 146 (M. Lehman) – Act relating to the taxation of retirement distributions.</p> <ul style="list-style-type: none"> • Bill would Amend KRS 141.019 to increase the retirement distribution exclusion from \$31,110 to \$41,110 for taxable years beginning on or after January 1, 2026.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

Report of Independent Auditors

To the Board of Trustees
Kentucky Judicial Form Retirement System
Frankfort, Kentucky

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Kentucky Judicial Form Retirement System (KJFRS), a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which comprise KJFRS's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects the fiduciary net position of KJFRS, as of June 30, 2024 and 2023, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KJFRS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KJFRS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KJFRS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about KJFRS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 7, and the defined benefit pension plan and other postemployment benefit plan supplemental schedules on pages 36 through 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of KJFRS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KJFRS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KJFRS's internal control over financial reporting and compliance.

Blue & Co., LLC

Lexington, Kentucky

November 8, 2024

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

The management of the Kentucky Judicial Form Retirement System (the System), a component unit of the Commonwealth of Kentucky, offers the readers of the System's financial statements this narrative overview and analysis of the financial performance of the System for the fiscal years ended June 30, 2024 and 2023. The two retirement plans within the System are the Kentucky Judicial Retirement Plan and the Kentucky Legislators Retirement Plan (collectively, the Plans). We encourage readers to read it in conjunction with the System's financial statements and the accompanying notes.

USING THIS FINANCIAL REPORT

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect a plan's ongoing plan perspective. The Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position (on pages 8 through 11) provide information about the activities of the Plans as a whole. The Kentucky Judicial Retirement Plan is the fiduciary of funds held in trust for its members, and the Kentucky Legislators Retirement Plan is the fiduciary of funds held in trust for its members.

The Schedules of Changes in Net Pension Liability and Related Ratios (on pages 35 through 36) include information about the actuarially funded status of each defined benefit pension plan, including the sources of changes in the net pension and the components of the net pension and related ratios. The Schedules of Contributions – Retirement (on pages 39 through 40) include information about the actuarially determined contributions, contributions to each defined benefit pension plan and related ratios. The Schedules of Investment Returns – Retirement (on page 43) include information on the rate of return on defined benefit pension plan investments.

The Schedules of Changes in OPEB Liability and Related Ratios (on pages 37 through 38) include information about the actuarially funded status of each defined benefit OPEB plan, including the sources of changes in the Net Other Post-Employment Benefit (OPEB) liability and the components of the net OPEB liability and related ratios. The Schedules of Contributions – OPEB (on pages 41 through 42) include information about the actuarially determined contributions, contributions to each defined benefit OPEB plan and related ratios. The Schedules of Investment Returns – OPEB (on page 44) include information on the rate of return on OPEB plan investments.

Medical Insurance

For purposes of disclosures required by Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, assets have been allocated between pension and retiree medical liabilities on the basis of accrued liability as of July 1, 2007. This amount has then been brought forward from that date based on actual cash flows and a prorated allocation of investment return.

FINANCIAL HIGHLIGHTS

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

Judicial Retirement Plan

In the fiscal years ended June 30, 2024 and 2023, the Judicial Retirement Plan experienced:

- An increase in fiduciary net position of \$83.3 million, from \$562.7 million to \$646.0 million in 2024 and an increase of \$52.2 million, from \$510.2 million to \$562.7 million in 2023. The changes each year is primarily due to earnings on investments.
- An increase of \$324,000 and a decrease of \$2.1 million in employer contributions during fiscal years 2024 and 2023, respectively. The changes each year is directly related to the amount appropriated by the Commonwealth of Kentucky.
- An increase in net investment income of \$32.6 million from \$74.8 million in fiscal year 2023, to \$107.4 million in fiscal year 2024. A \$129.4 million increase in net investment income from -\$54.6 million in fiscal year 2022, to \$74.8 million in fiscal year 2023. The change each year is due primarily to the amount of appreciation or depreciation of investments held.
- An increase of \$1.3 million and \$1.7 million in benefit payments during fiscal years 2024 and 2023, respectively, with aggregate benefit payments of \$28.0 million and \$26.7 million in fiscal years 2024 and 2023, respectively.

	June 30,				
	2024	% Increase (Decrease)	2023	% Increase (Decrease)	2022
<u>Summary of Fiduciary Net Position</u>					
Cash and investments	\$ 644,129,466	14.79%	\$ 561,136,685	10.36%	\$508,455,898
Receivables	1,859,967	19.40%	1,557,821	-9.24%	1,716,400
Fiduciary net position	\$ 645,989,433	14.80%	\$ 562,694,506	10.29%	\$510,172,298
	2024	% Increase (Decrease)	2023	% Increase (Decrease)	2022
<u>Summary of Changes in Fiduciary Net Position</u>					
Additions:					
Employer contributions	\$ 5,305,600	6.50%	\$ 4,981,800	-29.86%	\$ 7,102,200
Member contributions	1,523,015	-27.02%	2,086,957	-16.73%	2,506,274
Net investment income	107,351,562	43.58%	74,766,993	236.95%	(54,595,422)
Appropriations for					
administrative expense	-0-	0.00%	-0-	-100.00%	45,300
Litigation proceeds	-0-	0.00%	-0-	-100.00%	3,090
Total additions	114,180,177	39.52%	81,835,750	282.11%	(44,938,558)
Deductions:					
Benefit payments	27,957,833	4.82%	26,672,093	6.73%	24,990,167
Insurance premiums	2,448,367	13.65%	2,154,350	13.40%	1,899,846
Administrative expenses	356,064	-4.39%	372,418	-5.22%	392,945
Refund of member contributions	122,986	7.24%	114,681	0.00%	-0-
Total deductions	30,885,250	5.36%	29,313,542	7.44%	27,282,958
 Change in fiduciary net position	\$ 83,294,927	58.59%	\$ 52,522,208	172.72%	\$ (72,221,516)

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

Legislators Retirement Plan

In the fiscal years ended June 30, 2024 and 2023, the Legislators Retirement Plan experienced:

- An increase in fiduciary net position of \$24.5 million, from \$163.0 million in 2023 to \$187.5 million during fiscal year 2024 and an increase in fiduciary net position of \$15.1 million, from \$147.9 million to \$163.0 million during fiscal year 2023. The changes each year is primarily due to earnings on investments.
- An increase in net investment income of \$9.4 million, from \$21.5 million in 2023 to \$30.9 million during fiscal year 2024, and an increase in net investment income of \$36.5 million, from -\$15.0 million in 2022 to \$21.5 million during fiscal year 2023. The change each year is due primarily to the amount of appreciation or depreciation of investments held.
- An increase of \$52,000 and \$203,000 in benefit payments during fiscal years 2024 and 2023, respectively. Benefit payments approximate \$5.5 million and \$5.4 million during fiscal years 2024 and 2023, respectively.

	June 30,				
	2024	% Increase (Decrease)	2023	% Increase (Decrease)	2022
<u>Summary of Fiduciary Net Position</u>					
Cash and investments	\$ 186,904,358	15.00%	\$ 162,531,666	10.26%	\$ 147,405,555
Receivables	565,412	19.95%	471,380	-2.27%	482,329
Fiduciary net position	<u>\$ 187,469,770</u>	15.01%	<u>\$ 163,003,046</u>	10.22%	<u>\$ 147,887,884</u>
	2024	% Increase (Decrease)	2023	% Increase (Decrease)	2022
<u>Summary of Changes in Fiduciary Net Position</u>					
Additions:					
Member contributions	\$ 255,183	16.52%	\$ 218,995	-17.60%	\$ 265,777
Net investment income	30,928,061	43.63%	21,533,861	243.56%	(15,000,014)
Litigation proceeds	-0-	0.00%	-0-	-100.00%	977
Total additions (losses)	<u>31,183,244</u>	43.35%	<u>21,752,856</u>	247.64%	<u>(14,733,260)</u>
Deductions:					
Benefit payments	5,460,078	0.96%	5,408,121	3.91%	5,204,703
Insurance premiums	1,023,581	8.08%	947,095	6.80%	886,786
Administrative expenses	232,861	-6.08%	247,933	-0.27%	248,598
Refund of member contributions	-0-	-100.00%	34,545	12.39%	30,736
Total deductions	<u>6,716,520</u>	1.19%	<u>6,637,694</u>	4.19%	<u>6,370,823</u>
Change in fiduciary net position	<u>\$ 24,466,724</u>	61.87%	<u>\$ 15,115,162</u>	171.62%	<u>\$ (21,104,083)</u>

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Accounting standards require that the Statement of Fiduciary Net Position state asset value at fair value and include only benefits and refunds due to plan members and beneficiaries and accrued investment and administrative expenses as of the reporting date. Information regarding the actuarial funding status of the defined benefit pension plans and the medical insurance plans is provided in the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Changes in Net OPEB Liability and Related Ratios, respectively.

Annual contributions of the Commonwealth are set by the Kentucky Revised Statutes. During the years ended June 30, 2015 through June 30, 2024, the General Assembly appropriated the statutorily-required annual contributions to both the Judicial Plan and the Legislators Plan. The Schedules of Contributions – Retirement Plan and Schedules of Contributions – OPEB (on pages 39 through 42) indicate the contributions that have been made while the statutes were suspended. During the years ended June 30, 2024 and 2023, the General Assembly appropriated the statutorily required annual contributions for the Judicial Plan only. The General Assembly suspended state statutes so that contributions could be reduced for the Legislators Plan. There were no contributions appropriated to the Legislative Plan in fiscal year 2024 or 2023.

CONTACTING THE SYSTEM

This financial report is designed to provide a general overview of the System's finances. If you have any questions concerning the information provided, contact the Kentucky Judicial Form Retirement System at 305 Ann Street, Suite 302, Frankfort, KY 40601.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2024

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical Insurance	Total	Pension	Medical Insurance	Total	
Cash and cash equivalents	\$ 6,597,765	\$ 2,156,128	\$ 8,753,893	\$ 1,729,293	\$ 1,422,048	\$ 3,151,341	\$ 11,905,234
Receivables:							
Accrued interest receivable	1,256,289	410,550	1,666,839	279,935	230,200	510,135	2,176,974
Dividend receivable	145,560	47,568	193,128	30,333	24,944	55,277	248,405
Total receivables	1,401,849	458,118	1,859,967	310,268	255,144	565,412	2,425,379
Investments at fair value:							
Investments held by State Treasury	866,811	283,263	1,150,074	155,164	127,620	282,784	1,432,858
Governmental securities	34,273,837	11,200,273	45,474,110	8,196,507	6,741,542	14,938,049	60,412,159
Mutual funds	2,714,168	886,957	3,601,125	504,730	415,135	919,865	4,520,990
Corporate notes	94,134,604	30,762,044	124,896,648	18,480,251	15,199,812	33,680,063	158,576,711
Common stocks	347,019,056	113,234,560	460,253,616	73,507,790	60,424,466	133,932,256	594,185,872
Total investments	479,008,476	156,367,097	635,375,573	100,844,442	82,908,575	183,753,017	819,128,590
Fiduciary net position - restricted for pension and other post- employment benefits	<u>\$ 487,008,090</u>	<u>\$ 158,981,343</u>	<u>\$ 645,989,433</u>	<u>\$ 102,884,003</u>	<u>\$ 84,585,767</u>	<u>\$ 187,469,770</u>	<u>\$ 833,459,203</u>

See accompanying notes to financial statements.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2023

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical Insurance	Total	Pension	Medical Insurance	Total	
Cash and cash equivalents	\$ 3,906,590	\$ 1,234,419	\$ 5,141,009	\$ 749,995	\$ 589,525	\$ 1,339,520	\$ 6,480,529
Receivables:							
Accrued interest receivable	1,034,026	326,736	1,360,762	233,553	183,582	417,135	1,777,897
Dividend receivable	149,743	47,316	197,059	30,372	23,873	54,245	251,304
Total receivables	<u>1,183,769</u>	<u>374,052</u>	<u>1,557,821</u>	<u>263,925</u>	<u>207,455</u>	<u>471,380</u>	<u>2,029,201</u>
Investments at fair value:							
Investments held by State Treasury	678,244	214,314	892,558	469,073	368,709	837,782	1,730,340
Governmental securities	5,806,234	1,834,676	7,640,910	1,200,245	943,438	2,143,683	9,784,593
Mutual funds	2,167,886	685,017	2,852,903	398,750	313,432	712,182	3,565,085
Corporate notes	104,050,347	32,878,231	136,928,578	21,948,365	17,252,248	39,200,613	176,129,191
Common stocks	<u>309,855,087</u>	<u>97,825,640</u>	<u>407,680,727</u>	<u>66,237,448</u>	<u>52,060,438</u>	<u>118,297,886</u>	<u>525,978,613</u>
Total investments	<u>422,557,798</u>	<u>133,437,878</u>	<u>555,995,676</u>	<u>90,253,881</u>	<u>70,938,265</u>	<u>161,192,146</u>	<u>717,187,822</u>
Fiduciary net position - restricted for pension and other post- employment benefits	<u>\$ 427,648,157</u>	<u>\$ 135,046,349</u>	<u>\$ 562,694,506</u>	<u>\$ 91,267,801</u>	<u>\$ 71,735,245</u>	<u>\$ 163,003,046</u>	<u>\$ 725,697,552</u>

See accompanying notes to financial statements.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2024

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical Insurance	Total	Pension	Medical Insurance	Total	
Additions							
Contributions:							
Employer	\$ 5,305,600	\$ -0-	\$ 5,305,600	\$ -0-	\$ -0-	\$ -0-	\$ 5,305,600
Member	1,427,092	95,923	1,523,015	231,593	23,590	255,183	1,778,198
Total contributions	<u>6,732,692</u>	<u>95,923</u>	<u>6,828,615</u>	<u>231,593</u>	<u>23,590</u>	<u>255,183</u>	<u>7,083,798</u>
Investments:							
Net depreciation (realized and unrealized)	72,007,375	23,453,537	95,460,912	15,090,350	12,408,012	27,498,362	122,959,274
Interest	4,693,026	1,528,566	6,221,592	985,994	810,731	1,796,725	8,018,317
Dividends	4,638,093	1,510,674	6,148,767	971,860	799,111	1,770,971	7,919,738
Total investment income	<u>81,338,494</u>	<u>26,492,777</u>	<u>107,831,271</u>	<u>17,048,204</u>	<u>14,017,854</u>	<u>31,066,058</u>	<u>138,897,329</u>
Less investment expenses	<u>361,850</u>	<u>117,859</u>	<u>479,709</u>	<u>75,729</u>	<u>62,268</u>	<u>137,997</u>	<u>617,706</u>
Net investment income	<u>80,976,644</u>	<u>26,374,918</u>	<u>107,351,562</u>	<u>16,972,475</u>	<u>13,955,586</u>	<u>30,928,061</u>	<u>138,279,623</u>
Total additions	<u>87,709,336</u>	<u>26,470,841</u>	<u>114,180,177</u>	<u>17,204,068</u>	<u>13,979,176</u>	<u>31,183,244</u>	<u>145,363,421</u>
Deductions							
Benefit payments	27,957,833	-0-	27,957,833	5,460,078	-0-	5,460,078	33,417,911
Insurance premiums	-0-	2,448,367	2,448,367	-0-	1,023,581	1,023,581	3,471,948
Administrative expense	268,584	87,480	356,064	127,788	105,073	232,861	588,925
Refund of member contributions	122,986	-0-	122,986	-0-	-0-	-0-	122,986
Total deductions	<u>28,349,403</u>	<u>2,535,847</u>	<u>30,885,250</u>	<u>5,587,866</u>	<u>1,128,654</u>	<u>6,716,520</u>	<u>37,601,770</u>
Change in plan net position	59,359,933	23,934,994	83,294,927	11,616,202	12,850,522	24,466,724	107,761,651
Fiduciary net position - restricted, beginning of year	<u>427,648,157</u>	<u>135,046,349</u>	<u>562,694,506</u>	<u>91,267,801</u>	<u>71,735,245</u>	<u>163,003,046</u>	<u>725,697,552</u>
Fiduciary net position - restricted, end of year	<u>\$ 487,008,090</u>	<u>\$ 158,981,343</u>	<u>\$ 645,989,433</u>	<u>\$ 102,884,003</u>	<u>\$ 84,585,767</u>	<u>\$ 187,469,770</u>	<u>\$ 833,459,203</u>

See accompanying notes to financial statements.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2023

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical		Pension	Medical		
		Insurance	Total		Insurance Plan	Total	
Additions							
Contributions:							
Employer	\$ 4,981,800	\$ -0-	\$ 4,981,800	\$ -0-	\$ -0-	\$ -0-	\$ 4,981,800
Member	2,008,426	78,531	2,086,957	195,405	23,590	218,995	2,305,952
Total contributions	6,990,226	78,531	7,068,757	195,405	23,590	218,995	7,287,752
Investments:							
Net appreciation (realized and unrealized)	48,829,860	15,402,703	64,232,563	10,349,350	8,146,220	18,495,570	82,728,133
Interest	3,999,562	1,261,606	5,261,168	870,213	684,962	1,555,175	6,816,343
Dividends	4,326,153	1,364,625	5,690,778	896,454	705,620	1,602,074	7,292,852
Total investment income	57,155,575	18,028,934	75,184,509	12,116,017	9,536,802	21,652,819	96,837,328
Less investment expenses	317,398	100,118	417,516	66,564	52,394	118,958	536,474
Net investment loss	56,838,177	17,928,816	74,766,993	12,049,453	9,484,408	21,533,861	96,300,854
Total additions	63,828,403	18,007,347	81,835,750	12,244,858	9,507,998	21,752,856	103,588,606
Deductions							
Benefit payments	26,672,093	-0-	26,672,093	5,408,121	-0-	5,408,121	32,080,214
Insurance premiums	-0-	2,154,350	2,154,350	-0-	947,095	947,095	3,101,445
Administrative expense	283,114	89,304	372,418	138,733	109,200	247,933	620,351
Refund of member contributions	114,681	-0-	114,681	34,545	-0-	34,545	149,226
Total deductions	27,069,888	2,243,654	29,313,542	5,581,399	1,056,295	6,637,694	35,951,236
Change in plan net position	36,758,515	15,763,693	52,522,208	6,663,459	8,451,703	15,115,162	67,637,370
Fiduciary net position - restricted, beginning of year	390,889,642	119,282,656	510,172,298	84,604,342	63,283,542	147,887,884	658,060,182
Fiduciary net position - restricted, end of year	<u>\$ 427,648,157</u>	<u>\$ 135,046,349</u>	<u>\$ 562,694,506</u>	<u>\$ 91,267,801</u>	<u>\$ 71,735,245</u>	<u>\$ 163,003,046</u>	<u>\$ 725,697,552</u>

See accompanying notes to financial statements.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Under the provisions of the Kentucky Revised Statutes, the Kentucky Judicial Retirement Plan (the Judicial Plan) and the Kentucky Legislators Retirement Plan (the Legislators Plan) (collectively, the Plans) have the same Board of Trustees and are coordinated administratively by the Board of Trustees, as the Kentucky Judicial Form Retirement System (the System). The Board of Trustees of the System consists of eight members, three of whom are appointed by the Supreme Court, two by the Governor, one by the President of the Kentucky Senate, one by the Speaker of the Kentucky House of Representatives, and one by the President and Speaker jointly. Although the Plans share a common Board of Trustees, each Plan maintains its own investments and pays benefits to its members only from its own assets. Each Plan has a defined benefit and hybrid cash balance component which provide both pension and medical benefits to members (Note 2).

The System is a component unit of the Commonwealth of Kentucky (Commonwealth). The Plan fiduciary net position and the changes in Plan fiduciary net position are included in the Commonwealth's Annual Comprehensive Financial Report (ACFR) as a pension trust fund in the fiduciary funds financial statement. Financial statements of the Commonwealth and its component units that form the Commonwealth reporting entity have been issued separately and are audited by the elected Auditor of Public Accounts.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. The System follows accounting standards established by the Governmental Accounting Standards Board (GASB).

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The System considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Member Contributions

Member contributions to the Plans are recognized when due and the employer has made a formal commitment to provide the contributions.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Benefit Payments and Refunds

Benefit payments and refunds are recognized when due and payable in accordance with the terms of the Plans.

Valuation of Investments

Plan investments are reported at fair value. Fair value is the amount that the Plans can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller.

Net Pension and OPEB Liabilities

The System obtains actuarial valuation reports to estimate the net pension and other post-employment benefits ("OPEB") liabilities on a bi-annual basis. The most recent actuarial valuation had a measurement date of July 1, 2023.

2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

Kentucky Judicial Retirement Plan

Membership

Total membership in the Kentucky Judicial Retirement Plan (Judicial Plan) consisted of the following at June 30, 2024 and 2023:

	2024		2023	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Retirees and beneficiaries receiving benefits	404	1	404	1
Terminated plan members - vested	5	0	8	4
Active plan members	126	72	131	70
Total	<u>535</u>	<u>73</u>	<u>543</u>	<u>75</u>
Number of participating employers	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Plan Description – Defined Benefit Plan

The Judicial Plan contains a single-employer defined benefit plan that provides retirement benefits and medical insurance premium supplements, and covers the District, Circuit, Court of Appeals, and Supreme Court judges.

The Judicial Defined Benefit Plan (Judicial DB Plan) provides retirement, disability, and death benefits in accordance with statutory formulas to plan members and their beneficiaries. Prior to June 30, 2009, cost-of-living adjustments (COLA), keyed to the Consumer Price Index, were provided on July 1

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

of each year. Commencing in 2009, the COLA on July 1 of each year is 1.50%. The COLA created in 2009 was suspended by legislative action in 2012, and no COLA's have since been granted. By legislative action in 2013, the statute was amended to provide that each July 1, a recipient of a monthly pension benefit from the Judicial DB Plan shall receive a 1.50% cost-of-living adjustment (pro-rated for the first year, if the recipient has been retired for less than one year) if:

- 1) The funding level of the Judicial DB Plan is greater than 100% and subsequent legislation authorizes the use of any surplus actuarial assets to provide for the increase; and
- 2) The Kentucky General Assembly appropriates sufficient funds to fully prefund the increase.

Supplemental increases to the 1.50% cost-of-living adjustment will require prefunding, appropriation and legislative action by the Kentucky General Assembly.

Additionally, legislation provides that a pension benefit shall be increased, if necessary, so that it equals an amount calculated by using a 1.5125% benefit rate and the current 60-month average earnings of the position held by the member at the time of retirement, subject to a 4.0% COLA annually.

As an additional retirement benefit, the Judicial DB Plan will pay a percentage, based on years of service, of the members' hospital and medical insurance coverage for the retirees and their qualified dependents.

Vesting is achieved when the member has eight years of state governmental service credit. Former members who are not vested are entitled to a refund of their accumulated contributions.

There are special statutory provisions regarding disability benefits and death benefits in the line of duty.

As of January 1, 2014, participation in the Judicial DB Plan is closed to new members. All new members of the Judicial Plan participate in the Judicial Hybrid Cash Balance Plan (Judicial HCB Plan). However, membership in the Judicial DB Plan is reactivated if a former participant of the Judicial DB Plan becomes eligible again to participate in the Judicial Plan.

Plan Description – Hybrid Cash Balance Plan

The Judicial HCB Plan provides retirement benefits to a vested member electing to participate in the Judicial Plan after January 1, 2014, and to their beneficiaries, based on the member's accumulated cash balance account. The cash balance account consists of the member's personal contributions, the employer's current pay credit of 4.00% and applicable interest. The retiree has certain distribution options, including lifetime annuity, lump sum and optional survivor benefit payments.

Vesting is achieved either (a) at age 65 with accumulation of five years of active service credit in the Judicial HC Plan and any other state-supported retirement system of the Commonwealth; or (b) at least age 57 and the member's accumulated active service credit in the Judicial HC Plan and other state-supported retirement system of the Commonwealth plus his/her age is at least 87.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

A non-vested member (one with less than five years of service) is entitled to a refund of his/her personal contributions, but forfeits the employer credit. A refund of the cash balance account for a member with five or more years of service includes his/her personal contributions, the employer credit, and applicable interest.

There are special statutory provisions regarding disability benefits and death benefits in the line of duty.

Any cost-of-living adjustment (pro-rated for the first year if the recipient has been retired for less than one year) will be granted providing the following statutory requirements occur:

- 1) The funding level of the Judicial HCB Plan is greater than 100% and subsequent legislation authorizes the use of any surplus actuarial assets to provide for the increase; and
- 2) The Kentucky General Assembly appropriates sufficient funds to fully prefund the increase.

As an additional retirement benefit, a recipient of a hybrid cash balance retirement allowance with at least 15 years of State service is eligible for a monthly health insurance benefit. The health insurance benefit is \$10.00 for each year of plan service adjusted for inflation (1.5% per year). The minimum service requirement is waived for a member who is disabled in the line of duty, or for the qualified survivor of a member who is killed in the line of duty.

Contributions – Defined Benefit Plan

Members entering membership on or after September 1, 2008 contribute 6% of their official salary, as defined. Members who first participated on or after July 1, 1978 and prior to September 1, 2008 contribute at a rate of 5% of their official salary. Once a member has earned sufficient service credit to have accrued a benefit of 100% of final average compensation, then employee contributions shall cease. For the years ending June 30, 2024 and 2023, the Commonwealth made a normal contribution at the actuarially-determined rate calculated by utilizing the entry age normal method of funding, and a past service contribution equal to 1% of the unfunded past service liability and contributed interest on the unfunded past service liabilities at the actuarially-assumed interest rate of 6.5%, in an amount equal to 100% of the amount required by Kentucky Revised Statutes (KRS) 21.515.

Additionally, the Commonwealth made an appropriation to cover administrative expenses of the Judicial DB Plan. Members may transfer qualified member and Commonwealth contributions into the Judicial DB Plan from other state funded retirement plans.

Contributions – Hybrid Cash Balance Plan

Members electing to participate in the Judicial HCB Plan contribute an amount equal to 6% of official salary. Of this, 1% is to be used to fund retiree health benefits and is not refundable. For each pay period that a personal contribution is made, the Commonwealth will apply an employer credit of 4% of official salary to the member's account. On June 30 of each year, interest, in accordance with KRS 21.402, will be credited to the account. As of June 30, 2024 and 2023, approximately \$5.4 million and \$4.1 million, respectively, of the fiduciary net position of the System relates to the Judicial HCB Plan.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Kentucky Legislators Retirement Plan

Membership

Total membership in the Kentucky Legislators Retirement Plan (Legislators Plan) consisted of the following at June 30, 2024 and 2023:

	2024		2023	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Retirees and beneficiaries receiving benefits	260	0	259	0
Terminated plan members - vested	31	4	33	12
Active plan members	71	26	26	70
Total	362	30	318	82
Number of participating employers	1	1	1	1

Plan Description – Defined Benefit Plan

The Legislators Defined Benefit Plan (Legislators DB Plan) is a single-employer defined benefit plan that provides retirement benefits and medical insurance premium supplements, and covers the members of the Kentucky Legislature.

The Legislators DB Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Prior to June 30, 2009, cost-of-living adjustments (COLA), keyed to the Consumer Price Index, were provided on July 1 of each year. Commencing in 2009, the COLA on July 1 of each year is 1.50%. The COLA created in 2009 was suspended by legislative action in 2012, and no COLA's have since been granted. By legislative action in 2013, the statute was amended to provide that each July 1, a recipient of a monthly pension benefit from the Legislators DB Plan shall receive a 1.50% cost-of-living adjustment (pro-rated for the first year, if the recipient has been retired for less than one year) if:

- 1) The funding level of the Legislators DB Plan is greater than 100% and subsequent legislation authorizes the use of any surplus actuarial assets to provide for the increase; and
- 2) The Kentucky General Assembly appropriates sufficient funds to fully prefund the increase.

Supplemental increases to the 1.50% cost-of-living adjustment will require prefunding, appropriation and legislative action by the Kentucky General Assembly.

Additionally, legislation provides that a pension benefit shall be increased, if necessary, so that it equals an amount calculated by using a 1.5125% benefit rate and the current 60-month average earnings of the position held by the member at the time of retirement, subject to a 4.0% COLA annually.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

As an additional retirement benefit, the Legislators DB Plan will pay a percentage, based on years of service, of the members' hospital and medical insurance coverage for the retirees and their qualified dependents.

There are special statutory provisions regarding disability benefits and death benefits in the line of duty.

As of January 1, 2014, participation in the Legislators DB Plan is closed to new members. All new members of the Legislator Plan participate in the Legislators Hybrid Cash Balance Plan (Legislators HCB Plan). However, membership in the Legislators DB Plan is reactivated if a former participant of the Legislators DB Plan becomes eligible again to participate in the Legislators Plan.

Plan Description – Hybrid Cash Balance Plan

The Legislators HCB Plan provides retirement benefits to a vested member electing to participate in the Legislators Plan after January 1, 2014, and to their beneficiaries, based on the member's accumulated cash balance account. The cash balance account consists of the member's personal contributions, the employer's current pay credit of 4.00% and applicable interest. The retiree has certain distribution options, including lifetime annuity, lump sum and optional survivor benefit payments. Vesting is achieved either (a) at age 65 with accumulation of five years of active service credit in the Legislators HCB Plan and any other state-supported retirement system of the Commonwealth; or (b) at least age 57 and the member's accumulated active service credit in the Legislators HC Plan and other state-supported retirement system of the Commonwealth plus his/her age is at least 87.

A non-vested member (one with less than five years of service) is entitled to a refund of his/her personal contributions, but forfeits the employer credit. A refund of the cash balance account for a member with five or more years of service includes his/her personal contributions, the employer credit, and applicable interest.

There are special statutory provisions regarding disability benefits and death benefits in the line of duty.

Any cost-of-living adjustment (pro-rated for the first year if the recipient has been retired for less than one year) will be granted providing the following statutory requirements occur:

- 1) The funding level of the Legislators HC Plan is greater than 100% and subsequent legislation authorizes the use of any surplus actuarial assets to provide for the increase; and
- 2) The Kentucky General Assembly appropriates sufficient funds to fully prefund the increase.

As an additional retirement benefit, a recipient of a hybrid cash balance retirement allowance with at least 15 years of State service is eligible for a monthly health insurance benefit. The health insurance benefit is \$10.00 for each year of plan service. The minimum service requirement is waived for a member who is disabled in the line of duty, or for the qualified survivor of a member who is killed in the line of duty.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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Contributions – Defined Benefit Plan

Members entering membership on or after September 1, 2008 must contribute 6% of their "creditable compensation," as defined. Members who first participate on or after July 1, 1978 and prior to September 1, 2008 contribute at a rate of 5% of their "creditable compensation". Once a member has earned sufficient service credit to have accrued a benefit of 100% of final average compensation, employee contributions shall cease. The Commonwealth made a normal contribution at the actuarially determined rate calculated by utilizing the entry age normal method of funding, and a past service contribution equal to 1% of the unfunded past service liability and contributed interest on the unfunded past service liabilities at the actuarially assumed interest rate of 7.0%, in an amount equal to 100% of the amount required by KRS 21.515. Additionally, the Commonwealth made an appropriation to cover administrative expenses of the Legislators DB Plan. Members may transfer qualified member and Commonwealth contributions into the Legislators DB Plan from other state funded retirement plans.

Contributions – Hybrid Cash Balance Plan

Members electing to participate in the Legislators HCB Plan contribute an amount equal to 6% of official salary. Of this, 1% is to be used to fund retiree health benefits and is not refundable. For each pay period that a personal contribution is made, the Commonwealth will apply an employer credit of 4% of official salary to the member's account. On June 30 of each year, interest, in accordance with KRS 21.402 will be credited to the account. As of June 30, 2024 and 2023, approximately \$1.5 million and \$1.0 million, respectively, of the fiduciary net position of the System relates to the Legislators HCB Plan.

3. INVESTMENTS

Each of the Plans has its own investment committee. The committee governing the Judicial Plan consists of the three judicial appointees and the two gubernatorial appointees to the System's Board of Trustees. The committee governing the Legislators Plan consists of the three legislative appointees and the two gubernatorial appointees to the System's Board of Trustees.

All investment decisions conform to the parameters established by KRS 386 and the System's policy statements enumerated below:

1. Cash and cash equivalent balances will be held separately for each fund as liquidity reserve for the payment of certain fund expenses, pension or qualified refund payments, and insurance premium requirements.
2. Equities will have a target allocation of 70% of the portfolio's market value (with a fluctuation tolerance of up to 10%.)
3. Fixed income securities and/or cash equivalents will have a target allocation of 30% of the portfolio's market value (with a fluctuation tolerance of up to 10%.)
4. If an allocation exceeds its targeted range, the applicable Investment Committee will be notified of the status of the fund's portfolio allocation percentages. Such Committee may

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

direct the fund 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 fund manager, at its discretion, may or may not adjust the fund's portfolio allocations. Each retirement plan has two tiers, a Defined Benefit Plan tier and a Hybrid Cash Balance Plan tier. Funds for each retirement plan and each tier are maintained separately. The parameters applicable to the Defined Benefit and Hybrid Cash Balance investments for both retirement plans are:

Equities

1. Investments in common stocks shall be from those stocks that meet the statutory standards for investment of trust funds, except that 50% of the total portfolio of each fund may not be invested in common stocks with a dividend payment history of less than 5 years.
2. Investments in an individual equity security shall not exceed 5% of the fund's then current market value of the equity portfolio. At a time when the security's value reaches 8% of the fund's market value of the equity portfolio, the Manager shall immediately notify the appropriate investment committee so that the investment committee may determine a course of action.
3. Equity investment in a particular industry shall not exceed 25% of the fund's market value of the equity portfolio.
4. Any equity benchmark selected by the manager for any fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such fund's equity portfolio.
5. The fund manager is prohibited from investing in private placements, unregistered securities, hedge funds, letter stock, uncovered options, common trust funds or collective funds, or from engaging in short sales, margin transactions, or other specialized investment activities.

Fixed Income

1. No issues (with the exception of those of the U.S. Government and its Agencies) may be purchased with more than 15 years duration at the time of purchase.
 2. Investments in securities of the U.S. Government and its Agencies may be purchased with a maturity of up to 30 years, but the weighted average maturity of those securities in each fund shall not exceed 10 years.
 3. Investments in securities of a single issuer (with the exception of U.S. Government and its Agencies) of each fund must not exceed 5% of the fund's market value of the 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 by Moody's may be purchased.
 5. Preferred stocks must be rated A or better by Moody's and/or Standard & Poor's at the time of purchase.
 6. Investment in bonds will be limited to those eligible for purchase by national banks.
 7. Bond maturities will be reasonably spaced with due consideration given to call provisions.
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KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

8. Any fixed income benchmark selected by the manager for any fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such fund's fixed income portfolio.
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, shall at all times be generally consistent with the duration of its fixed income benchmark, plus or minus one year.
10. The fund 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 fund manager without written consent of the Investment Committee.

Cash and Cash Equivalents

1. The fund manager may 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.
 2. 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:
 - a. Treasury bills
 - b. Commercial paper investments and marketable short-term money market securities, each with time of purchase ratings of as least A-2 or P-2 by Standard & Poor's or Moody's, respectively, and each with time of purchase maturities of no longer than 270 days
 - c. Marketable short-term money market funds of marketable short-term securities, under the following limits for each such fund: fund ratings at least AAA or Aaa by Standard & Poor's or Moody's, respectively, at time of purchase; final maturities of underlying fund investments of no longer than 13 months from dates of acquisition; and fund weighted average maturity of underlying fund investments of no longer than 60 days at all times
 - d. 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
 - e. 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
 3. All cash and cash equivalents should have maturities no longer than one year from the date of their acquisition.
 4. The fund 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.
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KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Rate of Return

For the years ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 19.4% and 19.5% for the Judicial Plan and Legislators Plans respectively. For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of investment expense, for the Judicial Plan and Legislators Plan, was 15.1% and 15.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Fees

All fees paid to the investment manager are paid directly from each Plan with the cost calculated as a percentage of the portfolio market value.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. More specifically, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

All investments held by the System are insured or registered and held by the System or by its agent in the System's name. The credit risk disclosures for the U.S. governmental securities and corporate notes within the Judicial Plan are as follows at June 30:

	<u>S&P Quality Rating</u>	<u>2024</u>	<u>2023</u>
U.S. governmental securities	AA+	\$ 45,474,110	\$ 7,640,910
Corporate notes	AAA	\$ 4,725,600	\$ 7,689,990
	AA+	1,478,595	3,447,990
	AA-	20,472,665	16,456,870
	A+	12,939,540	20,275,915
	A	23,027,680	27,232,600
	A-	25,498,125	27,261,440
	BBB+	24,195,700	15,506,490
	BBB	11,205,185	18,081,225
	Not Rated*	1,353,558	976,058
		<u>\$ 124,896,648</u>	<u>\$ 136,928,578</u>
Total		<u>\$ 170,370,758</u>	<u>\$ 144,569,488</u>

* Investment in iShares Intermediate Credit Bond ETF for the Hybrid Cash Balance Plan is a combination of securities and a single rating is not assigned.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The credit risk disclosures for the U.S. governmental securities and corporate notes within the Legislators Plan are as follows at June 30:

	S&P Quality Rating	2024	2023
U.S. governmental securities	AA+	\$ 14,938,049	\$ 2,143,683
Corporate notes	AAA	\$ 1,181,400	\$ 2,171,030
	AA+	492,865	935,883
	AA-	5,469,195	4,463,330
	A+	3,463,425	5,530,420
	A	4,957,678	6,509,003
	A-	7,839,668	8,506,150
	BBB+	7,013,477	5,949,963
	BBB	2,925,730	4,890,870
	Not Rated*	336,625	243,964
		<u>\$ 33,680,063</u>	<u>\$ 39,200,613</u>
Total		<u>\$ 48,618,112</u>	<u>\$ 41,344,296</u>

* Investment in iShares Intermediate Credit Bond ETF for the Hybrid Cash Balance Plan is a combination of securities and a single rating is not assigned.

Concentration of Credit Risk

Investments exceeded more than 5% of Plan fiduciary net position as follows: At June 30, 2024, Progressive Corporation at 5.17% and Microsoft Corporation at 5.45% in the Judicial Plan, and Progressive Corporation at 5.19%, Alphabet, Inc. at 5.02%, and Microsoft Corporation at 5.45% in the Legislators Plan. At June 30, 2023, Apple, Inc. at 5.13% and Microsoft Corporation at 5.22% in the Judicial Plan, and Apple, Inc. at 5.23% and Microsoft Corporation at 5.25% in the Legislators Plan.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The System manages its exposure to declines in fair value by purchasing a diverse combination of equity securities and debt securities with varying maturities.

The debt securities, and related maturities, within the Judicial Plan are as follows at June 30, 2024:

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 45,474,110	\$ 5,980,020	\$ 18,654,190	\$ 20,839,900
Corporate notes	124,896,648	1,353,558	76,817,110	46,725,980
	<u>\$ 170,370,758</u>	<u>\$ 7,333,578</u>	<u>\$ 95,471,300</u>	<u>\$ 67,565,880</u>

The debt securities, and related maturities, within the Judicial Plan are as follows at June 30, 2023:

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 7,640,910	\$ -0-	\$ 4,764,250	\$ 2,876,660
Corporate notes	136,928,578	37,647,868	58,694,040	40,586,670
	<u>\$ 144,569,488</u>	<u>\$ 37,647,868</u>	<u>\$ 63,458,290</u>	<u>\$ 43,463,330</u>

The debt securities, and related maturities, within the Legislators Plan are as follows at June 30, 2024:

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 14,938,049	\$ 2,990,010	\$ 5,140,308	\$ 6,807,732
Corporate notes	33,680,063	336,625	20,652,905	12,690,533
	<u>\$ 48,618,112</u>	<u>\$ 3,326,635</u>	<u>\$ 25,793,213</u>	<u>\$ 19,498,264</u>

The debt securities, and related maturities, within the Legislators Plan are as follows at June 30, 2023:

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 2,143,683	\$ -0-	\$ 1,191,063	\$ 952,620
Corporate notes	39,200,613	11,098,417	14,913,193	13,189,003
	<u>\$ 41,344,296</u>	<u>\$ 11,098,417</u>	<u>\$ 16,104,256</u>	<u>\$ 14,141,623</u>

Foreign Currency Risk

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

Investments held by the Judicial Plan at June 30 include the following corporate notes and governmental securities subject to foreign currency risk:

	Currency	2024	2023
Schlumberger Limited	Euro	\$ 0	\$ 3,471,825

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Investments held by the Legislators Plan at June 30, include the following corporate notes and governmental securities subject to foreign currency risk:

	Currency	2024	2023
Schlumberger Limited	Euro	\$ 0	\$ 991,950

The Plans invest in various investment securities. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect amounts reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Cash and Investments Held by State Treasury

At June 30, 2024 and 2023, the System's share of deposits in the Commonwealth's general depository (State investment pool) totaled \$2.5 million and \$2.8 million, respectively. The Commonwealth's ACFR for the year ended June 30, 2024 should be referred to for required disclosures.

4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

- U.S. government securities: Value using pricing models maximizing the use of observable inputs for similar securities.
- Investments held by the State Treasury and Cash Equivalents: Valued at cost which approximates fair value.
- Common stocks: Valued at the closing price reported on the New York Stock Exchange.
- Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.
- Foreign government securities: Valued using pricing for interactive data which offers daily evaluations and related data for international fixed income securities with embedded equity options including convertible and exchangeable bonds.

The following tables set forth by level, within the hierarchy, the System's assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 are as follows:

Judicial Retirement Plan:

	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 1,136,720	\$ 13,354	\$ -0-	\$ 1,150,074
Common stocks	460,253,616	-0-	-0-	460,253,616
Mutual funds	3,601,125	-0-	-0-	3,601,125
Corporate notes and governmental securities	45,474,110	124,896,648	-0-	170,370,758
Total assets at fair value	\$ 510,465,571	\$ 124,910,002	\$ -0-	\$ 635,375,573

Legislators Retirement Plan:

	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 278,912	\$ 3,872	\$ -0-	\$ 282,784
Common stocks	133,932,256	-0-	-0-	133,932,256
Mutual funds	919,865	-0-	-0-	919,865
Corporate notes and governmental securities	14,938,049	33,680,063	-0-	48,618,112
Total assets at fair value	\$ 150,069,082	\$ 33,683,935	\$ -0-	\$ 183,753,017

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The following tables set forth by level, within the hierarchy, the System's assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 are as follows:

Judicial Retirement Plan:

	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 777,140	\$ 115,418	\$ -0-	\$ 892,558
Common stocks	407,680,727	-0-	-0-	407,680,727
Mutual funds	2,852,903	-0-	-0-	2,852,903
Corporate notes and governmental securities	144,569,488	-0-	-0-	144,569,488
Total assets at fair value	\$ 555,880,258	\$ 115,418	\$ -0-	\$ 555,995,676

Legislators Retirement Plan:

	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 767,049	\$ 70,733	\$ -0-	\$ 837,782
Common stocks	118,297,886	-0-	-0-	118,297,886
Mutual funds	712,182	-0-	-0-	712,182
Corporate notes and governmental securities	41,344,296	-0-	-0-	41,344,296
Total assets at fair value	\$ 161,121,413	\$ 70,733	\$ -0-	\$ 161,192,146

The System's policy is to recognize transfers between levels as of the actual date of the event or change in circumstances. There were no transfers between levels during 2024 or 2023.

5. NET PENSION LIABILITY

Judicial Retirement Plan

The components of the net pension asset of the Judicial Plan as of June 30, 2024 and 2023, are as follows:

	2024	2023
Total pension liability	\$ 383,914,910	\$ 382,515,060
Pension plan fiduciary net position	(487,008,090)	(427,648,157)
Plan's net pension asset	<u>\$ (103,093,180)</u>	<u>\$ (45,133,097)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 126.9%	 111.8%

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Valuation Date:	July 1, 2023	July 1, 2023
Actuarial Cost Method:	Entry Age Normal funding method	Entry Age Normal funding method
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	1% through June 30, 2028, and 3.5% thereafter	1% through June 30, 2028, and 3.5% thereafter

Mortality rates were based on the Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study based on plan experience from 2013 to 2019, adopted by the board on April 23, 2021.

The long-term expected rate of return on Judicial Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Judicial DB Plan's target asset allocation as of June 30, 2024 and 2023 (see the discussion of the Judicial DB Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.50%
International Equity	2.50%
Fixed Income	1.25%
Cash	0.00%

The discount used to measure the total pension liability as of July 1, 2024 and 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 6.50% was used for discount rate/long-term rate of return assumption for GASB calculations.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The following presents the net pension liability (asset) of the Judicial Plan at June 30, 2024, calculated using the discount rate of 6.50%, as well as what the Judicial Plan's pension liability (asset) would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net pension liability (asset)	\$ (67,459,518)	\$ (103,093,180)	\$ (133,717,839)

Legislators Retirement Plan

The components of the net pension liability of the Legislators Plan as of June 30, 2024 and 2023, are as follows:

	2024	2023
Total pension liability	\$ 68,183,085	\$ 68,059,010
Pension plan fiduciary net position	(102,884,003)	(91,267,801)
Plan's net pension asset	\$ (34,700,918)	\$ (23,208,791)

Plan fiduciary net position as a percentage of the total pension liability	150.9%	134.1%
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The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Valuation Date:	July 1, 2023	July 1, 2023
Actuarial Cost Method:	Entry Age Normal funding method	Entry Age Normal funding method
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	1% through June 30, 2028, and 3.5% thereafter	1% through June 30, 2028, and 3.5% thereafter

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Mortality rates were based on the Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study based on plan experience from 2013 to 2019, adopted by the board on April 23, 2021.

The long-term expected rate of return on Legislators Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Judicial DB Plan's target asset allocation as of June 30, 2024 and 2023 (see the discussion of the Judicial DB Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.50%
International Equity	2.50%
Fixed Income	1.25%
Cash	-2.00%

The discount used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 6.50% was used for discount rate/long-term rate of return assumption for GASB calculations.

The following presents the net pension liability (asset) of the Legislators Plan at June 30, 2024, calculated using the discount rate of 6.50%, as well as what the Legislators Plan's pension liability (asset) would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net pension liability (asset)	\$ (28,594,858)	\$ (34,700,918)	\$ (39,928,863)

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

6. NET OPEB LIABILITY

Judicial Retirement Plan

The components of the net other post-employment benefits (OPEB) liability of the Judicial Plan as of June 30, 2024 and 2023, are as follows:

	2024	2023
Total OPEB liability	\$ 53,559,375	\$ 49,266,254
Plan fiduciary net position	(159,152,597)	(135,129,919)
Plan's net OPEB liability (asset)	\$ (105,593,222)	\$ (85,863,665)

Plan fiduciary net position as a percentage of the total OPEB liability	297.2%	274.3%
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The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Valuation Date:	July 1, 2023	July 1, 2023
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	1% through June 30, 2028, and 3.5% thereafter	1% through June 30, 2028, and 3.5% thereafter
Healthcare cost trend rates	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075

Mortality rates were based on the Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020. For the OPEB Plan, the head counted weighted average was used. Prior to June 30, 2024, mortality rates were based on the PubG-2010 (A) Table with Pre and Post Commencement Rates with projected mortality improvements after year 2010 under Projected Scale MP-2020 (male and female scales); i.e., full generational mortality.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The long-term expected rate of return on Judicial OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Judicial DB Plan's target asset allocation as of June 30, 2024 (see the discussion of the Judicial OPEB Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.50%
International Equity	2.50%
Fixed Income	1.25%
Cash	-2.00%

The discount used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 6.5% was used for discount rate/long-term rate of return assumption for GASB calculations.

The following presents the net OPEB liability of the Judicial Plan as of June 30, 2024, calculated using the discount rate of 6.50%, as well as what the Judicial Plan's OPEB liability would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net OPEB asset	\$ (99,553,957)	\$ (105,593,222)	\$ (110,654,712)

The following presents the OPEB liability of the Judicial Plan as of June 30, 2024 calculated using the healthcare cost trend of 6.25% level for 2 years, then 5.75% and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075, as well as what the Judicial Plan's OPEB liability would be if it was calculated using a healthcare cost trend that is 1% lower or 1% higher than the current rate:

	1% Decrease on Trend Assumption	Current Rate on Trend Assumption	1% Increase on Trend Assumption
Net OPEB asset	\$ (111,470,315)	\$ (105,593,222)	\$ (97,437,548)

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

Legislators Retirement Plan

The components of the net other post-employment benefits (OPEB) liability (asset) of the Legislators Plan as of June 30, 2024 and 2023, are as follows:

	2024	2023
Total OPEB liability	\$ 19,050,428	\$ 18,115,490
Plan fiduciary net position	(84,604,481)	(71,739,956)
Plan's net OPEB asset	\$ (65,554,053)	\$ (53,624,466)

Plan fiduciary net position as a percentage of the total OPEB asset	444.1%	396.0%
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The following are the actuarial methods and assumptions used to develop the above liabilities:

	June 30, 2024	June 30, 2023
Valuation Date:	July 1, 2023	July 1, 2023
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	1% through June 30, 2028, and 3.5% thereafter	1% through June 30, 2028, and 3.5% thereafter
Healthcare cost trend rates	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075

Mortality rates were based on the Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020. For the OPEB Plan, the head counted weighted average was used. Prior to June 30, 2024, mortality rates were based on the PubG-2010 (A) Table with Pre and Post Commencement Rates with projected mortality improvements after year 2010 under Projected Scale MP-2020 (male and female scales); i.e., full generational mortality.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

The long-term expected rate of return on Legislators Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Legislators Plan's target asset allocation as of June 30, 2024 and 2023 (see the discussion of the Legislators Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.50%
International Equity	2.50%
Fixed Income	1.25%
Cash	-2.00%

The discount used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 6.5% was used for discount rate/long-term rate of return assumption for GASB calculations.

The following presents the net OPEB liability of the Legislators Plan as of June 30, 2024, calculated using the discount rate of 6.50%, as well as what the Legislators Plan's OPEB liability would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

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

The following presents the OPEB liability of the Judicial Plan as of June 30, 2024 calculated using the healthcare cost trend of 6.25% level for 2 years, then 5.75% and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075, as well as what the Legislators Plan's OPEB liability would be if it was calculated using a healthcare cost trend that is 1% lower or 1% higher than the current rate:

	1% Decrease on Trend Assumption	Current Rate on Trend Assumption	1% Increase on Trend Assumption
Net OPEB asset	\$ (67,568,410)	\$ (65,554,053)	\$ (62,738,561)

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

7. RISK MANAGEMENT

Claims against the Board of Trustees of the System, or any of its staff, as a result of actual or alleged breach of fiduciary duty are insured with a commercial insurance policy. Coverage provided is limited to \$20,000,000. Claims for job-related illnesses or injuries are insured by the Commonwealth's self-insured workers' compensation program. Payments approved by the program are not subject to maximum limitations.

8. INCOME TAX STATUS

The Judicial Plan and Legislators Plan each received from the Internal Revenue Service favorable determination letters dated February 15, 2017, which state that the Plans constitute qualified plans under Section 401(a) of the Internal Revenue Code.

The System believes that the Plans are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Any compensation deferred under either Plan, as well as income attributable to the deferrals, is not includable in federal and state taxable income until actually paid or otherwise made available to the participant or their named beneficiary.

REQUIRED SUPPLEMENTARY INFORMATION

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS

Kentucky Judicial Retirement Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 3,900,000	4,300,000	\$ 4,300,000	\$ 3,600,000	\$ 3,500,000	\$ 4,100,000	\$ 4,100,000	\$ 4,900,000	\$ 5,000,000	\$ 5,000,000
Interest	24,100,000	23,900,000	23,800,000	23,700,000	23,400,000	22,900,000	22,700,000	23,800,000	23,400,000	22,200,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000
Differences between expected and actual experience	1,500,000	4,400,000	-0-	(5,300,000)	-0-	(100,000)	-0-	(8,800,000)	-0-	4,400,000
Changes in assumptions	-0-	-0-	(5,900,000)	9,100,000	-0-	(7,700,000)	-0-	(2,100,000)	-0-	(4,400,000)
Benefit payments/refunds of member contributions	(28,100,000)	(26,800,000)	(25,000,000)	(24,400,000)	(24,400,000)	(24,200,000)	(23,200,000)	(23,000,000)	(22,900,000)	(22,300,000)
Net change in total pension liability	1,400,000	5,800,000	(2,800,000)	6,700,000	2,500,000	(5,000,000)	3,600,000	(5,200,000)	5,500,000	5,000,000
Total pension liability - beginning	382,500,000	376,700,000	379,500,000	372,700,000	370,300,000	375,200,000	371,500,000	376,800,000	371,300,000	366,300,000
Total pension liability - ending	<u>\$ 383,900,000</u>	<u>382,500,000</u>	<u>\$ 376,700,000</u>	<u>\$ 379,400,000</u>	<u>\$ 372,800,000</u>	<u>\$ 370,200,000</u>	<u>\$ 375,100,000</u>	<u>\$ 371,600,000</u>	<u>\$ 376,800,000</u>	<u>\$ 371,300,000</u>
Pension plan fiduciary net position										
Contributions - employer	\$ 5,300,000	5,000,000	\$ 7,100,000	\$ 6,800,000	\$ 8,700,000	\$ 8,700,000	\$ 12,000,000	\$ 12,000,000	\$ 15,200,000	\$ 15,100,000
Contributions - member	1,400,000	2,000,000	2,400,000	1,900,000	1,700,000	1,500,000	2,000,000	1,600,000	1,800,000	1,900,000
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	600,000	-0-	100,000	200,000
Net investment income	81,000,000	56,500,000	(42,000,000)	122,800,000	19,500,000	38,600,000	27,100,000	34,600,000	8,700,000	25,600,000
Benefit payments/refunds of member contributions	(28,100,000)	(26,800,000)	(25,000,000)	(24,400,000)	(24,400,000)	(24,200,000)	(23,200,000)	(23,000,000)	(22,900,000)	(22,200,000)
Administrative expenses	(200,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	59,400,000	36,700,000	(57,500,000)	107,100,000	5,500,000	24,600,000	18,500,000	25,200,000	2,900,000	20,600,000
Pension plan fiduciary net position - beginning	427,600,000	390,900,000	448,400,000	341,300,000	335,700,000	311,100,000	292,700,000	267,500,000	264,600,000	243,900,000
Pension plan fiduciary net position - ending	<u>\$ 487,000,000</u>	<u>427,600,000</u>	<u>\$ 390,900,000</u>	<u>\$ 448,400,000</u>	<u>\$ 341,200,000</u>	<u>\$ 335,700,000</u>	<u>\$ 311,200,000</u>	<u>\$ 292,700,000</u>	<u>\$ 267,500,000</u>	<u>\$ 264,500,000</u>
Net pension liability/(asset) - ending	<u>\$ (103,100,000)</u>	<u>(45,100,000)</u>	<u>\$ (14,200,000)</u>	<u>\$ (69,000,000)</u>	<u>\$ 31,600,000</u>	<u>\$ 34,500,000</u>	<u>\$ 63,900,000</u>	<u>\$ 78,900,000</u>	<u>\$ 109,300,000</u>	<u>\$ 106,800,000</u>
Pension plan fiduciary net position as a % of the total pension liability	126.9%	111.8%	103.8%	118.2%	91.5%	90.7%	82.9%	78.8%	71.0%	71.3%
Covered payroll	27,800,000	27,700,000	29,800,000	29,500,000	30,900,000	30,600,000	30,600,000	30,300,000	31,900,000	31,900,000
Net pension liability/(asset) as a % of covered payroll	-370.4%	-162.8%	-47.7%	-233.9%	101.6%	113.1%	209.5%	260.1%	342.6%	334.5%

Note: The amounts presented above were determined as of the fiscal year ended above. Amounts rounded to nearest \$100,000.

See accompanying report of independent auditors.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS

Kentucky Legislators Retirement Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 400,000	600,000	\$ 600,000	\$ 500,000	\$ 600,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 900,000	\$ 1,000,000
Interest	4,300,000	4,500,000	4,500,000	4,600,000	4,500,000	4,600,000	4,600,000	5,300,000	5,200,000	5,100,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	900,000	(2,700,000)	-0-	(2,000,000)	-0-	(2,800,000)	-0-	(6,400,000)	-0-	(3,400,000)
Changes in assumptions	-0-	-0-	(1,400,000)	2,600,000	-0-	(300,000)	-0-	(200,000)	-0-	(1,500,000)
Benefit payments/refunds of member contributions	(5,500,000)	(5,400,000)	(5,200,000)	(5,100,000)	(5,000,000)	(4,700,000)	(4,500,000)	(4,200,000)	(4,000,000)	(3,700,000)
Net change in total pension liability	100,000	(3,000,000)	(1,500,000)	600,000	100,000	(2,500,000)	800,000	(4,800,000)	2,100,000	(2,500,000)
Total pension liability - beginning	68,100,000	71,100,000	72,600,000	72,000,000	71,900,000	74,400,000	73,600,000	78,400,000	76,200,000	78,700,000
Total pension liability - ending	<u>\$ 68,200,000</u>	<u>\$ 68,100,000</u>	<u>\$ 71,100,000</u>	<u>\$ 72,600,000</u>	<u>\$ 72,000,000</u>	<u>\$ 71,900,000</u>	<u>\$ 74,400,000</u>	<u>\$ 73,600,000</u>	<u>\$ 78,300,000</u>	<u>\$ 76,200,000</u>
Pension plan fiduciary net position										
Contributions - employer	\$ -0-	-0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000	\$ 3,400,000
Contributions - member	200,000	200,000	200,000	300,000	200,000	200,000	200,000	300,000	300,000	200,000
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000	-0-	-0-
Net investment income	17,000,000	11,900,000	(8,700,000)	26,700,000	4,300,000	8,600,000	6,200,000	7,900,000	2,000,000	5,600,000
Benefit payments/refunds of member contributions	(5,500,000)	(5,400,000)	(5,200,000)	(5,100,000)	(5,000,000)	(4,700,000)	(4,500,000)	(4,200,000)	(4,000,000)	(3,700,000)
Administrative expenses	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	11,600,000	6,700,000	(13,700,000)	21,900,000	(500,000)	4,100,000	4,300,000	6,500,000	1,700,000	5,500,000
Pension plan fiduciary net position - beginning	91,300,000	84,600,000	98,300,000	76,400,000	76,900,000	72,800,000	68,400,000	61,900,000	60,100,000	54,600,000
Pension plan fiduciary net position - ending	<u>\$ 102,900,000</u>	<u>\$ 91,300,000</u>	<u>\$ 84,600,000</u>	<u>\$ 98,300,000</u>	<u>\$ 76,400,000</u>	<u>\$ 76,900,000</u>	<u>\$ 72,700,000</u>	<u>\$ 68,400,000</u>	<u>\$ 61,800,000</u>	<u>\$ 60,100,000</u>
Net pension liability/(asset) - ending	<u>\$ (34,700,000)</u>	<u>\$ (23,200,000)</u>	<u>\$ (13,500,000)</u>	<u>\$ (25,700,000)</u>	<u>\$ (4,400,000)</u>	<u>\$ (5,000,000)</u>	<u>\$ 1,700,000</u>	<u>\$ 5,200,000</u>	<u>\$ 16,500,000</u>	<u>\$ 16,100,000</u>
Pension plan fiduciary net position as a % of the total pension liability/(asset)	150.9%	134.1%	119.0%	135.4%	106.1%	107.0%	97.8%	92.9%	79.0%	78.9%
Covered payroll	4,100,000	4,100,000	4,200,000	4,200,000	4,300,000	4,300,000	4,400,000	4,400,000	4,900,000	4,900,000
Net pension liability/(asset) as a % of covered payroll	-846.3%	-565.9%	-321.4%	-611.9%	-102.3%	-116.3%	36.4%	118.2%	336.7%	328.6%

Note: The amounts presented above were determined as of the fiscal year ended above. Amounts rounded to nearest \$100,000.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS

<u>Kentucky Judicial Retirement Plan</u>								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability								
Service cost	\$ 900,000	700,000	\$ 600,000	\$ 700,000	\$ 700,000	\$ 900,000	\$ 900,000	\$ 1,200,000
Interest	3,200,000	2,500,000	2,500,000	3,200,000	3,000,000	3,600,000	3,300,000	4,600,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	2,700,000	8,500,000	-0-	(9,300,000)	-0-	(9,700,000)	-0-	(22,100,000)
Changes in assumptions	-0-	(900,000)	-0-	(2,300,000)	-0-	100,000	-0-	5,600,000
Benefit payments/refunds of member contributions	<u>(2,400,000)</u>	<u>(2,200,000)</u>	<u>(1,900,000)</u>	<u>(1,800,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,900,000)</u>
Net change in total OPEB liability	4,400,000	8,600,000	1,200,000	(9,500,000)	1,700,000	(7,100,000)	2,200,000	(12,600,000)
Total OPEB liability - beginning	49,200,000	40,600,000	39,400,000	49,000,000	47,300,000	54,400,000	52,100,000	64,700,000
Total OPEB liability - ending	<u>\$ 53,600,000</u>	<u>49,200,000</u>	<u>\$ 40,600,000</u>	<u>\$ 39,500,000</u>	<u>\$ 49,000,000</u>	<u>\$ 47,300,000</u>	<u>\$ 54,300,000</u>	<u>\$ 52,100,000</u>
Plan fiduciary net position								
Contributions - employer	\$ -0-	-0-	\$ 100,000	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000
Contributions - member	100,000	100,000	100,000	100,000	-0-	-0-	200,000	100,000
Transfer in payments		-0-	-0-	-0-	-0-	-0-	100,000	-0-
Net investment income	26,500,000	17,900,000	(12,900,000)	36,700,000	5,600,000	11,000,000	7,600,000	9,400,000
Benefit payments/refunds of member contributions	(2,400,000)	(2,200,000)	(1,900,000)	(1,800,000)	(2,000,000)	(2,000,000)	(2,000,000)	(1,900,000)
Administrative expenses	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	24,100,000	15,800,000	(14,600,000)	35,000,000	3,600,000	9,000,000	7,100,000	8,800,000
Plan fiduciary net position - beginning	135,100,000	119,300,000	133,900,000	99,000,000	95,400,000	86,300,000	79,200,000	70,300,000
Plan fiduciary net position - ending	<u>\$ 159,200,000</u>	<u>135,100,000</u>	<u>\$ 119,300,000</u>	<u>\$ 134,000,000</u>	<u>\$ 99,000,000</u>	<u>\$ 95,300,000</u>	<u>\$ 86,300,000</u>	<u>\$ 79,100,000</u>
Net OPEB liability (asset) - ending	<u>\$ (105,600,000)</u>	<u>(85,900,000)</u>	<u>\$ (78,700,000)</u>	<u>\$ (94,500,000)</u>	<u>\$ (50,000,000)</u>	<u>\$ (48,000,000)</u>	<u>\$ (32,000,000)</u>	<u>\$ (27,000,000)</u>
Plan fiduciary net position as a % of the total OPEB liability	297.2%	274.6%	293.8%	339.8%	202.0%	201.7%	158.6%	152.0%
Covered payroll	27,800,000	26,700,000	29,800,000	29,500,000	30,900,000	30,600,000	30,600,000	30,300,000
Net OPEB liability/(asset) as a % of covered payroll	-379.4%	-321.3%	-264.1%	-320.3%	-161.8%	-156.9%	-104.6%	-89.1%

Note: This schedule is intended to present 10 years of contributions and related ratios. Currently, only those years with information available are presented. The amounts presented above were determined as of the fiscal year ended above. Amounts rounded to nearest \$100,000.

See accompanying report of independent auditors.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS

<u>Kentucky Legislators Retirement Plan</u>								
	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability</u>								
Service cost	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 100,000	\$ 300,000	\$ 300,000	\$ 400,000
Interest	1,100,000	1,000,000	1,000,000	1,300,000	1,200,000	1,500,000	1,400,000	2,000,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	700,000	2,400,000	-0-	(4,800,000)	-0-	(4,400,000)	-0-	(10,600,000)
Changes in assumptions	-0-	(300,000)	-0-	(400,000)	-0-	-0-	-0-	2,300,000
Benefit payments/refunds of member contributions	(1,000,000)	(900,000)	(900,000)	(800,000)	(800,000)	(800,000)	(800,000)	(700,000)
Net change in total OPEB liability	900,000	2,300,000	200,000	(4,500,000)	500,000	(3,400,000)	900,000	(6,600,000)
Total OPEB liability - beginning	18,100,000	15,900,000	15,700,000	20,200,000	19,700,000	23,100,000	22,000,000	28,600,000
Total OPEB liability - ending	<u>\$ 19,000,000</u>	<u>\$ 18,200,000</u>	<u>\$ 15,900,000</u>	<u>\$ 15,700,000</u>	<u>\$ 20,200,000</u>	<u>\$ 19,700,000</u>	<u>\$ 22,900,000</u>	<u>\$ 22,000,000</u>
<u>Plan fiduciary net position</u>								
Contributions - employer	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions - member	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net investment income	14,000,000	9,400,000	(6,500,000)	19,200,000	2,900,000	5,700,000	3,900,000	4,900,000
Benefit payments/refunds of member contributions	(1,000,000)	(900,000)	(900,000)	(800,000)	(800,000)	(800,000)	(800,000)	(700,000)
Administrative expenses	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	12,900,000	8,500,000	(7,400,000)	18,400,000	2,100,000	4,900,000	3,100,000	4,200,000
Plan fiduciary net position - beginning	71,700,000	63,300,000	70,700,000	52,100,000	50,000,000	45,100,000	42,000,000	37,800,000
Plan fiduciary net position - ending	<u>\$ 84,600,000</u>	<u>\$ 71,800,000</u>	<u>\$ 63,300,000</u>	<u>\$ 70,500,000</u>	<u>\$ 52,100,000</u>	<u>\$ 50,000,000</u>	<u>\$ 45,100,000</u>	<u>\$ 42,000,000</u>
Net OPEB liability (asset) - ending	<u>\$ (65,600,000)</u>	<u>\$ (53,600,000)</u>	<u>\$ (47,400,000)</u>	<u>\$ (54,800,000)</u>	<u>\$ (31,900,000)</u>	<u>\$ (30,300,000)</u>	<u>\$ (22,200,000)</u>	<u>\$ (20,000,000)</u>
Plan fiduciary net position as a % of the total OPEB liability	444.1%	394.5%	398.1%	450.3%	258.9%	254.3%	195.2%	190.9%
Covered payroll	4,100,000	4,000,000	4,200,000	4,200,000	4,300,000	4,300,000	4,400,000	4,400,000
Net OPEB liability/(asset) as a % of covered payroll	-1580.7%	-1340.0%	-1128.6%	-1304.8%	-741.9%	-704.7%	-504.5%	-454.5%

Note: This schedule is intended to present 10 years of contributions and related ratios. Currently, only those years with information available are presented. The amounts presented above were determined as of the fiscal year ended above. Amounts rounded to nearest \$100,000.

See accompanying report of independent auditors.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CONTRIBUTIONS KENTUCKY JUDICIAL RETIREMENT PLAN LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,300,000	\$ 5,000,000	\$ 7,900,000	\$ 6,700,000	\$ 9,800,000	\$ 9,200,000	\$ 11,900,000	\$ 11,884,797	\$ 15,171,300	\$ 15,142,300
Contributions in relation to the actuarially determined contribution	\$ 5,300,000	\$ 5,000,000	\$ 7,100,000	\$ 6,800,000	\$ 8,600,000	\$ 8,600,000	\$ 11,900,000	\$ 11,884,797	\$ 15,171,300	\$ 15,142,300
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ 800,000	\$ (100,000)	\$ 1,200,000	\$ 600,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 27,800,000	\$ 27,700,000	\$ 29,800,000	\$ 29,500,000	\$ 30,009,000	\$ 30,600,000	\$ 30,600,000	\$ 30,300,000	\$ 31,900,000	\$ 31,900,000
Contributions as a percentage of covered payroll	19.1%	18.1%	23.8%	23.1%	28.2%	28.4%	39.2%	29.6%	47.6%	47.3%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%	6.41%
Valuation Date:	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013	July 1, 2013

Methods and assumptions used to determine contributions:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Projected Salary Increases:	1% for the next 3 years and 3.5% thereafter
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

Note: Effective for the year ended June 30, 2008, medical insurance employer contributions have been segregated from defined benefit contributions. Amounts rounded to nearest \$100,000.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF CONTRIBUTIONS KENTUCKY LEGISLATORS RETIREMENT PLAN LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -0-	\$ -0-	\$ 600,000	\$ 400,000	\$ 1,200,000	\$ 1,100,000	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000	\$ 3,400,000
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000	\$ 3,400,000
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ 600,000	\$ 400,000	\$ 1,200,000	\$ 1,100,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 4,100,000	\$ 4,100,000	\$ 4,200,000	\$ 4,200,000	\$ 4,300,000	\$ 4,300,000	\$ 4,400,000	\$ 4,400,000	\$ 4,900,000	\$ 4,900,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	54.5%	54.5%	69.4%	69.4%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%	6.41%
Valuation date:	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013	July 1, 2013

Methods and assumptions used to determine contributions:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Salary Increases:	1% for the next 3 years and 3.5% thereafter
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

Note: Effective for the year ended June 30, 2008, medical insurance employer contributions have been segregated from defined benefit contributions. Amounts rounded to nearest \$100,000.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULE OF CONTRIBUTIONS KENTUCKY JUDICIAL OPEB PLAN LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000	\$ 1,300,000	\$ 1,300,000
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ 100,000	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000	\$ 1,300,000	\$ 1,300,000
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ (100,000)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 27,800,000	\$ 26,700,000	\$ 29,800,000	\$ 29,500,000	\$ 30,900,000	\$ 30,600,000	\$ 30,600,000	\$ 30,300,000	\$ 32,000,000	\$ 32,000,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	3.9%	4.0%	4.1%	4.1%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%	6.41%
Valuation date:	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013	July 1, 2013

Methods and assumptions used to determine contributions:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Projected Salary Increases:	1% for the next 3 years and 3.5% thereafter
Healthcare cost trend rates:	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
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020

Note: Effective for the year ended June 30, 2008, medical insurance employer contributions have been segregated from defined benefit contributions. Amounts rounded to nearest \$100,000.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULE OF CONTRIBUTIONS KENTUCKY LEGISLATORS OPEB PLAN LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 4,100,000	\$ 4,000,000	\$ 4,200,000	\$ 4,200,000	\$ 4,300,000	\$ 4,300,000	\$ 4,400,000	\$ 4,400,000	\$ 5,300,000	\$ 5,300,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.45%	6.45%	6.85%	6.85%
Valuation date:	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013	July 1, 2013

Methods and assumptions used to determine contributions:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Salary Increases:	1% for the next 3 years and 3.5% thereafter
Healthcare cost trend rates:	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
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

Note: Effective for the year ended June 30, 2008, medical insurance employer contributions have been segregated from defined benefit contributions. Amounts rounded to nearest \$100,000.

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF INVESTMENT RETURNS – RETIREMENT LAST 10 FISCAL YEARS

<u>Kentucky Judicial Retirement Plan</u>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.4%	15.1%	-9.9%	37.2%	6.0%	12.9%	9.4%	12.8%	3.2%	10.2%

<u>Kentucky Legislators Retirement Plan</u>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.5%	15.5%	-9.9%	37.3%	6.0%	12.6%	9.4%	12.7%	3.6%	10.1%

See accompanying report of independent auditors

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULES OF INVESTMENT RETURNS – OPEB LAST 10 FISCAL YEARS

<u>Kentucky Judicial Retirement Plan</u>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.4%	15.1%	-9.9%	37.2%	6.0%	12.9%	9.4%	12.8%	3.2%	10.2%

<u>Kentucky Legislators Retirement Plan</u>										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	19.5%	15.5%	-9.9%	37.3%	6.0%	12.6%	9.4%	12.7%	3.6%	10.1%

See accompanying report of independent auditors



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REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Kentucky Judicial Form Retirement System
Frankfort, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kentucky Judicial Form Retirement System (the System), a component unit of the Commonwealth of Kentucky, which comprise the statement of fiduciary net position as of June 30, 2024, and the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, a material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blue & Co., LLC

Lexington, Kentucky
November 8, 2024

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2024

Summary of Auditor's Results

- 1) We have issued an unmodified opinion, dated November 8, 2024, on the financial statements of the System as of and for the year ended June 30, 2024.
- 2) Our audit disclosed no findings that are required to be communicated under Government Auditing Standards for the year ended June 30, 2024.

Summary of Prior Year Findings

The prior year audit disclosed no findings that are required to be reported in accordance with *Government Auditing Standards*.



Financial Disclosure Report

Pursuant to 4 KAR 1:050, trustees of the Judicial Form Retirement System shall annually file a financial disclosure report with the System.

Please Include The Following Information For The Preceding Calendar Year:

NAME OF TRUSTEE		DATE OF BIRTH	
MAILING ADDRESS	CITY	STATE	ZIP
NAME OF SPOUSE	ADDRESS (IF DIFFERENT FROM TRUSTEE ABOVE)		

DIRECTORSHIPS AND EMPLOYMENT:

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

ENTITY NAME	LOCATION
ENTITY NAME	LOCATION
ENTITY NAME	LOCATION
ENTITY NAME	LOCATION

FINANCIAL INTERESTS THAT HAVE POTENTIAL FOR CONFLICT:

Describe any financial interest the trustee has in any company or firm that does business with JFRS:

Describe any personal financial interests, direct or indirect, not listed in (a) above, for the trustee and any immediate family member (defined as a spouse, parent, sibling, grandparent, grandchild or child), that could conflict or appear to conflict with the trustee's duties and responsibilities to JFRS:

Describe any employment or compensation the trustee receives from any JFRS contractors or vendors:

Describe any interest in property, tangible or intangible, or any other assets or business that may constitute or cause a conflict of interest with the trustee's duties:

Signature _____

Date: _____

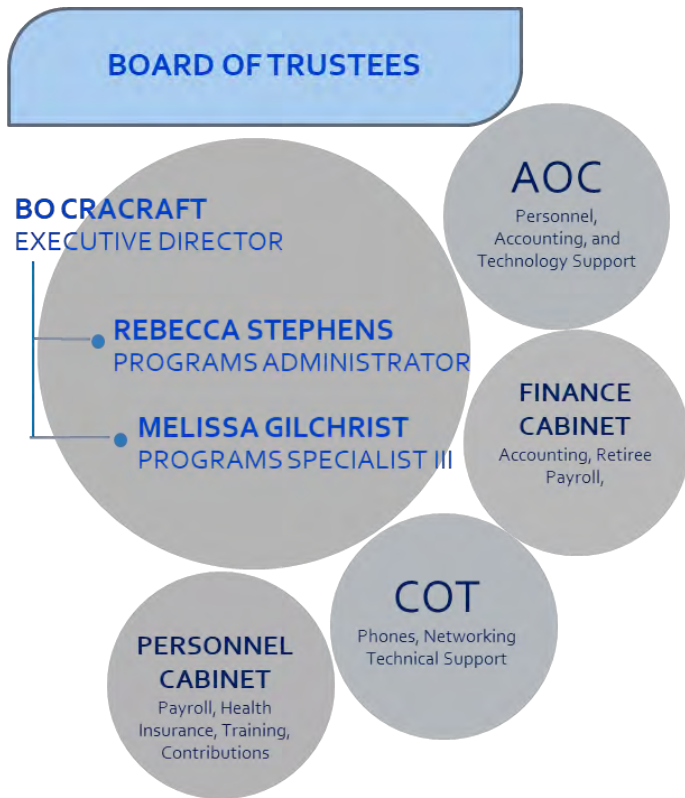
APPENDIX

- Organization Chart & Service Providers



JUDICIAL FORM RETIREMENT SYSTEM

Organizational Structure



Service Providers

