



# JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JANUARY 19, 2024





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

**January 19, 2024– 10:00 a.m. EST  
via  
Virtual/Video Conference using Microsoft Teams**

**AGENDA**

- I. Call to Order.
- II. Adoption of the *Minutes* of the October 20, 2023
- 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. 2024 Regular Session of the General Assembly
  - C. 2024-25 Personal Service Contracts – *Actionable Item*
  - D. Fiscal Year 2024 Financial Audit – Blue & Co.
  - E. Board Member Financial Disclosure Statements
- V. April 19, 2024 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**

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

**October 20, 2023**

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 21, 2023, at 10:30 a.m. All Board members, with the exception of Mr. Ben Allison and Senator Jimmy Higdon, were present. Mr. Stephen LeLaurin participated via Microsoft Teams video-conferencing.

JFRS staff present included Bo Cracraft, Executive Director, and Rebecca Stephens, Retirement Programs Administrator. Guests attending the meeting included Don Asfahl and John Watkins of Baird Trust Company. Mr. Alan Pauw, of McBrayer PLLC also participated when noted below via Microsoft Teams video-conferencing.

Chairman Venters called the meeting to order at 10:02 a.m. The trustees considered the adoption of the previously distributed *Minutes* from the July 14, 2023 meeting. Upon motion by Judge Douglas George, seconded by Representative Scott Brinkman, the Board unanimously approved the *Minutes* of the July 14, 2023 meeting.

Chairman Venters recognized Mr. Cracraft, who informed the Board that Mr. Alan Pauw, of McBrayer, LLC had joined the meeting virtually via Microsoft Teams. Due to Mr. Pauw availability, Mr. Cracraft suggested the Board adjust the order of agenda items to consider Item E – Disability Retirement Application while Mr. Pauw was available.

(E) Disability Retirement Review. Mr. Cracraft noted the System received an *Application for Disability Retirement Benefits* from a member of JRP. He informed the Board that KRS 21.410 governs disability benefits for the Judicial Retirement Plan and places authority with the Board (not staff) to decide whether a member can retire for disability purposes.

Upon motion by Representative Brad Montell, seconded by Representative Scott Brinkman, the Board unanimously agreed to go into Closed Session at 10:06 a.m. for the purpose of discussing personnel and private health information of a member. The motion passed unanimously.

Upon motion by Representative Scott Brinkman, seconded by Judge John Grise, the Board unanimously agreed to return from Closed Session at 10:42 a.m. No action was taken while in Closed Session.

Following the discussion held in closed session, Judge Douglas George made a motion, seconded by Judge John Grise, to approve the *Application for Disability Retirement Benefits Case #2023-01* contingent upon receiving a *Certified Statement of Disability* from Dr. Don Stevens, Norton Cancer Institute, who the JFRS Board of Trustees appointed as a qualified physician in compliance with KRS 21.410(1). In addition, the Board adopted a 2-year periodic review of Case #2023-01, with the first review scheduled for the January 2026 quarterly meeting.

Mr. Alan Pauw departed the meeting at 10:45 a.m. The next order of business was a quarterly update from Baird Trust Company.

Chairman Venters welcomed Don Asfahl and John Watkins, who arrived and joined the meeting at 10:45 a.m. Mr. Cracraft previously distributed copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated October 20, 2023. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. John Watkins began the quarterly review with a few comments regarding Baird's most recent Market Commentary, titled "The Challenges and Rewards of Holding." He began by sharing a few popular quotes concerning the value of waiting and holding stocks over time. He also reiterated the team's belief that growing wealth over time was most effective when investors could own shares in successful business and hold them for many years. He referenced a few holdings that Baird had owned for over a decade and the profound impact compound interest had on the stock price of those companies.

However, Mr. Watkins admitted that idea sounds very simple in theory, but was difficult in practice given the short-term attention spans of investors and volatile nature of stock prices. Most investors are unable to ignore the noise and distractions that always appear and often sell based on short time periods of wild price fluctuations. Mr. Watkins highlighted many unsettling aspects of the current environment and acknowledged the team did not know exactly how markets would react. However, uncertainty is a constant in the investment business and why Baird tries to remain focused on their overall investment philosophy of being long-term business owners.

In closing, Mr. Watkins noted that patience has historically been a strength of the Baird investment team and the large cap equity strategy. He acknowledged there have been cases where the choice to hold on to a company during a period of uncertainty had led to negative results. However, he further stated the cases where it led to long-term and compounding growth significantly outweighed those mistakes and was a primary driver for the portfolios' long-term performance. Business results do not move in straight lines, and companies experience periods of headwinds, but an "in and out" mentality is not Baird's approach.

Mr. Asfahl reviewed several economic statistics before turning to current asset allocations, annual estimated income, and the current yield on the JRP/LRP legacy portfolios. He discussed the fixed income portfolio and schedule of maturities. Mr. Watkins reviewed a snapshot of the equity portfolio and highlighted relative sector weightings, top performers and recent portfolio attribution. He pointed out the financial sector, which has been the largest weighting in the portfolio for several quarters, and drew attention to the technology sector, which

is slightly underweight at this time relative to several years ago. He pointed out that Progressive Corp was the largest holding, but the company's practice of reporting monthly results had led to recent volatility. Lastly, he referenced recent top and bottom contributors.

In response to a question from Judge John Grise regarding JP Morgan's ability to perform in an environment where most banks were struggling, Mr. Watkins stated JPM was clearly the best run and managed bank in the world. He gave much of the credit to Jamie Dimon and the Bank's management but noted they benefited from taking on a shorter book of debt, which led to returns as rates quickly and significantly increased.

In response to a question from Representative Scott Brinkman regarding Progressive and its more recent introduction to residential insurance, Mr. Watkins stated the company had added exposure. The company was still primarily driven by the automobile business, but it was adding real estate exposure through acquisition, both residential and commercial. Given the recent natural disasters, especially in coastal regions, the home insurance business has been quite a bit more volatile.

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 11:55 a.m. The meeting reconvened at 12:30 p.m.

The next 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 John Grise, seconded by Representative Brad Montell, 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 Mr. Stephen LeLaurin, 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 Representative Scott Brinkman, seconded by Mr. Stephen LeLaurin, the Investment Committee for the Legislators Retirement Fund unanimously elected Rep. Brad Montell as Chair of the Investment Committee of the Legislative Retirement Fund.

The next order of business was a quarterly compliance report from Lexington Investments LLC. Chairman Venters recognized Mr. Cracraft, who notified the board that Stan Kerrick, Lexington Investment Partners, was not able to attend the meeting. He noted for the record that *Lexington Investment's Compliance Report as of September 30, 2023* was included in meeting materials distributed to the Trustees in advance. Mr. Cracraft highlighted page one of the *Report*, noting that each plan is within its prescribed allocation and policy guidelines. In accordance with Board policy, the System maintains a copy of the *Report*.

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

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

**August 22, 2023** – Each state-administered retirement system provided a quarterly investment and cash flow update. A copy of JFRS’ presentation was included in the Board materials.

**September 26, 2023** – JFRS was not on the agenda. The Kentucky Compensation Authority provided an annual update and two public retiree advocate groups presented COLA recommendations. State Treasurer Allison Ball also intended and provided an update on the Restricted Financial Institutions/Energy Boycott List.

Mr. Cracraft indicated the PPOB was scheduled to meet on October 26, 2023, but JFRS was not on the agenda or asked to present any information.

(B) 2023 Actuarial Valuations. Mr. Cracraft stated that funding valuations for LRP and JRP were completed and DRAFT copies were included in the meeting materials. While the reports were still in draft form, Mr. Cracraft indicated no changes were expected unless recommended by the Board.

Mr. Cracraft informed the Board that Wesley Wickenheiser, of USI, Inc., was unable to join the meeting, however, staff had met with both Mr. Wickenheiser and Matt Widick to review results of the 2023 Valuation and prepare a few staff comments. Mr. Cracraft called attention to a few slides summarizing the results. First, concerning funding levels, he noted that all four plans (insurance and pension) had reached a funding level of 100%, and had an actuarial value of assets that exceeded the accrued liability. Regarding contributions, while all the plans were fully funded, the JRP pension plan did have a very small, recommended contribution. He reminded the trustees of a recent change in the Plans’ amortization policy, to amortize both the surplus assets and unfunded liabilities over a closed 20-year window. Lastly, he reviewed the Plans’ membership totals.

In response to a question from Judge John Grise regarding the 1% insurance contribution, Mr. Cracraft confirmed any change in how those funds were collected or allocated would require a statutory change. He also confirmed that specific to the JRP plan, the 1% insurance contribution received from the members exceeded the cost of providing the benefit, known as Normal Cost.

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

(C) 2024 General Session. Mr. Cracraft referenced the *2024 Regular Session – Proposed Legislative Plan* memo from staff included in the Board materials. He began by reviewing staff’s proposed budget request, which was largely driven by the actuarial valuations just reviewed.

Mr. Cracraft also reviewed the proposed restricted fund request, which is staff's estimated administrative expenses. He provided a comparison to prior fiscal years and as budgeted through the next two fiscal years. He noted that expenses had increased modestly over the past couple of years due to salary increases, the agency's investment in technology, and inflation but over a five-year period, the trend had been managed reasonably and total retirement costs had declined to help offset some of those increases.

Following a discussion, Judge Douglas George made a motion on behalf of the Investment Committee for the Judicial Retirement Plan, which was seconded by Mr. Stephen LeLaurin, to adopt staff's 2024-2026 proposed budget request for the Judicial Retirement Plan. Representative Scott Brinkman made a motion on behalf of the Investment Committee for the Legislators Retirement Plan, which was seconded by Representative Brad Montell, to adopt staff's 2024-2026 proposed budget request for the Legislators Retirement Plan.

In addition to the budget, Mr. Cracraft discussed a few legislative topics, included vesting, annual interest credits, and potential health insurance benefit considerations for cash balance members in the future. Mr. Cracraft did not suggest any specific housekeeping legislation for the 2024 session.

(D) 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.

There being no further business, the meeting adjourned at 1:14 p.m.

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Justice Daniel Venters, Chairman  
Board of Trustees

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Mr. Ben Allison, Chairman  
Judicial Retirement Fund Investment  
Committee

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Bo Cracraft, Executive Director

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Representative Brad Montell, Chairman  
Legislators Retirement Fund Investment  
Committee



# ITEM III-

## Investment Related Matters

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

# LEXINGTON INVESTMENTS LLC

## Kentucky Judicial and Legislators Retirement Funds

### INVESTMENT POLICY STATEMENT COMPLIANCE

October 1, 2023 - December 31, 2023

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 31<sup>st</sup> were Judicial 73.7%, and Legislators 74.4%.
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 31<sup>st</sup> were Judicial 26.3%, and Legislators 25.6%. Both Funds were in the target range during the past quarter.
3. Each Fund's equity investments meet the statutory standards for investment of trust funds, and all equity investments in the Fund have paid dividends for at least five consecutive years with the exceptions of Meta Platforms, Carmax, O'Reilly Automotive, Berkshire Hathaway, and Alphabet Inc. CL C. On December 31<sup>st</sup> these positions represent 15.2% of the total equity portfolio in the Judicial Fund and 15.5% 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 and no purchases in the Legislators Fund.
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 31<sup>st</sup>, the Judicial Fund's 8% limit was \$34,467,280 and the Legislators Fund's 8% limit was \$9,981,200. None of the equity positions in either Fund exceeded these market values during the quarter.
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. As of December 31<sup>st</sup> the modified duration of the Judicial Fund was 3.79 years, and Legislators 3.81 years, each fund less than 1 year of the duration of the benchmark which was 3.77 years.
7. During the quarter, there were three bond maturities for both funds: Cummins (10/1), Schlumberger (12/01), and Microsoft (12/15). Both Funds reinvested a portion into a Federal Farm Credit Corp Bond (10/03). Proceeds from December used to meet cash flow needs (withdrawal 12/18). None of the purchases had a duration exceeding 15 years, or cost which exceeded 5% of the respective account's fixed-income market value.

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**Cash Reconciliation Report**

From 09/01/2023 to 12/31/2023

## KENTUCKY JUDICIAL

Trade Date	Settlement Date	Trade Description	Net Amount	Daily Balance
09/01/2023		CASH Beginning Balance		2,870,556.92
09/01/2023		Interest CASH	37,442.81	2,907,999.73
09/01/2023		Dividend WELLS FARGO	52,683.75	2,960,683.48
09/01/2023		Dividend TE CONNECTIVITY LTD	66,021.00	3,026,704.48
09/04/2023		Interest TEXAS INSTRUMENTS	50,625.00	3,077,329.48
09/05/2023		Interest CISCO SYS INC	63,437.50	3,140,766.98
09/05/2023		Dividend PFIZER INC	92,701.00	3,233,467.98
09/07/2023		Interest MERCK & CO. INC	76,500.00	3,309,967.98
09/07/2023		Dividend JOHNSON & JOHNSON	140,182.00	3,450,149.98
09/08/2023		Dividend iShares 1-3 YR TSY ETF	321.06	3,450,471.04
09/08/2023		Dividend PARKER-HANNIFIN CORP	52,910.00	3,503,381.04
09/14/2023		Dividend MICROSOFT CORP	56,134.00	3,559,515.04
09/14/2023		Dividend HOME DEPOT	159,728.25	3,719,243.29
09/15/2023		Interest PARKER-HANNIFIN CORP NOTE	90,000.00	3,809,243.29
09/19/2023		Interest PEPSICO INC	65,625.00	3,874,868.29
09/26/2023		Interest KIMBERLY-CLARK CORP	69,750.00	3,944,618.29
09/26/2023		Interest PROGRESSIVE CORP	72,000.00	4,016,618.29
09/29/2023		Dividend BANKAMERICA CORP.	43,536.00	4,060,154.29
09/29/2023		Dividend UNION PACIFIC	58,955.00	4,119,109.29
10/01/2023	10/03/2023	Sell CUMMINS INC -3500000.00	3,563,875.00	7,682,984.29
10/01/2023		Interest PFIZER INC	59,062.50	7,742,046.79
10/01/2023		Interest SYSCO CORP	65,625.00	7,807,671.79
10/01/2023		Interest JPMORGAN CHASE & CO	66,375.00	7,874,046.79
10/02/2023		Interest CASH	1,334.19	7,875,380.98
10/02/2023		Interest CASH	11,486.81	7,886,867.79
10/03/2023		Dividend iShares 1-3 YR TSY ETF	326.14	7,887,193.93
10/03/2023	10/04/2023	Buy FEDERAL FARM CR BKS BOND 5000000.00	(5,016,791.67)	2,870,402.26
10/12/2023		Interest FEDERAL FARM CR BKS	83,250.00	2,953,652.26
10/12/2023		Dividend OMNICOM GROUP	88,585.00	3,042,237.26
10/13/2023		Dividend PROGRESSIVE CORP-OHIO	19,402.50	3,061,639.76
10/15/2023		Interest OMNICOM GROUP INC	54,000.00	3,115,639.76
10/15/2023		Interest EXXON MOBIL CORP	58,725.00	3,174,364.76
10/16/2023		Dividend U S BANCORP	90,288.00	3,264,652.76
10/17/2023		Withdrawal CASH	(3,000,000.00)	264,652.76
10/21/2023		Interest U.S. BANCORP MTN	43,875.00	308,527.76
10/21/2023		Interest BANK AMER CORP	81,200.00	389,727.76
10/23/2023		Interest WELLS FARGO CO NEW	67,500.00	457,227.76
10/25/2023		Dividend GENERAL ELECTRIC NEW	11,716.00	468,943.76
10/25/2023		Dividend CISCO SYSTEMS INC	40,150.50	509,094.26
10/27/2023		Interest FEDERAL FARM CREDIT BANK	24,750.00	533,844.26
10/30/2023		Interest BLACKROCK INC	73,125.00	606,969.26
10/30/2023		Interest NORTHERN TR CORP	88,875.00	695,844.26
10/31/2023		Dividend JP MORGAN	159,810.00	855,654.26
11/01/2023		Interest CASH	1,004.61	856,658.87
11/01/2023		Interest CASH	6,127.63	862,786.50
11/06/2023		Interest APPLE INC NOTE	60,375.00	923,161.50
11/07/2023		Dividend iShares 1-3 YR TSY ETF	359.34	923,520.84
11/10/2023		Interest AAPLE INC NOTE	32,250.00	955,770.84
11/14/2023		Interest ABBVIE INC	72,000.00	1,027,770.84
11/15/2023		Interest UNITED STATES TREAS NT	31,250.00	1,059,020.84
11/15/2023		Interest META PLATFORMS NOTE	98,133.33	1,157,154.17
11/16/2023		Dividend APPLE INC.	34,212.00	1,191,366.17
11/17/2023		Withdrawal CASH	(750,000.00)	441,366.17
11/24/2023		Dividend SCHWAB (CHAS)	80,900.00	522,266.17
11/24/2023		Dividend FASTENAL CO.	86,205.00	608,471.17
11/30/2023		Interest CASH	988.60	609,459.77
11/30/2023		Dividend TJX COS INC NEW	48,013.00	657,472.77
12/01/2023	12/01/2023	Sell SCHLUMBERGER INVT SA -3500000.00	3,563,875.00	4,221,347.77
12/01/2023		Interest CASH	54.88	4,221,402.65
12/01/2023		Dividend WELLS FARGO	52,683.75	4,274,086.40
12/01/2023		Dividend PARKER-HANNIFIN CORP	52,910.00	4,326,996.40
12/01/2023		Dividend TE CONNECTIVITY LTD	66,021.00	4,393,017.40
12/04/2023		Dividend PFIZER INC	92,701.00	4,485,718.40
12/07/2023		Dividend iShares 1-3 YR TSY ETF	385.30	4,486,103.70
12/07/2023		Dividend JOHNSON & JOHNSON	140,182.00	4,626,285.70
12/14/2023		Dividend MICROSOFT CORP	61,912.50	4,688,198.20

**Cash Reconciliation Report**

From 09/01/2023 to 12/31/2023

KENTUCKY JUDICIAL

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
12/14/2023		Dividend HOME DEPOT	159,728.25	4,847,926.45
12/15/2023	12/15/2023	Sell MICROSOFT CORP -3000000.00	3,054,375.00	7,902,301.45
12/15/2023		Interest OREILLY AUTOMOTIVE INC	105,750.00	8,008,051.45
12/15/2023		Dividend EXPEDITORS INTERNATIONAL	58,512.00	8,066,563.45
12/18/2023		Withdrawal CASH	(6,500,000.00)	1,566,563.45
12/20/2023		Dividend iShares 1-3 YR TSY ETF	405.20	1,566,968.65
12/20/2023		Dividend FASTENAL CO.	93,594.00	1,660,562.65
12/28/2023		Dividend UNION PACIFIC	58,955.00	1,719,517.65
12/29/2023		Interest CASH	1,378.70	1,720,896.35
12/29/2023		Dividend BANKAMERICA CORP.	43,536.00	1,764,432.35
12/31/2023		CASH Ending Balance		1,764,432.35

**Cash Reconciliation Report**

From 09/01/2023 to 12/31/2023

## KENTUCKY LEGISLATORS

<u>Trade Date</u>	<u>Settlement Date</u>	<u>Trade Description</u>	<u>Net Amount</u>	<u>Daily Balance</u>
09/01/2023		CASH Beginning Balance		924,743.16
09/01/2023		Interest CASH	5,404.95	930,148.11
09/01/2023		Dividend WELLS FARGO	15,102.50	945,250.61
09/01/2023		Dividend TE CONNECTIVITY LTD	19,617.50	964,868.11
09/04/2023		Interest TEXAS INSTRUMENTS	14,062.50	978,930.61
09/05/2023		Interest CISCO SYS INC	18,125.00	997,055.61
09/05/2023		Dividend PFIZER INC	26,650.00	1,023,705.61
09/07/2023		Interest MERCK & CO. INC	21,250.00	1,044,955.61
09/07/2023		Dividend JOHNSON & JOHNSON	40,370.75	1,085,326.36
09/08/2023		Dividend iShares 1-3 YR TSY ETF	362.22	1,085,688.58
09/08/2023		Dividend PARKER-HANNIFIN CORP	15,244.00	1,100,932.58
09/14/2023		Dividend MICROSOFT CORP	16,201.00	1,117,133.58
09/14/2023		Dividend HOME DEPOT	45,927.75	1,163,061.33
09/15/2023		Interest PARKER-HANNIFIN CORP NOTE	28,125.00	1,191,186.33
09/19/2023		Interest PEPSICO INC	16,406.25	1,207,592.58
09/26/2023		Interest PROGRESSIVE CORP	20,000.00	1,227,592.58
09/29/2023		Dividend BANKAMERICA CORP.	12,648.00	1,240,240.58
09/29/2023		Dividend UNION PACIFIC	17,030.00	1,257,270.58
10/01/2023	10/03/2023	Sell CUMMINS INC -1000000.00	1,018,250.00	2,275,520.58
10/01/2023		Interest PFIZER INC	16,406.25	2,291,926.83
10/01/2023		Interest JPMORGAN CHASE & CO	18,437.50	2,310,364.33
10/01/2023		Interest SYSCO CORP	18,750.00	2,329,114.33
10/02/2023		Interest CASH	624.89	2,329,739.22
10/02/2023		Interest CASH	1,327.94	2,331,067.16
10/03/2023		Dividend iShares 1-3 YR TSY ETF	367.95	2,331,435.11
10/03/2023	10/04/2023	Buy FEDERAL FARM CR BKS BOND 2000000.00	(2,006,716.67)	324,718.44
10/12/2023		Interest FEDERAL FARM CR BKS	20,812.50	345,530.94
10/12/2023		Dividend OMNICOM GROUP	25,672.50	371,203.44
10/13/2023		Dividend PROGRESSIVE CORP-OHIO	5,540.00	376,743.44
10/15/2023		Interest EXXON MOBIL CORP	16,312.50	393,055.94
10/15/2023		Interest OMNICOM GROUP INC	22,500.00	415,555.94
10/16/2023		Dividend U S BANCORP	25,272.00	440,827.94
10/21/2023		Interest U.S. BANCORP MTN	14,625.00	455,452.94
10/21/2023		Interest BANK AMER CORP	20,300.00	475,752.94
10/23/2023		Interest WELLS FARGO CO NEW	18,750.00	494,502.94
10/25/2023		Dividend GENERAL ELECTRIC NEW	3,435.60	497,938.54
10/25/2023		Dividend CISCO SYSTEMS INC	11,709.75	509,648.29
10/30/2023		Interest BLACKROCK INC	20,312.50	529,960.79
10/30/2023		Interest NORTHERN TR CORP	24,687.50	554,648.29
10/31/2023		Dividend JP MORGAN	45,937.50	600,585.79
11/01/2023		Interest CASH	421.64	601,007.43
11/01/2023		Interest CASH	749.89	601,757.32
11/06/2023		Interest APPLE INC NOTE	16,387.50	618,144.82
11/07/2023		Dividend iShares 1-3 YR TSY ETF	405.41	618,550.23
11/10/2023		Interest AAPLE INC NOTE	10,750.00	629,300.23
11/14/2023		Interest ABBVIE INC	26,562.50	655,862.73
11/15/2023		Interest UNITED STATES TREAS NT	15,625.00	671,487.73
11/15/2023		Interest META PLATFORMS NOTE	24,533.33	696,021.06
11/16/2023		Dividend APPLE INC.	10,008.00	706,029.06
11/24/2023		Dividend SCHWAB (CHAS)	23,050.00	729,079.06
11/24/2023		Dividend FASTENAL CO.	24,955.00	754,034.06
11/30/2023		Interest CASH	902.43	754,936.49
11/30/2023		Dividend TJX COS INC NEW	13,898.50	768,834.99
12/01/2023	12/01/2023	Sell SCHLUMBERGER INVT SA -1000000.00	1,018,250.00	1,787,084.99
12/01/2023		Dividend WELLS FARGO	15,102.50	1,802,187.49
12/01/2023		Dividend PARKER-HANNIFIN CORP	15,244.00	1,817,431.49
12/01/2023		Dividend TE CONNECTIVITY LTD	19,617.50	1,837,048.99
12/04/2023		Dividend PFIZER INC	26,650.00	1,863,698.99
12/05/2023		Dividend JOHNSON & JOHNSON	40,370.75	1,904,069.74
12/07/2023		Dividend iShares 1-3 YR TSY ETF	434.70	1,904,504.44
12/14/2023		Dividend MICROSOFT CORP	17,868.75	1,922,373.19
12/14/2023		Dividend HOME DEPOT	45,927.75	1,968,300.94
12/15/2023	12/15/2023	Sell MICROSOFT CORP -1000000.00	1,018,125.00	2,986,425.94
12/15/2023		Interest OREILLY AUTOMOTIVE INC	23,500.00	3,009,925.94
12/15/2023		Dividend EXPEDITORS INTERNATIONAL	16,801.50	3,026,727.44
12/18/2023		Withdrawal CASH	(2,000,000.00)	1,026,727.44

**Cash Reconciliation Report**

From 09/01/2023 to 12/31/2023

KENTUCKY LEGISLATORS

<b>Trade Date</b>	<b>Settlement Date</b>	<b>Trade Description</b>	<b>Net Amount</b>	<b>Daily Balance</b>
12/20/2023		Dividend iShares 1-3 YR TSY ETF	457.15	1,027,184.59
12/20/2023		Dividend FASTENAL CO.	27,094.00	1,054,278.59
12/28/2023		Dividend UNION PACIFIC	17,030.00	1,071,308.59
12/29/2023		Interest CASH	1,378.69	1,072,687.28
12/29/2023		Dividend BANKAMERICA CORP.	12,648.00	1,085,335.28
12/31/2023		CASH Ending Balance		1,085,335.28



Investment Review  
KY Judicial Retirement Fund  
KY Legislators Retirement Fund  
K , 202

# Investment Review

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



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## Climbing a Wall of Worry

### What can we learn from 2023 – and can we put it to use in 2024 and beyond?

We have long held that in the short term, the stock market has a mind of its own and will often move contrary to the perceived wisdom of the day. Case in point: While the consensus view of the economy and the stock market was mostly negative entering 2023, when it was all said and done, the S&P 500 delivered an astoundingly positive total return of 26%. The stock market spent the past year “climbing a wall of worry” – an investing adage that has been circulating for over 70 years but is perfectly suited to 2023.

### Lessons From 2023

Investors began the year licking their wounds from market declines of 2022, including an 18.1% drop in the S&P 500 and two consecutive years of negative bond returns. Inflation was raging, the Federal Reserve was aggressively raising interest rates in response and most economists were forecasting a recession. In the face of these very real concerns – not to mention a rapidly deteriorating relationship between the United States and China and no end in sight to the war in Eastern Europe – most prognosticators were expecting a declining stock market. Yet as we now know, the stock market delivered outstanding returns in 2023, adding to the mountain of evidence that stock market returns are unpredictable from year to year.

Our experience tells us predictions of near-term changes in the macroeconomic environment and the stock market are unreliable. Noted economist John Kenneth Galbraith once stated, “There are two kinds of forecasters: Those who don’t know, and those who don’t know they don’t know.” We agree and believe that basing investment decisions on such forecasts is unproductive.

The good news is that achieving attractive investment results doesn't require psychic ability. Our approach to your accounts involves diligently researching and selecting high-quality stocks and bonds that are fundamentally sound, durable through the ups and downs of economic cycles and as a group likely to produce attractive returns through full market cycles. Further, once your portfolio is established, we don't make rapid-fire trades based on the changing predictions of the day. We want to always have your portfolios prepared for an uncertain future and strive to be disciplined and patient investors in helping you achieve your investment objectives and goals.

**“The rapid change and digitization of the business world enabled by the internet requires investors to adapt their thinking to what is possible.”**

### **Looking to the Future**

With the lessons from 2023 fresh in our minds, what can we expect in 2024? Just like last year, the prognosticators are highly confident about many things – that a soft landing is assured, interest rates have peaked and will decline amid multiple Fed rate cuts, the economy will remain in decent shape and stock prices will continue higher. Could these things come to pass? Absolutely. Will they come to pass? That we don't know – nor do we know if the actual events will play out better or worse than the prediction. As we have often said, investors should always expect the unexpected.

One constant we can always expect is the likelihood of change – and the rate of change continues to accelerate as technology rapidly evolves and impacts nearly every business. Legendary investor John Templeton once said (in the pre-internet era) that the four most dangerous words in investing were “This time it's different.” At the time he uttered that phrase, we think he was correct – but the internet has fundamentally changed the way companies operate. In today's post-internet era, we believe the phrase “This time it's very different” is true. We believe the digital revolution that transformed the world over the past 30 years is similar in scope to the paradigm shift brought about by the Industrial Revolution.

The rapid change and digitization of the business world enabled by the internet requires investors to adapt their thinking to what is possible. As we wrote in our Q2 2023 commentary, the dawning of artificial intelligence will only further accelerate the rate of change in the years to come. Because of this, we must remain open-minded to the possibilities of this new technology. Close-mindedness is a major risk – we believe it's essential to continue growing our knowledge base of new companies and industries that are expanding the capabilities of all businesses. We are working steadfastly to ensure your portfolios participate in the exciting developments of the future. As always, our plan is to do this work in a very disciplined fashion with risk mitigation underlying every investment we make for you. The investment possibilities are exciting, but we will continue to be very clear-eyed in stringently assessing risk

**In Memoriam: Charles T. Munger**

The investment community lost one of its legendary figures late last year as Charlie Munger died five weeks short of his 100th birthday. As the long-time business partner of Warren Buffett, he helped build Berkshire Hathaway into one of the world's most successful companies. Munger convinced Buffett early in their partnership that it is better to invest in great businesses at fair prices than in fair businesses at great prices. This important change in investment approach enhanced the growth trajectory of Berkshire and amplified its incredible success.

His loss will leave a big void for investors like us. He had an immense impact on how we think about investing, and we have modeled our approach to investing around the insights and wisdom Munger so freely shared with those who were interested. Thankfully, the collection of investment wisdom he leaves behind is timeless, and we can continue to adhere to the ideas he espoused.

In addition to his investing brilliance, Munger was also known for his honesty, candor and humor. He possessed a rare combination of a towering intellect and good common sense. He also gave great advice on how best to live a good life. We will sorely miss Charlie Munger.



**Charles T. Munger  
(1924–2023).**

**Image source:  
The New York Times**

**Disclosure**

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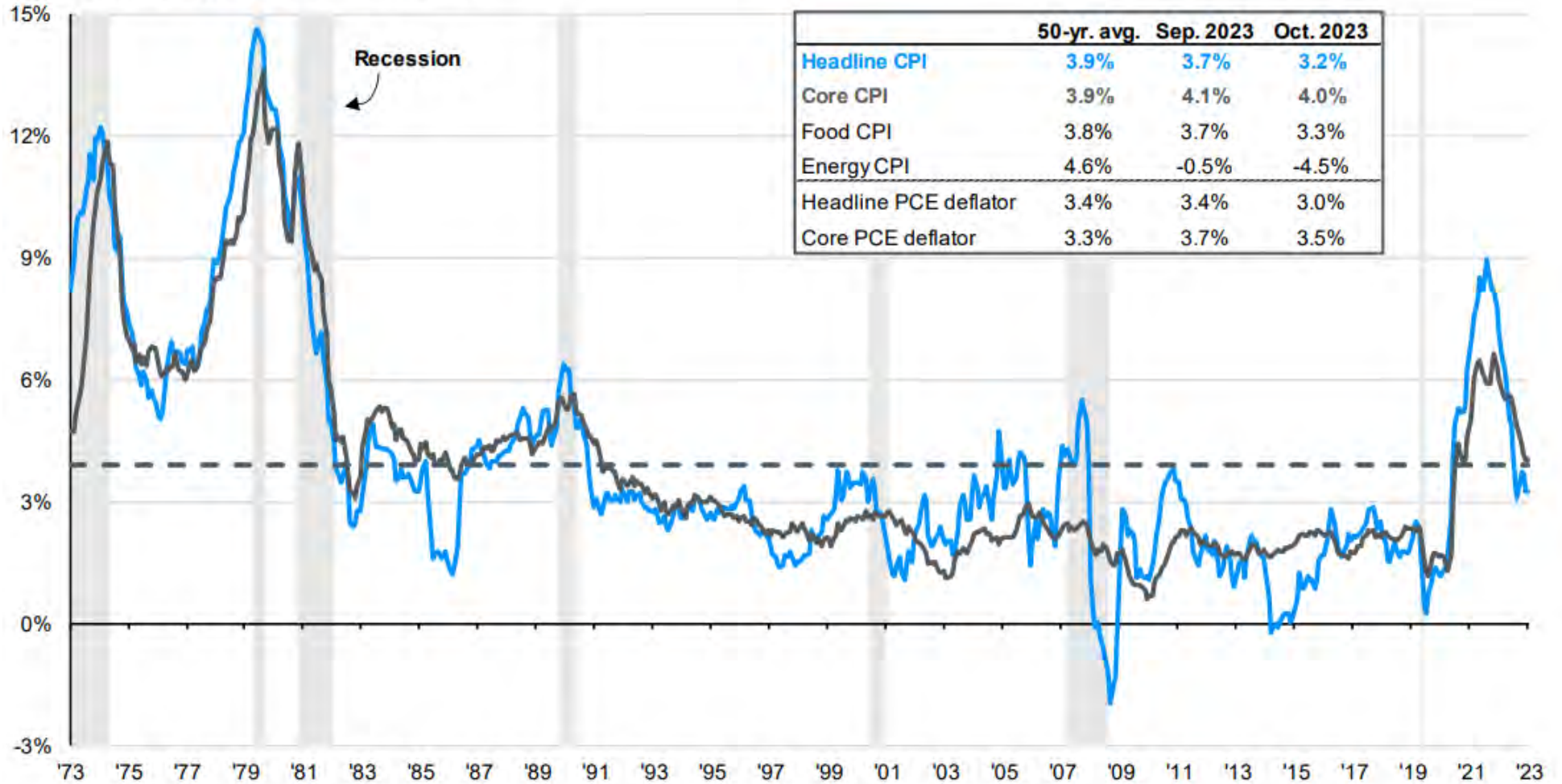
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- The U.S. added 199,000 jobs in November. The unemployment rate decreased 0.2% from the prior month to 3.7%. Real hourly wages rose 0.2% month-over-month and have risen 0.8% year-over-year.
- The CPI rose 0.1% in November and the core CPI rose 0.3%. Gas prices fell 6.0%. Food prices rose 0.2%. Year-over-year the CPI rose 3.1% and the core CPI rose 4.0%.
- The second estimate of 2023 Q3 GDP growth is 5.2%, up from the first advance estimate of 4.9%. This is compared to the previous **quarter's** 2.1%.
- Retail sales rose 0.1% in November. Gas station sales fell 2.9%. Bar and restaurant sales increased 1.6%. Department store sales fell 2.5% and furniture store sales rose 0.9%.
- The Consumer Confidence Index increased to 102.0 in November from a revised 99.1 in October.
- Personal income increased 0.2% in October. Consumer spending also increased by 0.2%. The saving rate rose to 3.8% in October from 3.4% in September.

# Inflation Still Too High, Especially Core CPI (CPI 3.2%, Core 4.0%)

## CPI and core CPI

% change vs. prior year, seasonally adjusted

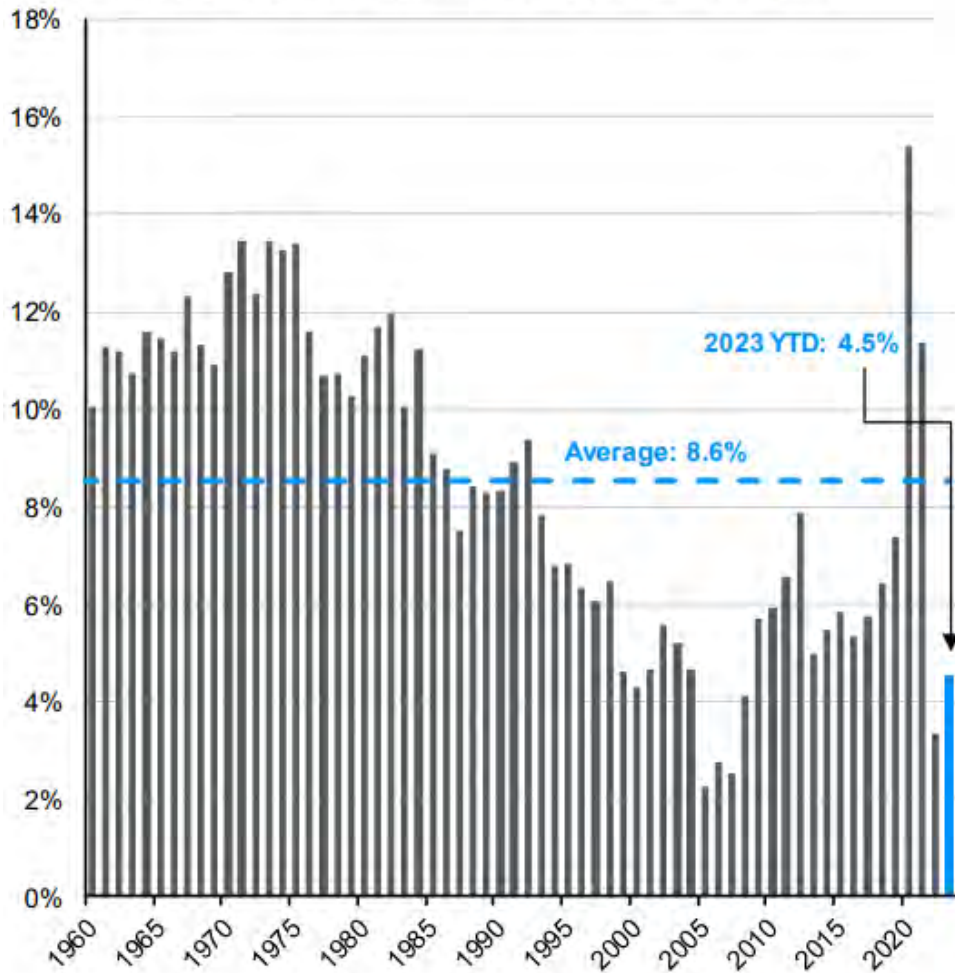


Source: J.P. Morgan Asset Management

# Resilient Consumer but cracks forming

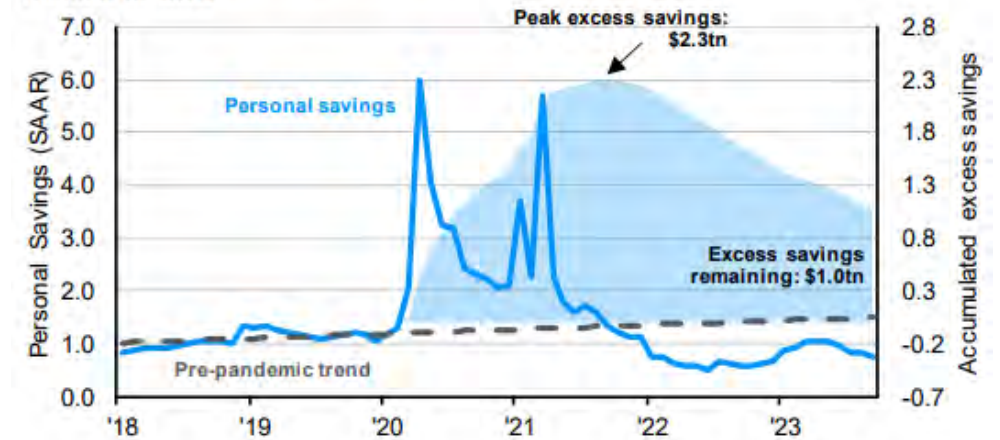
## Personal saving rate

Personal savings as a % of disposable personal income, annual



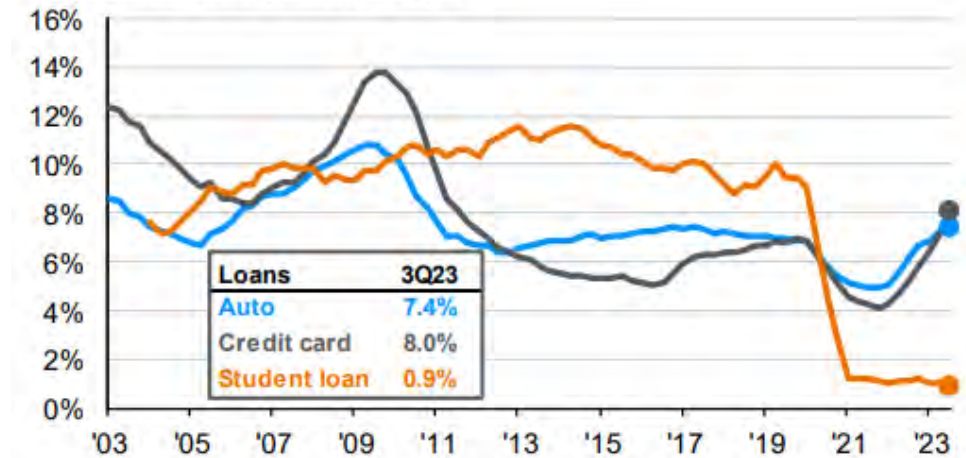
## Household excess savings

Trillions of USD



## Flows into early delinquencies

% of balance delinquent 30+ days



Source: BEA, Federal Reserve

# 80% of S&P 500 YTD Return Attributable to 10 Companies



Source: Strategas Research Partners



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



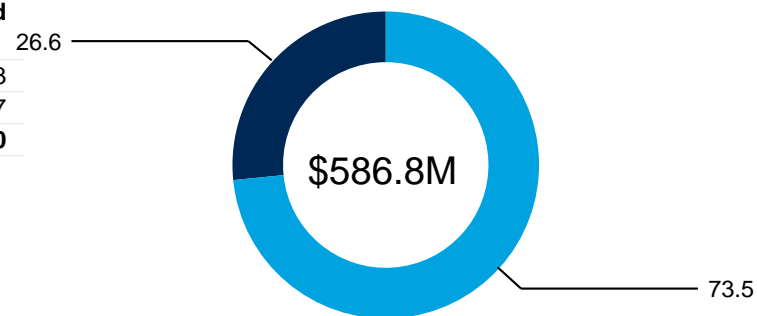
Source: Strategas Research Partners

## Client Investment Review

Investment activity through 12/31/2023

**Asset Allocation Summary**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	430,947,449	73.5	5,768,722.00	1.3
Total Fixed Income	155,804,097	26.6	5,647,801.68	3.7
<b>Total</b>	<b>586,751,546</b>	<b>100.0</b>	<b>11,416,523.68</b>	<b>2.0</b>

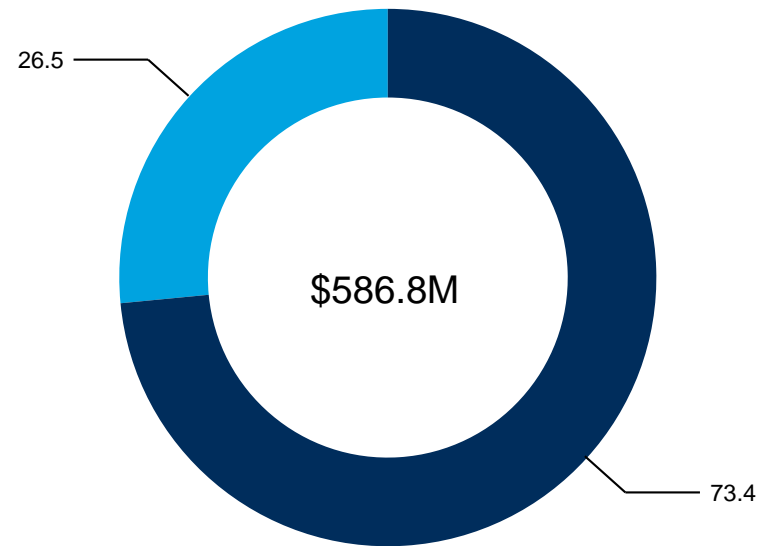


**Investment Summary**

	Fiscal Year to Date (6 Months)
Beginning Account Value	552,914,216.91
Net Contributions/Withdrawals	-9,279,711.85
Income Earned	4,778,703.73
Market Appreciation	38,338,337.38
Ending Account Value	586,751,546.17

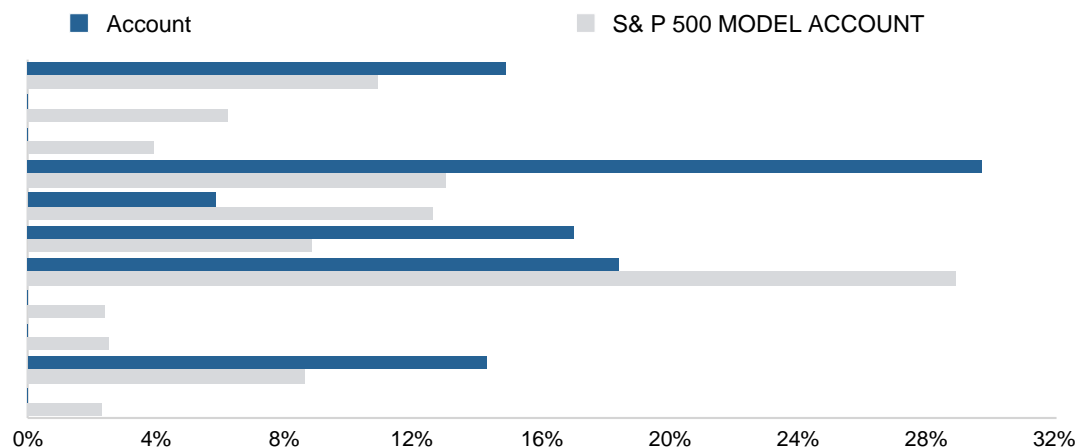
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	430,947,449	73.4
● Taxable Fixed Income	155,676,114	26.5
● Taxable Bond Funds	127,982	.0
<b>Total</b>	<b>586,751,546</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.9	10.9
Consumer Staples	.0	6.2
Energy	.0	3.9
Financials	29.7	13.0
Health Care	5.8	12.6
Industrials	17.0	8.8
Information Tech	18.4	28.9
Materials	.0	2.4
Real Estate	.0	2.5
Communication Serv	14.3	8.6
Utilities	.0	2.3



Top 10 Performers

	Market Value	% of Mkt Val	Return
META PLATFORM, INC.	12,025,791	2.0	194.30
GENERAL ELECTRIC CO COM N	18,703,130	3.2	93.98
PARKER HANNIFIN CORP COM	16,470,025	2.8	59.79
ALPHABET INC CAP STK CL C	25,740,865	4.4	58.83
MICROSOFT CORP COM	31,042,102	5.3	58.47
APPLE INC COM	27,445,152	4.7	49.32
FASTENAL CO COM	15,952,851	2.7	40.33
JPMORGAN CHASE & CO COM	25,889,220	4.4	30.47
CARMAX INC COM	7,198,212	1.2	26.03
TE CONNECTIVITY LTD REG S	15,721,950	2.7	24.03

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	31,042,102	5.3	58.47
PROGRESSIVE CORP OH COM	30,904,302	5.3	23.11
APPLE INC COM	27,445,152	4.7	49.32
BERKSHIRE HATHAWAY INC DE	27,275,574	4.7	15.43
HOME DEPOT INC COM	26,485,084	4.5	12.01
JPMORGAN CHASE & CO COM	25,889,220	4.4	30.47
ALPHABET INC CAP STK CL C	25,740,865	4.4	58.83
SCHWAB CHARLES CORP NEW C	22,263,680	3.8	-16.28
GENERAL ELECTRIC CO COM N	18,703,130	3.2	93.98
JOHNSON & JOHNSON COM	18,463,972	3.1	-9.25

Sector	Qtr
Financials	0.83
Industrials	0.82
Energy	0.79
Consumer Staples	0.43
Utilities	0.07
Materials	0.04
Communication Services	0.01
Real Estate	-0.17
Health Care	-0.30
Consumer Disc	-0.42
Information Tech	-1.10
<b>Total</b>	<b>0.99</b>

Sector	1 Year
Industrials	3.97
Consumer Staples	1.90
Energy	1.45
Utilities	1.07
Materials	0.39
Real Estate	0.39
Communication Services	0.07
Health Care	-0.03
Financials	-2.56
Consumer Disc	-3.46
Information Tech	-4.70
<b>Total</b>	<b>-1.52</b>

Sector	5 Years
Industrials	0.78
Consumer Disc	0.40
Consumer Staples	0.32
Utilities	0.26
Financials	0.24
Real Estate	0.18
Energy	0.15
Materials	0.04
Information Tech	0.00
Health Care	-0.27
Communication Services	-0.52
<b>Total</b>	<b>1.57</b>

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.20	19.09	1.30
SCHW	Charles Schwab	5.17	25.87	1.20
JPM	JP Morgan Chase	6.01	18.18	1.04
PGR	Progressive	7.17	14.42	1.02
HD	Home Depot	6.15	14.69	0.89

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.20	58.47	3.53
AAPL	Apple	6.37	49.32	2.89
GOOG	Alphabet	5.97	58.83	2.75
GE	General Electric	4.34	93.98	2.67
META	Meta Platform	2.79	194.30	2.30

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.37	38.62	2.68
MSFT	Microsoft	7.20	31.14	2.26
PGR	Progressive	7.17	25.05	1.55
HD	Home Depot	6.15	17.79	1.15
GOOG	Alphabet	5.97	22.16	1.14

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.51	-13.21	-0.26
CSCO	Cisco	1.21	-5.33	-0.08
JNJ	Johnson & Johnson	4.28	0.64	0.03
BRK-B	Berkshire Hathaway	6.33	1.82	0.13
KMX	Carmax	1.67	8.50	0.15

### 1 Year

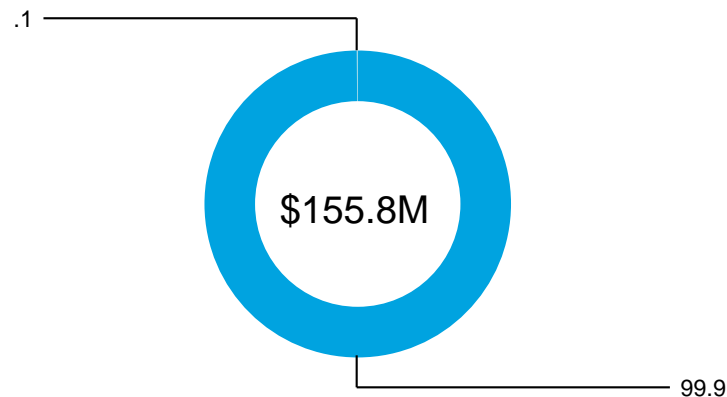
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.51	-41.98	-1.38
SCHW	Charles Schwab	5.17	-16.28	-0.56
JNJ	Johnson & Johnson	4.28	-9.25	-0.56
BAC	Bank of America	1.42	4.21	0.06
DIS	Disney	2.92	4.29	0.08

### 5 Years

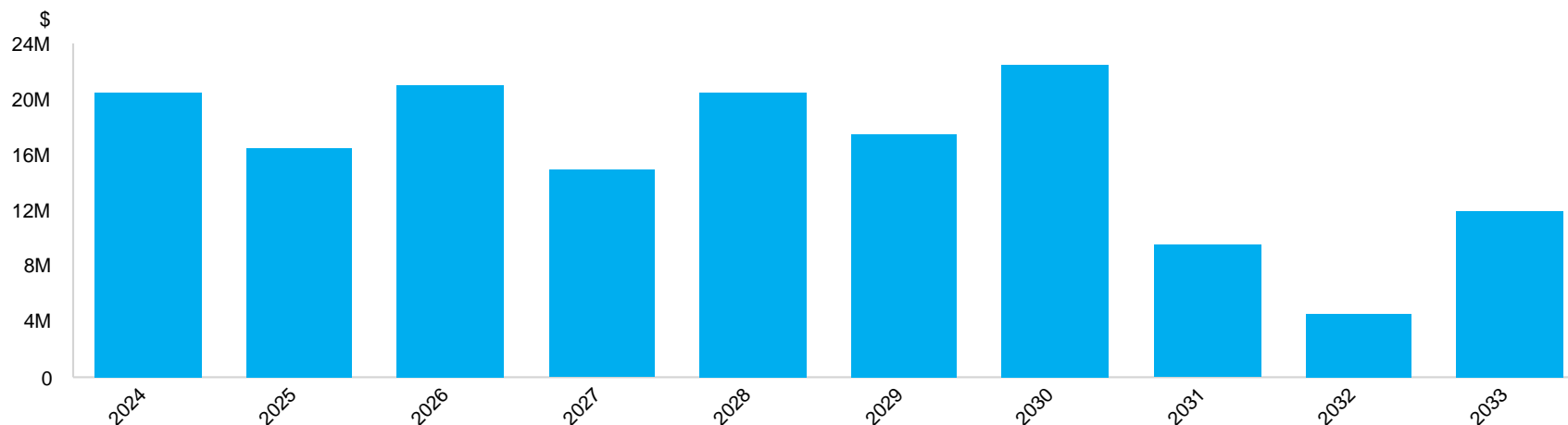
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.92	-3.69	-0.09
PFE	Pfizer	1.51	-3.59	-0.05
WFC	Wells Fargo	1.72	4.21	0.07
USB	US Bancorp	1.91	2.85	0.09
CSCO	Cisco	1.21	6.28	0.11

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	155,676,114	99.9	5,643,975.00	3.7
● Taxable Bond Funds	127,982	.1	3,826.68	3.0
<b>Total</b>	<b>155,804,097</b>	<b>100.0</b>	<b>5,647,801.68</b>	<b>3.7</b>



**Fixed Income Maturity Schedule**

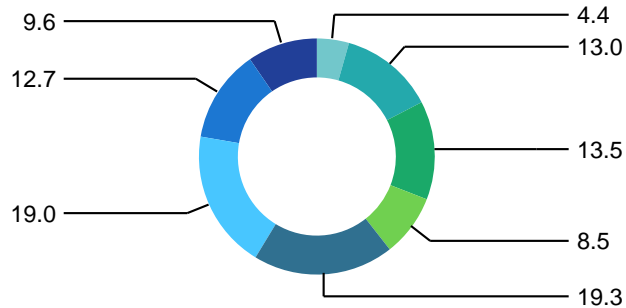




Fixed Income Analysis

	12/31/2023	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.56	2.89
Current Yield	3.66	3.04
Yield to Maturity	4.75	4.37
Maturity	4.31	4.27
Duration	3.88	3.78
Face Amount	159,500,000	
Market Value	154,017,515	
Total Accrual	1,658,599	
Cost	167,154,996	

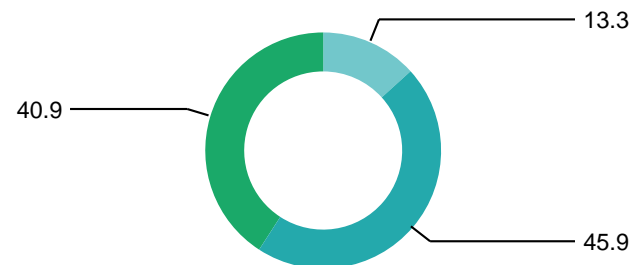
Quality Allocation by Market Value



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

NR=Not rated by S&P

Maturity Allocation by Market Value



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

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2033</b>										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	1,500,000.000	99.990	101.553	1,532,432.50	AA+	02/10/2033		64,500.00	4.098
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	100.250	1,011,300.00	AA+	04/27/2026		49,500.00	4.915
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	4,000,000.000	99.060	101.511	4,131,940.00	AA+			180,000.00	4.306
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	102.783	4,186,670.00	BBB+	05/14/2033		198,000.00	4.588
US BANCORP FR 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	103.023	1,562,407.50	A	10/21/2032		87,750.00	5.447
<b>Total Matures 2033</b>					<b>12,424,750.00</b>				<b>579,750.00</b>	
<b>Matures 2032</b>										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	4,500,000.000	98.570	98.921	4,460,845.00	BBB	03/15/2032		211,500.00	4.857
<b>Total Matures 2032</b>					<b>4,460,845.00</b>				<b>211,500.00</b>	
<b>Matures 2031</b>										
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	4,500,000.000	107.230	88.974	4,059,480.00	A-			119,250.00	4.497
FEDERAL FARM CR BKS CONS SYSTEMWIDE 6.050%08/22/2031	08/22/2031	5,000,000.000	99.630	100.578	5,137,295.83	AA+	08/22/2024		302,500.00	5.953
<b>Total Matures 2031</b>					<b>9,196,775.83</b>				<b>421,750.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	90.023	4,100,722.50	A-	11/01/2029		119,250.00	4.546
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	89.428	4,049,055.00	AA-	07/15/2030		117,450.00	4.430
KIMBERLY CLARK CORP SR GLBL 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	93.282	4,234,502.50	A	12/26/2029		139,500.00	4.341
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	4,500,000.000	108.330	90.195	4,088,306.25	A	01/01/2030		118,125.00	4.438
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	4,500,000.000	109.830	92.435	4,197,575.00	A	12/26/2029		144,000.00	4.609
<b>Total Matures 2030</b>					<b>20,670,161.25</b>				<b>638,325.00</b>	
<b>Matures 2029</b>										
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	4,500,000.000	110.960	96.063	4,347,616.25	AA-	01/30/2029		146,250.00	4.079
MERCK & CO INC SR GLBL	03/07/2029	4,500,000.000	111.400	96.062	4,371,240.00	A+	12/07/2028		153,000.00	4.254

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
3.400%03/07/2029 PARKER HANNIFIN CORP SR GLBL	09/15/2029	4,000,000.000	95.730	100.268	4,063,720.00	BBB+	07/15/2029		180,000.00	4.445
4.500%09/15/2029 TEXAS INSTRS INC SR GLBL NT	09/04/2029	4,500,000.000	105.750	90.187	4,091,321.25	A+	06/04/2029		101,250.00	4.211
2.250%09/04/2029 <b>Total Matures 2029</b>					<b>16,873,897.50</b>				<b>580,500.00</b>	
<b>Matures 2028</b>										
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	5,000,000.000	100.840	98.622	5,019,863.89	AA-	10/15/2027		192,500.00	4.225
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	4,000,000.000	99.780	101.459	4,081,871.11	AA-	04/15/2028		184,000.00	4.230
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	5,000,000.000	108.810	95.682	4,850,961.11	AAA	10/15/2027		145,000.00	4.071
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	4,500,000.000	106.380	94.368	4,308,960.00	A-	10/25/2027		144,000.00	4.740
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	2,000,000.000	108.180	96.622	1,940,510.05	AAA			62,500.00	3.892
<b>Total Matures 2028</b>					<b>20,202,166.16</b>				<b>728,000.00</b>	
<b>Matures 2027</b>										
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	5,000,000.000	108.340	95.145	4,788,827.78	A-	10/21/2026		162,400.00	4.654
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	5,000,000.000	100.000	97.429	4,907,987.50	AA+	04/12/2023		166,500.00	4.176
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	5,000,000.000	108.550	94.828	4,778,587.50	A+	01/19/2027 100.000		131,250.00	4.365
<b>Total Matures 2027</b>					<b>14,475,402.78</b>				<b>460,150.00</b>	
<b>Matures 2026</b>										
ABBVIE INC SR GLBL 3.200%05/14/2026	05/14/2026	4,500,000.000	109.020	96.918	4,380,110.01	A-	02/14/2026		144,000.00	4.586
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	108.980	95.257	4,319,752.50	A-	07/01/2026 100.000		132,750.00	4.811
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	3,000,000.000	104.300	97.454	2,946,420.00	BBB+	01/15/2026		108,000.00	4.786
VERIZON COMMUNICATIONS INC SR GLBL 2.625%08/15/2026	08/15/2026	4,500,000.000	108.120	95.247	4,330,740.00	BBB+			118,125.00	4.569
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	4,500,000.000	108.470	94.937	4,297,665.00	BBB+			135,000.00	4.951
<b>Total Matures 2026</b>					<b>20,274,687.51</b>				<b>637,875.00</b>	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2025</b>										
CVS HEALTH CORP SR GBL NT 3.875%07/20/2025	07/20/2025	3,500,000.000	101.290	98.269	3,500,069.51	BBB	04/20/2025		135,625.00	5.049
INTEL CORP SR GBL 3.700%07/29/2025	07/29/2025	5,000,000.000	103.130	98.412	4,998,711.10	A	04/29/2025		185,000.00	4.757
NORTHERN TR CORP SUB NT 3.950%10/30/2025	10/30/2025	4,500,000.000	104.400	98.259	4,451,773.76	A			177,750.00	4.954
SYSCO CORP SR NT 3.750%10/01/2025	10/01/2025	3,500,000.000	102.850	97.574	3,447,902.50	BBB	07/01/2025		131,250.00	5.216
<b>Total Matures 2025</b>					<b>16,398,456.87</b>				<b>629,625.00</b>	
<b>Matures 2024</b>										
ALTRIA GROUP INC SR GBL NT 4.000%01/31/2024	01/31/2024	3,500,000.000	102.900	99.839	3,552,698.33	BBB			140,000.00	6.084
APPLE INC SR GBL NT 3.450%05/06/2024	05/06/2024	3,500,000.000	102.810	99.305	3,494,122.91	AA+			120,750.00	5.481
CISCO SYS INC SR NT 3.625%03/04/2024	03/04/2024	3,500,000.000	102.240	99.677	3,529,929.37	AA-			126,875.00	5.470
HOME DEPOT INC SR NT 3.750%02/15/2024	02/15/2024	3,000,000.000	101.890	99.733	3,034,490.01	A	11/15/2023		112,500.00	5.964
INTERNATIONAL BUSINESS MACHS SR GBL 3.625%02/12/2024	02/12/2024	3,500,000.000	102.280	99.756	3,540,447.85	A-			126,875.00	5.795
U S BANCORP MTNS BK ENT FR 3.700%01/30/2024	01/30/2024	3,500,000.000	102.460	99.799	3,547,283.05	A	12/29/2023		129,500.00	6.319
<b>Total Matures 2024</b>					<b>20,698,971.52</b>				<b>756,500.00</b>	
<b>Matures 2023</b>										
MICROSOFT CORP NT 3.625%12/15/2023	12/15/2023	.000	.000	.000	.00	AAA	09/15/2023		.00	.000
SCHLUMBERGER INVT SA SR NT 3.650%12/01/2023	12/01/2023	.000	.000	.000	.00	A	09/01/2023		.00	.000
<b>Total Matures 2023</b>					<b>.00</b>				<b>.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	82.040	127,982.40	NR				.000
<b>Total No Maturity</b>					<b>127,982.40</b>					
<b>Total</b>					<b>155,804,096.82</b>				<b>5,643,975.00</b>	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	182,650.000	.00	.00	140.93	25,740,864.50	4.4	.00	.00	.000
DISNEY WALT CO COM	139,140.000	57.72	8,031,512.27	90.29	12,604,692.60	2.1	.60	83,484.00	.665
META PLATFORM, INC.	33,975.000	219.80	7,467,591.97	353.96	12,025,791.00	2.0	.00	.00	.000
OMNICOM GROUP INC COM	126,550.000	49.31	6,239,621.25	86.51	11,036,425.50	1.9	2.80	354,340.00	3.237
<b>Total for Communication Services</b>			<b>21,738,725.49</b>		<b>61,407,773.60</b>	<b>10.4</b>		<b>437,824.00</b>	<b>.714</b>
<b>Consumer Disc</b>									
CARMAX INC COM	93,800.000	59.76	5,605,802.01	76.74	7,198,212.00	1.2	.00	.00	.000
HOME DEPOT INC COM	76,425.000	29.59	2,261,658.18	346.55	26,485,083.75	4.5	8.36	638,913.00	2.412
O REILLY AUTOMOTIVE INC NEW COM	17,675.000	179.64	3,175,206.23	950.08	16,792,664.00	2.9	.00	.00	.000
TJX COS INC NEW COM	144,400.000	6.27	905,387.61	93.81	13,546,164.00	2.3	1.33	192,052.00	1.418
<b>Total for Consumer Disc</b>			<b>11,948,054.03</b>		<b>64,022,123.75</b>	<b>10.9</b>		<b>830,965.00</b>	<b>1.298</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	181,400.000	26.92	4,882,749.17	33.67	6,107,738.00	1.0	.96	174,144.00	2.851
BERKSHIRE HATHAWAY INC DEL CL B NEW	76,475.000	116.30	8,894,083.15	356.66	27,275,573.50	4.6	.00	.00	.000
JPMORGAN CHASE & CO COM	152,200.000	53.06	8,076,406.59	170.10	25,889,220.00	4.4	4.20	639,240.00	2.469
PROGRESSIVE CORP OH COM	194,025.000	31.03	6,020,478.99	159.28	30,904,302.00	5.3	.40	77,610.00	.251
SCHWAB CHARLES CORP NEW COM	323,600.000	39.32	12,725,459.80	68.80	22,263,680.00	3.8	1.00	323,600.00	1.453
US BANCORP DEL COM NEW	188,100.000	23.08	4,340,556.25	43.28	8,233,137.00	1.4	1.96	368,676.00	4.529
WELLS FARGO & CO NEW COM	150,525.000	27.24	4,099,813.47	49.22	7,408,840.50	1.3	1.40	210,735.00	2.844
<b>Total for Financials</b>			<b>49,039,547.42</b>		<b>128,082,491.00</b>	<b>21.8</b>		<b>1,794,005.00</b>	<b>1.402</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	117,800.000	74.31	8,753,739.80	156.74	18,463,972.00	3.1	4.76	560,728.00	3.037
PFIZER INC COM	226,100.000	25.95	5,866,386.09	28.79	6,509,419.00	1.1	1.68	379,848.00	5.835
<b>Total for Health Care</b>			<b>14,620,125.89</b>		<b>24,973,391.00</b>	<b>4.2</b>		<b>940,576.00</b>	<b>3.766</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	84,800.000	38.00	3,222,642.24	127.20	10,786,560.00	1.8	1.38	117,024.00	1.085
FASTENAL CO COM	246,300.000	20.74	5,107,463.34	64.77	15,952,851.00	2.7	1.40	344,820.00	2.161

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GENERAL ELECTRIC CO COM NEW	146,450.000	104.61	15,319,950.71	127.63	18,703,129.50	3.2	.32	46,864.00	.251
PARKER HANNIFIN CORP COM	35,750.000	290.87	10,398,501.58	460.70	16,470,025.00	2.8	5.92	211,640.00	1.285
UNION PAC CORP COM	45,350.000	93.91	4,258,806.06	245.62	11,138,867.00	1.9	5.20	235,820.00	2.117
<b>Total for Industrials</b>			<b>38,307,363.93</b>		<b>73,051,432.50</b>	<b>12.4</b>		<b>956,168.00</b>	<b>1.309</b>
<b>Information Tech</b>									
APPLE INC COM	142,550.000	21.41	3,051,609.76	192.53	27,445,151.50	4.7	.96	136,848.00	.499
CISCO SYS INC COM	102,950.000	17.28	1,779,266.77	50.52	5,201,034.00	.9	1.56	160,602.00	3.088
MICROSOFT CORP COM	82,550.000	25.31	2,089,368.00	376.04	31,042,102.00	5.3	3.00	247,650.00	.798
TE CONNECTIVITY LTD REG SHS	111,900.000	31.45	3,519,600.42	140.50	15,721,950.00	2.7	2.36	264,084.00	1.680
<b>Total for Information Tech</b>			<b>10,439,844.95</b>		<b>79,410,237.50</b>	<b>13.6</b>		<b>809,184.00</b>	<b>1.019</b>
<b>Total: Total Equity</b>			<b>146,093,661.71</b>		<b>430,947,449.35</b>	<b>73.3</b>		<b>5,768,722.00</b>	<b>1.339</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
ABBVIE INC SR GLBL 3.200% 05/14/2026	4,500,000.000	109.02	4,906,016.32	96.92	4,380,110.01	.7	3.20	144,000.00	3.302
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	3,500,000.000	102.90	3,601,329.95	99.84	3,552,698.33	.6	4.00	140,000.00	4.006
APPLE INC SR GLBL NT 3.450% 05/06/2024	3,500,000.000	102.81	3,598,323.99	99.31	3,494,122.91	.6	3.45	120,750.00	3.474
APPLE INC SR GLBL 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	101.55	1,532,432.50	.3	4.30	64,500.00	4.234
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	95.14	4,788,827.78	.8	3.25	162,400.00	3.414
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	96.06	4,347,616.25	.7	3.25	146,250.00	3.383
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	3,500,000.000	101.29	3,545,260.35	98.27	3,500,069.51	.6	3.88	135,625.00	3.943
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	98.62	5,019,863.89	.9	3.85	192,500.00	3.904
CISCO SYS INC SR NT	3,500,000.000	102.24	3,578,499.64	99.68	3,529,929.37	.6	3.63	126,875.00	3.637

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.625% 03/04/2024 COMCAST CORP NEW GBLB NT	4,500,000.000	107.85	4,853,306.19	90.02	4,100,722.50	.7	2.65	119,250.00	2.944
2.650% 02/01/2030 DISNEY WALT CO SR GBLB NT	4,500,000.000	107.23	4,825,574.74	88.97	4,059,480.00	.7	2.65	119,250.00	2.978
2.650% 01/13/2031 EXXON MOBIL CORP SR GBLB COCO	4,500,000.000	107.95	4,857,881.62	89.43	4,049,055.00	.7	2.61	117,450.00	2.919
2.610% 10/15/2030 META PLATFORMS INC GBLB NT	4,000,000.000	99.78	3,991,120.00	101.46	4,081,871.11	.7	4.60	184,000.00	4.534
4.600% 05/15/2028 HOME DEPOT INC SR NT	3,000,000.000	101.89	3,056,795.26	99.73	3,034,490.01	.5	3.75	112,500.00	3.760
3.750% 02/15/2024 INTEL CORP SR GBLB	5,000,000.000	103.13	5,156,596.70	98.41	4,998,711.10	.9	3.70	185,000.00	3.760
3.700% 07/29/2025 INTERNATIONAL BUSINESS MACHS SR GBLB	3,500,000.000	102.28	3,579,771.22	99.76	3,540,447.85	.6	3.63	126,875.00	3.634
3.625% 02/12/2024 JPMORGAN CHASE & CO SR NT	4,500,000.000	108.98	4,903,950.28	95.26	4,319,752.50	.7	2.95	132,750.00	3.097
2.950% 10/01/2026 JOHNSON & JOHNSON SR GBLB	5,000,000.000	108.81	5,440,382.18	95.68	4,850,961.11	.8	2.90	145,000.00	3.031
2.900% 01/15/2028 KIMBERLY CLARK CORP SR GBLB	4,500,000.000	109.26	4,916,915.28	93.28	4,234,502.50	.7	3.10	139,500.00	3.323
3.100% 03/26/2030 MCDONALDS CORP FR	4,000,000.000	98.74	3,949,400.00	102.78	4,186,670.00	.7	4.95	198,000.00	4.816
4.950% 08/14/2033 MERCK & CO INC SR GBLB	4,500,000.000	111.40	5,012,820.28	96.06	4,371,240.00	.7	3.40	153,000.00	3.539
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	4,500,000.000	104.40	4,698,095.06	98.26	4,451,773.76	.8	3.95	177,750.00	4.020
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GBLB	4,500,000.000	98.57	4,435,550.00	98.92	4,460,845.00	.8	4.70	211,500.00	4.751
4.700% 06/15/2032 OMNICOM GROUP INC SR GBLB	3,000,000.000	104.30	3,129,146.81	97.45	2,946,420.00	.5	3.60	108,000.00	3.694
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GBLB	4,000,000.000	95.73	3,829,080.00	100.27	4,063,720.00	.7	4.50	180,000.00	4.488
4.500% 09/15/2029 PEPSICO INC SR NT	5,000,000.000	108.55	5,427,413.51	94.83	4,778,587.50	.8	2.63	131,250.00	2.768

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.625% 03/19/2027									
PFIZER INC GLBL NT	4,500,000.000	108.33	4,874,850.53	90.19	4,088,306.25	.7	2.63	118,125.00	2.910
2.625% 04/01/2030									
PROGRESSIVE CORP SR GLBL	4,500,000.000	109.83	4,942,133.37	92.44	4,197,575.00	.7	3.20	144,000.00	3.462
3.200% 03/26/2030									
SCHWAB CHARLES CORP SR GLBL	4,500,000.000	106.38	4,787,060.00	94.37	4,308,960.00	.7	3.20	144,000.00	3.391
3.200% 01/25/2028									
SYSCO CORP SR NT	3,500,000.000	102.85	3,599,581.69	97.57	3,447,902.50	.6	3.75	131,250.00	3.843
3.750% 10/01/2025									
TEXAS INSTRS INC SR GLBL NT	4,500,000.000	105.75	4,758,542.97	90.19	4,091,321.25	.7	2.25	101,250.00	2.495
2.250% 09/04/2029									
U S BANCORP MTNS BK ENT FR	3,500,000.000	102.46	3,586,048.69	99.80	3,547,283.05	.6	3.70	129,500.00	3.707
3.700% 01/30/2024									
US BANCORP FR	1,500,000.000	100.49	1,507,350.00	103.02	1,562,407.50	.3	5.85	87,750.00	5.678
5.850% 10/21/2033									
VERIZON COMMUNICATIONS INC SR GLBL	4,500,000.000	108.12	4,865,186.69	95.25	4,330,740.00	.7	2.63	118,125.00	2.756
2.625% 08/15/2026									
WELLS FARGO CO NEW SR NT	4,500,000.000	108.47	4,881,224.62	94.94	4,297,665.00	.7	3.00	135,000.00	3.160
3.000% 10/23/2026									
<b>Total for Corporate Bonds</b>			<b>150,047,546.48</b>		<b>138,547,081.04</b>	<b>23.5</b>		<b>4,882,975.00</b>	<b>3.561</b>
<b>Governments</b>									
FEDERAL FARM CR BKS CONS SYSTEMWIDE	5,000,000.000	100.00	5,000,000.00	97.43	4,907,987.50	.8	3.33	166,500.00	3.418
3.330% 04/12/2027									
FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	100.03	1,000,250.00	100.25	1,011,300.00	.2	4.95	49,500.00	4.938
4.950% 04/27/2033									
FEDERAL FARM CR BKS CONS SYSTEMWIDE	4,000,000.000	99.06	3,962,200.00	101.51	4,131,940.00	.7	4.50	180,000.00	4.433
4.500% 08/08/2033									
FEDERAL FARM CR BKS CONS SYSTEMWIDE	5,000,000.000	99.63	4,981,500.00	100.58	5,137,295.83	.9	6.05	302,500.00	6.015
6.050% 08/22/2031									
US TREASURY NOTE	2,000,000.000	108.18	2,163,500.00	96.62	1,940,510.05	.3	3.13	62,500.00	3.234
3.125% 11/15/2028									
<b>Total for Governments</b>			<b>17,107,450.00</b>		<b>17,129,033.38</b>	<b>2.9</b>		<b>761,000.00</b>	<b>4.504</b>



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	82.04	127,982.40	.0	2.45	3,826.68	2.990
<b>Total for Taxable Bond Funds</b>			<b>131,943.81</b>		<b>127,982.40</b>	<b>.0</b>		<b>3,826.68</b>	<b>2.990</b>
<b>Total: Total Fixed Income</b>			<b>167,286,940.29</b>		<b>155,804,096.82</b>	<b>26.4</b>		<b>5,647,801.68</b>	<b>3.664</b>
<b>Total</b>			<b>313,380,602.00</b>		<b>586,751,546.17</b>	<b>100.0</b>		<b>11,416,523.68</b>	<b>1.952</b>

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>586,751,546</b>	<b>7.81</b>	<b>19.11</b>	<b>8.36</b>	<b>13.41</b>	<b>10.46</b>	<b>8.72</b>	<b>9.06</b>
<b>Total Portfolio - Net</b>	<b>586,751,546</b>	<b>7.77</b>	<b>19.02</b>	<b>8.28</b>	<b>13.32</b>	<b>10.38</b>	<b>8.66</b>	<b>9.01</b>
70% SP500 30% Bloomberg Int Govt Cr		6.79	19.75	6.63	11.61	9.08	7.86	8.58
<b>Total Equity</b>	<b>430,947,449</b>	<b>9.39</b>	<b>24.66</b>	<b>11.80</b>	<b>17.42</b>	<b>13.45</b>	<b>10.55</b>	<b>11.15</b>
S P 500 Index		8.04	26.29	10.00	15.69	12.03	9.69	10.15
<b>Total Fixed Income</b>	<b>155,804,097</b>	<b>3.75</b>	<b>5.76</b>	<b>-1.27</b>	<b>1.77</b>	<b>1.82</b>	<b>2.70</b>	<b>3.96</b>
Bloomberg US Government/Credit Interm Bond		3.69	5.24	-1.63	1.59	1.72	2.90	4.13

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.46	9.08
Standard Deviation	11.97	10.96
Beta	1.00	
Alpha	1.34	
R-Squared	.99	
Sharpe Ratio	9.23	9.95
Treynor Ratio	110.46	109.08
Tracking Error	3.05	
Information Ratio	.45	
Downside Deviation	7.41	6.84
Downside Standard Deviation	8.89	8.12
Sortino Ratio	1.52	1.42
Upside Capture	1.10	
Downside Capture	1.03	
Batting Average	.57	
Annualized Excess Return	1.38	
Cumulative Excess Return	31.86	
Turnover %	129.27	
M-Squared	1.14	
Residual Risk	.98	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	8.72	7.86
Standard Deviation	10.75	10.62
Beta	.99	
Alpha	.90	
R-Squared	.99	
Sharpe Ratio	10.11	10.16
Treynor Ratio	109.82	107.86
Tracking Error	3.05	
Information Ratio	.27	
Downside Deviation	6.85	6.98
Downside Standard Deviation	8.06	8.06
Sortino Ratio	1.36	1.21
Upside Capture	1.01	
Downside Capture	.95	
Batting Average	.54	
Annualized Excess Return	.86	
Cumulative Excess Return	77.90	
Turnover %	194.04	
M-Squared	7.41	
Residual Risk	.72	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/22/2023	15,565.00	DISNEY WALT CO COM	102.36	1,593,157.13
02/22/2023	19,310.00	GENERAL ELECTRIC CO COM NEW	83.79	1,617,973.31
04/24/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	100.03	1,000,250.00
04/24/2023	1,000,000.00	OREILLY AUTOMOTIVE INC SR GLBL	99.40	994,000.00
04/27/2023	11,500.00	PARKER HANNIFIN CORP COM	313.47	3,604,944.10
04/27/2023	80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	4,115,296.00
04/27/2023	-80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	-4,115,296.00
04/27/2023	-11,500.00	PARKER HANNIFIN CORP COM	313.47	-3,604,944.10
04/27/2023	11,500.00	PARKER HANNIFIN CORP COM	313.47	3,604,944.10
04/27/2023	80,000.00	SCHWAB CHARLES CORP NEW COM	51.44	4,115,296.00
07/20/2023	4,000,000.00	META PLATFORMS INC GLBL NT	99.78	3,991,120.00
07/20/2023	1,500,000.00	US BANCORP FR	100.49	1,507,350.00
07/20/2023	1,500,000.00	APPLE INC SR GLBL	1.00	1,499,910.00
08/11/2023	4,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.06	3,962,200.00
08/14/2023	4,000,000.00	MCDONALDS CORP FR	98.73	3,949,400.00
08/17/2023	4,000,000.00	PARKER HANNIFIN CORP SR GLBL	95.73	3,829,080.00
10/03/2023	5,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.63	4,981,500.00
12/01/2023	5,450.00	ALPHABET INC CAP STK CL C	124.22	2,509,002.95
				<u>39,155,183.49</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/01/2023	3,325.00	JOHNSON & JOHNSON COM	176.97	-588,409.11	11/24/2021	5.79	-19,249.60	0.00
01/25/2023	0.00	GE HEALTHCARE TECHNOLOGIES INC	0.00	22.07	01/12/2023	0.00	0.00	0.00
02/22/2023	-43,833.00	GE HEALTHCARE TECHNOLOGIES INC	71.86	3,149,894.33	01/04/2023	76.01	3,331,834.18	-181,939.85
04/04/2023	-10,000,000.00	US TREASURY BILL DUE 04/04/2023	100.00	10,000,000.00	12/19/2022	0.99	9,875,800.00	124,200.00
04/27/2023	-12,600.00	APPLE INC COM	303.04	3,818,330.15	04/25/2013	14.64	184,405.00	3,633,925.15
04/27/2023	-12,600.00	MICROSOFT CORP COM	303.04	3,818,330.15	01/05/2006	25.76	324,611.89	3,493,718.26
04/27/2023	12,600.00	MICROSOFT CORP COM	303.04	-3,818,330.15	01/05/2006	25.68	-323,568.00	0.00
04/27/2023	24,000.00	APPLE INC COM	166.65	-3,999,647.19	04/25/2013	14.64	-351,247.63	0.00
04/27/2023	-24,000.00	APPLE INC COM	166.65	3,999,647.19	04/25/2013	14.64	351,247.63	3,648,399.56

**Portfolio Turnover**

**KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)**

**December 31, 2022 to December 31, 2023**

**Managed since: January 01, 1993**

<b>Date</b>	<b>Amount</b>	<b>Security</b>	<b>Sale Price</b>	<b>Proceeds</b>	<b>Acquisition Date</b>	<b>Purchase Price</b>	<b>Cost Basis</b>	<b>Gain/Loss</b>
04/27/2023	-12,600.00	MICROSOFT CORP COM	303.04	3,818,330.15	01/05/2006	25.68	323,568.00	3,494,762.15
05/01/2023	-24,000.00	APPLE INC COM	166.65	3,999,647.19	04/25/2013	14.64	351,247.63	3,648,399.56
05/01/2023	12,600.00	APPLE INC COM	303.04	-3,818,330.15	04/25/2013	14.64	-184,405.00	0.00
07/15/2023	-3,500,000.00	ORACLE CORP SR NT	100.00	3,500,000.00	06/08/2016	1.03	3,590,945.42	-90,945.42
07/19/2023	-3,325.00	TE CONNECTIVITY LTD REG SHS	142.48	473,738.69	09/26/2011	30.74	102,222.80	371,515.89
07/19/2023	-5,450.00	ALPHABET INC CAP STK CL C	124.22	676,994.64	10/05/2015	460.37	2,509,002.95	-1,832,008.31
07/19/2023	-4,250.00	APPLE INC COM	194.09	824,898.23	04/25/2013	14.64	62,200.10	762,698.13
07/19/2023	-5,400.00	BANK OF AMERICA CORP COM	31.51	170,134.02	08/30/2019	26.92	145,351.96	24,782.06
07/19/2023	-2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	778,528.89	07/26/2011	48.71	110,822.49	667,706.40
07/19/2023	-2,800.00	CARMAX INC COM	85.88	240,475.76	01/30/2019	59.76	167,337.37	73,138.39
07/19/2023	-3,050.00	CISCO SYS INC COM	51.97	158,512.47	07/26/2011	18.22	55,570.28	102,942.19
07/19/2023	-4,150.00	DISNEY WALT CO COM	87.24	362,058.87	02/24/2023	25.61	106,281.25	255,777.62
07/19/2023	-2,500.00	EXPEDITORS INTL WASH INC COM	123.86	309,651.75	03/25/2013	37.20	93,003.25	216,648.50
07/19/2023	-1,000.00	META PLATFORM, INC.	317.90	317,897.70	05/06/2020	203.86	203,863.80	114,033.90
07/19/2023	-7,300.00	FASTENAL CO COM	56.84	414,911.56	02/12/2015	21.12	154,204.47	260,707.09
07/19/2023	-4,360.00	GENERAL ELECTRIC CO COM NEW	109.36	476,824.91	08/02/2021	109.86	478,978.47	-2,153.56
07/19/2023	-2,275.00	HOME DEPOT INC COM	318.81	725,295.25	06/30/2021	39.91	90,802.76	634,492.49
07/19/2023	-4,550.00	JPMORGAN CHASE & CO COM	154.65	703,671.61	06/06/2008	40.49	184,240.88	519,430.73
07/19/2023	-3,500.00	JOHNSON & JOHNSON COM	159.11	556,899.00	11/24/2021	5.79	20,262.74	536,636.26
07/19/2023	-2,450.00	MICROSOFT CORP COM	359.10	879,798.43	09/05/2006	25.68	62,916.00	816,882.43
07/19/2023	-525.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	506,795.63	07/11/2017	174.94	91,844.40	414,951.23
07/19/2023	-3,750.00	OMNICOM GROUP INC COM	87.52	328,186.13	06/24/2003	29.14	109,258.40	218,927.73
07/19/2023	-1,050.00	PARKER HANNIFIN CORP COM	400.75	420,792.02	10/28/2022	280.15	294,154.03	126,637.99
07/19/2023	-6,700.00	PFIZER INC COM	36.50	244,539.95	09/07/2011	18.04	120,845.54	123,694.41
07/19/2023	-5,775.00	PROGRESSIVE CORP OH COM	118.13	682,186.31	05/23/2007	23.19	133,897.99	548,288.32
07/19/2023	-9,600.00	SCHWAB CHARLES CORP NEW COM	67.29	646,015.68	08/26/2020	35.35	339,316.80	306,698.88
07/19/2023	-4,300.00	TJX COS INC NEW COM	85.32	366,862.24	12/06/2004	5.92	25,439.67	341,422.57
07/19/2023	-5,600.00	US BANCORP DEL COM NEW	38.49	215,537.28	12/06/2000	21.92	122,771.73	92,765.55
07/19/2023	-1,350.00	UNION PAC CORP COM	214.18	289,143.14	07/24/2015	93.91	126,778.13	162,365.01
07/19/2023	-4,475.00	WELLS FARGO & CO NEW COM	46.28	207,114.19	06/02/2011	28.21	126,236.62	80,877.57
07/25/2023	-3,000,000.00	PNC BK N A PITTSBURGH PA SUB NT	100.00	3,000,000.00	06/07/2018	1.00	3,008,487.10	-8,487.10
10/01/2023	-3,500,000.00	CUMMINS INC SR GLBL NT	100.00	3,500,000.00	12/26/2018	1.02	3,553,563.05	-53,563.05
12/01/2023	4,475.00	WELLS FARGO & CO NEW COM	46.28	-207,114.19	06/02/2011	28.21	-126,236.62	0.00
12/01/2023	1,350.00	UNION PAC CORP COM	214.18	-289,143.14	07/24/2015	93.91	-126,778.13	0.00
12/01/2023	5,600.00	US BANCORP DEL COM NEW	38.49	-215,537.28	03/21/2005	21.92	-122,771.73	0.00

# Portfolio Turnover

KY JUDICIAL RET DEFINED BENEFIT AGT (920005014)

December 31, 2022 to December 31, 2023

Managed since: January 01, 1993

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	4,300.00	TJX COS INC NEW COM	85.32	-366,862.24	12/06/2004	5.92	-25,439.67	0.00
12/01/2023	9,600.00	SCHWAB CHARLES CORP NEW COM	67.29	-646,015.68	08/26/2020	35.35	-339,316.80	0.00
12/01/2023	5,775.00	PROGRESSIVE CORP OH COM	118.13	-682,186.31	05/23/2007	23.19	-133,897.99	0.00
12/01/2023	6,700.00	PFIZER INC COM	36.50	-244,539.95	09/07/2011	18.04	-120,845.54	0.00
12/01/2023	1,050.00	PARKER HANNIFIN CORP COM	400.75	-420,792.02	10/28/2022	280.15	-294,154.03	0.00
12/01/2023	3,750.00	OMNICOM GROUP INC COM	87.52	-328,186.13	06/24/2003	29.14	-109,258.40	0.00
12/01/2023	525.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	-506,795.63	07/11/2017	174.94	-91,844.40	0.00
12/01/2023	2,450.00	MICROSOFT CORP COM	359.10	-879,798.43	09/05/2006	25.68	-62,916.00	0.00
12/01/2023	3,500.00	JOHNSON & JOHNSON COM	159.11	-556,899.00	11/24/2021	5.79	-20,262.74	0.00
12/01/2023	4,550.00	JPMORGAN CHASE & CO COM	154.65	-703,671.61	06/06/2008	40.49	-184,240.88	0.00
12/01/2023	2,275.00	HOME DEPOT INC COM	318.81	-725,295.25	06/30/2021	39.91	-90,802.76	0.00
12/01/2023	4,360.00	GENERAL ELECTRIC CO COM NEW	109.36	-476,824.91	08/02/2021	109.86	-478,978.47	0.00
12/01/2023	7,300.00	FASTENAL CO COM	56.84	-414,911.56	02/12/2015	21.12	-154,204.47	0.00
12/01/2023	1,000.00	META PLATFORM, INC.	317.90	-317,897.70	05/06/2020	203.86	-203,863.80	0.00
12/01/2023	2,500.00	EXPEDITORS INTL WASH INC COM	123.86	-309,651.75	03/25/2013	37.20	-93,003.25	0.00
12/01/2023	4,150.00	DISNEY WALT CO COM	87.24	-362,058.87	02/24/2023	25.61	-106,281.25	0.00
12/01/2023	3,050.00	CISCO SYS INC COM	51.97	-158,512.47	07/26/2011	18.22	-55,570.28	0.00
12/01/2023	2,800.00	CARMAX INC COM	85.88	-240,475.76	01/30/2019	59.76	-167,337.37	0.00
12/01/2023	2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	-778,528.89	07/26/2011	48.71	-110,822.49	0.00
12/01/2023	5,400.00	BANK OF AMERICA CORP COM	31.51	-170,134.02	08/30/2019	26.92	-145,351.96	0.00
12/01/2023	4,250.00	APPLE INC COM	194.09	-824,898.23	04/25/2013	14.64	-62,200.10	0.00
12/01/2023	3,325.00	TE CONNECTIVITY LTD REG SHS	142.48	-473,738.69	09/26/2011	30.74	-102,222.80	0.00
12/01/2023	-3,325.00	TE CONNECTIVITY LTD REG SHS	142.45	473,635.15	09/26/2011	30.74	102,222.80	371,412.35
12/01/2023	-5,450.00	ALPHABET INC CAP STK CL C	124.19	676,825.72	10/05/2015	460.37	2,509,002.95	-1,832,177.23
12/01/2023	-4,250.00	APPLE INC COM	194.06	824,764.13	04/25/2013	14.64	62,200.10	762,564.03
12/01/2023	-5,400.00	BANK OF AMERICA CORP COM	31.48	169,970.65	08/30/2019	26.92	145,351.96	24,618.69
12/01/2023	-2,275.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.18	778,454.41	07/26/2011	48.71	110,822.49	667,631.92
12/01/2023	-2,800.00	CARMAX INC COM	85.85	240,389.83	01/30/2019	59.76	167,337.37	73,052.46
12/01/2023	-3,050.00	CISCO SYS INC COM	51.94	158,419.70	07/26/2011	18.22	55,570.28	102,849.42
12/01/2023	-4,150.00	DISNEY WALT CO COM	87.21	361,931.47	02/24/2023	25.61	106,281.25	255,650.22
12/01/2023	-2,500.00	EXPEDITORS INTL WASH INC COM	123.83	309,574.27	03/25/2013	37.20	93,003.25	216,571.02
12/01/2023	-1,000.00	META PLATFORM, INC.	317.87	317,865.15	05/06/2020	203.86	203,863.80	114,001.35
12/01/2023	-7,300.00	FASTENAL CO COM	56.81	414,689.24	02/12/2015	21.12	154,204.47	260,484.77
12/01/2023	-4,360.00	GENERAL ELECTRIC CO COM NEW	109.33	476,693.29	08/02/2021	109.86	478,978.47	-2,285.18
12/01/2023	-2,275.00	HOME DEPOT INC COM	318.78	725,221.19	06/30/2021	39.91	90,802.76	634,418.43

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	-4,550.00	JPMORGAN CHASE & CO COM	154.62	703,529.48	06/06/2008	40.49	184,240.88	519,288.60
12/01/2023	-3,500.00	JOHNSON & JOHNSON COM	159.08	556,789.54	11/24/2021	5.79	20,262.74	536,526.80
12/01/2023	-2,450.00	MICROSOFT CORP COM	359.07	879,717.89	09/05/2006	25.68	62,916.00	816,801.89
12/01/2023	-525.00	O REILLY AUTOMOTIVE INC NEW COM	965.29	506,775.82	07/11/2017	174.94	91,844.40	414,931.42
12/01/2023	-3,750.00	OMNICOM GROUP INC COM	87.49	328,071.00	06/24/2003	29.14	109,258.40	218,812.60
12/01/2023	-1,050.00	PARKER HANNIFIN CORP COM	400.72	420,757.15	10/28/2022	280.15	294,154.03	126,603.12
12/01/2023	-6,700.00	PFIZER INC COM	36.47	244,336.99	09/07/2011	18.04	120,845.54	123,491.45
12/01/2023	-5,775.00	PROGRESSIVE CORP OH COM	118.10	682,007.60	05/23/2007	23.19	133,897.99	548,109.61
12/01/2023	-9,600.00	SCHWAB CHARLES CORP NEW COM	67.26	645,722.51	08/26/2020	35.35	339,316.80	306,405.71
12/01/2023	-4,300.00	TJX COS INC NEW COM	85.29	366,730.30	12/06/2004	5.92	25,439.67	341,290.63
12/01/2023	-5,600.00	US BANCORP DEL COM NEW	38.46	215,367.55	03/21/2005	21.92	122,771.73	92,595.82
12/01/2023	-1,350.00	UNION PAC CORP COM	214.15	289,100.32	07/24/2015	93.91	126,778.13	162,322.19
12/01/2023	-4,475.00	WELLS FARGO & CO NEW COM	46.25	206,978.28	06/02/2011	28.21	126,236.62	80,741.66
12/01/2023	-3,500,000.00	SCHLUMBERGER INVT SA SR NT	100.00	3,500,000.00	10/17/2016	1.03	3,595,266.69	-95,266.69
12/15/2023	-3,000,000.00	MICROSOFT CORP NT	100.00	3,000,000.00	08/22/2018	1.01	3,022,956.85	-22,956.85
				49,530,797.90			39,182,071.04	29,466,818.94

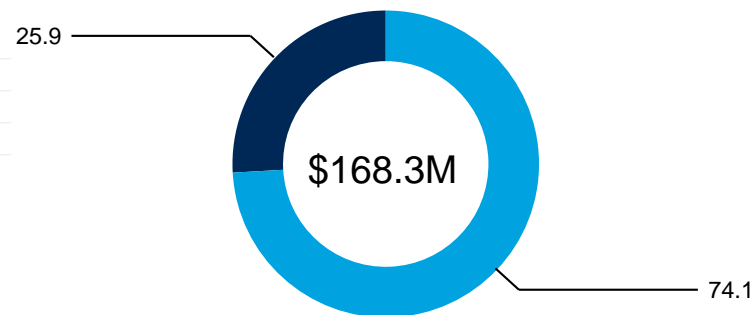


## Client Investment Review

Investment activity through 12/31/2023

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	124,727,575	74.1	1,662,763.40	1.3
Total Fixed Income	43,552,540	25.9	1,594,379.78	3.7
<b>Total</b>	<b>168,280,115</b>	<b>100.0</b>	<b>3,257,143.18</b>	<b>1.9</b>

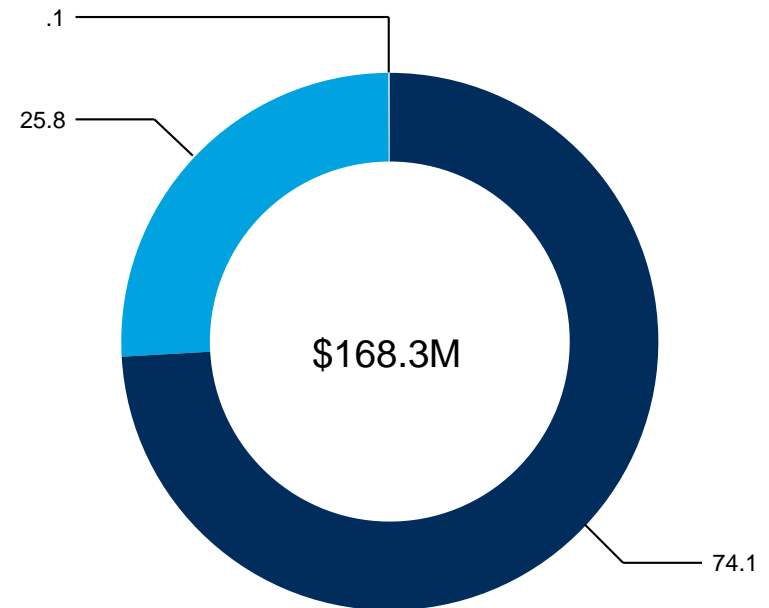


Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	159,873,919.31
Net Contributions/Withdrawals	-3,946,368.28
Income Earned	1,355,168.70
Market Appreciation	10,997,394.89
Ending Account Value	168,280,114.62

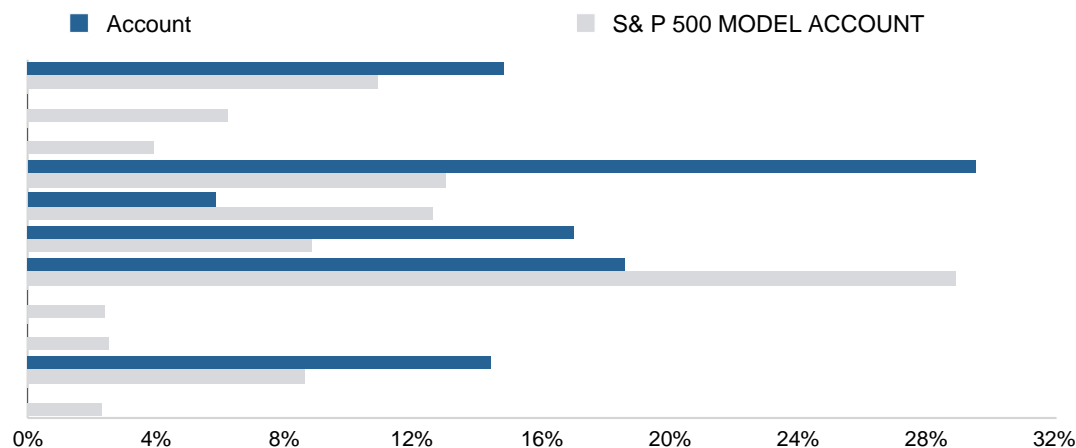
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	124,727,575	74.1
● Taxable Fixed Income	43,408,149	25.8
● Taxable Bond Funds	144,390	.1
<b>Total</b>	<b>168,280,115</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Model

	Account	Model
Consumer Disc	14.8	10.9
Consumer Staples	.0	6.2
Energy	.0	3.9
Financials	29.5	13.0
Health Care	5.8	12.6
Industrials	17.0	8.8
Information Tech	18.6	28.9
Materials	.0	2.4
Real Estate	.0	2.5
Communication Serv	14.4	8.6
Utilities	.0	2.3



Top 10 Performers

	Market Value	% of Mkt Val	Return
META PLATFORM, INC.	3,504,204	2.1	194.30
GENERAL ELECTRIC CO COM N	5,484,506	3.3	93.98
PARKER HANNIFIN CORP COM	4,745,210	2.8	59.79
ALPHABET INC CAP STK CL C	7,543,278	4.5	58.84
MICROSOFT CORP COM	8,959,153	5.3	58.45
APPLE INC COM	8,028,501	4.8	49.41
FASTENAL CO COM	4,618,101	2.7	40.33
JPMORGAN CHASE & CO COM	7,441,875	4.4	30.47
CARMAX INC COM	2,047,040	1.2	26.03
TE CONNECTIVITY LTD REG S	4,671,625	2.8	24.03

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
MICROSOFT CORP COM	8,959,153	5.3	58.45
PROGRESSIVE CORP OH COM	8,824,112	5.2	23.11
APPLE INC COM	8,028,501	4.8	49.41
BERKSHIRE HATHAWAY INC DE	7,935,685	4.7	15.43
HOME DEPOT INC COM	7,615,436	4.5	12.02
ALPHABET INC CAP STK CL C	7,543,278	4.5	58.84
JPMORGAN CHASE & CO COM	7,441,875	4.4	30.47
SCHWAB CHARLES CORP NEW C	6,343,360	3.8	-16.27
GENERAL ELECTRIC CO COM N	5,484,506	3.3	93.98
JOHNSON & JOHNSON COM	5,317,405	3.2	-9.28

Sector	Qtr
Financials	0.83
Industrials	0.82
Energy	0.79
Consumer Staples	0.43
Utilities	0.07
Materials	0.04
Communication Services	0.01
Real Estate	-0.17
Health Care	-0.30
Consumer Disc	-0.42
Information Tech	-1.10
<b>Total</b>	<b>0.99</b>

Sector	1 Year
Industrials	3.97
Consumer Staples	1.90
Energy	1.45
Utilities	1.07
Materials	0.39
Real Estate	0.39
Communication Services	0.07
Health Care	-0.03
Financials	-2.56
Consumer Disc	-3.46
Information Tech	-4.70
<b>Total</b>	<b>-1.52</b>

Sector	5 Years
Industrials	0.78
Consumer Disc	0.40
Consumer Staples	0.32
Utilities	0.26
Financials	0.24
Real Estate	0.18
Energy	0.15
Materials	0.04
Information Tech	0.00
Health Care	-0.27
Communication Services	-0.52
<b>Total</b>	<b>1.57</b>

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.18	19.09	1.30
SCHW	Charles Schwab	5.09	25.87	1.18
JPM	JP Morgan Chase	5.97	18.18	1.03
PGR	Progressive	7.07	14.42	1.00
HD	Home Depot	6.11	14.69	0.88

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	7.18	58.45	3.52
AAPL	Apple	6.44	49.41	2.90
GOOG	Google	6.05	58.84	2.78
GE	General Electric	4.40	93.98	2.71
META	Meta Platform	2.81	194.30	2.31

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
AAPL	Apple	6.44	38.64	2.69
MSFT	Microsoft	7.18	31.10	2.24
PGR	Progressive	7.07	25.05	1.54
GOOG	Alphabet	6.05	22.14	1.15
HD	Home Depot	6.11	17.79	1.15

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.50	-13.21	-0.26
CSCO	Cisco	1.22	-5.33	-0.08
JNJ	Johnson & Johnson	4.26	0.64	0.03
BRK-B	Berkshire Hathaway	6.36	1.82	0.13
KMX	Carmax	1.64	8.50	0.14

### 1 Year

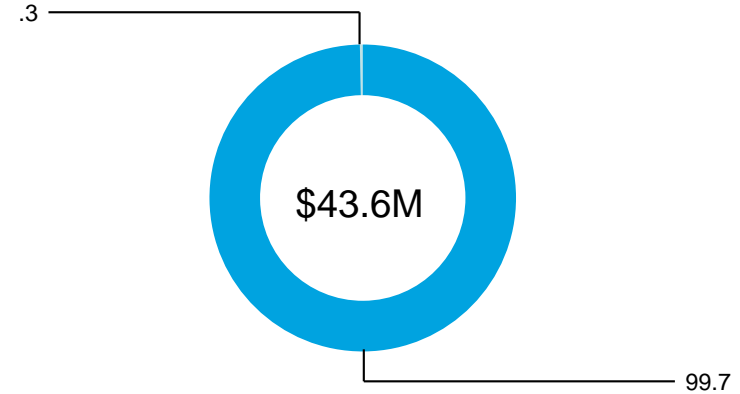
Ticker	Company	Ending Allocation	Total Return	Contribution
PFE	Pfizer	1.50	-41.98	-1.37
SCHW	Charles Schwab	5.09	-16.27	-0.58
JNJ	Johnson & Johnson	4.26	-9.28	-0.56
BAC	Bank of America	1.42	4.22	0.06
USB	US Bancorp	1.85	4.70	0.08

### 5 Years

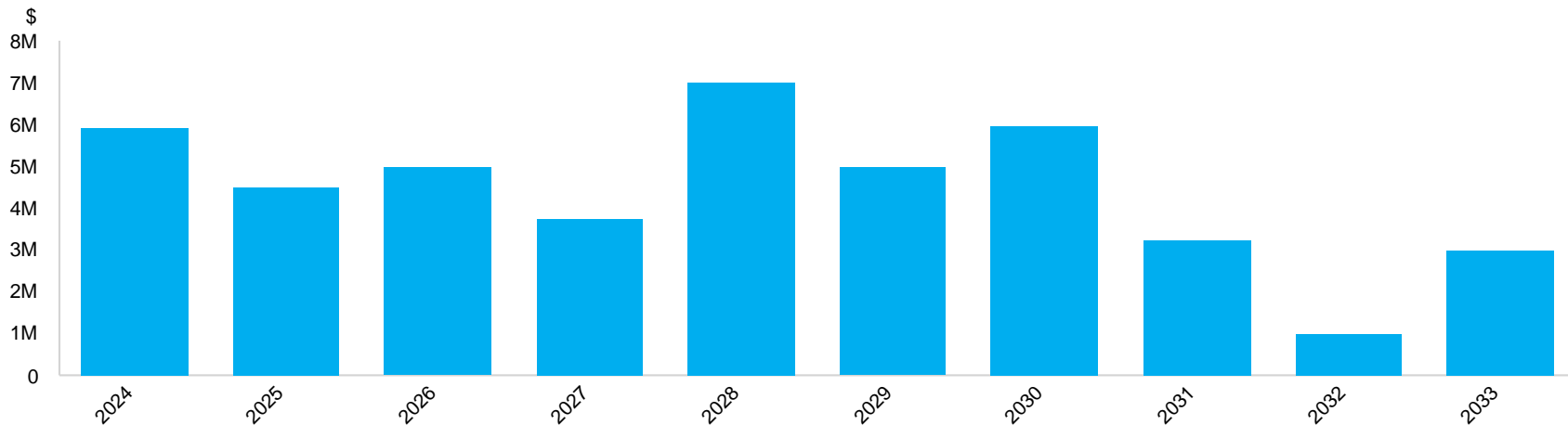
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Walt Disney	2.99	-3.66	-0.08
PFE	Pfizer	1.50	-3.58	-0.05
WFC	Wells Fargo	1.70	4.23	0.07
USB	US Bancorp	1.85	2.85	0.09
CSCO	Cisco	1.22	6.26	0.11

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	43,408,149	99.7	1,590,062.50	3.7
● Taxable Bond Funds	144,390	.3	4,317.28	3.0
<b>Total</b>	<b>43,552,540</b>	<b>100.0</b>	<b>1,594,379.78</b>	<b>3.7</b>



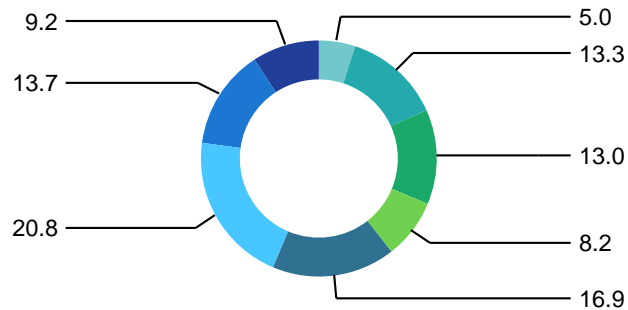
**Fixed Income Maturity Schedule**



Fixed Income Analysis

	12/31/2023	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.61	2.89
Current Yield	3.70	3.04
Yield to Maturity	4.77	4.37
Maturity	4.33	4.27
Duration	3.90	3.78
Face Amount	44,450,000	
Market Value	42,937,223	
Total Accrual	470,927	
Cost	46,532,588	

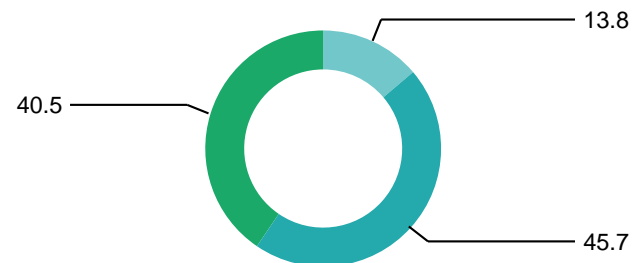
Quality Allocation by Market Value



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

NR=Not rated by S&P

Maturity Allocation by Market Value



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



	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2033</b>										
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	500,000.000	99.990	101.553	510,810.83	AA+	02/10/2033		21,500.00	4.098
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	101.511	1,032,985.00	AA+			45,000.00	4.306
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	102.783	1,046,667.50	BBB+	05/14/2033		49,500.00	4.588
US BANCORP FR 5.850%10/21/2033	10/21/2033	500,000.000	100.490	103.023	520,802.50	A	10/21/2032		29,250.00	5.447
<b>Total Matures 2033</b>					<b>3,111,265.83</b>				<b>145,250.00</b>	
<b>Matures 2032</b>										
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	1,000,000.000	98.330	98.921	991,298.89	BBB	03/15/2032		47,000.00	4.857
<b>Total Matures 2032</b>					<b>991,298.89</b>				<b>47,000.00</b>	
<b>Matures 2031</b>										
DISNEY WALT CO SR GLBL NT 2.650%01/13/2031	01/13/2031	1,250,000.000	107.380	88.974	1,127,633.34	A-			33,125.00	4.497
FEDERAL FARM CR BKS CONS SYSTEMWIDE 6.050%08/22/2031	08/22/2031	2,000,000.000	99.630	100.578	2,054,918.33	AA+	08/22/2024		121,000.00	5.953
<b>Total Matures 2031</b>					<b>3,182,551.67</b>				<b>154,125.00</b>	
<b>Matures 2030</b>										
COMCAST CORP NEW GLBL NT 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	90.023	1,139,089.59	A-	11/01/2029		33,125.00	4.546
EXXON MOBIL CORP SR GLBL COCO 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	89.428	1,124,737.50	AA-	07/15/2030		32,625.00	4.430
PFIZER INC GLBL NT 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	90.195	1,135,640.62	A	01/01/2030		32,812.50	4.438
PROGRESSIVE CORP SR GLBL 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	92.435	1,165,993.05	A	12/26/2029		40,000.00	4.609
UNION PAC CORP SR GLBL 2.400%02/05/2030	02/05/2030	1,000,000.000	106.970	89.063	900,363.33	A-	11/05/2029		24,000.00	4.470
<b>Total Matures 2030</b>					<b>5,465,824.09</b>				<b>162,562.50</b>	
<b>Matures 2029</b>										
BLACKROCK INC SR GLBL NT 3.250%04/30/2029	04/30/2029	1,250,000.000	110.360	96.063	1,207,671.18	AA-	01/30/2029		40,625.00	4.079
MERCK & CO INC SR GLBL 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	96.062	1,214,233.34	A+	12/07/2028		42,500.00	4.254
PARKER HANNIFIN CORP SR GLBL	09/15/2029	1,250,000.000	98.540	100.268	1,269,912.50	BBB+	07/15/2029		56,250.00	4.445

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
4.500%09/15/2029										
TEXAS INSTRS INC SR GLBL NT	09/04/2029	1,250,000.000	105.830	90.187	1,136,478.13	A+	06/04/2029		28,125.00	4.211
2.250%09/04/2029										
<b>Total Matures 2029</b>					<b>4,828,295.15</b>				<b>167,500.00</b>	
<b>Matures 2028</b>										
ABBVIE INC SR GLBL NT	11/14/2028	1,250,000.000	104.360	99.471	1,250,323.26	A-	08/14/2028		53,125.00	4.371
4.250%11/14/2028										
CHEVRON USA INC SR GLBL NT	01/15/2028	1,250,000.000	100.840	98.622	1,254,965.97	AA-	10/15/2027		48,125.00	4.225
3.850%01/15/2028										
META PLATFORMS INC GLBL NT	05/15/2028	1,000,000.000	99.780	101.459	1,020,467.78	AA-	04/15/2028		46,000.00	4.230
4.600%05/15/2028										
JOHNSON & JOHNSON SR GLBL	01/15/2028	1,250,000.000	109.210	95.682	1,212,740.28	AAA	10/15/2027		36,250.00	4.071
2.900%01/15/2028										
SCHWAB CHARLES CORP SR GLBL	01/25/2028	1,250,000.000	106.190	94.368	1,196,933.34	A-	10/25/2027		40,000.00	4.740
3.200%01/25/2028										
US TREASURY NOTE	11/15/2028	1,000,000.000	108.180	96.622	970,255.03	AAA			31,250.00	3.892
3.125%11/15/2028										
<b>Total Matures 2028</b>					<b>6,905,685.66</b>				<b>254,750.00</b>	
<b>Matures 2027</b>										
BANK AMER CORP FR	10/21/2027	1,250,000.000	108.960	95.145	1,197,206.95	A-	10/21/2026		40,600.00	4.654
3.248%10/21/2027										
FEDERAL FARM CR BKS CONS SYSTEMWIDE	04/12/2027	1,250,000.000	100.000	97.429	1,226,996.88	AA+	04/12/2023		41,625.00	4.176
3.330%04/12/2027										
PEPSICO INC SR NT	03/19/2027	1,250,000.000	109.150	94.828	1,194,646.87	A+	01/19/2027		32,812.50	4.365
2.625%03/19/2027							100.000			
<b>Total Matures 2027</b>					<b>3,618,850.70</b>				<b>115,037.50</b>	
<b>Matures 2026</b>										
JPMORGAN CHASE & CO SR NT	10/01/2026	1,250,000.000	108.130	95.257	1,199,931.25	A-	07/01/2026		36,875.00	4.811
2.950%10/01/2026							100.000			
OMNICOM GROUP INC SR GLBL	04/15/2026	1,250,000.000	104.400	97.454	1,227,675.00	BBB+	01/15/2026		45,000.00	4.786
3.600%04/15/2026										
VERIZON COMMUNICATIONS INC SR GLBL	08/15/2026	1,250,000.000	108.160	95.247	1,202,983.34	BBB+			32,812.50	4.569
2.625%08/15/2026										
WELLS FARGO CO NEW SR NT	10/23/2026	1,250,000.000	108.470	94.937	1,193,795.83	BBB+			37,500.00	4.951
3.000%10/23/2026										
<b>Total Matures 2026</b>					<b>4,824,385.42</b>				<b>152,187.50</b>	
<b>Matures 2025</b>										
CVS HEALTH CORP SR GLBL NT	07/20/2025	1,000,000.000	101.290	98.269	1,000,019.86	BBB	04/20/2025		38,750.00	5.049

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
3.875%07/20/2025 INTEL CORP SR GLBL	07/29/2025	1,250,000.000	102.400	98.412	1,249,677.78	A	04/29/2025		46,250.00	4.757
3.700%07/29/2025 NORTHERN TR CORP SUB NT	10/30/2025	1,250,000.000	104.250	98.259	1,236,603.82	A			49,375.00	4.954
3.950%10/30/2025 SYSCO CORP SR NT	10/01/2025	1,000,000.000	102.850	97.574	985,115.00	BBB	07/01/2025		37,500.00	5.216
3.750%10/01/2025										
<b>Total Matures 2025</b>					<b>4,471,416.46</b>				<b>171,875.00</b>	
<b>Matures 2024</b>										
ALTRIA GROUP INC SR GLBL NT	01/31/2024	1,000,000.000	102.900	99.839	1,015,056.67	BBB			40,000.00	6.084
4.000%01/31/2024 APPLE INC SR GLBL NT	05/06/2024	950,000.000	102.700	99.305	948,404.80	AA+			32,775.00	5.481
3.450%05/06/2024 CISCO SYS INC SR NT	03/04/2024	1,000,000.000	102.210	99.677	1,008,551.25	AA-			36,250.00	5.470
3.625%03/04/2024 HOME DEPOT INC SR NT	02/15/2024	1,000,000.000	102.920	99.733	1,011,496.66	A	11/15/2023		37,500.00	5.964
3.750%02/15/2024 INTERNATIONAL BUSINESS MACHS SR GLBL	02/12/2024	1,000,000.000	102.280	99.756	1,011,556.53	A-			36,250.00	5.795
3.625%02/12/2024 U S BANCORP MTNS BK ENT FR	01/30/2024	1,000,000.000	102.680	99.799	1,013,509.44	A	12/29/2023		37,000.00	6.319
3.700%01/30/2024										
<b>Total Matures 2024</b>					<b>6,008,575.35</b>				<b>219,775.00</b>	
<b>Matures 2023</b>										
MICROSOFT CORP NT	12/15/2023	.000	.000	.000	.00	AAA	09/15/2023		.00	.000
3.625%12/15/2023 SCHLUMBERGER INVT SA SR NT	12/01/2023	.000	.000	.000	.00	A	09/01/2023		.00	.000
3.650%12/01/2023										
<b>Total Matures 2023</b>					<b>.00</b>				<b>.00</b>	
<b>No Maturity</b>										
ISHARES 1-3 YEAR TREASURY BOND ETF		1,760.000	84.580	82.040	144,390.40	NR				.000
<b>Total No Maturity</b>					<b>144,390.40</b>					
<b>Total</b>					<b>43,552,539.62</b>				<b>1,590,062.50</b>	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	53,525.000	11.12	595,017.94	140.93	7,543,278.25	4.5	.00	.00	.000
DISNEY WALT CO COM	41,170.000	62.86	2,587,862.20	90.29	3,729,590.30	2.2	.60	24,702.00	.665
META PLATFORM, INC.	9,900.000	218.69	2,164,994.82	353.96	3,504,204.00	2.1	.00	.00	.000
OMNICOM GROUP INC COM	36,675.000	54.31	1,991,795.05	86.51	3,198,426.75	1.9	2.80	102,690.00	3.237
<b>Total for Communication Services</b>			<b>7,339,670.01</b>		<b>17,975,499.30</b>	<b>10.7</b>		<b>127,392.00</b>	<b>.710</b>
<b>Consumer Disc</b>									
CARMAX INC COM	26,675.000	59.76	1,594,187.29	76.74	2,047,039.50	1.2	.00	.00	.000
HOME DEPOT INC COM	21,975.000	57.13	1,255,470.83	346.55	7,615,436.25	4.5	8.36	183,711.00	2.412
O REILLY AUTOMOTIVE INC NEW COM	5,150.000	179.81	926,043.33	950.08	4,892,912.00	2.9	.00	.00	.000
TJX COS INC NEW COM	41,800.000	12.11	506,324.29	93.81	3,921,258.00	2.3	1.33	55,594.00	1.418
<b>Total for Consumer Disc</b>			<b>4,282,025.74</b>		<b>18,476,645.75</b>	<b>10.9</b>		<b>239,305.00</b>	<b>1.295</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	52,700.000	26.92	1,418,527.46	33.67	1,774,409.00	1.1	.96	50,592.00	2.851
BERKSHIRE HATHAWAY INC DEL CL B NEW	22,250.000	121.89	2,712,009.66	356.66	7,935,685.00	4.7	.00	.00	.000
JPMORGAN CHASE & CO COM	43,750.000	59.03	2,582,651.46	170.10	7,441,875.00	4.4	4.20	183,750.00	2.469
PROGRESSIVE CORP OH COM	55,400.000	32.04	1,775,134.58	159.28	8,824,112.00	5.2	.40	22,160.00	.251
SCHWAB CHARLES CORP NEW COM	92,200.000	39.19	3,612,960.50	68.80	6,343,360.00	3.8	1.00	92,200.00	1.453
US BANCORP DEL COM NEW	52,650.000	29.34	1,544,953.87	43.28	2,304,490.50	1.4	1.96	103,194.00	4.529
WELLS FARGO & CO NEW COM	43,150.000	33.49	1,445,176.39	49.22	2,123,843.00	1.3	1.40	60,410.00	2.844
<b>Total for Financials</b>			<b>15,091,413.92</b>		<b>36,747,774.50</b>	<b>21.9</b>		<b>512,306.00</b>	<b>1.395</b>
<b>Health Care</b>									
JOHNSON & JOHNSON COM	33,925.000	71.26	2,417,370.11	156.74	5,317,404.50	3.2	4.76	161,483.00	3.037
PFIZER INC COM	65,000.000	28.34	1,841,777.29	28.79	1,871,350.00	1.1	1.68	109,200.00	5.835
<b>Total for Health Care</b>			<b>4,259,147.40</b>		<b>7,188,754.50</b>	<b>4.3</b>		<b>270,683.00</b>	<b>3.765</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	24,350.000	40.03	974,615.07	127.20	3,097,320.00	1.8	1.38	33,603.00	1.085
FASTENAL CO COM	71,300.000	20.73	1,478,310.96	64.77	4,618,101.00	2.7	1.40	99,820.00	2.161

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GENERAL ELECTRIC CO COM NEW	42,945.000	106.20	4,560,658.00	127.63	5,484,505.95	3.3	.32	13,742.40	.251
PARKER HANNIFIN CORP COM	10,300.000	290.82	2,995,489.12	460.70	4,745,210.00	2.8	5.92	60,976.00	1.285
UNION PAC CORP COM	13,100.000	93.91	1,230,217.41	245.62	3,217,622.00	1.9	5.20	68,120.00	2.117
<b>Total for Industrials</b>			<b>11,239,290.56</b>		<b>21,162,758.95</b>	<b>12.5</b>		<b>276,261.40</b>	<b>1.306</b>
<b>Information Tech</b>									
APPLE INC COM	41,700.000	25.31	1,055,602.02	192.53	8,028,501.00	4.8	.96	40,032.00	.499
CISCO SYS INC COM	30,025.000	22.05	662,115.50	50.52	1,516,863.00	.9	1.56	46,839.00	3.088
MICROSOFT CORP COM	23,825.000	31.79	757,397.24	376.04	8,959,153.00	5.3	3.00	71,475.00	.798
TE CONNECTIVITY LTD REG SHS	33,250.000	39.85	1,325,043.87	140.50	4,671,625.00	2.8	2.36	78,470.00	1.680
<b>Total for Information Tech</b>			<b>3,800,158.63</b>		<b>23,176,142.00</b>	<b>13.8</b>		<b>236,816.00</b>	<b>1.022</b>
<b>Total: Total Equity</b>			<b>46,011,706.26</b>		<b>124,727,575.00</b>	<b>74.1</b>		<b>1,662,763.40</b>	<b>1.334</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
ABBVIE INC SR GLBL NT 4.250% 11/14/2028	1,250,000.000	104.36	1,304,500.00	99.47	1,250,323.26	.7	4.25	53,125.00	4.273
ALTRIA GROUP INC SR GLBL NT 4.000% 01/31/2024	1,000,000.000	102.90	1,028,953.24	99.84	1,015,056.67	.6	4.00	40,000.00	4.006
APPLE INC SR GLBL NT 3.450% 05/06/2024	950,000.000	102.70	975,692.03	99.31	948,404.80	.6	3.45	32,775.00	3.474
APPLE INC SR GLBL 4.300% 05/10/2033	500,000.000	99.99	499,970.00	101.55	510,810.83	.3	4.30	21,500.00	4.234
BANK AMER CORP FR 3.248% 10/21/2027	1,250,000.000	108.96	1,362,048.44	95.14	1,197,206.95	.7	3.25	40,600.00	3.414
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	96.06	1,207,671.18	.7	3.25	40,625.00	3.383
CVS HEALTH CORP SR GLBL NT 3.875% 07/20/2025	1,000,000.000	101.29	1,012,931.54	98.27	1,000,019.86	.6	3.88	38,750.00	3.943
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	98.62	1,254,965.97	.7	3.85	48,125.00	3.904
CISCO SYS INC SR NT	1,000,000.000	102.21	1,022,129.61	99.68	1,008,551.25	.6	3.63	36,250.00	3.637

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
3.625% 03/04/2024 COMCAST CORP NEW GLBL NT	1,250,000.000	108.15	1,351,916.41	90.02	1,139,089.59	.7	2.65	33,125.00	2.944
2.650% 02/01/2030 DISNEY WALT CO SR GLBL NT	1,250,000.000	107.38	1,342,255.25	88.97	1,127,633.34	.7	2.65	33,125.00	2.978
2.650% 01/13/2031 EXXON MOBIL CORP SR GLBL COCO	1,250,000.000	107.91	1,348,900.66	89.43	1,124,737.50	.7	2.61	32,625.00	2.919
2.610% 10/15/2030 META PLATFORMS INC GLBL NT	1,000,000.000	99.78	997,780.00	101.46	1,020,467.78	.6	4.60	46,000.00	4.534
4.600% 05/15/2028 HOME DEPOT INC SR NT	1,000,000.000	102.92	1,029,237.88	99.73	1,011,496.66	.6	3.75	37,500.00	3.760
3.750% 02/15/2024 INTEL CORP SR GLBL	1,250,000.000	102.40	1,280,000.00	98.41	1,249,677.78	.7	3.70	46,250.00	3.760
3.700% 07/29/2025 INTERNATIONAL BUSINESS MACHS SR GLBL	1,000,000.000	102.28	1,022,791.79	99.76	1,011,556.53	.6	3.63	36,250.00	3.634
3.625% 02/12/2024 JPMORGAN CHASE & CO SR NT	1,250,000.000	108.13	1,351,599.84	95.26	1,199,931.25	.7	2.95	36,875.00	3.097
2.950% 10/01/2026 JOHNSON & JOHNSON SR GLBL	1,250,000.000	109.21	1,365,091.23	95.68	1,212,740.28	.7	2.90	36,250.00	3.031
2.900% 01/15/2028 MCDONALDS CORP FR	1,000,000.000	98.74	987,350.00	102.78	1,046,667.50	.6	4.95	49,500.00	4.816
4.950% 08/14/2033 MERCK & CO INC SR GLBL	1,250,000.000	111.45	1,393,128.69	96.06	1,214,233.34	.7	3.40	42,500.00	3.539
3.400% 03/07/2029 NORTHERN TR CORP SUB NT	1,250,000.000	104.25	1,303,135.51	98.26	1,236,603.82	.7	3.95	49,375.00	4.020
3.950% 10/30/2025 OREILLY AUTOMOTIVE INC SR GLBL	1,000,000.000	98.33	983,300.00	98.92	991,298.89	.6	4.70	47,000.00	4.751
4.700% 06/15/2032 OMNICOM GROUP INC SR GLBL	1,250,000.000	104.40	1,304,998.94	97.45	1,227,675.00	.7	3.60	45,000.00	3.694
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GLBL	1,250,000.000	98.54	1,231,687.50	100.27	1,269,912.50	.8	4.50	56,250.00	4.488
4.500% 09/15/2029 PEPSICO INC SR NT	1,250,000.000	109.15	1,364,337.28	94.83	1,194,646.87	.7	2.63	32,812.50	2.768
2.625% 03/19/2027 PFIZER INC GLBL NT	1,250,000.000	108.41	1,355,079.82	90.19	1,135,640.62	.7	2.63	32,812.50	2.910

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.625% 04/01/2030 PROGRESSIVE CORP SR GLBL	1,250,000.000	109.86	1,373,253.13	92.44	1,165,993.05	.7	3.20	40,000.00	3.462
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GLBL	1,250,000.000	106.19	1,327,430.00	94.37	1,196,933.34	.7	3.20	40,000.00	3.391
3.200% 01/25/2028 SYSCO CORP SR NT	1,000,000.000	102.85	1,028,451.91	97.57	985,115.00	.6	3.75	37,500.00	3.843
3.750% 10/01/2025 TEXAS INSTRS INC SR GLBL NT	1,250,000.000	105.83	1,322,899.94	90.19	1,136,478.13	.7	2.25	28,125.00	2.495
2.250% 09/04/2029 UNION PAC CORP SR GLBL	1,000,000.000	106.97	1,069,704.65	89.06	900,363.33	.5	2.40	24,000.00	2.695
2.400% 02/05/2030 U S BANCORP MTNS BK ENT FR	1,000,000.000	102.68	1,026,793.56	99.80	1,013,509.44	.6	3.70	37,000.00	3.707
3.700% 01/30/2024 US BANCORP FR	500,000.000	100.49	502,450.00	103.02	520,802.50	.3	5.85	29,250.00	5.678
5.850% 10/21/2033 VERIZON COMMUNICATIONS INC SR GLBL	1,250,000.000	108.16	1,351,938.92	95.25	1,202,983.34	.7	2.63	32,812.50	2.756
2.625% 08/15/2026 WELLS FARGO CO NEW SR NT	1,250,000.000	108.47	1,355,895.73	94.94	1,193,795.83	.7	3.00	37,500.00	3.160
3.000% 10/23/2026 <b>Total for Corporate Bonds</b>			<b>41,217,687.93</b>		<b>38,122,993.98</b>	<b>22.5</b>		<b>1,351,187.50</b>	<b>3.582</b>
<b>Governments</b>									
FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,250,000.000	100.00	1,250,000.00	97.43	1,226,996.88	.7	3.33	41,625.00	3.418
3.330% 04/12/2027 FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.06	990,550.00	101.51	1,032,985.00	.6	4.50	45,000.00	4.433
4.500% 08/08/2033 FEDERAL FARM CR BKS CONS SYSTEMWIDE	2,000,000.000	99.63	1,992,600.00	100.58	2,054,918.33	1.2	6.05	121,000.00	6.015
6.050% 08/22/2031 US TREASURY NOTE	1,000,000.000	108.18	1,081,750.00	96.62	970,255.03	.6	3.13	31,250.00	3.234
3.125% 11/15/2028 <b>Total for Governments</b>			<b>5,314,900.00</b>		<b>5,285,155.24</b>	<b>3.1</b>		<b>238,875.00</b>	<b>4.584</b>
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.68	82.04	144,390.40	.1	2.45	4,317.28	2.990
<b>Total for Taxable Bond Funds</b>			<b>148,859.68</b>		<b>144,390.40</b>	<b>.1</b>		<b>4,317.28</b>	<b>2.990</b>
<b>Total: Total Fixed Income</b>			<b>46,681,447.61</b>		<b>43,552,539.62</b>	<b>25.7</b>		<b>1,594,379.78</b>	<b>3.701</b>
<b>Total</b>			<b>92,693,153.87</b>		<b>168,280,114.62</b>	<b>100.0</b>		<b>3,257,143.18</b>	<b>1.942</b>

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>Total Portfolio - Gross</b>	<b>168,280,115</b>	<b>7.79</b>	<b>19.33</b>	<b>8.43</b>	<b>13.49</b>	<b>10.53</b>	<b>8.71</b>	<b>9.05</b>
<b>Total Portfolio - Net</b>	<b>168,280,115</b>	<b>7.75</b>	<b>19.23</b>	<b>8.35</b>	<b>13.40</b>	<b>10.46</b>	<b>8.65</b>	<b>9.00</b>
70% SP500 30% Bloomberg Int Govt Cr		6.79	19.75	6.63	11.61	9.08	7.86	8.58
<b>Total Equity</b>	<b>124,727,575</b>	<b>9.35</b>	<b>24.71</b>	<b>11.79</b>	<b>17.41</b>	<b>13.43</b>	<b>10.50</b>	<b>10.94</b>
S P 500 Index		8.04	26.29	10.00	15.69	12.03	9.69	10.15
<b>Total Fixed Income</b>	<b>43,552,540</b>	<b>3.71</b>	<b>5.90</b>	<b>-1.29</b>	<b>1.69</b>	<b>1.82</b>	<b>2.67</b>	<b>4.01</b>
Bloomberg US Government/Credit Interm Bond		3.69	5.24	-1.63	1.59	1.72	2.90	4.13



	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.53	9.08
Standard Deviation	11.98	10.96
Beta	1.01	
Alpha	1.37	
R-Squared	.99	
Sharpe Ratio	9.23	9.95
Treynor Ratio	109.44	109.08
Tracking Error	3.02	
Information Ratio	.48	
Downside Deviation	7.42	6.84
Downside Standard Deviation	8.90	8.12
Sortino Ratio	1.53	1.42
Upside Capture	1.10	
Downside Capture	1.03	
Batting Average	.56	
Annualized Excess Return	1.45	
Cumulative Excess Return	33.66	
Turnover %	123.63	
M-Squared	1.12	
Residual Risk	.99	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	8.71	7.86
Standard Deviation	10.71	10.62
Beta	.99	
Alpha	.88	
R-Squared	.98	
Sharpe Ratio	10.15	10.16
Treynor Ratio	109.81	107.86
Tracking Error	3.08	
Information Ratio	.26	
Downside Deviation	6.80	6.98
Downside Standard Deviation	8.02	8.06
Sortino Ratio	1.37	1.21
Upside Capture	1.01	
Downside Capture	.95	
Batting Average	.55	
Annualized Excess Return	.85	
Cumulative Excess Return	77.13	
Turnover %	190.67	
M-Squared	7.80	
Residual Risk	1.02	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/22/2023	4,570.00	DISNEY WALT CO COM	102.36	467,762.81
02/22/2023	5,670.00	GENERAL ELECTRIC CO COM NEW	83.79	475,085.90
04/27/2023	3,300.00	PARKER HANNIFIN CORP COM	313.47	1,034,462.22
04/27/2023	22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	1,131,706.40
04/27/2023	-22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	-1,131,706.40
04/27/2023	-3,300.00	PARKER HANNIFIN CORP COM	313.47	-1,034,462.22
04/27/2023	3,300.00	PARKER HANNIFIN CORP COM	313.47	1,034,462.22
04/27/2023	22,000.00	SCHWAB CHARLES CORP NEW COM	51.44	1,131,706.40
07/20/2023	1,000,000.00	META PLATFORMS INC GBLB NT	99.78	997,780.00
07/20/2023	500,000.00	US BANCORP FR	100.49	502,450.00
07/20/2023	500,000.00	APPLE INC SR GBLB	1.00	499,970.00
08/11/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.05	990,500.00
08/14/2023	1,000,000.00	MCDONALDS CORP FR	98.73	987,350.00
10/03/2023	2,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.63	1,992,600.00
11/01/2023	-1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.05	-990,500.00
11/01/2023	1,000,000.00	FEDERAL FARM CR BKS CONS SYSTEMWIDE	99.06	990,550.00
				<u>9,079,717.33</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/25/2023	0.00	GE HEALTHCARE TECHNOLOGIES INC	0.00	44.21	01/12/2023	0.00	0.00	0.00
02/22/2023	-12,866.00	GE HEALTHCARE TECHNOLOGIES INC	71.86	924,566.88	01/04/2023	76.79	988,001.95	-63,435.07
04/27/2023	-6,500.00	APPLE INC COM	166.65	1,083,237.78	04/25/2013	31.20	202,800.18	880,437.60
04/27/2023	-3,500.00	MICROSOFT CORP COM	303.04	1,060,647.26	06/30/2021	28.25	98,872.12	961,775.14
04/27/2023	3,500.00	MICROSOFT CORP COM	303.04	-1,060,647.26	06/30/2021	28.27	-98,962.50	0.00
04/27/2023	6,500.00	APPLE INC COM	166.65	-1,083,237.78	04/25/2013	32.36	-210,332.69	0.00
04/27/2023	-6,500.00	APPLE INC COM	166.65	1,083,237.78	04/25/2013	32.36	210,332.69	872,905.09
04/27/2023	-3,500.00	MICROSOFT CORP COM	303.04	1,060,647.26	06/30/2021	28.27	98,962.50	961,684.76
07/15/2023	-1,000,000.00	ORACLE CORP SR NT	100.00	1,000,000.00	06/08/2016	1.03	1,026,104.57	-26,104.57
07/19/2023	-1,050.00	TE CONNECTIVITY LTD REG SHS	142.48	149,601.69	11/07/2007	40.74	42,772.23	106,829.46
07/19/2023	-1,675.00	ALPHABET INC CAP STK CL C	124.22	208,067.16	10/05/2015	548.40	918,576.08	-710,508.92

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

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	150.00	O REILLY AUTOMOTIVE INC NEW COM	965.33	-144,798.75	07/11/2017	174.94	-26,241.26	0.00
12/01/2023	750.00	MICROSOFT CORP COM	359.10	-269,326.05	06/30/2021	28.27	-21,206.25	0.00
12/01/2023	1,075.00	JOHNSON & JOHNSON COM	159.11	-171,047.55	11/24/2021	48.24	-51,856.21	0.00
12/01/2023	1,350.00	JPMORGAN CHASE & CO COM	154.65	-208,781.69	12/10/2008	30.98	-41,825.02	0.00
12/01/2023	700.00	HOME DEPOT INC COM	318.81	-223,167.77	04/23/2015	39.91	-27,939.31	0.00
12/01/2023	1,325.00	GENERAL ELECTRIC CO COM NEW	109.36	-144,907.57	08/02/2021	113.92	-150,949.97	0.00
12/01/2023	2,200.00	FASTENAL CO COM	56.84	-125,041.84	02/12/2015	21.12	-46,472.58	0.00
12/01/2023	300.00	META PLATFORM, INC.	317.90	-95,369.31	05/06/2020	203.86	-61,159.14	0.00
12/01/2023	750.00	EXPEDITORS INTL WASH INC COM	123.86	-92,895.53	03/25/2013	37.20	-27,900.98	0.00
12/01/2023	1,275.00	DISNEY WALT CO COM	87.24	-111,234.95	04/23/2015	25.44	-32,430.55	0.00
12/01/2023	925.00	CISCO SYS INC COM	51.97	-48,073.45	12/12/2008	17.30	-16,006.48	0.00
12/01/2023	825.00	CARMAX INC COM	85.88	-70,854.47	01/30/2019	59.76	-49,304.76	0.00
12/01/2023	700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.21	-239,547.35	03/27/2020	40.76	-28,533.06	0.00
12/01/2023	1,650.00	BANK OF AMERICA CORP COM	31.51	-51,985.40	08/30/2019	26.92	-44,413.10	0.00
12/01/2023	1,300.00	APPLE INC COM	194.09	-252,321.81	04/23/2015	32.36	-42,066.54	0.00
12/01/2023	1,675.00	ALPHABET INC CAP STK CL C	124.22	-208,067.16	10/05/2015	548.40	-918,576.08	0.00
12/01/2023	1,050.00	TE CONNECTIVITY LTD REG SHS	142.48	-149,601.69	11/07/2007	40.74	-42,772.23	0.00
12/01/2023	-1,050.00	TE CONNECTIVITY LTD REG SHS	142.45	149,568.99	11/07/2007	40.74	42,772.23	106,796.76
12/01/2023	-1,675.00	ALPHABET INC CAP STK CL C	124.19	208,015.24	10/05/2015	548.40	918,576.08	-710,560.84
12/01/2023	-1,300.00	APPLE INC COM	194.06	252,280.79	04/23/2015	32.36	42,066.54	210,214.25
12/01/2023	-1,650.00	BANK OF AMERICA CORP COM	31.48	51,935.48	08/30/2019	26.92	44,413.10	7,522.38
12/01/2023	-700.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	342.18	239,524.43	03/27/2020	40.76	28,533.06	210,991.37
12/01/2023	-825.00	CARMAX INC COM	85.85	70,829.15	01/30/2019	59.76	49,304.76	21,524.39
12/01/2023	-925.00	CISCO SYS INC COM	51.94	48,045.31	12/12/2008	17.30	16,006.48	32,038.83
12/01/2023	-1,275.00	DISNEY WALT CO COM	87.21	111,195.81	04/23/2015	25.44	32,430.55	78,765.26
12/01/2023	-750.00	EXPEDITORS INTL WASH INC COM	123.83	92,872.28	03/25/2013	37.20	27,900.98	64,971.30
12/01/2023	-300.00	META PLATFORM, INC.	317.87	95,359.54	05/06/2020	203.86	61,159.14	34,200.40
12/01/2023	-2,200.00	FASTENAL CO COM	56.81	124,974.83	02/12/2015	21.12	46,472.58	78,502.25
12/01/2023	-1,325.00	GENERAL ELECTRIC CO COM NEW	109.33	144,866.66	08/02/2021	113.92	150,949.97	-6,083.31
12/01/2023	-700.00	HOME DEPOT INC COM	318.78	223,144.98	04/23/2015	39.91	27,939.31	195,205.67
12/01/2023	-1,350.00	JPMORGAN CHASE & CO COM	154.62	208,739.51	12/10/2008	30.98	41,825.02	166,914.49
12/01/2023	-1,075.00	JOHNSON & JOHNSON COM	159.08	171,013.93	11/24/2021	48.24	51,856.21	119,157.72
12/01/2023	-750.00	MICROSOFT CORP COM	359.07	269,301.39	06/30/2021	28.27	21,206.25	248,095.14
12/01/2023	-150.00	O REILLY AUTOMOTIVE INC NEW COM	965.29	144,793.09	07/11/2017	174.94	26,241.26	118,551.83
12/01/2023	-1,150.00	OMNICOM GROUP INC COM	87.49	100,608.44	06/30/2021	43.83	50,398.77	50,209.67

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
12/01/2023	-300.00	PARKER HANNIFIN CORP COM	400.72	120,216.32	10/28/2022	280.15	84,044.01	36,172.31
12/01/2023	-2,000.00	PFIZER INC COM	36.47	72,936.41	09/07/2011	18.04	36,073.30	36,863.11
12/01/2023	-1,750.00	PROGRESSIVE CORP OH COM	118.10	206,668.97	05/23/2007	23.19	40,575.15	166,093.82
12/01/2023	-2,900.00	SCHWAB CHARLES CORP NEW COM	67.26	195,062.00	08/26/2020	35.35	102,501.95	92,560.05
12/01/2023	-1,300.00	TJX COS INC NEW COM	85.29	110,871.95	04/23/2015	6.06	7,873.77	102,998.18
12/01/2023	-1,650.00	US BANCORP DEL COM NEW	38.46	63,456.51	12/07/2000	10.86	17,922.30	45,534.21
12/01/2023	-400.00	UNION PAC CORP COM	214.15	85,659.35	07/24/2015	93.91	37,563.89	48,095.46
12/01/2023	-1,350.00	WELLS FARGO & CO NEW COM	46.25	62,440.38	06/02/2011	28.21	38,082.56	24,357.82
12/01/2023	-1,000,000.00	SCHLUMBERGER INVT SA SR NT	100.00	1,000,000.00	10/17/2016	1.02	1,023,166.32	-23,166.32
12/15/2023	-1,000,000.00	MICROSOFT CORP NT	100.00	1,000,000.00	11/09/2018	1.02	1,016,308.36	-16,308.36
				<u>11,692,877.87</u>			<u>8,417,485.85</u>	<u>6,690,583.30</u>

# Proxy Voting Report

Oct 01, 2023 to Dec 31, 2023

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	56
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
1	1
Number of Meetings With VAM	% of All Meetings Voted
0	NA
Number of Proposals With VAM	% of All Proposals Voted
0	NA
Number of Meetings With Votes For Mgmt	% of All Meetings Voted
3	100.0%
Number of Proposals With Votes For Mgmt	% of All Proposals Voted
56	100.0%
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted
0	NA

## Votes Against Policy (VAP) Summary

Number of Meetings	Number of Proposals
3	56
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
1	1
Number of Meetings With VAP	% of All Meetings Voted
2	66.7%
Number of Proposals With VAP	% of All Proposals Voted
5	8.9%
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
51	91.1%
Number of Abstain Votes	% of All Proposals Voted
0	NA
Number of No Votes Cast	% of All Proposals Voted

	0	NA
<b>Number of Proposals with Votes with GL</b>		<b>% of All Proposals Voted</b>
	51	91.1%

## Proposal Summary

<b>Number of Meetings:</b>	3
<b>Number of Mgmt Proposals:</b>	46
<b>Number of Shareholder Proposals:</b>	10

<b>Mgmt Proposals Voted FOR</b>	<b>% of All Mgmt Proposals</b>
43	93.5%
<b>Mgmt Proposals Voted Against/Withhold</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted Abstain</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals With No Votes Cast</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 1 Year</b>	<b>% of All Mgmt Proposals</b>
3	6.5%
<b>Mgmt Proposals Voted 2 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 3 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA

<b>ShrHldr Proposal Voted FOR</b>	<b>% of All ShrHldr Proposals</b>
0	NA
<b>ShrHldr Proposals Voted Against/Withhold</b>	<b>% of All ShrHldr Proposals</b>
10	100.0%
<b>ShrHldr Proposals Voted Abstain</b>	<b>% of All ShrHldr Proposals</b>
0	NA
<b>ShrHldr Proposals With No Votes Cast</b>	<b>% of All ShrHldr Proposals</b>
0	NA



<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	10/18/2023	<b>Ballot Voted</b>	11/28/2023			
<b>Vote Deadline Date Contested</b>	12/05/2023 No	<b>Record Date Agenda Type</b>	10/09/2023 Mgmt	<b>Ticker Country Of Origin</b>	CSCO US	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-17275R102					

**Annual Meeting Agenda (12/06/2023)**

		<b>Mgmt Rec</b>	<b>GL Rec</b>	<b>HLT Main Policy</b>	<b>Vote Cast</b>
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	Amendment to the 2005 Stock Incentive Plan	For	For	For	For
11	Advisory Vote on Executive Compensation	For	Against	Against	For

**Vote Note:**we do believe GL's concerns have some validity in that the executive team is highly compensated. However, while we do feel that comp is on the higher side, we believe CEO Chuck Robbins has done a very good job leading this company through a business model change and all the disruptions from COVID. Furthermore, the vast majority of his pay is performance-based variable pay in the form of RSUs and PSUs. So over the long-term if he fails to achieve the goals set out by the board, his comp will not be as high as reflected here.

12	Frequency of Advisory Vote on Executive Compensation	1 Year	1 Year	1 Year	1 Year
13	Ratification of Auditor	For	For	For	For
14	Shareholder Proposal Regarding Report on Tax Transparency	Against	For	For	Against

**Vote Note:**we agree with MGMT's rationale and believe it would be a waste of time and resources.

**Accounts With Shares**

	<b>Shares Voted</b>	<b>Holdings Id</b>	<b>Shares Held</b>	<b>Shares On Loan</b>	<b>Policy Id</b>	<b>Voting Group</b>
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	102,950	KJLA	102,950	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	30,025	KJLB	30,025	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>132,975</b>		<b>132,975</b>	<b>0</b>		

<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	10/21/2023	<b>Ballot Voted</b>	11/27/2023			
<b>Vote Deadline Date Contested</b>	12/06/2023 No	<b>Record Date Agenda Type</b>	09/29/2023 Mgmt	<b>Ticker Country Of Origin</b>	MSFT US	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-594918104					

**Annual Meeting Agenda (12/07/2023)**

		<b>Mgmt Rec</b>	<b>GL Rec</b>	<b>HLT Main Policy</b>	<b>Vote Cast</b>
1	Elect Reid G. Hoffman	For	For	For	For
2	Elect Hugh F. Johnston	For	Against	Against	For
3	Elect Teri L. List	For	For	For	For

**Vote Note:**We disagree that holding the CFO role at Disney and serving on two boards (MSFT and HCA) is "overboarded".

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	Frequency of Advisory Vote on Executive Compensation	1 Year	1 Year	1 Year	1 Year
15	Ratification of Auditor	For	For	For	For
(SHP) 16	Shareholder Proposal Regarding Report on Median Compensation and Benefits Related to Reproductive and Gender Dysphoria Care	Against	Against	Against	Against
(SHP) 17	Shareholder Proposal Regarding EEO Policy Risk Report	Against	Against	Against	Against
(SHP) 18	Shareholder Proposal Regarding Report on Government Takedown Requests	Against	Against	Against	Against
(SHP) 19	Shareholder Proposal Regarding Risks of Developing Military Weapons	Against	For	For	Against

**Vote Note:**we agree with the board's rationale that they already provide plenty of disclosure and that generating these extra reports would be excessive

(SHP) 20	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options	Against	Against	Against	Against
(SHP) 21	Shareholder Proposal Regarding Report on Tax Transparency	Against	For	For	Against

**Vote Note:**we agree with the board's rationale that they already provide plenty of disclosure and that generating these extra reports would be excessive

(SHP) 22	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	Against	Against	Against	Against
(SHP) 23	Shareholder Proposal Regarding Third-Party Political Expenditures Reporting	Against	Against	Against	Against
(SHP) 24	Shareholder Proposal Regarding Report on AI Misinformation and Disinformation	Against	Against	Against	Against

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.	82,550	KJLA	82,550	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	23,825	KJLB	23,825	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>106,375</b>		<b>106,375</b>	<b>0</b>		

**Parker-Hannifin Corp.**

<b>Voted Ballot Created</b>	09/27/2023	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved
<b>Vote Deadline Date Contested</b>	10/24/2023 No	<b>Record Date Agenda Type</b>	10/21/2023	09/01/2023 Mgmt	Ticker Country Of Origin
<b>Ballot Sec ID</b>	CUSIP9-701094104				PH US
					<b>Share Blocking No Country Of Trade US</b>

**Annual Meeting Agenda (10/25/2023)**

	Mgmt Rec	GL Rec	HLT Main Policy	Vote Cast
1	Elect Lee C. Banks	For	For	For
2	Elect Jillian C. Evanko	For	For	For
3	Elect Denise Russell Fleming	For	For	For
4	Elect Lance M. Fritz	For	For	For

5	Elect Linda A. Harty	For	For	For	For
6	Elect Kevin A. Lobo	For	For	For	For
7	Elect Jennifer A. Parmentier	For	For	For	For
8	Elect Joseph Scaminace	For	For	For	For
9	Elect Åke Svensson	For	For	For	For
10	Elect Laura K. Thompson	For	For	For	For
11	Elect James R. Verrier	For	For	For	For
12	Elect James L. Wainscott	For	For	For	For
13	Elect Thomas L. Williams	For	For	For	For
14	Advisory Vote on Executive Compensation	For	For	For	For
15	Ratification of Auditor	For	For	For	For
16	Approval of the 2023 Omnibus Stock Incentive Plan	For	For	For	For
17	Amendment to the Employee Stock Purchase Plan	For	For	For	For
18	Frequency of Advisory Vote on Executive Compensation	1 Year	1 Year	1 Year	1 Year

**Accounts With Shares**

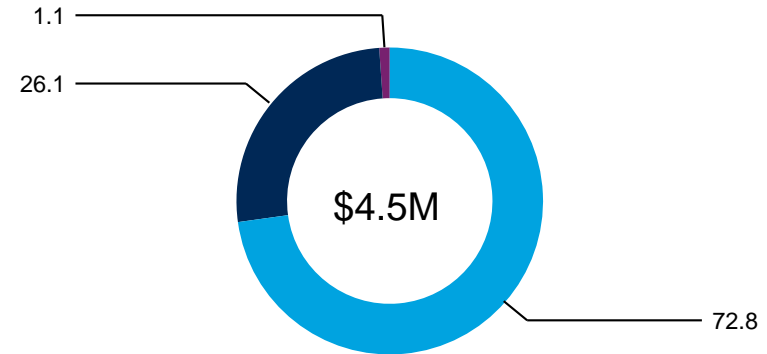
	Shares Voted	Holdings Id	Shares Held	Shares On Loan	Policy Id	Voting Group
State Street Bank-US (837)- Kentucky Judicial Ret. Defined Benefit Agt.	35,750	KJLA	35,750	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	10,300	KJLB	10,300	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>46,050</b>		<b>46,050</b>	<b>0</b>		

## Client Investment Review

Investment activity through 12/31/2023

Asset Allocation Summary

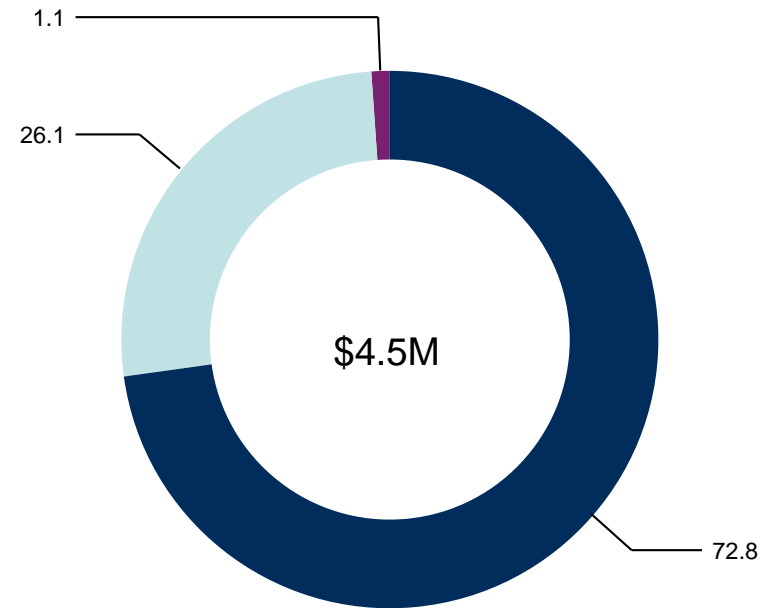
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	3,254,636	72.8	43,426.13	1.3
Total Fixed Income	1,166,728	26.1	40,089.66	3.4
Cash & Equivalents	48,740	1.1	2,495.45	5.1
<b>Total</b>	<b>4,470,104</b>	<b>100.0</b>	<b>86,011.24</b>	<b>1.9</b>



Investment Summary

	Fiscal Year to Date (6 Months)
Beginning Account Value	3,830,293.01
Net Contributions/Withdrawals	304,534.79
Income Earned	47,165.98
Market Appreciation	288,110.48
Ending Account Value	4,470,104.26

	Market Value	% of Mkt Val
● Core Equity	3,254,636	72.8
● Taxable Bond Funds	1,166,728	26.1
● Cash & Equivalents	48,740	1.1
<b>Total</b>	<b>4,470,104</b>	<b>100.0</b>



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	48,548.690	1.00	48,548.69	1.00	48,740.11	1.1	5.14	2,495.45	5.140
<b>Total for Money Markets</b>			<b>48,548.69</b>		<b>48,740.11</b>	<b>1.1</b>		<b>2,495.45</b>	<b>5.140</b>
<b>Total: Cash &amp; Equivalents</b>			<b>48,548.69</b>		<b>48,740.11</b>	<b>1.1</b>		<b>2,495.45</b>	<b>5.140</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	1,397.000	132.78	185,498.04	140.93	196,879.21	4.4	.00	.00	.000
DISNEY WALT CO COM	1,053.000	155.45	163,692.55	90.29	95,391.27	2.1	.60	631.80	.665
META PLATFORM, INC.	266.000	329.42	87,625.02	353.96	94,153.36	2.1	.00	.00	.000
OMNICOM GROUP INC COM	960.000	75.84	72,809.40	86.51	83,721.60	1.9	2.80	2,688.00	3.237
<b>Total for Communication Services</b>			<b>509,625.01</b>		<b>470,145.44</b>	<b>10.5</b>		<b>3,319.80</b>	<b>.708</b>
<b>Consumer Disc</b>									
CARMAX INC COM	695.000	118.60	82,424.89	76.74	53,334.30	1.2	.00	.00	.000
HOME DEPOT INC COM	569.000	326.44	185,742.51	346.55	197,186.95	4.4	8.36	4,756.84	2.412
O REILLY AUTOMOTIVE INC NEW COM	135.000	641.74	86,635.53	950.08	128,260.80	2.9	.00	.00	.000
TJX COS INC NEW COM	983.000	70.30	69,104.80	93.81	92,215.23	2.1	1.33	1,307.39	1.418
<b>Total for Consumer Disc</b>			<b>423,907.73</b>		<b>470,997.28</b>	<b>10.6</b>		<b>6,064.23</b>	<b>1.288</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	1,379.000	39.56	54,553.23	33.67	46,430.93	1.0	.96	1,323.84	2.851
BERKSHIRE HATHAWAY INC DEL CL B NEW	589.000	295.38	173,978.97	356.66	210,072.74	4.7	.00	.00	.000
JPMORGAN CHASE & CO COM	1,215.000	152.50	185,288.49	170.10	206,671.50	4.6	4.20	5,103.00	2.469
PROGRESSIVE CORP OH COM	1,450.000	101.96	147,838.53	159.28	230,956.00	5.2	.40	580.00	.251
SCHWAB CHARLES CORP NEW COM	2,431.000	68.07	165,487.74	68.80	167,252.80	3.7	1.00	2,431.00	1.453
US BANCORP DEL COM NEW	1,322.000	54.34	71,839.48	43.28	57,863.94	1.3	1.96	2,591.12	4.529
WELLS FARGO & CO NEW COM	1,092.000	48.32	52,768.84	49.22	53,748.24	1.2	1.40	1,528.80	2.844
<b>Total for Financials</b>			<b>851,755.28</b>		<b>972,996.15</b>	<b>21.7</b>		<b>13,557.76</b>	<b>1.394</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	884.000	171.63	151,723.30	156.74	138,558.16	3.1	4.76	4,207.84	3.037
PFIZER INC COM	1,600.000	47.07	75,307.62	28.79	46,064.00	1.0	1.68	2,688.00	5.835
<b>Total for Health Care</b>			<b>227,030.92</b>		<b>184,622.16</b>	<b>4.1</b>		<b>6,895.84</b>	<b>3.735</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	619.000	120.72	74,722.91	127.20	78,736.80	1.8	1.38	854.22	1.085
FASTENAL CO COM	1,847.000	55.47	102,461.56	64.77	119,630.19	2.7	1.40	2,585.80	2.161
GENERAL ELECTRIC CO COM NEW	1,029.000	80.64	82,979.44	127.63	131,413.59	2.9	.32	329.28	.251
PARKER HANNIFIN CORP COM	274.000	302.03	82,756.83	460.70	126,231.80	2.8	5.92	1,622.08	1.285
UNION PAC CORP COM	356.000	226.11	80,493.69	245.62	87,440.72	2.0	5.20	1,851.20	2.117
<b>Total for Industrials</b>			<b>423,414.43</b>		<b>543,453.10</b>	<b>12.2</b>		<b>7,242.58</b>	<b>1.333</b>
<b>Information Tech</b>									
APPLE INC COM	1,094.000	151.14	165,349.39	192.53	210,627.82	4.7	.96	1,050.24	.499
CISCO SYS INC COM	922.000	54.70	50,437.19	50.52	46,579.44	1.0	1.56	1,438.32	3.088
MICROSOFT CORP COM	636.000	291.15	185,174.55	376.04	239,161.44	5.4	3.00	1,908.00	.798
TE CONNECTIVITY LTD REG SHS	826.000	147.20	121,588.69	140.50	116,053.00	2.6	2.36	1,949.36	1.680
<b>Total for Information Tech</b>			<b>522,549.82</b>		<b>612,421.70</b>	<b>13.7</b>		<b>6,345.92</b>	<b>1.036</b>
<b>Total: Total Equity</b>			<b>2,958,283.19</b>		<b>3,254,635.83</b>	<b>72.8</b>		<b>43,426.13</b>	<b>1.335</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	14,020.000	53.21	745,991.46	51.27	718,875.52	16.1	1.67	23,427.42	3.259
VANGUARD SCOTTSDALE FDS VANGUARD	5,510.000	89.89	495,317.00	81.28	447,852.80	10.0	3.02	16,662.24	3.720
<b>Total for Taxable Bond Funds</b>			<b>1,241,308.46</b>		<b>1,166,728.32</b>	<b>26.1</b>		<b>40,089.66</b>	<b>3.436</b>
<b>Total: Total Fixed Income</b>			<b>1,241,308.46</b>		<b>1,166,728.32</b>	<b>26.1</b>		<b>40,089.66</b>	<b>3.436</b>
<b>Total</b>			<b>4,248,140.34</b>		<b>4,470,104.26</b>	<b>100.0</b>		<b>86,011.24</b>	<b>1.925</b>



## Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>4,470,104</b>	<b>8.24</b>	<b>19.85</b>	<b>7.64</b>	<b>12.55</b>	<b>9.43</b>
<b>Total Portfolio - Net</b>	<b>4,470,104</b>	<b>8.20</b>	<b>19.76</b>	<b>7.55</b>	<b>12.46</b>	<b>9.35</b>
70% SP500 30% Bloomberg Int Govt Cr		6.79	19.75	6.63	11.61	9.04
<b>Total Equity</b>	<b>3,254,636</b>	<b>9.63</b>	<b>24.98</b>	<b>10.71</b>	<b>16.15</b>	<b>12.24</b>
S P 500 Index		8.04	26.29	10.00	15.69	12.04
<b>Total Fixed Income</b>	<b>1,166,728</b>	<b>4.70</b>	<b>7.37</b>	<b>-1.38</b>	<b>2.99</b>	<b>2.34</b>
Bloomberg US Government/Credit Interm Bond		3.69	5.24	-1.63	1.59	1.48
<b>Cash &amp; Equivalents</b>	<b>48,740</b>	<b>3.76</b>	<b>7.27</b>	<b>2.97</b>	<b>2.23</b>	<b>1.63</b>
3 Mos Treasury Bill Rate		2.78	5.41	2.50	2.01	1.56

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.55	11.61
Standard Deviation	13.79	13.56
Beta	1.00	
Alpha	.88	
R-Squared	1.00	
Sharpe Ratio	8.16	8.23
Treynor Ratio	112.55	111.61
Tracking Error	2.09	
Information Ratio	.42	
Downside Deviation	8.48	8.41
Downside Standard Deviation	10.33	10.15
Sortino Ratio	1.60	1.50
Upside Capture	1.03	
Downside Capture	.98	
Batting Average	.63	
Annualized Excess Return	.94	
Cumulative Excess Return	7.40	
Turnover %	.38	
M-Squared	10.67	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

	IGSB	Bloomberg Intermediate Gov/Cr
Duration	2.57	3.78
Effective Maturity	2.95	4.27
Credit Rating	A-	AA2 / AA3
Weighted Coupon	3.80	2.89
Weighted Price	97.00	95.17
Yield to Maturity	5.57	4.37

Source: Morningstar | Investment As of Jan 5, 2024, Category: Short-Term Bond as of Nov 30, 2023  
Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Dec 31, 2023

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.75)	–	0.66	0.10	–	–	–	–	–
AA (9.35)	0.01	6.21	3.12	–	–	–	–	0.01
A (45.46)	0.47	28.91	15.82	–	–	–	–	0.25
BBB (42.64)	0.73	25.78	16.08	–	–	–	–	0.06
BB (1.58)	0.07	1.00	0.50	–	–	–	–	–
B	–	–	–	–	–	–	–	–
Below B	–	–	–	–	–	–	–	–
Not Rated (0.21)	–	0.06	0.05	–	–	–	–	0.10

Source: Morningstar

As of Jan 5, 2024 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	VCIT	Bloomberg Intermediate Gov/Cr
Duration	6.11	3.78
Effective Maturity	7.40	4.27
Credit Rating	BBB+	AA2 / AA3
Weighted Coupon	–	2.89
Weighted Price	91.00	95.17
Yield to Maturity	5.59	4.37

Source: Morningstar | As of Nov 30, 2023, Category: Corporate Bond

Source: Bloomberg | Bloomberg Intermediate Gov/Cr as of Dec 31, 2023

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.17)	–	–	0.02	0.12	0.03	–	–	–
AA (5.05)	–	–	0.35	3.00	1.70	–	–	–
A (43.26)	–	0.00	6.00	26.68	10.42	–	–	0.16
BBB (49.79)	0.00	0.01	8.85	33.22	7.49	–	–	0.22
BB (1.61)	–	0.04	0.69	0.88	–	–	–	–
B	–	–	–	–	–	–	–	–
Below B	–	–	–	–	–	–	–	–
Not Rated (0.11)	–	–	–	0.05	0.06	–	–	–

Source: Morningstar

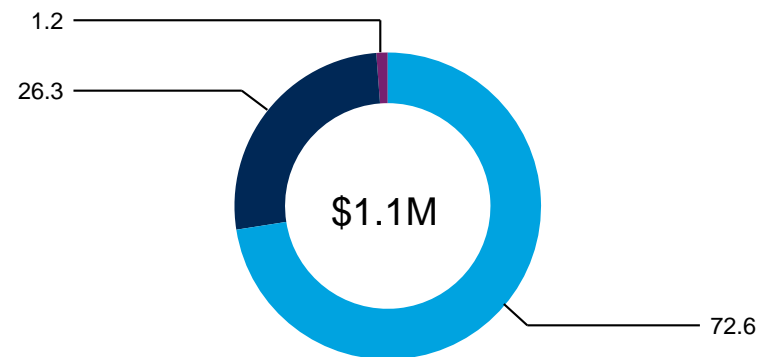
As of Nov 30, 2023 | Data is based on the long position of the holdings. Source: Holdings-based calculations.

## Client Investment Review

Investment activity through 12/31/2023

**Asset Allocation Summary**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	822,842	72.5	11,027.05	1.3
Total Fixed Income	297,750	26.3	10,231.62	3.4
Cash & Equivalents	13,635	1.2	698.05	5.1
<b>Total</b>	<b>1,134,227</b>	<b>100.0</b>	<b>21,956.71</b>	<b>1.9</b>

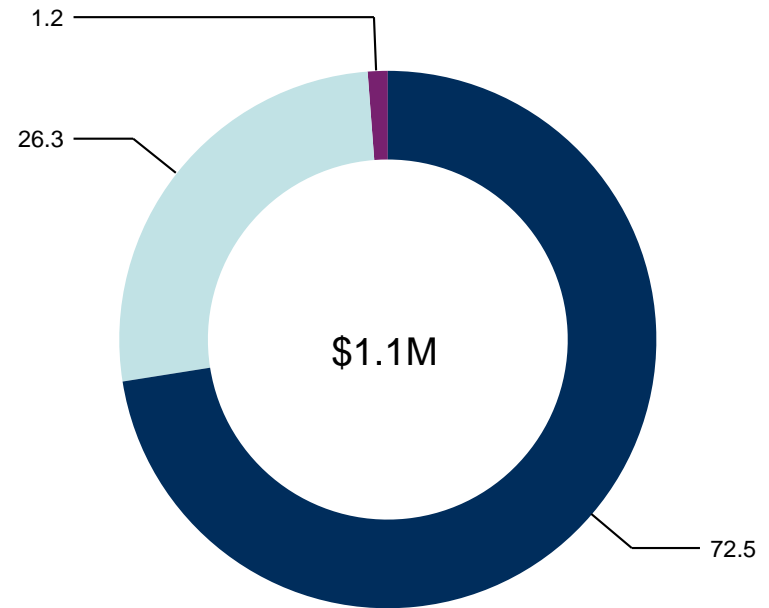


**Investment Summary**

	Fiscal Year to Date (6 Months)
Beginning Account Value	956,536.46
Net Contributions/Withdrawals	93,921.81
Income Earned	12,050.28
Market Appreciation	71,718.53
Ending Account Value	1,134,227.08



	Market Value	% of Mkt Val
● Core Equity	822,842	72.5
● Taxable Bond Funds	297,750	26.3
● Cash & Equivalents	13,635	1.2
<b>Total</b>	<b>1,134,227</b>	<b>100.0</b>



	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>									
<b>Money Markets</b>									
GOLDMAN SACHS FINANCIAL SQUARE	13,580.390	1.00	13,580.39	1.00	13,634.55	1.2	5.14	698.05	5.140
<b>Total for Money Markets</b>			<b>13,580.39</b>		<b>13,634.55</b>	<b>1.2</b>		<b>698.05</b>	<b>5.140</b>
<b>Total: Cash &amp; Equivalents</b>			<b>13,580.39</b>		<b>13,634.55</b>	<b>1.2</b>		<b>698.05</b>	<b>5.140</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	332.000	132.07	43,848.56	140.93	46,788.76	4.1	.00	.00	.000
DISNEY WALT CO COM	263.000	153.22	40,297.63	90.29	23,825.17	2.1	.60	157.80	.665
META PLATFORM, INC.	67.000	325.24	21,790.75	353.96	23,715.32	2.1	.00	.00	.000
OMNICOM GROUP INC COM	245.000	75.87	18,587.33	86.51	21,366.45	1.9	2.80	686.00	3.237
<b>Total for Communication Services</b>			<b>124,524.27</b>		<b>115,695.70</b>	<b>10.2</b>		<b>843.80</b>	<b>.731</b>
<b>Consumer Disc</b>									
CARMAX INC COM	177.000	116.97	20,703.27	76.74	13,582.98	1.2	.00	.00	.000
HOME DEPOT INC COM	142.000	325.43	46,211.50	346.55	49,210.10	4.3	8.36	1,187.12	2.412
O REILLY AUTOMOTIVE INC NEW COM	35.000	667.57	23,365.10	950.08	33,252.80	2.9	.00	.00	.000
TJX COS INC NEW COM	245.000	70.01	17,152.91	93.81	22,983.45	2.0	1.33	325.85	1.418
<b>Total for Consumer Disc</b>			<b>107,432.78</b>		<b>119,029.33</b>	<b>10.4</b>		<b>1,512.97</b>	<b>1.271</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	353.000	39.40	13,909.60	33.67	11,885.51	1.0	.96	338.88	2.851
BERKSHIRE HATHAWAY INC DEL CL B NEW	147.000	297.19	43,687.51	356.66	52,429.02	4.6	.00	.00	.000
JPMORGAN CHASE & CO COM	307.000	151.14	46,401.06	170.10	52,220.70	4.6	4.20	1,289.40	2.469
PROGRESSIVE CORP OH COM	365.000	102.90	37,557.29	159.28	58,137.20	5.1	.40	146.00	.251
SCHWAB CHARLES CORP NEW COM	610.000	68.63	41,862.10	68.80	41,968.00	3.7	1.00	610.00	1.453
US BANCORP DEL COM NEW	336.000	53.94	18,124.87	43.28	14,706.72	1.3	1.96	658.56	4.529
WELLS FARGO & CO NEW COM	276.000	48.15	13,290.10	49.22	13,584.72	1.2	1.40	386.40	2.844
<b>Total for Financials</b>			<b>214,832.53</b>		<b>244,931.87</b>	<b>21.5</b>		<b>3,429.24</b>	<b>1.401</b>

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
<b>Health Care</b>									
JOHNSON & JOHNSON COM	232.000	171.90	39,880.49	156.74	36,363.68	3.2	4.76	1,104.32	3.037
PFIZER INC COM	409.000	47.08	19,256.56	28.79	11,775.11	1.0	1.68	687.12	5.835
<b>Total for Health Care</b>			<b>59,137.05</b>		<b>48,138.79</b>	<b>4.2</b>		<b>1,791.44</b>	<b>3.721</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	160.000	119.62	19,139.59	127.20	20,352.00	1.8	1.38	220.80	1.085
FASTENAL CO COM	462.000	55.54	25,660.20	64.77	29,923.74	2.6	1.40	646.80	2.161
GENERAL ELECTRIC CO COM NEW	270.000	80.14	21,637.61	127.63	34,481.70	3.0	.32	86.40	.251
PARKER HANNIFIN CORP COM	67.000	302.89	20,293.70	460.70	30,866.90	2.7	5.92	396.64	1.285
UNION PAC CORP COM	92.000	226.41	20,829.81	245.62	22,597.04	2.0	5.20	478.40	2.117
<b>Total for Industrials</b>			<b>107,560.91</b>		<b>138,221.38</b>	<b>12.1</b>		<b>1,829.04</b>	<b>1.323</b>
<b>Information Tech</b>									
APPLE INC COM	285.000	152.00	43,319.03	192.53	54,871.05	4.8	.96	273.60	.499
CISCO SYS INC COM	232.000	54.51	12,645.27	50.52	11,720.64	1.0	1.56	361.92	3.088
MICROSOFT CORP COM	160.000	291.89	46,702.34	376.04	60,166.40	5.3	3.00	480.00	.798
TE CONNECTIVITY LTD REG SHS	214.000	146.30	31,309.15	140.50	30,067.00	2.7	2.36	505.04	1.680
<b>Total for Information Tech</b>			<b>133,975.79</b>		<b>156,825.09</b>	<b>13.8</b>		<b>1,620.56</b>	<b>1.033</b>
<b>Total: Total Equity</b>			<b>747,463.33</b>		<b>822,842.16</b>	<b>72.2</b>		<b>11,027.05</b>	<b>1.341</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES TRUST ISHARES 1-5 YEAR	3,575.000	53.07	189,735.01	51.27	183,308.13	16.2	1.67	5,973.82	3.259
VANGUARD SCOTTSDALE FDS VANGUARD	1,408.000	89.35	125,806.97	81.28	114,442.24	10.1	3.02	4,257.79	3.720
<b>Total for Taxable Bond Funds</b>			<b>315,541.98</b>		<b>297,750.37</b>	<b>26.3</b>		<b>10,231.62</b>	<b>3.436</b>
<b>Total: Total Fixed Income</b>			<b>315,541.98</b>		<b>297,750.37</b>	<b>26.3</b>		<b>10,231.62</b>	<b>3.436</b>
<b>Total</b>			<b>1,076,585.70</b>		<b>1,134,227.08</b>	<b>100.0</b>		<b>21,956.71</b>	<b>1.937</b>

Performance Overview

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>1,134,227</b>	<b>8.13</b>	<b>19.52</b>	<b>7.48</b>	<b>12.45</b>	<b>9.39</b>
<b>Total Portfolio - Net</b>	<b>1,134,227</b>	<b>8.09</b>	<b>19.43</b>	<b>7.39</b>	<b>12.36</b>	<b>9.31</b>
70% SP500 30% Bloomberg Int Govt Cr		6.79	19.75	6.63	11.61	9.04
<b>Total Equity</b>	<b>822,842</b>	<b>9.54</b>	<b>24.76</b>	<b>10.66</b>	<b>16.12</b>	<b>12.22</b>
S P 500 Index		8.04	26.29	10.00	15.69	12.04
<b>Total Fixed Income</b>	<b>297,750</b>	<b>4.70</b>	<b>7.37</b>	<b>-1.37</b>	<b>3.00</b>	<b>2.34</b>
Bloomberg US Government/Credit Interm Bond		3.69	5.24	-1.63	1.59	1.48
<b>Cash &amp; Equivalents</b>	<b>13,635</b>	<b>3.23</b>	<b>5.63</b>	<b>2.44</b>	<b>1.92</b>	<b>1.43</b>
3 Mos Treasury Bill Rate		2.78	5.41	2.50	2.01	1.56

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.45	11.61
Standard Deviation	13.74	13.56
Beta	1.00	
Alpha	.78	
R-Squared	1.00	
Sharpe Ratio	8.18	8.23
Treynor Ratio	112.45	111.61
Tracking Error	2.09	
Information Ratio	.37	
Downside Deviation	8.45	8.41
Downside Standard Deviation	10.29	10.15
Sortino Ratio	1.60	1.50
Upside Capture	1.02	
Downside Capture	.98	
Batting Average	.63	
Annualized Excess Return	.83	
Cumulative Excess Return	6.56	
Turnover %	2.73	
M-Squared	10.98	
Residual Risk	.00	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)		

This report is for informational purposes only and does not supersede confirmations and monthly client statements. The results reported should not be relied upon for tax information. Clients should consult tax documents for a complete summary of gain or loss history. The information has been derived from sources considered to be reliable but we cannot guarantee the accuracy.

This information represents past performance and is not indicative of future results. Principal value and investment return will fluctuate, and shares/units, when redeemed, may be worth more or less than the original amount. Returns assume reinvestment of dividends and other earnings.

Performance calculations are performed using the Daily Time Weighted Rate of Return (DTWRR) calculation method. This time-weighted rate of return method revalues the portfolio whenever a cash flow takes place, therefore significantly minimizing its impact on the return. Returns are measured from day-to-day and are then compounded or geometrically linked resulting in the time-weighted rate of return. Performance returns for time periods longer than 365 days have been annualized.

Performance calculations may also be performed using the Internal Rate of Return (IRR) Calculation method. The IRR is used to calculate the appropriate money-weighted rate of return. Cash flows are included based on their timing and size. The IRR is related to the time-value of money or present value formula. It calculates the discount rate which will take the starting value and all cash flows to result in the ending market value. Performance returns for time periods longer than 365 days have been annualized.

The inception date is the date on which performance calculations started. Your portfolio manager may or may not have begun executing security purchases and sales on the start date. Baird Trust may change the inception date to minimize the effect on performance when securities fund the account.

Account values on the Investment Summary page may not reflect the market value of holdings, due to the inclusion of accrued income. Accrued income is included when income has been earned as of the reporting end date, but not yet paid out.

### **Broad Index Descriptions**

**Bloomberg U.S. Intermediate Government Credit Bond Index:** The index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

**S&P 500 Composite:** The S&P 500 composite index is an unmanaged, market capitalization weighted index of 500 common stocks widely regarded to be representative of the market in general. Returns include reinvestment of dividends.

**MSCI EAFE:** The MSCI EAFE Index is a Morgan Stanley international index that includes stocks traded on 16 exchanges in Europe, Australia and the Far East, weighted by capitalization.

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

*Index returns may not represent your portfolio and are provided only as a representation of broad market performance. It is not possible to invest directly in an index.*

### Glossary of Terms and Calculations

**Cost Basis Information:** All information with respect to cost information is derived from transactions in your account or information supplied by other sources. There is no guarantee as to the accuracy of this information or the corresponding gain and loss information. Certain transactions resulting from reorganization activity - including but not limited to mergers, acquisitions, exchanges, tenders, conversions, spin-offs, and stock distributions - may have complex tax ramifications that may require adjustments to the cost basis of the assets acquired and/or disposed. Please consult a tax advisor for guidance in handling these transactions. The cost basis for factorable securities, unit investment trusts, and certain limited partnerships may be reduced by the amount of principal payments returned. This cost information is displayed and the gain/loss information is calculated for these securities only if both the cost and principal payment information is deemed to be complete.

**Inception Date:** The inception date is the date on which performance calculations started.

**Total Portfolio Net:** Returns are calculated after the deduction of investment management fees and transaction expenses. In some cases, separate custodial fees may be assessed but are not deducted from the return. Some client accounts may see adjustments to their historical returns compared to statements from prior periods. The differences may occur in accounts with significant contributions or distributions. Additional information is available upon request.

**Non-Performance Assets:** Non-performance assets are assets on which performance is not calculated. These would include, but are not limited to, limited partnerships, annuities, and assets requested to be "unsupervised" (excluded from the performance calculation).

**Valuations:** The pricing of securities displayed in this report is derived from various sources, and in some cases may be higher or lower than the price you would actually receive in the market. For securities listed on an exchange or trading continually in an active marketplace, the prices reflect market quotations at the close of the reporting period. For securities trading less frequently, we rely on third party pricing services, or a computerized pricing model, which do not always reflect actual market prices. Valuation differences may be due to the different definitions of the closing market prices of securities.

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

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

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



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## INVESTMENT POLICY STATEMENT

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Effective as of April 23, 2022



## INTRODUCTION



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

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

### A. OBJECTIVES

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

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

### B. POLICIES AND RESTRICTIONS

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

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

## ASSET ALLOCATION



### C. ASSET ALLOCATION GUIDELINES

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

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

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

## **D. EQUITY GUIDELINES**

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

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

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

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

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

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

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

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

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

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

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

#### **E. FIXED INCOME GUIDELINES**

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

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

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

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

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

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

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

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

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

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

## **F. CASH AND CASH EQUIVALENT GUIDELINES**

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

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

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

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

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

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

## **G. OTHER ASSETS**

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

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

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

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

## **H. SALES AND PURCHASES**

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

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

## **MONITORING**

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## I. COMMUNICATIONS AND COMPLIANCE

The JFRS Executive Director will maintain contact with the Manager as necessary and will advise the Manager of available funds for reinvestment with respect to each of the Funds. The Manager is required to give the Committees monthly Fund portfolio appraisals, and to give the Committees promptly at the end of each quarter a quarterly account review. Such quarterly account reviews shall include but not limited to detail regarding each Fund's value and investment characteristics, each Fund's time-weighted investment performance and strategy, and each Fund's compliance with investment guidelines. The Committees or their designee must also receive information about changes in the Manager's investment philosophy, management, ownership and key personnel in a timely fashion.

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

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

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

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

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



Executed on this, the 16th day of June, 2022.

**Investment Committee  
Kentucky Judicial Retirement Plan**

By: Stephen F LeLaurin  
Stephen F. LeLaurin, Chairman

**Investment Committee  
Kentucky Legislators Retirement Plan**

By: Brad Montell  
W. Brad Montell, Chairman

**Baird Trust Company**

By: Don Asfahl  
Donald L. Asfahl, Chairman

# ITEM IV-

## Administrative Reports

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- A. **Public Pension Oversight Board**  
*Materials Included*
- B. **2024 Regular Session**  
*Staff Memo*
- C. **2024-25 Personal Service Contracts**  
*\*Action Item*
- D. **Blue & Co. Fiscal Year Audit**  
*Verbal Update Only*
- E. **Trustee Financial Disclosure Statement**



# JUDICIAL FORM RETIREMENT SYSTEM

2023 ACTUARIAL UPDATE

PUBLIC PENSION OVERSIGHT BOARD – NOVEMBER 20, 2023



**DANIEL VENTERS, CHAIR**  
BOARD OF TRUSTEES

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

**W. BRAD MONTELL, CHAIR**  
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

**BO CRACRAFT**  
EXECUTIVE DIRECTOR



# 2023 VALUATION RESULTS



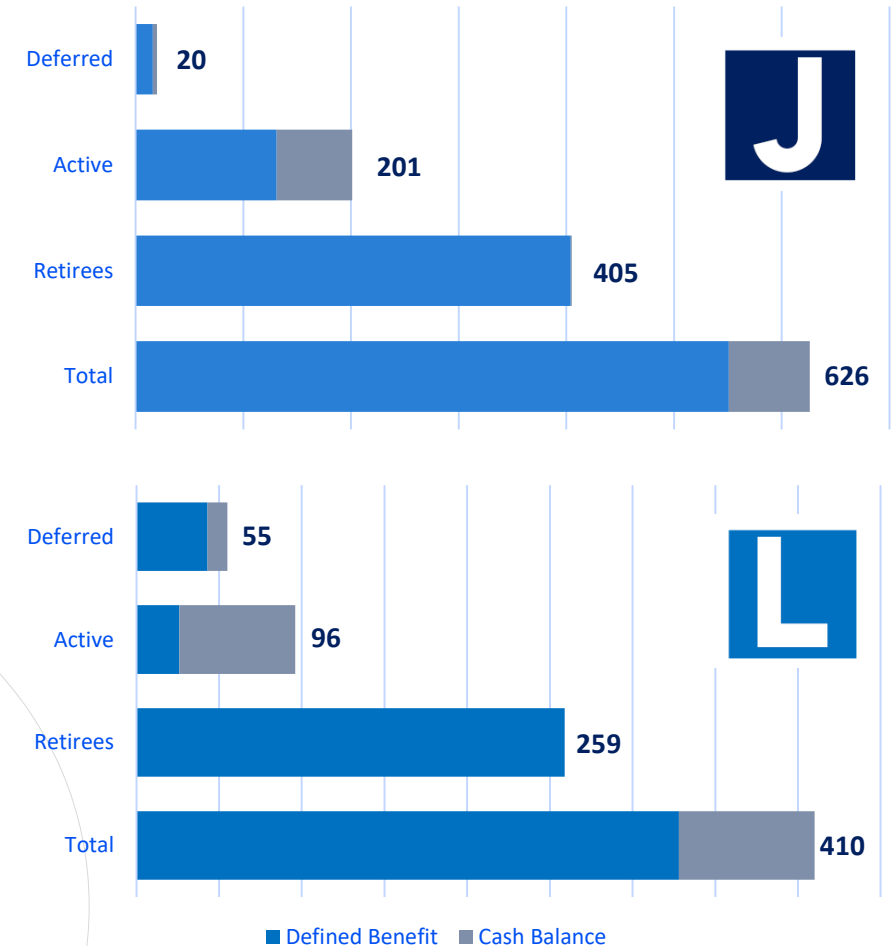
FUNDING	Pension	Health	Pension	Health
Total Liability	\$382.5M	\$49.3M	\$68.1M	\$18.1M
<u>Actuarial Assets</u>	<u>\$404.5M</u>	<u>\$127.8M</u>	<u>\$86.3M</u>	<u>\$67.8M</u>
Accrued Liability	(\$22.0M)	(\$78.5M)	(\$18.2M)	(\$49.7M)

<b>Funding Level</b>	<b>105.8%</b>	<b>259.5%</b>	<b>126.8%</b>	<b>374.5%</b>
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CONTRIBUTIONS	Pension	Health	Pension	Health
Normal Cost	\$2.496M	0.623M	0.576M	0.166M
<u>UAL Cost</u>	<u>(\$1.876M)</u>	<u>(\$5.095M)</u>	<u>(1.555M)</u>	<u>(4.237M)</u>
<b>ADEC</b>	<b>0.620M</b>	-	-	-

<b>% of Payroll</b>	<b>2.4%</b>	-	-	-
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## Membership





# ACTUARIAL SUMMARY - JRP



## PENSION

Funding Level

---

**105.8%** | **↑ 11.1%**  
*from 2021*

Actuarial Value of Assets

---

**\$404.5 Million**  
Versus \$424.6 Market Value of Assets

Accrued Liability

---

**\$382.5 Million**  
99% Legacy | 1% Cash Balance



## RETIREE HEALTH

Funding Level

---

**259.5%** | **↓ 13.0%**  
*from 2021*

Actuarial Value of Assets

---

**\$127.8 Million**  
Versus \$135.1 Market Value of Assets

Accrued Liability

---

**\$49.3 Million**  
99.5% Legacy | 0.5% Cash Balance



# ACTUARIAL TRENDS - JRP



## PENSION

	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025
UAL (millions)	\$58.3	\$31.4	\$20.2	(\$14.2)	(\$22.2)	
Funding Ratio	84.2%	87.2%	94.7%	103.8%	105.8%	
Recommended ADEC (millions)	\$9.9	\$6.7	\$7.2	\$5.0	\$5.3	\$0.7
ADEC as % of Covered Payroll	35.9%	26.6%	28.3%	16.9%	18.0%	2.4%

## RETIREE HEALTH

	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025
UAL (millions)	(\$41.0)	(\$50.1)	(\$67.9)	(\$78.7)	(\$78.6)	
Funding Ratio	186.9%	192.7%	272.5%	293.8%	259.5%	
Recommended ADEC (millions)	-	-	-	-	-	-
ADEC as % of Covered Payroll	-	-	-	-	-	-



# ACTUARIAL SUMMARY - LRP



## PENSION

Funding Level

---

**126.8%** | **↑ 17.9%**  
*from 2021*

Actuarial Value of Assets

---

**\$86.3 Million**  
Versus \$91.3 Market Value of Assets

Accrued Liability

---

**\$68.1 Million**  
98% Legacy | 2% Cash Balance



## RETIREE HEALTH

Funding Level

---

**374.5%** | **↓ 11.9%**  
*from 2021*

Actuarial Value of Assets

---

**\$67.8 Million**  
Versus \$71.7 Market Value of Assets

Accrued Liability

---

**\$18.1 Million**  
99% Legacy | 1% Cash Balance



# ACTUARIAL TRENDS - LRP



## PENSION

	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025
UAL (millions)	\$0.5	(\$4.4)	(\$6.5)	(\$13.5)	(\$18.2)	
Funding Ratio	99.4%	101.5%	108.9%	119.0%	126.8%	
Recommended ADEC (millions)	\$1.2	\$0.4	\$0.4	-	-	-
ADEC as % of Covered Payroll	27.6%	8.3%	8.8%	-	-	-

## RETIREE HEALTH

	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025
UAL (millions)	(\$26.861)	(\$32.005)	(\$41.138)	(\$47.443)	(\$49.723)	
Funding Ratio	237.4%	247.5%	362.6%	398.1%	374.5%	
Recommended ADEC (millions)	\$0.01	\$0.02	\$0.03	-	-	-
ADEC as % of Covered Payroll	0.3%	0.6%	0.6%	-	-	-





# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

John R. Grise, Chairman  
Board of Trustees

Bo Cracraft  
Executive Director

## Memo

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

**FROM:** Bo Cracraft, Executive Director

**DATE:** January 19, 2024

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

Part I of the 2024 Regular Session of the General Assembly began on Tuesday, January 2, 2024. The 60-day session has started quickly, with over 360 bills filed in the first couple of weeks.

### Proposed Legislation – JFRS Related

As of January 17, 2024, no legislation directly impacting JFRS had been proposed by the General Assembly.

#### JFRS RELATED LEGISLATION – PROPOSED

Bill/Description

No retirement related legislation that impacts JFRS has been passed as of January 17, 2024

### Proposed Legislation – Other Retirement Related

Below is a summary, as of January 17, 2024, of proposed legislation related to retirement plans, but do not currently impact LRP or JRP:

#### OTHER RETIREMENT RELATED LEGISLATION - PROPOSED

Bill/Description

**HB 20** (Reps. Palumbo) – **ACT relating to COLAs.**

- Bill would appropriate \$261 million in fiscal year 2024-2025 to enable KPPA to fund a one-time 2% percent COLA effective July 1, 2024 to KERS nonhazardous and hazardous duty recipients and SPRS recipients.

**HB 216** (Rep. Graham) – **ACT relating to COLAs.**

- Bill would appropriate \$95 million from the budget reserve trust fund in fiscal year 2023-2024 to fund one-time supplemental payments on July 1, 2024, to recipients of a retirement allowance from KERS and SPRS
- The one-time supplemental payment shall be equal to the monthly payment received by the recipient in the month of June 2024

**HB 216** (Rep. Graham) – **ACT relating to the taxation of retirement distributions.**

- Bill would Amend KRS 141.019 to increase the retirement distribution exclusion from \$31,110 to \$41,110 for taxable years beginning on or after January 1, 2025.

## OTHER RETIREMENT RELATED LEGISLATION – PROPOSED (cont.)

Bill/Description

**HB 143** (Rep. Roberts) – **ACT relating to retirement benefits for state and county employees in hazardous positions**

- 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.

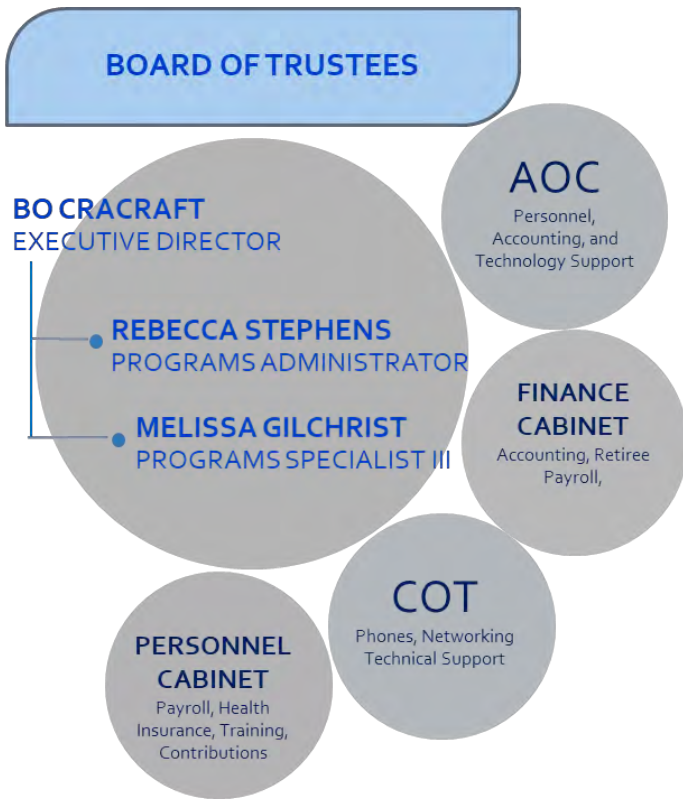
# APPENDIX

- Organization Chart & Service Providers



# JUDICIAL FORM RETIREMENT SYSTEM

## Organizational Structure



## Service Providers

