

# JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – JANUARY 23, 2026



## AGENDA



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

**January 23, 2026 – 10:00 a.m. EST**

via

**Virtual/Video Conference using Microsoft Teams**

- I. Call to Order.
- II. Adoption of the *Minutes* of the October 24, 2025
- III. Investment Related Matters.
  - A. State Street Compliance Report
  - B. Presentation by Baird Trust Company
- IV. Administrative Reports by Executive Director
  - A. Public Pension Oversight Board
  - B. 2026 Regular Session of the General Assembly
  - C. 2026-27 Personal Service Contracts – *Actionable Item*
  - D. Fiscal Year 2025 Financial Audit – Blue & Co.
  - E. Board Member Financial Disclosure Statements
- V. April 24, 2026 Meeting and Adjournment

**\*\*\*PUBLIC NOTICE:** Please contact JFRS 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 24, 2025**

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 24, 2025, at 10:00 a.m. All Board members, except Senator Jimmy Higdon were present. Representative Scott Brinkman participated via Microsoft Teams videoconferencing.

JFRS staff present included Bo Cracraft, Executive Director. Guests attending the meeting included Andy Means, John Craddock, and Derek Bonifer of Baird Trust Company, along with Janie Shaw, Kyrsti Kiesel, and Danny White of Gabriel, Roeder, Smith & Company (GRS).

Chairman Venters called the meeting to order at 10:03 a.m. The trustees considered the adoption of the previously distributed *Minutes* from the August 1, 2025 meeting. Upon motion by Representative Brad Montell, seconded by Judge Douglas George, the Board unanimously approved the *Minutes* of the August 1, 2025 meeting.

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

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

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

Upon a motion by Mr. Stephen LeLaurin, seconded by Mr. Ben Allison, the Investment Committee for the Legislators Retirement Fund unanimously elected Representative Brad Montell as Chair of the Investment Committee of the Legislative Retirement Fund.

Chairman Venters welcomed Derek Bonifer, John Craddock, and Andy Means of Baird Trust, who joined the meeting at 10:15 a.m. Mr. Cracraft had previously distributed copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators*

*Retirement Fund* dated October 23, 2025. In accordance with Board policy, the System maintains a copy of the *Investment Review*.

Mr. Means began the review with a few comments regarding Baird's quarterly Market Commentary, titled "The Importance of Skepticism in Investing." By nature, investors are long-term optimists; however he warned against optimism that was not grounded in reason. Blind optimism is hope, not an investment strategy, which is why a healthy and steady dose of skepticism has always been a critical part of the Baird investment process. He highlighted how this idea of inquiry or testing of ideas helps the team stay grounded in discoverable and knowable facts and avoid the pitfalls of investing based on emotion or current narratives.

Mr. Means pointed to Artificial Intelligence (AI) as the most recent area of elevated optimism, noting how some investors are clamoring to participate with little regard for price or valuation. Baird does believe AI holds much promise long-term, but this belief must also be balanced with reason, facts, and price discipline.

Lastly, Mr. Means noted an overall rise in speculative activity, such as IPOs, meme stocks, and SPACs, but reminded the trustees that much of that activity falls outside the Baird Trust investment philosophy and process. Baird does not try to predict the future, or participate in speculative activity, but rather continues to invest as a long-term business owner, seeking to identify durable, high-quality businesses that are run by talented and proactive management teams.

Next, Mr. Bonifer highlighted a few recent market trends and economic statistics. He began with a historical review of government shutdowns and noted the current shutdown had extended longer than historically typical. He also pointed to recent employment data, which was a bit of a mixed bag. Investors had not seen a pickup in employment, which is a little concerning; however jobless claims and the unemployment rate had not climbed much either. Mr. Bonifer pointed to current operating margins, which have expanded, as one potential reason for the stability. Employers aren't hiring, but with current margins, they aren't laying off either, so we have found this little pocket of stability for now.

Mr. Means reviewed a snapshot of the equity portfolio and highlighted relative sector weightings, top performers and recent portfolio attribution. He pointed to information technology and the portfolio's underweight and noted it could look like the team was making a bet, but that wasn't the case. The portfolio owns Apple, Microsoft, and TE Connectivity in that sector, but also several technology related names, such as Google, Meta, and Amazon that are classified as discretionary or communication stocks. So, while not classified by S&P, each are all experienced and proven "utilizers" of technology, if not the underlying providers. He quickly discussed recent sector attribution, noting that the portfolios overweight to industrials had added value of the last five years, driven by the performance of Hanifan and GE Vernova. Lastly, he discussed top and bottom contributors and noted that only one of the magnificent seven stocks had made the portfolio's top five. While many viewed the markets as narrow and driven by a small group of stocks, Baird's performance demonstrated this did not have to be the case.

With regard to bottom contributors, Mr. Means drew attention to CarMax, while also acknowledging the team was taking a very hard look at this investment. The team initially

purchased during the pandemic, based on facts that the business was extremely well ran and well positioned in the market. The team saw a great business model with a talented management team, with a valuation that had been punished alongside most used car dealers during a stiff headwind. However, the stock has continued to be severely hit, and the team's patience is being tested. Baird still likes the business and management team, however the question now has become two-fold. First, has this industry changed since the pandemic and just not valuing the same things as prior. Second, is CarMax just not a good enough company for Baird to hold in the current portfolio. At the current number of holdings, the team wants each holding to have a meaningful weight so the team finds themselves at a point where they must decide to continue investing in CarMax or pivot and look to use that capital on existing holdings.

In response to a question from Judge George, regarding any other current holdings the team had concern with, Mr. Means stated the team did not have any other current concerns. He acknowledged that a few companies have not performed as well as the team would have liked, however when looking at the portfolio's bottom five contributors the last five years, only three stocks had a negative return and only Carmax materially detracted from the portfolio's net return.

In response to a question from Mr. Cracraft regarding Progressive, which has been a top performer for years, struggling during the recent quarter, Mr. Means pointed to the insurance industry and a bit of a headwind there. After a few years of strong pricing power, several insurance companies have seen valuations come down as folks expect a little bit of a soft landing. In response to a follow-up question regarding Amazon and its initial performance, Mr. Means pointed to the recent tariff announcements as the reason for the recent declines. That said, he highlighted how long the team had looked at Amazon and how strong the company was positioned. After not generating profit for years and a valuation too high, this recent price decline has given the team a chance to add to the portfolio and the team are happy to own it.

In response to a question from Justice VanMeter, regarding how the team determines if a company is becoming stagnant or obsolete, Mr. Means pointed to a need to always be aware of competitive threats and new technology. He referenced Gannett as a great example. Baird owned the company for long time, but saw the digital internet model emerge, which lead to real trouble for newspapers publishers. He noted that in hindsight, it looks like a clear-cut decision, but acknowledged it is not always so simple, especially in the midst of change. He pointed to AI as something that might be doing the same thing to some companies now, which is why the team spends so much time evaluating both current holdings and those competing with them.

In response to a question from Justice VanMeter, regarding why the portfolio didn't seem to be as impacted by tariffs as expected, Mr. Means stated that holding some of the "best" businesses and management teams was a primary driver. Some had pricing power, others supply chain flexibility, which allowed for them to weather some of those increases. Mr. Bonifer added that the portfolios underweight to IT and semiconductors, where there was a lot of concern with China and outsized tariffs, also served to help in this area.

Next, Mr. Craddock continued with a review of the fixed income portfolio. He began with a broad overview of markets, noting that yields had come down a bit, more notably on shorter-term bonds. Investors are still seeing attractive rates, but largely out around the 10-year

timeline. He reminded the trustees that the team tends to avoid taking on duration risk and wants to hold a safe, liquid portfolio to offset the equity allocation. He noted that the portfolio had been a little on the shorter side more recently, but given the current rate environment and opportunities, the team was more in line with the index currently. He reviewed schedule maturities over the next 18 months and stated the team would likely purchase their first 2036 maturity soon.

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

Chairman Venters recognized Mr. Cracraft, who reminded the Board that staff was in the process of adding investment compliance reporting to replace some reports that had previously been provided by Stan Kerrick, of Lexington Investment Partners. Staff have engaged State Street and the plan is to go live with reporting as of January 1, 2026.

The meeting recessed for lunch at 11:46 a.m. The meeting reconvened at 12:20 p.m. and Mr. Bonifer, Mr. Craddock, and Mr. Means departed at that time.

Chairman Venters recognized Janie Shaw, Kyrsti Kiesel, and Danny White from GRS, who were in attendance and on hand to present results of the July 2025 funding valuations for LRP and JRP. Mr. Cracraft previously distributed copies of GRS's presentation along with draft copies of LRP and JRP valuation reports.

Mrs. Shaw began with a quick summary of the valuation process and reminded the Board that funding valuations were conducted every other year and were based upon member data and plan assets as of June 30, 2025. In addition, she referenced new assumptions adopted by the Board in August had been incorporated into these results. Lastly, these reports serve to set the employer contribution requirements for the two-year budget that will be adopted by the General Assembly during the 2026 Regular session.

Next, Mrs. Shaw called attention to a few slides summarizing the results. First, concerning actuarial determined employer contributions (ADEC), she noted no contributions were required for either JRP or LRP. She pointed to recent investment performance and higher than expected returns as the overwhelming driver and she highlighted that for JRP alone, fund assets grew \$206 million more than expected. Secondly, as it related to funding levels, she noted that all four plans (JRP, LRP, insurance and pension) had reached a fully funded level, or had an actuarial value of assets that exceeded the accrued liability.

Mrs. Kiesel continued with a review of changes from the 2023 valuations and a breakdown of contributing factors. Beginning with JRP, she pointed out the total liability did increase across both the pension and insurance plans. On the pension side, this was almost all driven by higher-than-expected salaries, while on the insurance side, the liability grew more considerably due to significant increases in Medicare and non-Medicare premiums since 2023. Both plans saw a net increase in surplus asset, however there was a slight decline in funding ratio

on the insurance side. Moving to LRP, she noted the overall trend was similar to JRP, with the exception being the LRP liability on the pension side had actually declined slightly. This was largely driven by the fact that LRP has a much higher ratio of current Cash Balance members where risk is shared, and the liability grows much slower. But similar to JRP, while surplus assets did increase on the insurance side for LRP, the funding ratio did drop slightly.

In response to a question from Mr. Allison, regarding what type of negative returns or investment losses the plan might be able to account for, Mrs. Shaw stated that would be difficult to quantify exactly, but the plans could account for some losses. She pointed to the smoothing model and how gains and losses are not all recognized immediately and noted the JRP alone still had \$145 million in deferred returns that had not yet been recognized. So, using that example, if JRP were to lose \$145 million in the near term, it would effectively result in a net zero impact.

In response to a question from Justice VanMeter regarding the breakdown of assets between pension and health and while JRP and LRP are quite different, Mrs. Shaw pointed to salary as the primary factor. Salaries levels for legislators are much lower than that of judges, thus the total liability or expected amount paid out at retirement would be less. On the insurance side, the premiums are the same, so the cost of the plan really isn't impacted. JRP is larger and has more members, thus the liability is higher. Mrs. Kiesel also noted that LRP has a much larger number of cash balance members, where vesting is much longer and the total dollar payout is much lower than the legacy tier, which is based on a percentage of premium benefit.

Mrs. Kiesel closed out the presentation with a final review and summary of results. Most significantly, favorable investment returns have increased surplus assets and resulted in a total contribution requirement to zero for all funds. Liabilities did increase due to recent salary increments and increased health insurance premiums. Lastly, there was a slight increase in normal cost due assumption changes adopted in August.

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

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

**August 26, 2025** – 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 2025** – The oversight board did not meet.

**October 21, 2025** – The oversight board did meet, however none of the state-administered retirement system were on the agenda. PPOB staff conducted an annual investment review.

(B) 2026 Regular Session. Mr. Cracraft referenced the *2026 Regular Session – Budget Request and Legislative Discussion* memo from staff included in the Board materials.

He began by reviewing staff's proposed budget request, which consisted of just a restrict fund request for administrative expenses purposes. He reminded trustees that JFRS incorporates expected administrative expenses into the Actuarially Determined Employer Contribution (ADEC) calculation. As a result, staff must include a request for Restricted Funds as part of the budget request for authorization to spend during the upcoming fiscal years. Lastly, all administrative expenses out of the JRP and LRP Trust Funds on a prorated basis based upon membership totals in the most recent funding valuation.

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 over the past couple of years largely due to salary increases, the agency's investment in technology, and rising prices felt over the most recent five-year period.

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

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

(D) Disability Retirement Review. Mr. Cracraft informed the trustees that Disability Case #2023-01 was due for periodic review. This case was initially approved during the October 2023 meeting, with benefit granted effective January 1, 2024.

In accordance with KRS 21.410(3), the Board "shall cause a member who has been retired for disability and who is still under his normal retirement age to undergo periodic examination by one (1) or more qualified physicians employed by the Board, to determine whether he continues to be incapacitated for service of the character required of a judge or commissioner." The Board approved a two-year review schedule, with the first review set for their January 23, 2026, quarterly meeting.

Staff had reached out to the member and informed them of the periodic review. Staff prepared and sent a letter to the Board's designated physician who assisted with the initial determination. The letter asked the physician to continue serving as the Board's Qualified Physician designation and provide the Board with a certified statement that confirms the member

under review remains physically or mentally disabled as to be incapacitated for service of the character required to perform the duties of a Judge.

On September 15, 2025 JFRS Staff received Certified Review of Disability from the Board's certified physician.

Following the short discussion, Justice VanMeter made a motion, seconded by Justice Venters, to approve the review of *Disability Retirement Benefits* Case #2023-01. In addition, the Board scheduled the next periodic review for no later than the January 2028 quarterly meeting.

(E) LOD Tax Determination Update. Mr. Cracraft referenced the *Line-of-Duty (LOD) Tax Determination Update* memo from staff included in the Board materials. He noted this was a follow up from the January meeting, when the Board discussed tax treatment on LOD benefits that were granted under the Fred Capps Memorial Act.

During the January meeting, the Board of Trustees authorized JFRS staff to begin the process of seeking a Private Letter Ruling from the Internal Revenue System (IRS). Staff, along with Mr. Alan Pauw, JFRS's third-party legal counsel, took some initial steps, which results in a conference call with the IRS. Based upon that meeting, Mr. Pauw has provided an update, he does believe there is necessary support to treat all LOD benefits as tax-exempt. Staff has provided his specific comments in their memo for review.

Following a discussion amongst the trustees, staff was instructed begin the process of providing corrected 2024 Form 1099-R forms to all surviving recipients of Judge Mullins. In addition, staff will stop all income tax withholding beginning with the November 2025 benefits and will provide notice to the recipients of this revised tax determination.

There being no further business, the meeting adjourned at 1:44 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. Investment Compliance Report**

### **B. Baird Trust Company**

*Quarterly Portfolio & Performance Review*

<b>Policy Guideline</b>	<b>JRP</b>	<b>LRP</b>
<b>Equity Allocation</b> Target allocation is 70% (of the total portfolio market value, excluding cash and equivalent balances), with allowable range of 60% to 80%.	<b>Pass</b> 73.296%	<b>Pass</b> 73.299%
<b>Fixed Income Allocation</b> Target allocation is 30% (of the total portfolio market value, excluding cash and equivalent balances), with allowable range of 20% to 40%.	<b>Pass</b> 26.687%	<b>Pass</b> 26.638%

<b>Equity</b>	<b>JRP</b>	<b>LRP</b>
<b>Non-Dividend Paying Equities</b> No more than 50% of the total equity portfolio may be invested in common stocks that do not pay dividends.	<b>Pass</b> 10.934%	<b>Pass</b> 10.943%
<b>Equity Concentration at Purchase</b> Individual equity securities will not exceed 5% of the fund's equity market value at time of purchase	<b>Pass</b>	<b>Pass</b>
<b>Individual Equity Concentration</b> Individual equity securities will not exceed 8% of the fund's equity market value	<b>ALERT</b> Alphabet 8.421%	<b>ALERT</b> Alphabet 8.503%
<b>Sector Weightings<sup>1</sup></b> 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. Warning if any individual sector reaches 40% weight in total.	<b>Pass</b>	<b>Pass</b>

<b>Fixed Income</b>	<b>JRP</b>	<b>LRP</b>
<b>Fixed Income Duration at Purchase<sup>1</sup></b> No individual fixed income security (with the exception of Govt & Agency issues) may be purchased with a modified duration of more than 15 years at time of purchase.	<b>Pass</b> JP Morgan (7.0) US Bancorp (7.7)	<b>Pass</b> JP Morgan (7.0) US Bancorp (7.7)
<b>Weighted Average Maturity</b> US Govt & Agencies bonds may be purchased with a maturity of up to 30 years at time of purchase, but weighted average maturity of securities in each Fund shall not exceed ten years.	<b>Pass</b>	<b>Pass</b>
<b>Fixed Income Concentration</b> Single fixed income issuers cannot exceed 5% of the fund's market value in fixed income	<b>Pass</b>	<b>Pass</b>
<b>Corporate Credit Quality</b> Only corporate debt issues that meet or exceed a credit rating of BBB and/or Baa may be purchased	<b>Pass</b>	<b>Pass</b>

Fixed Income	JRP	LRP
<b>Preferred Stock Rating</b> Preferred stocks must be rated A or better at the time of purchase	<b>Pass</b>	<b>Pass</b>
<b>ETF or Mutual Fund Quality<sup>1</sup></b> Only securities whose fixed income investments have a dollar-weighted average credit rating of BBB/Baa may be purchased.	<b>Pass</b>	<b>Pass</b>
<b>Portfolio Duration<sup>1</sup></b> The fund's portfolio duration shall be within one year of the duration of its fixed income benchmark	<b>Pass</b> 4.05 (vs 3.89)	<b>Pass</b> 3.96 (vs 3.89)

Cash & Equivalents	JRP	LRP
<b>Commercial Paper</b> Investments must have short term rating of A-2/P-2 and must mature in less than 270 days	<b>Pass</b> No holdings	<b>Pass</b> No holdings
<b>Money Market Funds</b> Individual investments must have rating of AAA/Aaa and mature within 13 months of acquisition, while final weighted average of underlying investments shall not be longer than 60 days at any time.	<b>Pass</b> No holdings	<b>Pass</b> No holdings
<b>Cash &amp; Equivalent Allocation</b> Cash equivalents will not be greater than 7% of the funds market value	<b>Pass</b> 1.931%	<b>Pass</b> 0.494%

Other Assets	JRP	LRP
<b>Commodities, Currency Contracts</b> The Manager will not invest in commodities and currency exchange contracts.	<b>Pass</b> No holdings	<b>Pass</b> No holdings
<b>Derivatives, Securities on Margin</b> 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	<b>Pass</b> No holdings	<b>Pass</b> No holdings

<sup>1</sup> Guideline test not included in daily State Street Compliance Reporting due to lack of index licensing, access to duration statistics, or detail of underlying assets held by ETF or Mutual Fund. JFRS Staff is conducting manual testing on quarterly basis.



8. "The fund can hold U.S gov't holdings that mature in less than 30 years Weighted average maturity of U.S. Government and agency securities in the fund cannot exceed 10 years " (290004909)

Pass

9. Fund cannot hold private placement securities and interest rate futures (Upr Lmt:0.0) (290005054)

Number of buckets	0	Num Bkts	Pass
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10. Individual equity securities will not exceed 8% of the fund's equity market value (Upr Lmt:8.0 Upr Wrn:7.5) (290005913)

ALPHABET INC CL C COMMON STOCK USD.001	8.421	%	Alert	Passive
JPMORGAN CHASE + CO COMMON STOCK USD1.0	7.234	%	Pass	
GENERAL ELECTRIC COMMON STOCK USD.01	6.069	%	Pass	
GE VERNOVA INC COMMON STOCK USD.01	5.866	%	Pass	
MICROSOFT CORP COMMON STOCK USD.00000625	5.703	%	Pass	

11. Fund's GICS Industry sector cannot exceed 40% (Upr Lmt:40.0 Upr Wrn:36.0) (290005914)

Financials	25.900	%	Pass
Industrials	21.914	%	Pass
Communication Services	18.062	%	Pass
Information Technology	15.173	%	Pass
Consumer Discretionary	13.007	%	Pass

12. Individual equity securities will not exceed 5% of the fund's equity market value at time of purchase (Upr Lmt:5.0 Upr Wrn:4.5) (290005915)

Zero Concentration	0.000	%	Pass
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13. Fund will have a target allocation in equity securities of 70% of the fund total market value (Upr Lmt:80.0 Lwr Lmt:60.0 Upr Wrn:75.0 Lwr Wrn:65.0) (290005919)

	73.296	%	Pass
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14. Fund will have a target allocation in fixed-income securities of 30% of the fund total market value (Upr Lmt:40.0 Lwr Lmt:20.0 Upr Wrn:35.0 Lwr Wrn:25.0) (290005920)

	26.687	%	Pass
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## Account Compliance Summary Report

**15. The fund 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 spec (Upr Lmt:0.0) (290005921)**

Number of buckets	0	Num Bkts	Pass
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**16. Corporate debt securities must have a rating of BBB/Baa at time of purchase (Upr Lmt:0.0) (290007426)**

Number of buckets	0	Num Bkts	Pass
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**17. Preferred stocks must have a rating of A/A2 at time of purchase (Upr Lmt:0.0) (290007427)**

Number of buckets	0	Num Bkts	Pass
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**18. 50% of the total equity portfolio of each Fund may not be invested in common stocks that do not pay dividends. (Upr Lmt:50.0 Upr Wrn:45.0) (290007429)**

10.934	%	Pass
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**19. Commercial Paper investments must have short term rating of A-2/P-2 and must mature in less than 270 days (Upr Lmt:0.0) (290007430)**

Number of buckets	0	Num Bkts	Pass
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## Account Compliance Summary Report

**8. "The fund can hold U.S gov't holdings that mature in less than 30 years Weighted average maturity of U.S. Government and agency securities in the fund cannot exceed 10 years " (290004909)**

Pass

**9. Fund cannot hold private placement securities and interest rate futures (Upr Lmt:0.0) (290005054)**

Number of buckets	0	Num Bkts	Pass
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**10. Individual equity securities will not exceed 8% of the fund's equity market value (Upr Lmt:8.0 Upr Wrn:7.5) (290005913)**

ALPHABET INC CL C COMMON STOCK USD.001	8.503	%	Alert	Passive
JPMORGAN CHASE + CO COMMON STOCK USD1.0	7.164	%	Pass	
GENERAL ELECTRIC COMMON STOCK USD.01	6.136	%	Pass	
GE VERNOVA INC COMMON STOCK USD.01	5.871	%	Pass	
APPLE INC COMMON STOCK USD.00001	5.697	%	Pass	

**11. Fund's GICS Industry sector cannot exceed 40% (Upr Lmt:40.0 Upr Wrn:36.0) (290005914)**

Financials	25.736	%	Pass
Industrials	21.917	%	Pass
Communication Services	18.199	%	Pass
Information Technology	15.272	%	Pass
Consumer Discretionary	12.956	%	Pass

**12. Individual equity securities will not exceed 5% of the fund's equity market value at time of purchase (Upr Lmt:5.0 Upr Wrn:4.5) (290005915)**

Zero Concentration	0.000	%	Pass
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**13. Fund will have a target allocation in equity securities of 70% of the fund total market value (Upr Lmt:80.0 Lwr Lmt:60.0 Upr Wrn:75.0 Lwr Wrn:65.0) (290005919)**

	73.299	%	Pass
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**14. Fund will have a target allocation in fixed-income securities of 30% of the fund total market value (Upr Lmt:40.0 Lwr Lmt:20.0 Upr Wrn:35.0 Lwr Wrn:25.0) (290005920)**

	26.638	%	Pass
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## Account Compliance Summary Report

**15. The fund 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 spec (Upr Lmt:0.0) (290005921)**

Number of buckets	0	Num Bkts	Pass
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**16. Corporate debt securities must have a rating of BBB/Baa at time of purchase (Upr Lmt:0.0) (290007426)**

Number of buckets	0	Num Bkts	Pass
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**17. Preferred stocks must have a rating of A/A2 at time of purchase (Upr Lmt:0.0) (290007427)**

Number of buckets	0	Num Bkts	Pass
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**18. 50% of the total equity portfolio of each Fund may not be invested in common stocks that do not pay dividends. (Upr Lmt:50.0 Upr Wrn:45.0) (290007429)**

10.943	%	Pass
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**19. Commercial Paper investments must have short term rating of A-2/P-2 and must mature in less than 270 days (Upr Lmt:0.0) (290007430)**

Number of buckets	0	Num Bkts	Pass
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## Account Compliance Summary Report

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# Issue Summary Report

Production Date: 1/05/2026

18788

Rule Name	Limit Type	Limit Value	Result	Active / Passive	No.Of Nav Days	Comments
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### New Alerts

None

### New Warnings

None

### Recurring Alerts

#### **KJLA - FB JUDICIAL CLEARANCE**

1. Individual equity securities will not exceed 8% of the funds equity market value (290005913)	Maximum	8	8.42	Passive	4	The security ALPHABET INC CL C COMMON STOCK USD.001(02079K107) has breached the investment restriction limiting individual equity securities to 8% of the fund's equity market value. The current exposure stands at 8.41%, exceeding the upper limit of 8.0%.
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#### **KJLB - FB LEG RET CLEARANCE**

2. Individual equity securities will not exceed 8% of the funds equity market value (290005913)	Maximum	8	8.50	Passive	4	The security ALPHABET INC CL C COMMON STOCK USD.001(02079K107) has breached the investment restriction limiting individual equity securities to 8% of the fund's equity market value. The current exposure stands at 8.41%, exceeding the upper limit of 8.0%.
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### Recurring Warnings

None

Limited Access

Date Run:01/05/2026

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18788

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Rule Name	Limit Type	Limit Value	Result	Active / Passive	No.Of Nav Days	Comments
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# Investment Review

KY Judicial Retirement Fund  
KY Legislators Retirement Fund  
January 23, 2026

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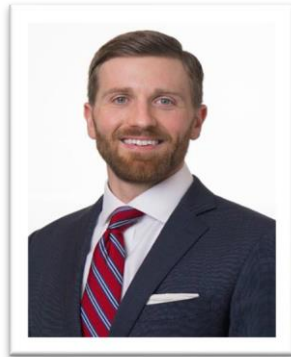
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Director of Equity Investments



**John C. Watkins III, CFA®**  
Director  
Equity Portfolio Manager

*“Valuing a business is part art and part science.”*

— Warren Buffett

## The Art and Science of Investing

2025 was the third consecutive year of strong returns for the S&P 500 index and the sixth strong year of the past seven. (The only challenging year during this period was 2022, with the index declining 18.1% as the Federal Reserve fought rapidly rising inflation with higher interest rates.) For equity investors owning the index, this seven-year period was financially rewarding, with compounded annual growth of 17.3% – significantly higher than the average annual return over the past 100 years.

However, we don’t have to look back too far in time to remember “the lost decade” from 2000 through 2009. During this period, the index declined cumulatively by 9.1%, or a compounded rate of 0.95% per year – meaning \$10,000 invested in the S&P 500 on 1/1/2000 was worth only \$9,090 10 years later. Clearly, looking back over many decades, the stock market oscillates between prolonged periods of very attractive returns for investors and unproductive periods of negative returns.

Unfortunately, no one can consistently predict what lies ahead, whether good times or tough times. In response, many investors have concocted a variety of strategies to try to invest successfully in an unpredictable world. Underlying the many different equity investment strategies utilized by investors today is an inherent debate on whether successful investing is driven more by science or by art.

### Defining the Debate

One side of the debate argues that successful equity investing is largely a science driven by quantitative analysis. In this world, decision-making is a result mostly of analysis of financial statements, valuation measures, strict formulas, and financial modeling that is applied rigidly.

The other side argues that investing is largely an art driven by qualitative analysis. In this worldview, understanding people, competitive dynamics, and how the world is changing matters more than what can be captured in a spreadsheet. Decision-making is based more on creativity, imagination, intuition, and out-of-the-box thinking.

Most investment strategies are based on a belief in one side or the other, or a combination of the two.

We often turn to the writings of Benjamin Graham for his investment wisdom on questions like this. In 1937, he wrote in *The Interpretation of Financial Statements* that “common stock selection is a difficult art – naturally, since it offers large rewards for success. It requires a skillful mental balance between the facts of the past and the possibilities of the future.” Decades later, legendary investor Peter Lynch wrote in *Beating the Street* that “stock picking is both an art and a science, but too much of either is a dangerous thing.” Both of these famed investors believed that successful investing involves both art and science, and we strongly agree. Further, we think the best long-term investment results come from the combination of the two.

### Science: Quantitative Analysis

The science aspect of equity investing begins with historical facts: analyzing past financial statements of a business and the trends they have shown over time. This analysis helps in understanding past growth rates of revenues and profits, how profitable and financially strong a company is, the cash flow it generates, and how its financial metrics compare to other companies it competes with. This can all be quantitatively measured and verified, and this analysis is then used to extrapolate results into the future.

This strategy works well in understanding how a business achieved its current status – but the limits are real. Financial statements largely describe the past and present. Even the best analysis can’t fully capture how a business will evolve, how a competitive landscape will shift, or how a new technology will reshape an industry. The future rarely arrives as a neat extension of the past. Writer Morgan Housel captured this tension well on his *Collaborative Fund* blog: “Measuring what worked in the past is a science. Understanding why things are different now is an art.”

### Art: The Qualitative Nature of an Uncertain Future

A thorough study of past results of a company is an important and necessary part of our investment strategy. However, it doesn't answer the most important question: What is likely to be true in the years ahead? Since we invest with the perspective of a long-term business owner, a forward-looking approach is the most important part of our investment process. Cultivating an informed opinion of how well a company might perform five or 10 years into the future requires a different set of skills than numbers crunching and doesn't fit neatly into a model. We believe this is the part of investing more akin to art than science.

*“The art of investing is not guesswork – it is disciplined judgment applied to an uncertain future.”*

The first and most important determination we must make is on the strength and durability of a company's business model for years into the future. We must decide how well a company can withstand all the competitive threats it will likely face as well as its sturdiness in the face of external shocks like recessions, pandemics, or wars. Since it is impossible to consistently predict the future accurately, we must think more in terms of a range of possibilities. There is no formula to help perform this analysis, so we must use our own judgment and intuition based on all available facts and our experience studying all kinds of businesses over many years. Ultimately, we seek to find business models that both benefit from secular tailwinds and that are strong enough to prosper through a variety of different sets of industry and macroeconomic circumstances.

We must also evaluate the company's leadership. The world today is changing more rapidly than ever, driven by AI and other technological advances – which is why a talented CEO is more important than ever. Talented leadership in this turbulent world can help position a company for success while other businesses with less skilled leadership are left behind. There are no quantitative formulas for judging the intelligence, energy, and integrity of a leader, and we again must use intuition and judgment. If our assessment of a talented leader is correct, it can lead to compounded returns that far exceed anything we had in mind at the time of our initial investment. We spend an inordinate amount of our research time and effort on identifying great leaders for this very reason.

### Combining Science and Art

In our experience, it can be easy to lean too far toward one of the extremes. Leaning too heavily on science can create false precision and the belief that if something can be modeled, it can be known with certainty. Leaning too heavily on art can create an overreliance on narratives and the belief that if a story is persuasive enough, it must be true. Both can lead to poor outcomes, especially during periods of rapid change.

We believe a successful investment strategy needs **both** art and science. Science can ground us in reality and help us identify companies that have been very attractive investments in the past. But identifying which companies will be great investments in the future is more of an art. To be clear, the art of investing is not guesswork – it is disciplined judgment applied to an uncertain future.

With the profound pace of change that our world is experiencing, we work constantly in our attempts to select investments for you that will be successful for many years to come. It is not an easy task, but we are working hard on it each and every day. Legendary value investor Seth Klarman summed it up well in an *Outstanding Investor Digest* article when he stated that “it is important to remember that value investing is not a perfect science. Rather it is an art, with an ongoing need for judgement, refinement, patience, and reflection.”

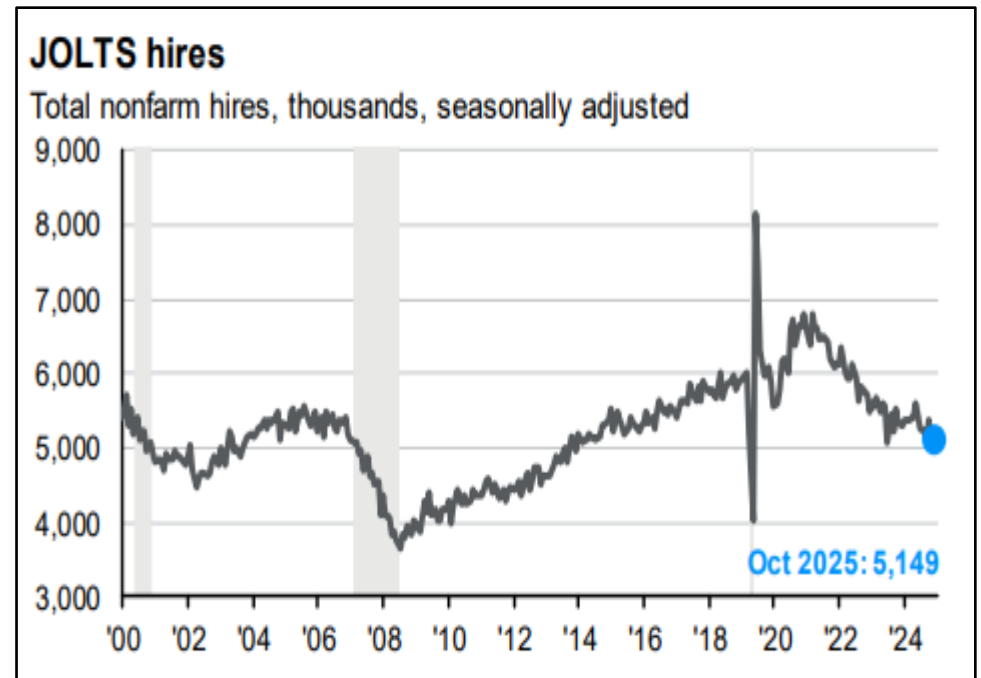
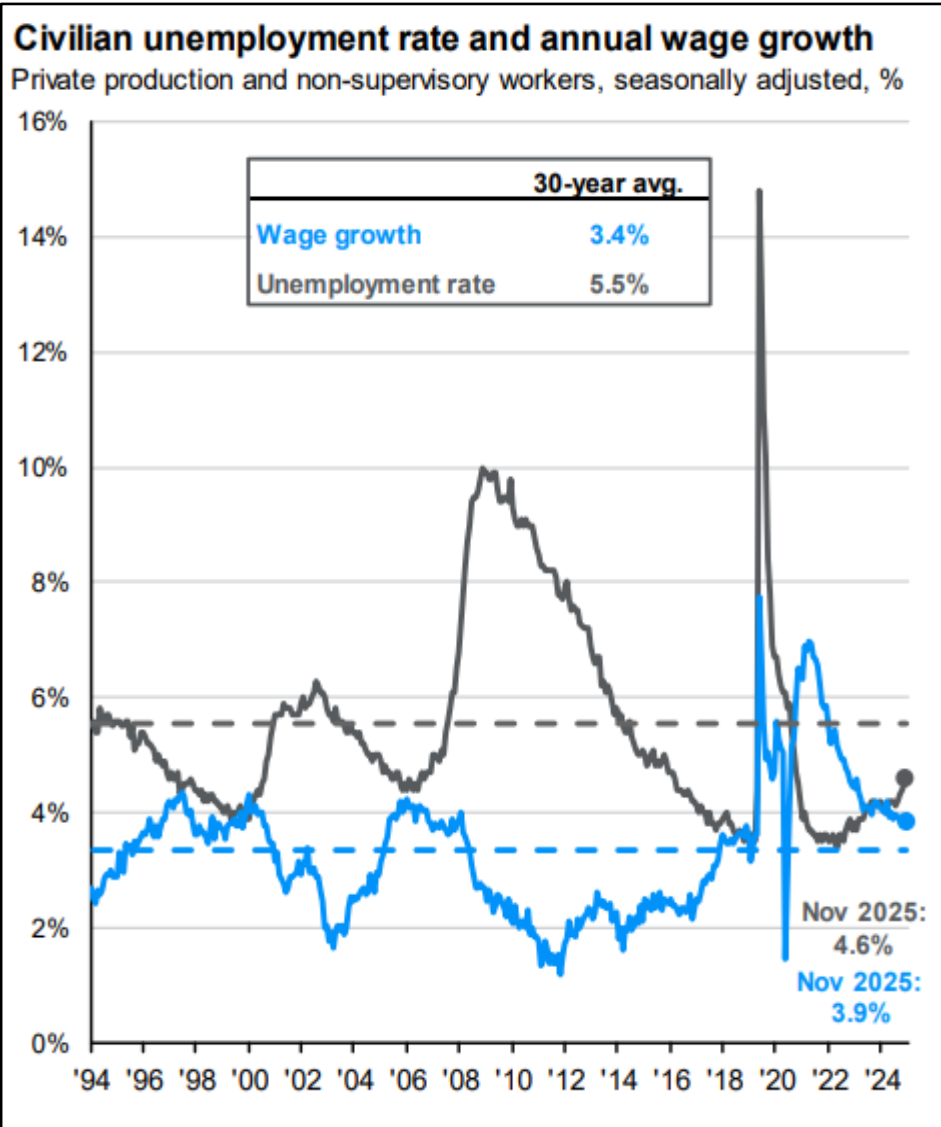
As we begin a new year, we deeply appreciate the trust you, our clients, place in us. It is your trust that motivates us to work diligently on your behalf with a goal of delivering attractive long-term results along with a high level of professionalism. We wish you all a healthy and happy year in 2026!

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# Labor Markets: Unemployment Below Average but Hiring has Stalled

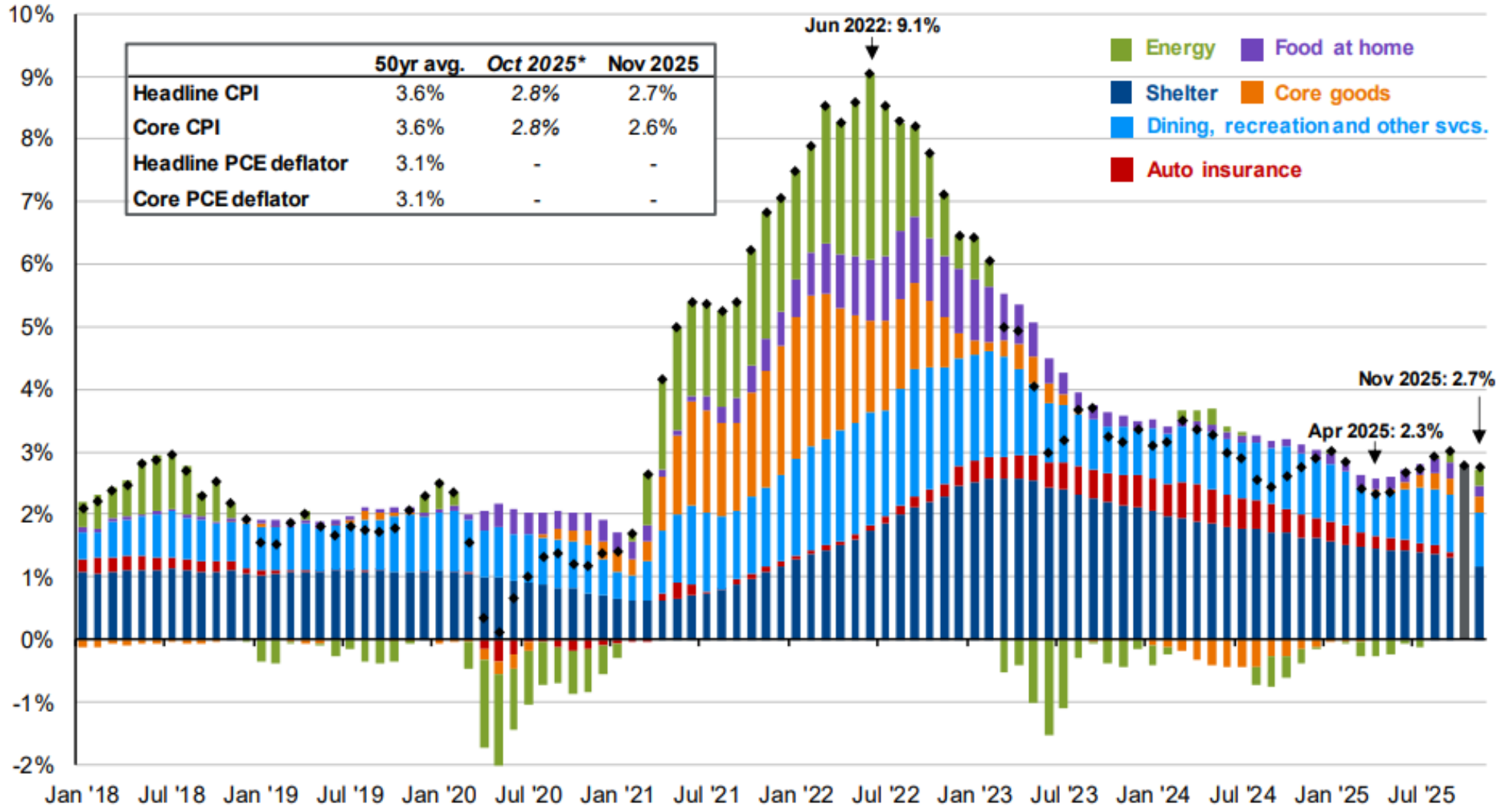


Source: J.P. Morgan Asset Management – December 31, 2025

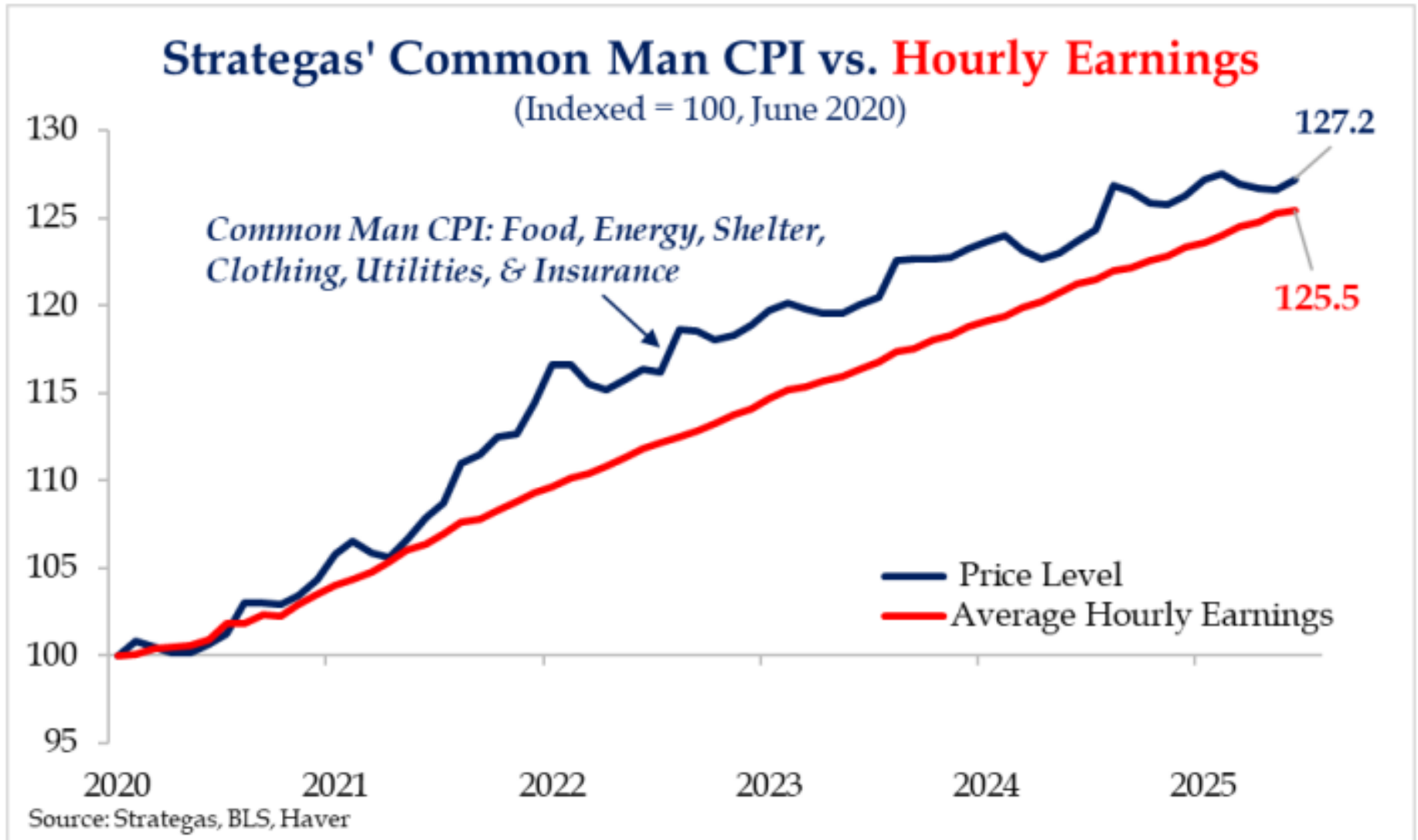
# Inflation Also Below Average (Surprisingly)

## Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted

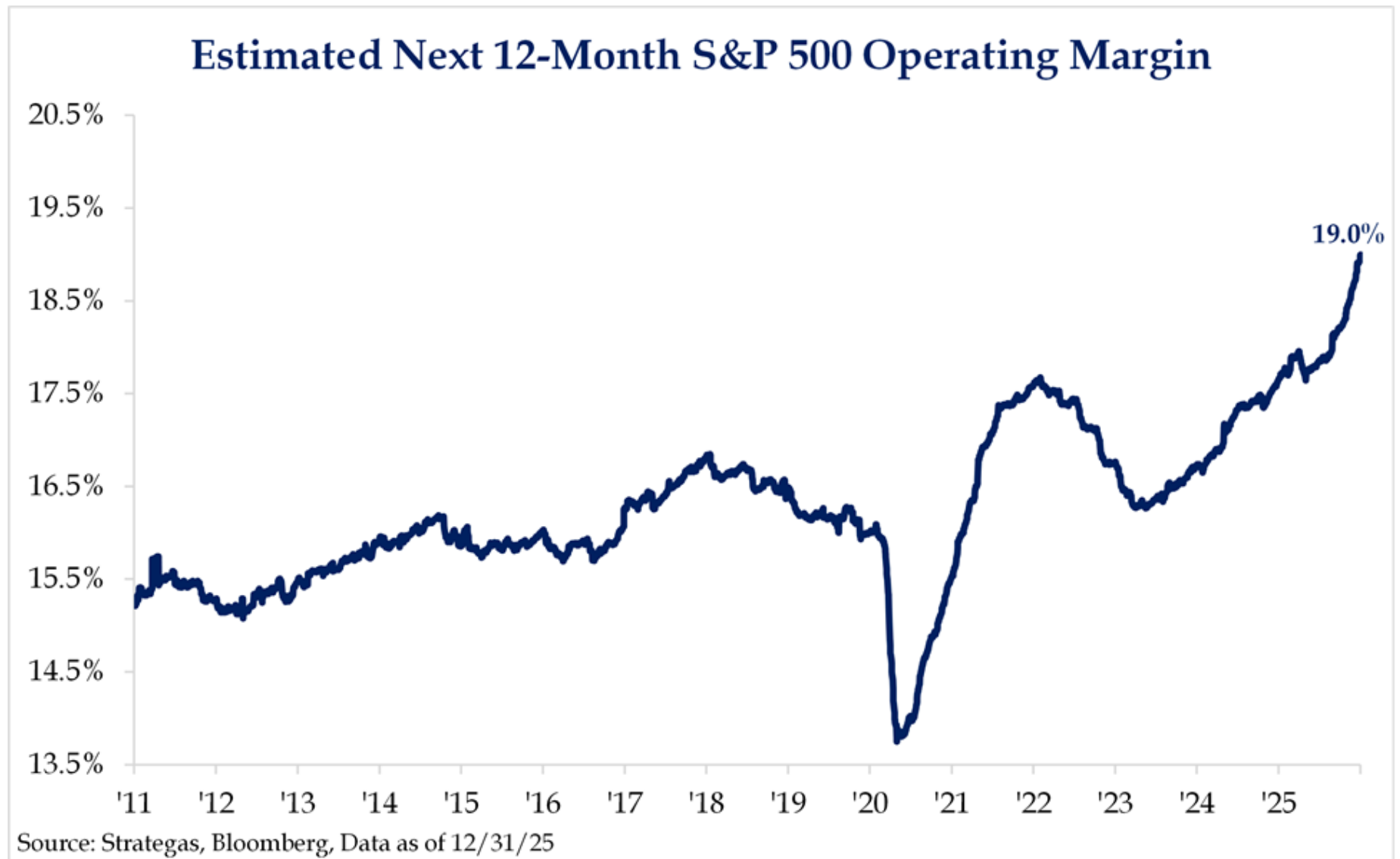


Source: J.P. Morgan Asset Management – December 31, 2025

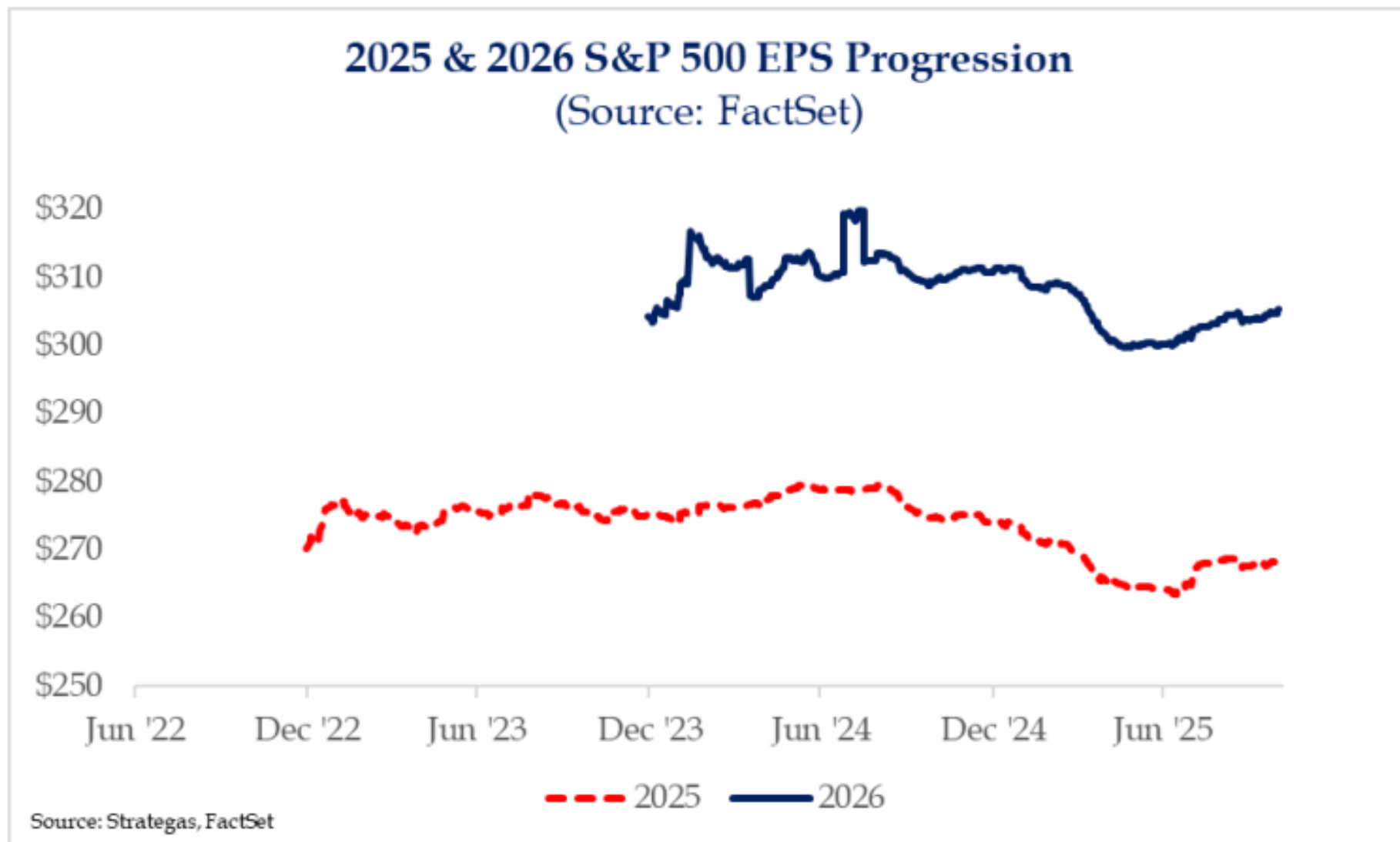


Source: Strategas Research Partners

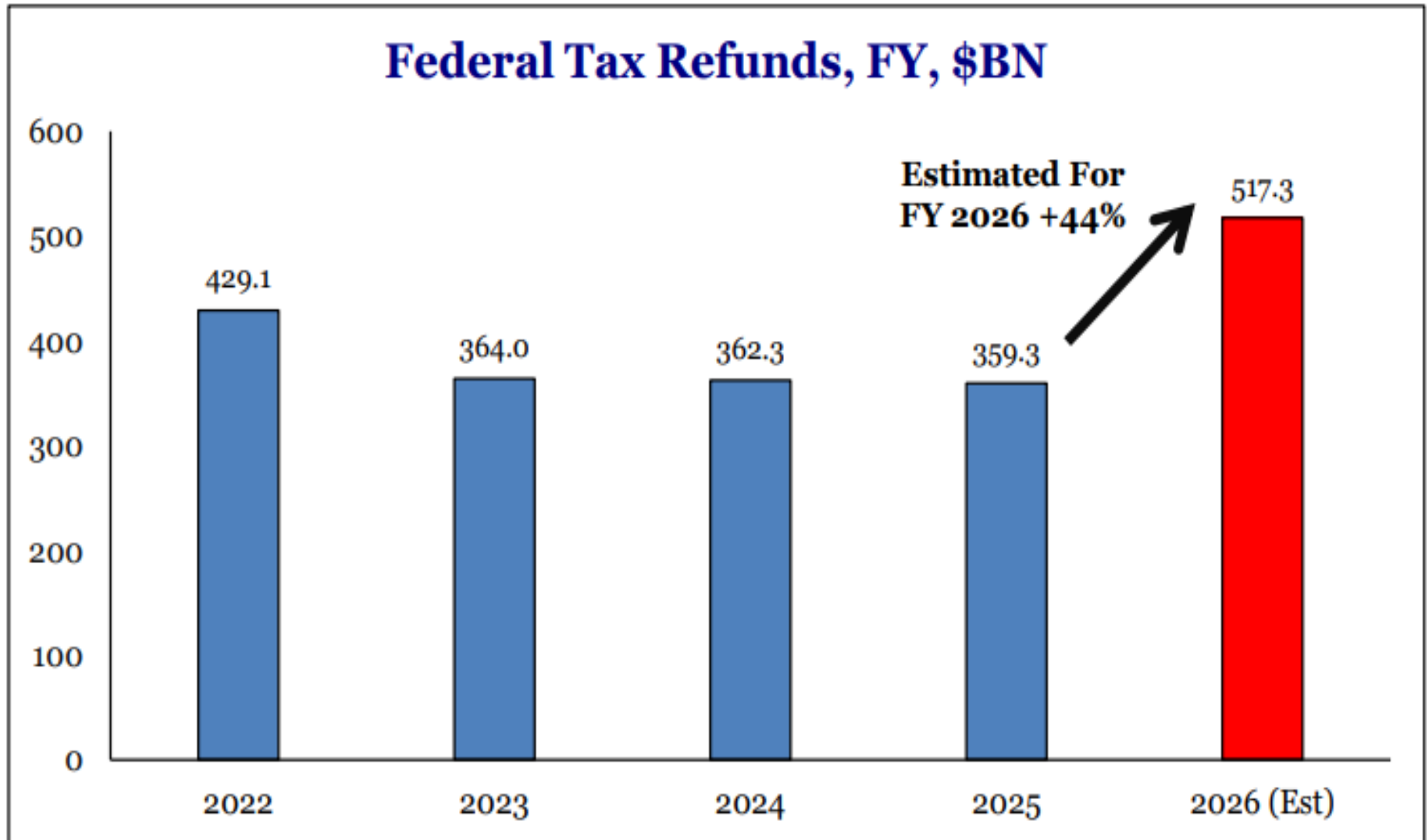
## S&P 500 Operating Margins Touching 19% for the First Time



Source: Strategas Research Partners



Source: Strategas Research Partners



Source: Strategas Research Partners

## Investment Policy Review

**Account Number** \*\*\*\*\*5014

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

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

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

**Account Restrictions:** None

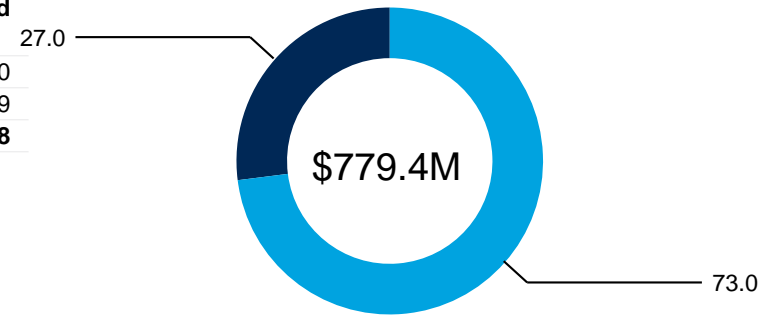
Meeting Date: January 23, 2026

## Client Investment Review

Investment activity through 12/31/2025

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	569,104,282	73.0	5,564,842.35	1.0
Total Fixed Income	210,290,760	27.0	8,190,997.12	3.9
<b>Total</b>	<b>779,395,042</b>	<b>100.0</b>	<b>13,755,839.47</b>	<b>1.8</b>

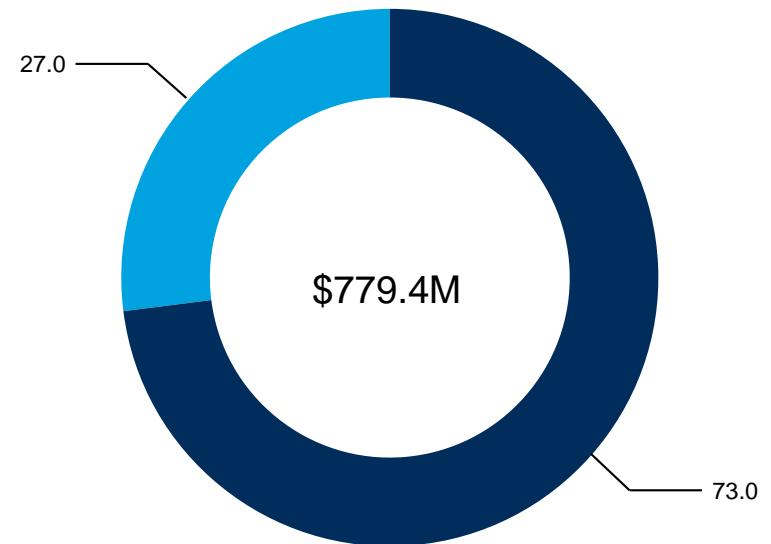


Investment Summary

	Fiscal Year to Date (6 Months)
<b>Beginning Account Value</b>	<b>726,658,466.56</b>
Net Contributions/Withdrawals	-18,204,715.67
Income Earned	5,709,183.90
Market Appreciation	65,232,107.12
<b>Ending Account Value</b>	<b>779,395,041.91</b>

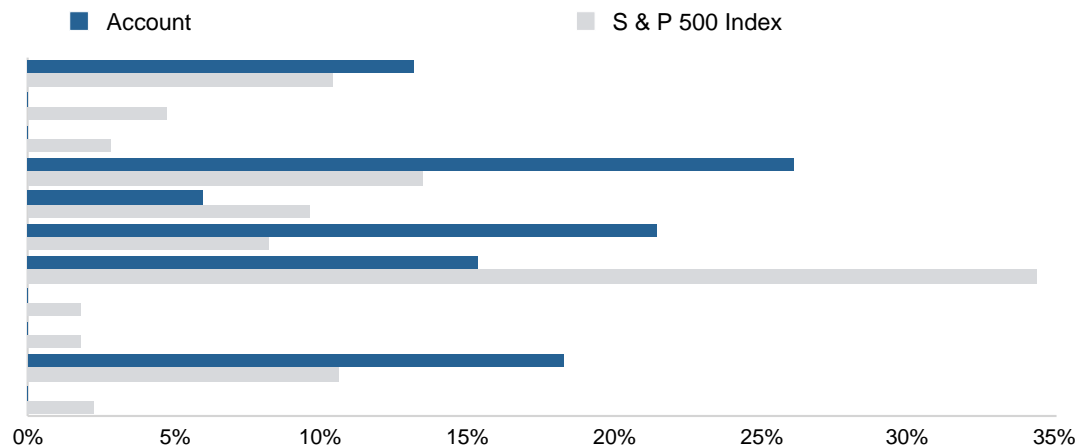
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	569,104,282	73.0
● Taxable Fixed Income	210,161,560	27.0
● Taxable Bond Funds	129,199	.0
<b>Total</b>	<b>779,395,042</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Index

	Account	Model
Consumer Disc	13.1	10.4
Consumer Staples	.0	4.7
Energy	.0	2.8
Financials	26.1	13.4
Health Care	5.9	9.6
Industrials	21.4	8.2
Information Tech	15.3	34.4
Materials	.0	1.8
Real Estate	.0	1.8
Communication Servic	18.2	10.6
Utilities	.0	2.2



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	32,203,355	4.1	97.46
GE AEROSPACE	33,306,120	4.3	85.83
ALPHABET INC CAP STK CL C	47,837,241	6.1	65.51
TE CONNECTIVITY PLC ORD S	21,234,646	2.7	61.80
JOHNSON & JOHNSON COM	20,333,872	2.6	47.74
PARKER HANNIFIN CORP COM	26,258,930	3.4	39.90
JPMORGAN CHASE & CO COM	40,880,051	5.3	37.05
SCHWAB CHARLES CORP NEW C	26,943,229	3.5	36.59
EXPEDITORS INTL WASH INC	10,532,772	1.4	36.29
WELLS FARGO & CO NEW COM	17,312,366	2.2	36.18

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
ALPHABET INC CAP STK CL C	47,837,241	6.1	65.51
JPMORGAN CHASE & CO COM	40,880,051	5.3	37.05
GE AEROSPACE	33,306,120	4.3	85.83
MICROSOFT CORP COM	33,289,983	4.3	15.58
APPLE INC COM	32,388,041	4.2	9.22
GE VERNOVA INC COM	32,203,355	4.1	97.46
BERKSHIRE HATHAWAY INC DE	29,118,515	3.7	10.95
SCHWAB CHARLES CORP NEW C	26,943,229	3.5	36.59
PARKER HANNIFIN CORP COM	26,258,930	3.4	39.90
PROGRESSIVE CORP OH COM	26,020,426	3.3	-2.71

Sector	Qtr*
Industrials	0.64
Communication Services	0.55
Information Tech	0.16
Consumer Staples	0.15
Real Estate	0.12
Utilities	0.10
Energy	0.05
Materials	-0.07
Health Care	-0.16
Financials	-0.22
Consumer Disc	-1.32
<b>Total</b>	<b>0.00</b>

Sector	1 Year*
Industrials	7.34
Financials	1.69
Health Care	1.21
Consumer Staples	0.86
Energy	0.34
Real Estate	0.34
Utilities	0.06
Materials	0.03
Communication Services	-0.06
Consumer Disc	-1.18
Information Tech	-2.13
<b>Total</b>	<b>8.52</b>

Sector	5 Years*
Industrials	2.67
Financials	1.29
Consumer Staples	0.47
Health Care	0.39
Consumer Disc	0.34
Real Estate	0.22
Utilities	0.15
Materials	0.14
Energy	-0.25
Communication Services	-0.36
Information Tech	-1.74
<b>Total</b>	<b>3.31</b>

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

## Top Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	8.41	28.84	1.93
PH	Parker-Hannifin	4.61	15.93	0.65
JNJ	Johnson & Johnson	3.57	11.61	0.38
AAPL	Apple	5.69	6.86	0.38
EXPD	Expeditors	1.85	21.55	0.34

### 1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.66	97.46	4.51
GOOG	Alphabet	8.41	65.51	4.07
GE	GE Aerospace	5.85	85.83	3.56
JPM	JP Morgan Chase	7.18	37.05	2.48
TEL	TE Connectivity	3.73	61.80	1.82

### 5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	8.41	29.27	1.81
GEV	GE Vernova	5.66	139.19	1.69
GE	GE Aerospace	5.85	42.77	1.59
JPM	JP Morgan Chase	7.18	23.53	1.48
PGR	Progressive	4.57	20.56	1.39

## Bottom Contributors

### Quarter

Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	3.85	-15.08	-0.70
ORLY	O'Reilly	2.76	-15.40	-0.51
META	Meta	4.30	-10.12	-0.50
MSFT	Microsoft	5.85	-6.63	-0.43
FAST	Fastenal	1.88	-17.72	-0.42

### 1 Year

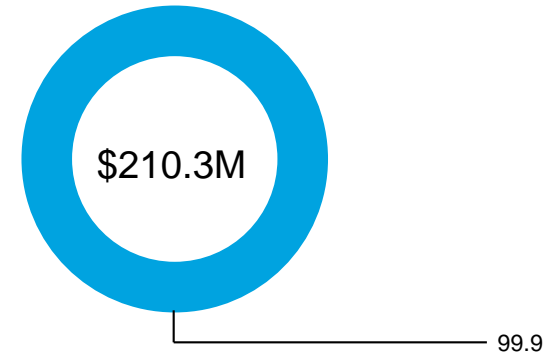
Ticker	Company	Ending Allocation	Total Return	Contribution
KMX	Carmax	.89	-52.78	-1.26
HD	Home Depot	3.85	-9.39	-0.48
OMC	Omnicom	2.32	-1.77	-0.05
UNP	Union Pacific	1.54	3.77	0.07
PGR	Progressive	4.57	-2.71	0.10

### 5 Years

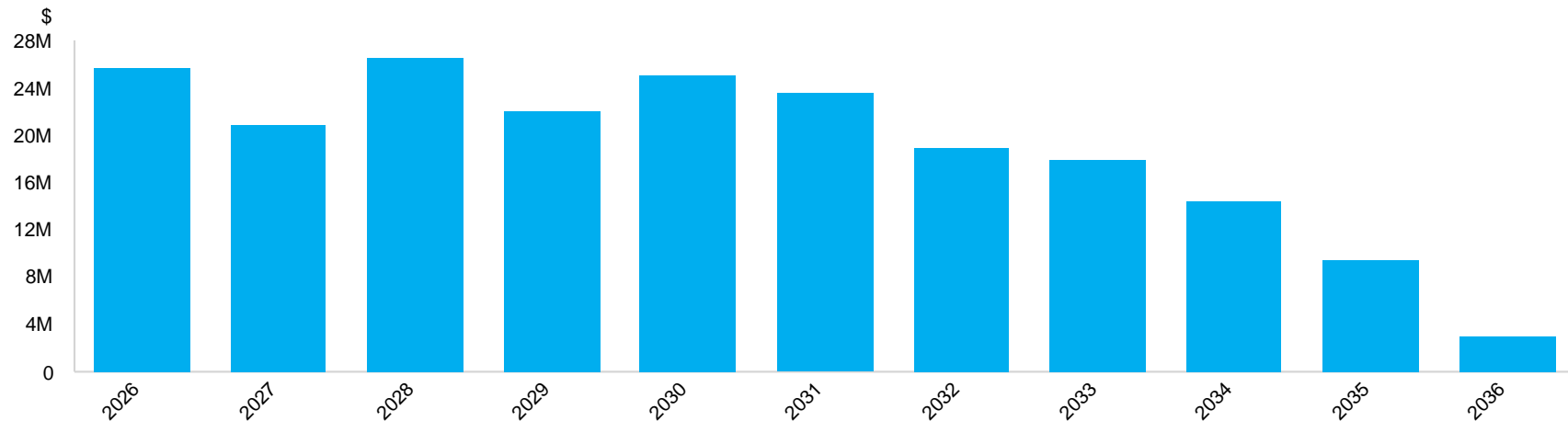
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Disney	3.19	-8.53	-0.42
KMX	Carmax	.89	-16.26	-0.28
DHR	Danaher	2.37	10.65	0.07
UNP	Union Pacific	1.54	4.27	0.11
AMZN	Amazon	2.31	26.38	0.12

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	210,161,560	99.9	8,186,080.00	3.9
● Taxable Bond Funds	129,199	.1	4,917.12	3.8
<b>Total</b>	<b>210,290,760</b>	<b>100.0</b>	<b>8,190,997.12</b>	<b>3.9</b>



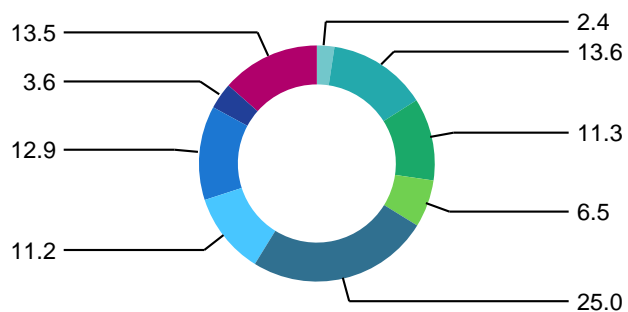
**Fixed Income Maturity Schedule**



Fixed Income Analysis

	12/31/2025	Bloomberg Gov't/Credit Interm Bond Index
Coupon	3.96	3.63
Current Yield	3.94	3.66
Yield to Maturity	4.09	3.90
Maturity	4.47	4.26
Duration	3.96	3.89
Face Amount	207,750,000	
Market Value	207,910,200	
Total Accrual	2,251,360	
Cost	215,112,462	

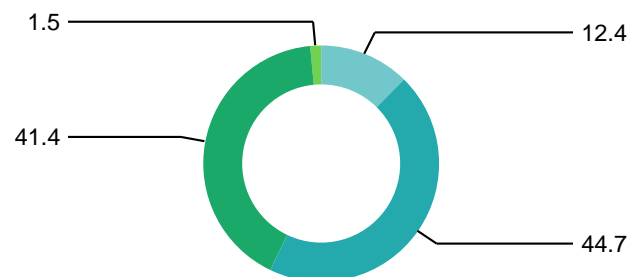
Quality Allocation by Market Value



■ AAA    ■ AA+    ■ AA-    ■ A+    ■ A  
■ A-    ■ BBB+    ■ BBB    ■ AA1

NR=Not rated by S&P

Maturity Allocation by Market Value



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

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2036</b>											
US BANCORP FR 5.424%02/12/2036	02/12/2036	3,000,000.000	103.860	103.933	3,180,818.00	A	NR	02/12/2035		162,720.00	4.925
<b>Total Matures 2036</b>					<b>3,180,818.00</b>					<b>162,720.00</b>	
<b>Matures 2035</b>											
TENNESSEE VALLEY AUTH FED BE B BD 4.875%05/15/2035	05/15/2035	5,500,000.000	103.070	103.463	5,724,725.42	AA+	NR			268,125.00	4.419
US BANCORP FR 5.678%01/23/2035	01/23/2035	4,000,000.000	103.700	105.590	4,323,280.45	A	A3	01/23/2034		227,120.00	4.906
<b>Total Matures 2035</b>					<b>10,048,005.87</b>					<b>495,245.00</b>	
<b>Matures 2034</b>											
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	3,500,000.000	101.950	102.905	3,663,046.53	AA-	A1	11/26/2033		176,750.00	4.618
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	5,000,000.000	99.980	100.338	5,123,775.00	AA+	AAA	01/19/2027		237,500.00	4.699
JPMORGAN CHASE & CO GLBL NT 5.350%06/01/2034	06/01/2034	4,000,000.000	102.150	103.901	4,173,873.34	A	A1	06/01/2033		214,000.00	4.781
WELLS FARGO & CO FR 5.557%07/25/2034	07/25/2034	2,000,000.000	100.490	104.841	2,144,980.67	BBB+	A1	07/25/2033		111,140.00	4.859
<b>Total Matures 2034</b>					<b>15,105,675.54</b>					<b>739,390.00</b>	
<b>Matures 2033</b>											
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	1,500,000.000	99.990	101.308	1,528,757.50	AA+	AAA	02/10/2033		64,500.00	4.092
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	100.003	1,008,830.00	AA+	NR	04/27/2026		49,500.00	4.948
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	4,000,000.000	99.060	101.665	4,138,100.00	AA+	NR			180,000.00	4.241
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	103.156	4,201,590.00	BBB+	BAA1	05/14/2033		198,000.00	4.456
US BANCORP FR 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	107.091	1,623,427.50	A	A3	10/21/2032		87,750.00	4.751
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	6,000,000.000	103.450	103.276	6,231,615.25	AA1	AAA			270,000.00	4.010
<b>Total Matures 2033</b>					<b>18,732,320.25</b>					<b>849,750.00</b>	
<b>Matures 2032</b>											
GEORGIA PWR CO SR GLBL 2022A 4.700%05/15/2032	05/15/2032	6,000,000.000	100.640	101.361	6,117,693.34	A	A3	02/15/2032		282,000.00	4.451
OREILLY AUTOMOTIVE INC SR GLBL	06/15/2032	4,500,000.000	98.570	100.867	4,548,415.00	BBB	BAA1	03/15/2032		211,500.00	4.543

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
4.700%06/15/2032											
PAYCHEX INC SR GLBL NT	04/15/2032	3,500,000.000	102.390	103.559	3,664,095.55	BBB+	NR	02/15/2032		187,250.00	4.689
5.350%04/15/2032											
TARGET CORP SR GLBL	09/15/2032	5,000,000.000	102.240	100.988	5,115,650.00	A	A2	06/15/2032		225,000.00	4.328
4.500%09/15/2032											
<b>Total Matures 2032</b>					<b>19,445,853.89</b>					<b>905,750.00</b>	
<b>Matures 2031</b>											
CISCO SYS INC SR GLBL NT	02/26/2031	2,000,000.000	102.300	103.708	2,108,535.00	AA-	A1	12/26/2030		99,000.00	4.143
4.950%02/26/2031											
CUMMINS INC SR GLBL	02/15/2031	6,000,000.000	101.400	102.099	6,307,673.33	A	NR	01/15/2031		282,000.00	4.239
4.700%02/15/2031											
DISNEY WALT CO SR GLBL NT	01/13/2031	4,500,000.000	107.230	93.538	4,264,860.00	A	A2			119,250.00	4.083
2.650%01/13/2031											
TYCO ELECTRONICS GROUP S A SR GLBL	02/09/2031	5,000,000.000	101.450	101.139	5,145,700.00	A-	NR	01/09/2031		225,000.00	4.249
4.500%02/09/2031											
US TREASURY NOTE	11/30/2031	6,000,000.000	99.860	101.524	6,113,198.24	AA1	NR			247,500.00	3.834
4.125%11/30/2031											
<b>Total Matures 2031</b>					<b>23,939,966.57</b>					<b>972,750.00</b>	
<b>Matures 2030</b>											
COMCAST CORP NEW GLBL NT	02/01/2030	4,500,000.000	107.850	94.380	4,296,787.50	A-	A3	11/01/2029		119,250.00	4.159
2.650%02/01/2030											
EXXON MOBIL CORP SR GLBL COCO	10/15/2030	4,500,000.000	107.950	93.754	4,243,725.00	AA-	AA2	07/15/2030		117,450.00	4.058
2.610%10/15/2030											
KIMBERLY CLARK CORP SR GLBL	03/26/2030	4,500,000.000	109.260	96.260	4,368,512.50	A	A2	12/26/2029		139,500.00	4.069
3.100%03/26/2030											
OMNICOM GROUP INC SR GLBL	06/01/2030	2,500,000.000	97.260	99.217	2,489,175.00	BBB+	BAA1	03/01/2030		105,000.00	4.396
4.200%06/01/2030											
PFIZER INC GLBL NT	04/01/2030	4,500,000.000	108.330	94.357	4,275,596.25	A	A2	01/01/2030		118,125.00	4.084
2.625%04/01/2030											
PROGRESSIVE CORP SR GLBL	03/26/2030	4,500,000.000	109.830	96.725	4,390,625.00	A	A2	12/26/2029		144,000.00	4.048
3.200%03/26/2030											
<b>Total Matures 2030</b>					<b>24,064,421.25</b>					<b>743,325.00</b>	
<b>Matures 2029</b>											
BLACKROCK INC SR GLBL NT	04/30/2029	4,500,000.000	110.960	98.000	4,434,781.25	AA-	AA3	01/30/2029		146,250.00	3.895
3.250%04/30/2029											
MERCK & CO INC SR GLBL	03/07/2029	4,500,000.000	111.400	98.407	4,476,765.00	A+	A1	12/07/2028		153,000.00	3.936
3.400%03/07/2029											
PARKER HANNIFIN CORP SR GLBL	09/15/2029	4,000,000.000	95.730	101.399	4,108,960.00	BBB+	BAA1	07/15/2029		180,000.00	4.088
4.500%09/15/2029											

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
TEXAS INSTRS INC SR GLBL NT 2.250%09/04/2029	09/04/2029	4,500,000.000	105.750	94.208	4,272,266.25	A+	AA3	06/04/2029		101,250.00	3.959
US TREASURY NOTE 4.125%11/30/2029	11/30/2029	4,500,000.000	99.500	101.745	4,594,843.68	AA1	NR			185,625.00	3.642
<b>Total Matures 2029</b>					<b>21,887,616.18</b>					<b>766,125.00</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	100.153	5,096,413.89	AA-	AA2	10/15/2027		192,500.00	3.771
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	6,000,000.000	99.650	101.494	6,161,181.67	AA+	NR			255,000.00	3.542
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	5,000,000.000	108.810	98.666	5,000,161.11	AAA	AAA	10/15/2027		145,000.00	3.583
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	4,000,000.000	99.780	101.844	4,097,271.11	AA-	AA3	04/15/2028		184,000.00	3.778
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	4,500,000.000	106.380	98.629	4,500,705.00	A-	A2	10/25/2027		144,000.00	3.896
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	2,000,000.000	108.180	98.897	1,986,054.64	AA1	NR			62,500.00	3.531
<b>Total Matures 2028</b>					<b>26,841,787.42</b>					<b>983,000.00</b>	
<b>Matures 2027</b>											
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	5,000,000.000	108.340	99.070	4,985,077.78	A-	A2	10/21/2026		162,400.00	3.784
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	5,000,000.000	100.000	99.601	5,016,587.50	AA+	NR	04/12/2023		166,500.00	3.649
MCDONALDS CORP MED TERM NT FR 3.500%03/01/2027	03/01/2027	3,000,000.000	99.100	99.540	3,021,200.00	BBB+	BAA1	12/01/2026		105,000.00	3.904
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	5,000,000.000	108.550	98.765	4,975,437.50	A+	A1	01/19/2027 100.000		131,250.00	3.671
SYSCO CORP SR GLBL NT 3.250%07/15/2027	07/15/2027	3,000,000.000	98.520	99.016	3,015,438.33	BBB	BAA1	04/15/2027		97,500.00	3.914
<b>Total Matures 2027</b>					<b>21,013,741.11</b>					<b>662,650.00</b>	
<b>Matures 2026</b>											
ABBVIE INC SR GLBL 3.200%05/14/2026	05/14/2026	4,500,000.000	109.020	99.776	4,508,720.01	A-	BAA2	02/14/2026		144,000.00	3.798
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	108.980	99.351	4,503,982.50	A	A2	07/01/2026 100.000		132,750.00	3.831
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	3,000,000.000	104.300	99.853	3,018,390.00	BBB+	BAA1	01/15/2026		108,000.00	4.084
US TREASURY NOTE	01/31/2026	3,250,000.000	100.040	100.042	3,309,167.31	AA1	AAA			138,125.00	3.685

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
4.250%01/31/2026											
US TREASURY NOTE	10/31/2026	6,000,000.000	100.110	100.435	6,068,489.50	AA1	n/a			247,500.00	3.584
4.125%10/31/2026											
WELLS FARGO CO NEW SR NT	10/23/2026	4,500,000.000	108.470	99.269	4,492,605.00	BBB+	A2			135,000.00	3.921
3.000%10/23/2026											
<b>Total Matures 2026</b>					<b>25,901,354.32</b>					<b>905,375.00</b>	
<b>No Maturity</b>											
ISHARES 1-3 YEAR TREASURY BOND ETF		1,560.000	84.580	82.820	129,199.20	NR	NR				.000
<b>Total No Maturity</b>					<b>129,199.20</b>						
<b>Total</b>					<b>210,290,759.60</b>					<b>8,186,080.00</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	152,445.000	27.51	4,193,602.03	313.80	47,837,241.00	6.1	.84	128,053.80	.268
DISNEY WALT CO COM	158,340.000	78.67	12,456,086.29	113.77	18,133,096.80	2.3	1.50	237,510.00	1.318
META PLATFORMS INC.	37,110.000	310.91	11,537,986.70	660.09	24,495,939.90	3.1	2.10	77,931.00	.318
OMNICOM GROUP INC COM	162,140.000	63.45	10,287,129.38	80.75	13,222,517.00	1.7	3.20	518,848.00	3.963
<b>Total for Communication Services</b>			<b>38,474,804.40</b>		<b>103,688,794.70</b>	<b>13.2</b>		<b>962,342.80</b>	<b>.930</b>
<b>Consumer Disc</b>									
AMAZON.COM INC COM	56,995.000	188.00	10,714,922.01	230.82	13,155,585.90	1.7	.00	.00	.000
CARMAX INC COM	131,790.000	63.70	8,394,621.86	38.64	5,092,365.60	.7	.00	.00	.000
HOME DEPOT INC COM	63,735.000	27.54	1,755,158.40	344.10	21,931,213.50	2.8	9.20	586,362.00	2.674
O REILLY AUTOMOTIVE INC NEW COM	172,060.000	1.94	333,988.02	91.21	15,693,592.60	2.0	.00	.00	.000
TJX COS INC NEW COM	120,410.000	6.34	763,457.90	153.61	18,496,180.10	2.4	1.70	204,697.00	1.107
<b>Total for Consumer Disc</b>			<b>21,962,148.19</b>		<b>74,368,937.70</b>	<b>9.6</b>		<b>791,059.00</b>	<b>1.064</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	151,180.000	26.92	4,069,316.54	55.00	8,314,900.00	1.1	1.12	169,321.60	2.036
BERKSHIRE HATHAWAY INC DEL CL B NEW	57,930.000	137.94	7,990,697.22	502.65	29,118,514.50	3.7	.00	.00	.000
JPMORGAN CHASE & CO COM	126,870.000	57.13	7,247,894.60	322.22	40,880,051.40	5.2	6.00	761,220.00	1.862
PROGRESSIVE CORP OH COM	114,265.000	39.64	4,529,656.12	227.72	26,020,425.80	3.3	.40	45,706.00	.176
SCHWAB CHARLES CORP NEW COM	269,675.000	40.12	10,819,453.71	99.91	26,943,229.25	3.5	1.08	291,249.00	1.081
WELLS FARGO & CO NEW COM	185,755.000	45.39	8,432,242.28	93.20	17,312,366.00	2.2	1.80	334,359.00	1.931
<b>Total for Financials</b>			<b>43,089,260.47</b>		<b>148,589,486.95</b>	<b>19.0</b>		<b>1,601,855.60</b>	<b>1.078</b>
<b>Health Care</b>									
DANAHER CORP COM	58,850.000	204.04	12,007,621.02	228.92	13,490,774.00	1.7	1.28	75,328.00	.559
JOHNSON & JOHNSON COM	98,255.000	86.11	8,461,083.11	206.95	20,333,872.25	2.6	5.20	510,926.00	2.513
<b>Total for Health Care</b>			<b>20,468,704.13</b>		<b>33,824,646.25</b>	<b>4.3</b>		<b>586,254.00</b>	<b>1.734</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	70,685.000	38.16	2,697,545.89	149.01	10,532,771.85	1.4	1.54	108,854.90	1.033
FASTENAL CO COM	266,060.000	10.20	2,714,759.19	40.13	10,676,987.80	1.4	.88	234,132.80	2.193
GE VERNOVA INC COM	49,273.000	90.47	4,457,672.56	653.57	32,203,354.61	4.1	1.25	61,591.25	.191

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	108,000.000	102.74	11,095,931.88	308.03	33,306,120.00	4.3	1.44	155,520.00	.467
PARKER HANNIFIN CORP COM	29,875.000	292.98	8,752,639.72	878.96	26,258,930.00	3.4	7.20	215,100.00	.819
UNION PAC CORP COM	37,790.000	93.91	3,548,848.53	231.32	8,741,582.80	1.1	5.52	208,600.80	2.386
<b>Total for Industrials</b>			<b>33,267,397.77</b>		<b>121,719,747.06</b>	<b>15.7</b>		<b>983,799.75</b>	<b>.809</b>
<b>Information Tech</b>									
APPLE INC COM	119,135.000	22.74	2,708,923.79	271.86	32,388,041.10	4.2	1.04	123,900.40	.383
MICROSOFT CORP COM	68,835.000	25.24	1,737,166.80	483.62	33,289,982.70	4.3	3.64	250,559.40	.753
TE CONNECTIVITY PLC ORD SHS	93,335.000	31.28	2,919,292.79	227.51	21,234,645.85	2.7	2.84	265,071.40	1.248
<b>Total for Information Tech</b>			<b>7,365,383.38</b>		<b>86,912,669.65</b>	<b>11.2</b>		<b>639,531.20</b>	<b>.736</b>
<b>Total: Total Equity</b>			<b>164,627,698.34</b>		<b>569,104,282.31</b>	<b>73.0</b>		<b>5,564,842.35</b>	<b>.978</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	99.78	4,508,720.01	.6	3.20	144,000.00	3.207
APPLE INC SR GLBL 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	101.31	1,528,757.50	.2	4.30	64,500.00	4.244
BANK AMER CORP FR 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	99.07	4,985,077.78	.6	3.25	162,400.00	3.278
BLACKROCK INC SR GLBL NT 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	98.00	4,434,781.25	.6	3.25	146,250.00	3.316
CHEVRON USA INC SR GLBL NT 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	100.15	5,096,413.89	.7	3.85	192,500.00	3.844
CISCO SYS INC SR GLBL NT 4.950% 02/26/2031	2,000,000.000	102.30	2,046,000.00	103.71	2,108,535.00	.3	4.95	99,000.00	4.773
CISCO SYS INC SR GLBL NT 5.050% 02/26/2034	3,500,000.000	101.95	3,568,250.00	102.91	3,663,046.53	.5	5.05	176,750.00	4.907
COMCAST CORP NEW GLBL NT 2.650% 02/01/2030	4,500,000.000	107.85	4,853,306.19	94.38	4,296,787.50	.6	2.65	119,250.00	2.808
CUMMINS INC SR GLBL 4.700% 02/15/2031	6,000,000.000	101.40	6,084,000.00	102.10	6,307,673.33	.8	4.70	282,000.00	4.603
DISNEY WALT CO SR GLBL NT	4,500,000.000	107.23	4,825,574.74	93.54	4,264,860.00	.5	2.65	119,250.00	2.833

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.650% 01/13/2031									
EXXON MOBIL CORP SR GBLB COCO	4,500,000.000	107.95	4,857,881.62	93.75	4,243,725.00	.5	2.61	117,450.00	2.784
2.610% 10/15/2030									
META PLATFORMS INC GBLB NT	4,000,000.000	99.78	3,991,120.00	101.84	4,097,271.11	.5	4.60	184,000.00	4.517
4.600% 05/15/2028									
GEORGIA PWR CO SR GBLB 2022A	6,000,000.000	100.64	6,038,600.00	101.36	6,117,693.34	.8	4.70	282,000.00	4.637
4.700% 05/15/2032									
JPMORGAN CHASE & CO SR NT	4,500,000.000	108.98	4,903,950.28	99.35	4,503,982.50	.6	2.95	132,750.00	2.969
2.950% 10/01/2026									
JPMORGAN CHASE & CO GBLB NT	4,000,000.000	102.15	4,086,100.00	103.90	4,173,873.34	.5	5.35	214,000.00	5.149
5.350% 06/01/2034									
JOHNSON & JOHNSON SR GBLB	5,000,000.000	108.81	5,440,382.18	98.67	5,000,161.11	.6	2.90	145,000.00	2.939
2.900% 01/15/2028									
KIMBERLY CLARK CORP SR GBLB	4,500,000.000	109.26	4,916,915.28	96.26	4,368,512.50	.6	3.10	139,500.00	3.220
3.100% 03/26/2030									
MCDONALDS CORP MED TERM NT FR	3,000,000.000	99.10	2,973,000.00	99.54	3,021,200.00	.4	3.50	105,000.00	3.516
3.500% 03/01/2027									
MCDONALDS CORP FR	4,000,000.000	98.74	3,949,400.00	103.16	4,201,590.00	.5	4.95	198,000.00	4.799
4.950% 08/14/2033									
MERCK & CO INC SR GBLB	4,500,000.000	111.40	5,012,820.28	98.41	4,476,765.00	.6	3.40	153,000.00	3.455
3.400% 03/07/2029									
OREILLY AUTOMOTIVE INC SR GBLB	4,500,000.000	98.57	4,435,550.00	100.87	4,548,415.00	.6	4.70	211,500.00	4.660
4.700% 06/15/2032									
OMNICOM GROUP INC SR GBLB	2,500,000.000	97.26	2,431,500.00	99.22	2,489,175.00	.3	4.20	105,000.00	4.233
4.200% 06/01/2030									
OMNICOM GROUP INC SR GBLB	3,000,000.000	104.30	3,129,146.81	99.85	3,018,390.00	.4	3.60	108,000.00	3.605
3.600% 04/15/2026									
PARKER HANNIFIN CORP SR GBLB	4,000,000.000	95.73	3,829,080.00	101.40	4,108,960.00	.5	4.50	180,000.00	4.438
4.500% 09/15/2029									
PAYCHEX INC SR GBLB NT	3,500,000.000	102.39	3,583,650.00	103.56	3,664,095.55	.5	5.35	187,250.00	5.166
5.350% 04/15/2032									
PEPSICO INC SR NT	5,000,000.000	108.55	5,427,413.51	98.77	4,975,437.50	.6	2.63	131,250.00	2.658
2.625% 03/19/2027									
PFIZER INC GBLB NT	4,500,000.000	108.33	4,874,850.53	94.36	4,275,596.25	.5	2.63	118,125.00	2.782
2.625% 04/01/2030									

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
PROGRESSIVE CORP SR GLBL 3.200% 03/26/2030	4,500,000.000	109.83	4,942,133.37	96.73	4,390,625.00	.6	3.20	144,000.00	3.308
SCHWAB CHARLES CORP SR GLBL 3.200% 01/25/2028	4,500,000.000	106.38	4,787,060.00	98.63	4,500,705.00	.6	3.20	144,000.00	3.244
SYSCO CORP SR GLBL NT 3.250% 07/15/2027	3,000,000.000	98.52	2,955,600.00	99.02	3,015,438.33	.4	3.25	97,500.00	3.282
TARGET CORP SR GLBL 4.500% 09/15/2032	5,000,000.000	102.24	5,112,000.00	100.99	5,115,650.00	.7	4.50	225,000.00	4.456
TEXAS INSTRS INC SR GLBL NT 2.250% 09/04/2029	4,500,000.000	105.75	4,758,542.97	94.21	4,272,266.25	.5	2.25	101,250.00	2.388
TYCO ELECTRONICS GROUP S A SR GLBL 4.500% 02/09/2031	5,000,000.000	101.45	5,072,500.00	101.14	5,145,700.00	.7	4.50	225,000.00	4.449
US BANCORP FR 5.850% 10/21/2033	1,500,000.000	100.49	1,507,350.00	107.09	1,623,427.50	.2	5.85	87,750.00	5.463
US BANCORP FR 5.678% 01/23/2035	4,000,000.000	103.70	4,148,000.00	105.59	4,323,280.45	.6	5.68	227,120.00	5.377
US BANCORP FR 5.424% 02/12/2036	3,000,000.000	103.86	3,115,800.00	103.93	3,180,818.00	.4	5.42	162,720.00	5.219
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	4,500,000.000	108.47	4,881,224.62	99.27	4,492,605.00	.6	3.00	135,000.00	3.022
WELLS FARGO & CO FR 5.557% 07/25/2034	2,000,000.000	100.49	2,009,800.00	104.84	2,144,980.67	.3	5.56	111,140.00	5.300
<b>Total for Corporate Bonds</b>			<b>160,406,857.24</b>		<b>154,684,992.19</b>	<b>20.0</b>		<b>5,878,205.00</b>	<b>3.843</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS 4.750% 01/19/2034	5,000,000.000	99.98	4,999,000.00	100.34	5,123,775.00	.7	4.75	237,500.00	4.734
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	5,000,000.000	100.00	5,000,000.00	99.60	5,016,587.50	.6	3.33	166,500.00	3.343
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	6,000,000.000	99.65	5,978,700.00	101.49	6,161,181.67	.8	4.25	255,000.00	4.187
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950% 04/27/2033	1,000,000.000	100.03	1,000,250.00	100.00	1,008,830.00	.1	4.95	49,500.00	4.950
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500% 08/08/2033	4,000,000.000	99.06	3,962,200.00	101.67	4,138,100.00	.5	4.50	180,000.00	4.426

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
TENNESSEE VALLEY AUTH FED BE B BD 4.875% 05/15/2035	5,500,000.000	103.07	5,668,600.00	103.46	5,724,725.42	.7	4.88	268,125.00	4.712
US TREASURY NOTE 3.125% 11/15/2028	2,000,000.000	108.18	2,163,500.00	98.90	1,986,054.64	.3	3.13	62,500.00	3.160
US TREASURY NOTE 4.500% 11/15/2033	6,000,000.000	103.45	6,206,940.00	103.28	6,231,615.25	.8	4.50	270,000.00	4.357
US TREASURY NOTE 4.250% 01/31/2026	3,250,000.000	100.04	3,251,300.00	100.04	3,309,167.31	.4	4.25	138,125.00	4.248
US TREASURY NOTE 4.125% 10/31/2026	6,000,000.000	100.11	6,006,540.00	100.44	6,068,489.50	.8	4.13	247,500.00	4.107
US TREASURY NOTE 4.125% 11/30/2031	6,000,000.000	99.86	5,991,300.00	101.52	6,113,198.24	.8	4.13	247,500.00	4.063
US TREASURY NOTE 4.125% 11/30/2029	4,500,000.000	99.50	4,477,275.00	101.75	4,594,843.68	.6	4.13	185,625.00	4.054
<b>Total for Governments</b>			<b>54,705,605.00</b>		<b>55,476,568.21</b>	<b>7.1</b>		<b>2,307,875.00</b>	<b>4.199</b>
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,560.000	84.58	131,943.81	82.82	129,199.20	.0	3.15	4,917.12	3.806
<b>Total for Taxable Bond Funds</b>			<b>131,943.81</b>		<b>129,199.20</b>	<b>.0</b>		<b>4,917.12</b>	<b>3.806</b>
<b>Total: Total Fixed Income</b>			<b>215,244,406.05</b>		<b>210,290,759.60</b>	<b>27.1</b>		<b>8,190,997.12</b>	<b>3.937</b>
<b>Total</b>			<b>379,872,104.39</b>		<b>779,395,041.91</b>	<b>100.0</b>		<b>13,755,839.47</b>	<b>1.771</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>779,395,042</b>	<b>9.92</b>	<b>21.49</b>	<b>20.70</b>	<b>13.44</b>	<b>13.11</b>	<b>10.48</b>	<b>9.70</b>
<b>Total Portfolio - Net</b>	<b>779,395,042</b>	<b>9.88</b>	<b>21.39</b>	<b>20.60</b>	<b>13.35</b>	<b>13.03</b>	<b>10.42</b>	<b>9.65</b>
70% S&P 500 / 30% Bloomberg US Govt/Credit		8.47	14.65	17.48	10.42	11.16	8.85	8.69
<b>Total Equity</b>	<b>569,104,282</b>	<b>12.66</b>	<b>27.16</b>	<b>26.85</b>	<b>18.00</b>	<b>16.94</b>	<b>12.86</b>	<b>11.86</b>
S P 500 Index		11.00	17.88	23.01	14.42	14.82	11.00	10.35
<b>Total Fixed Income</b>	<b>210,290,760</b>	<b>2.60</b>	<b>6.88</b>	<b>5.31</b>	<b>1.22</b>	<b>2.36</b>	<b>2.97</b>	<b>3.88</b>
Bloomberg US Government/Credit Interm Bond		2.72	6.97	5.06	.96	2.29	3.16	4.04

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	13.11	11.16
Standard Deviation	12.05	10.95
Beta	1.06	
Alpha	1.40	
R-Squared	.92	
Sharpe Ratio	.90	.81
Treynor Ratio	10.22	8.88
Tracking Error	3.42	
Information Ratio	.55	
Downside Deviation	7.34	6.81
Downside Standard Deviation	9.11	8.30
Sortino Ratio	1.90	1.74
Upside Capture	1.11	
Downside Capture	1.02	
Batting Average	.58	
Annualized Excess Return	1.95	
Cumulative Excess Return	54.84	
Turnover %	117.21	
M-Squared	12.12	
Residual Risk	.98	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.28	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.48	8.85
Standard Deviation	11.02	10.77
Beta	.98	
Alpha	1.70	
R-Squared	.92	
Sharpe Ratio	.79	.66
Treynor Ratio	8.93	7.12
Tracking Error	3.22	
Information Ratio	.47	
Downside Deviation	6.91	7.03
Downside Standard Deviation	8.34	8.23
Sortino Ratio	1.61	1.35
Upside Capture	1.05	
Downside Capture	.95	
Batting Average	.58	
Annualized Excess Return	1.63	
Cumulative Excess Return	189.06	
Turnover %	205.93	
M-Squared	10.28	
Residual Risk	.90	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.73	

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/27/2025	48,600.00	DANAHER CORP COM	207.74	10,096,047.36
02/27/2025	45,000.00	DISNEY WALT CO COM	113.01	5,085,310.50
02/27/2025	60,000.00	OMNICOM GROUP INC COM	81.91	4,914,828.00
04/08/2025	47,825.00	AMAZON.COM INC COM	182.57	8,731,285.91
04/23/2025	2,000,000.00	WELLS FARGO & CO FR	100.49	2,009,800.00
04/23/2025	2,500,000.00	JPMORGAN CHASE & CO GLBL NT	100.75	2,518,750.00
06/03/2025	13,710.00	DANAHER CORP COM	191.86	2,630,345.76
06/03/2025	12,550.00	AMAZON.COM INC COM	207.23	2,600,713.91
07/23/2025	3,500,000.00	PAYCHEX INC SR GLBL NT	102.39	3,583,650.00
07/30/2025	6,000,000.00	US TREASURY NOTE	100.11	6,006,540.00
07/30/2025	5,000,000.00	GEORGIA PWR CO SR GLBL 2022A	100.40	5,020,000.00
08/08/2025	3,000,000.00	SYSCO CORP SR GLBL NT	98.52	2,955,600.00
08/08/2025	3,000,000.00	MCDONALDS CORP MED TERM NT FR	99.10	2,973,000.00
08/08/2025	3,000,000.00	TENNESSEE VALLEY AUTH FED BE B BD	102.32	3,069,600.00
08/08/2025	3,250,000.00	US TREASURY NOTE	100.04	3,251,300.00
08/08/2025	6,000,000.00	CUMMINS INC SR GLBL	101.40	6,084,000.00
09/18/2025	5,000,000.00	TYCO ELECTRONICS GROUP S A SR GLBL	101.45	5,072,500.00
10/03/2025	2,500,000.00	TENNESSEE VALLEY AUTH FED BE B BD	103.96	2,599,000.00
10/03/2025	1,000,000.00	GEORGIA PWR CO SR GLBL 2022A	101.86	1,018,600.00
10/22/2025	60,250.00	WELLS FARGO & CO NEW COM	83.62	5,038,225.50
10/31/2025	3,000,000.00	US BANCORP FR	103.86	3,115,800.00
10/31/2025	1,500,000.00	JPMORGAN CHASE & CO GLBL NT	104.49	1,567,350.00
10/31/2025	-3,000,000.00	US BANCORP FR	103.86	-3,115,800.00
10/31/2025	-1,500,000.00	JPMORGAN CHASE & CO GLBL NT	104.49	-1,567,350.00
10/31/2025	3,000,000.00	US BANCORP FR	103.86	3,115,800.00
10/31/2025	1,500,000.00	JPMORGAN CHASE & CO GLBL NT	104.49	1,567,350.00
				<u>89,942,246.94</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
02/27/2025	-6,150.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	500.96	3,080,913.67	07/26/2011	48.71	299,586.06	2,781,327.61
Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
02/27/2025	-15,000.00	GE AEROSPACE	204.12	3,061,858.86	08/02/2021	109.86	1,647,861.70	1,413,997.16
02/27/2025	-27,775.00	PROGRESSIVE CORP OH COM	278.40	7,732,550.54	12/12/2008	14.26	396,143.40	7,336,407.14
02/27/2025	-166,215.00	US BANCORP DEL COM NEW	46.41	7,713,624.10	12/06/2010	22.58	3,753,079.03	3,960,545.07
04/08/2025	-76,735.00	FASTENAL CO COM	74.74	5,734,899.30	02/12/2015	21.12	1,620,942.47	4,113,956.83
04/08/2025	-3,460.00	O REILLY AUTOMOTIVE INC NEW COM	1,369.46	4,738,345.18	07/11/2017	174.94	605,298.34	4,133,046.84
04/23/2025	-4,500,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.00	4,500,000.00	01/27/2021	1.08	4,865,186.69	-365,186.69
05/01/2025	4,500,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.00	-4,500,000.00	01/01/1950	1.08	-4,865,186.69	0.00
05/01/2025	-4,500,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.50	4,522,312.50	01/01/1950	1.08	4,865,186.69	-342,874.19
06/03/2025	-10,695.00	GE VERNOVA INC COM	490.91	5,250,284.59	04/09/2024	0.00	0.00	5,250,284.59
07/20/2025	-3,500,000.00	CVS HEALTH CORP SR GBL NT	100.00	3,500,000.00	11/13/2017	1.01	3,545,260.35	-45,260.35
07/29/2025	-5,000,000.00	INTEL CORP SR GBL	100.00	5,000,000.00	08/18/2017	1.03	5,156,596.70	-156,596.70
07/31/2025	-6,000,000.00	US TREASURY NOTE	100.00	6,000,000.00	03/21/2024	1.00	5,996,400.00	3,600.00
08/07/2025	-3,600.00	GE VERNOVA INC COM	649.15	2,336,940.72	04/09/2024	0.00	0.00	2,336,940.72
08/07/2025	-9,050.00	ALPHABET INC CAP STK CL C	197.44	1,786,872.73	03/31/2015	27.52	249,031.61	1,537,841.12
08/07/2025	-3,800.00	HOME DEPOT INC COM	384.96	1,462,848.38	06/30/2021	39.91	151,670.54	1,311,177.84
08/07/2025	-5,850.00	JOHNSON & JOHNSON COM	170.88	999,667.31	11/24/2021	29.90	174,915.00	824,752.31
08/07/2025	-7,610.00	JPMORGAN CHASE & CO COM	288.62	2,196,392.87	12/11/2008	30.98	235,769.21	1,960,623.66
08/07/2025	-8,000.00	CARMAX INC COM	55.42	443,363.20	01/30/2019	59.76	478,106.78	-34,743.58
08/07/2025	-2,225.00	META PLATFORMS INC.	768.18	1,709,206.29	05/06/2020	203.86	453,596.95	1,255,609.34
08/07/2025	-4,120.00	MICROSOFT CORP COM	522.56	2,152,926.60	09/05/2006	25.68	105,801.60	2,047,125.00
08/07/2025	-7,500.00	WELLS FARGO & CO NEW COM	77.40	580,500.75	06/02/2011	28.21	211,569.75	368,931.00
08/07/2025	-2,280.00	UNION PAC CORP COM	223.17	508,816.20	07/24/2015	93.91	214,114.17	294,702.03
08/07/2025	-7,200.00	TJX COS INC NEW COM	131.56	947,239.20	12/06/2004	5.92	42,596.66	904,642.54
08/07/2025	-5,560.00	TE CONNECTIVITY PLC ORD SHS	200.53	1,114,930.12	09/30/2024	31.28	173,903.34	941,026.78
08/07/2025	-16,235.00	SCHWAB CHARLES CORP NEW COM	95.96	1,557,956.06	08/26/2020	35.35	573,834.19	984,121.87
08/07/2025	-1,720.00	PARKER HANNIFIN CORP COM	721.98	1,241,805.77	10/28/2022	280.15	481,852.32	759,953.45
08/07/2025	-6,830.00	PROGRESSIVE CORP OH COM	245.47	1,676,564.20	01/26/2009	20.72	141,523.82	1,535,040.38
08/07/2025	-6,850.00	APPLE INC COM	219.88	1,506,199.92	04/25/2013	14.64	100,251.93	1,405,947.99
08/07/2025	-10,340.00	O REILLY AUTOMOTIVE INC NEW COM	103.43	1,069,491.02	07/11/2017	181.47	1,876,414.64	-806,923.62
08/07/2025	-3,380.00	AMAZON.COM INC COM	222.95	753,554.78	04/08/2025	182.57	617,077.81	136,476.97
08/07/2025	-9,100.00	BANK OF AMERICA CORP COM	45.22	411,484.71	08/30/2019	26.92	244,944.97	166,539.74
08/07/2025	-3,500.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	462.18	1,617,630.70	07/26/2011	48.71	170,496.13	1,447,134.57

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
08/07/2025	-3,460.00	DANAHER CORP COM	198.43	686,565.03	02/27/2025	207.74	718,772.10	-32,207.07
08/07/2025	-9,600.00	DISNEY WALT CO COM	112.55	1,080,450.24	02/24/2023	25.61	245,855.43	834,594.81
08/07/2025	-4,250.00	EXPEDITORS INTL WASH INC COM	118.06	501,739.70	03/25/2013	37.20	158,105.53	343,634.17
08/07/2025	-15,770.00	FASTENAL CO COM	47.04	741,797.15	02/12/2015	10.56	166,561.95	575,235.20
08/07/2025	-6,460.00	GE AEROSPACE	269.87	1,743,351.80	08/02/2021	109.86	709,679.11	1,033,672.69
08/07/2025	-9,730.00	OMNICOM GROUP INC COM	72.88	709,082.51	02/27/2025	37.20	361,952.60	347,129.91
09/15/2025	-5,000,000.00	HOME DEPOT INC SR GLBL NT	100.00	5,000,000.00	03/21/2024	0.98	4,899,500.00	100,500.00
10/01/2025	-3,500,000.00	SYSCO CORP SR NT	100.00	3,500,000.00	11/08/2017	1.03	3,599,581.69	-99,581.69
10/22/2025	-9,215.00	GE VERNOVA INC COM	559.68	5,157,451.20	04/09/2024	132.22	1,218,373.20	3,939,078.00
10/30/2025	-4,500,000.00	NORTHERN TR CORP SUB NT	100.00	4,500,000.00	08/18/2017	1.04	4,698,095.06	-198,095.06
				<u>106,029,617.90</u>			<u>51,360,302.83</u>	<u>54,304,128.38</u>

## Investment Policy Review

**Account Number** \*\*\*\*\*6012

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

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

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

**Account Restrictions:** None

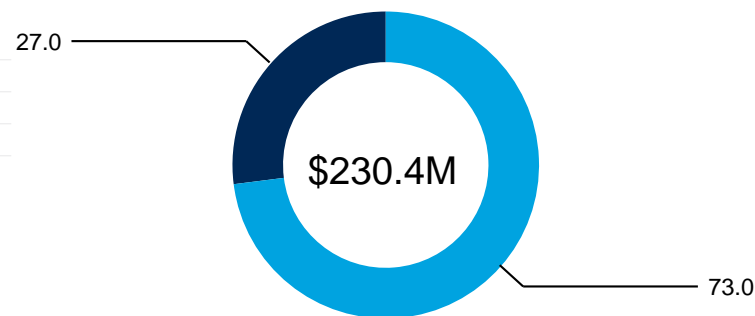
Meeting Date: January 23, 2026

## Client Investment Review

Investment activity through 12/31/2025

**Asset Allocation Summary**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Total Equity	168,219,078	73.0	1,639,887.70	1.0
● Total Fixed Income	62,150,261	27.0	2,444,310.02	4.0
<b>Total</b>	<b>230,369,339</b>	<b>100.0</b>	<b>4,084,197.72</b>	<b>1.8</b>

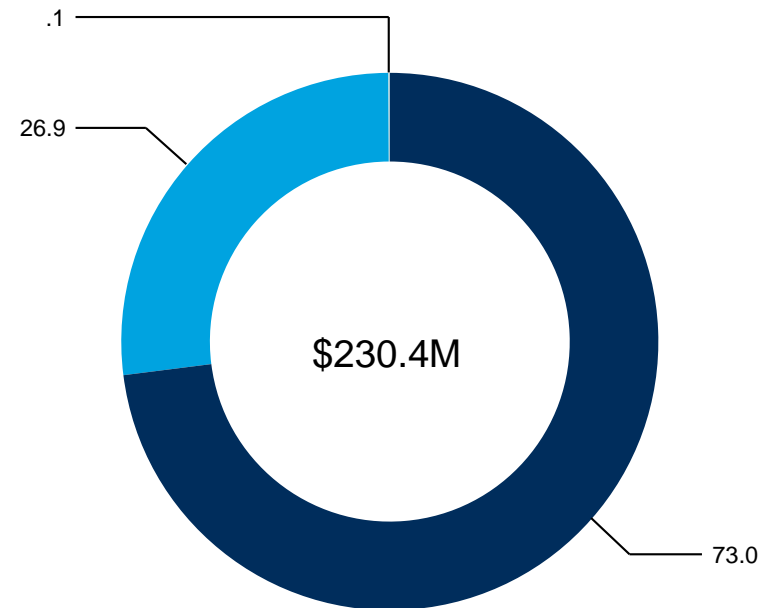


**Investment Summary**

	Fiscal Year to Date (6 Months)
<b>Beginning Account Value</b>	<b>213,124,536.87</b>
Net Contributions/Withdrawals	-3,751,161.27
Income Earned	1,687,423.15
Market Appreciation	19,308,540.25
<b>Ending Account Value</b>	<b>230,369,339.00</b>

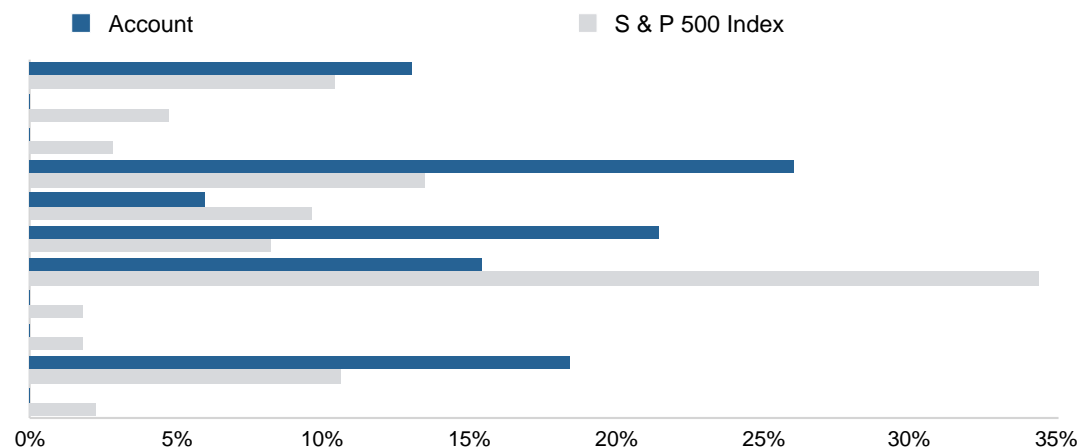
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
● Core Equity	168,219,078	73.0
● Taxable Fixed Income	62,004,498	26.9
● Taxable Bond Funds	145,763	.1
<b>Total</b>	<b>230,369,339</b>	<b>100.0</b>



**Core Equity Allocation vs S & P 500 Index**

	Account	Model
Consumer Disc	13.0	10.4
Consumer Staples	.0	4.7
Energy	.0	2.8
Financials	26.0	13.4
Health Care	5.9	9.6
Industrials	21.4	8.2
Information Tech	15.4	34.4
Materials	.0	1.8
Real Estate	.0	1.8
Communication Servic	18.4	10.6
Utilities	.0	2.2



**Top 10 Performers**

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	9,527,743	4.1	97.52
GE AEROSPACE	9,954,829	4.3	85.85
ALPHABET INC CAP STK CL C	14,277,900	6.2	65.50
TE CONNECTIVITY PLC ORD S	6,426,020	2.8	61.80
JOHNSON & JOHNSON COM	5,963,264	2.6	47.73
PARKER HANNIFIN CORP COM	7,690,900	3.3	39.85
JPMORGAN CHASE & CO COM	11,967,251	5.2	37.07
SCHWAB CHARLES CORP NEW C	7,819,956	3.4	36.60
EXPEDITORS INTL WASH INC	3,080,782	1.3	36.29
WELLS FARGO & CO NEW COM	5,069,148	2.2	36.19

**Largest 10 Holdings by Market Value**

	Market Value	% of Mkt Val	Return
ALPHABET INC CAP STK CL C	14,277,900	6.2	65.50
JPMORGAN CHASE & CO COM	11,967,251	5.2	37.07
GE AEROSPACE	9,954,829	4.3	85.85
MICROSOFT CORP COM	9,783,633	4.3	15.59
APPLE INC COM	9,642,874	4.2	9.19
GE VERNOVA INC COM	9,527,743	4.1	97.52
BERKSHIRE HATHAWAY INC DE	8,630,501	3.8	10.97
SCHWAB CHARLES CORP NEW C	7,819,956	3.4	36.60
PROGRESSIVE CORP OH COM	7,700,352	3.3	-2.71
PARKER HANNIFIN CORP COM	7,690,900	3.3	39.85

Sector	Qtr*
Industrials	0.64
Communication Services	0.55
Information Tech	0.16
Consumer Staples	0.15
Real Estate	0.12
Utilities	0.10
Energy	0.05
Materials	-0.07
Health Care	-0.16
Financials	-0.22
Consumer Disc	-1.32
<b>Total</b>	<b>0.00</b>

Sector	1 Year*
Industrials	7.34
Financials	1.69
Health Care	1.21
Consumer Staples	0.86
Energy	0.34
Real Estate	0.34
Utilities	0.06
Materials	0.03
Communication Services	-0.06
Consumer Disc	-1.18
Information Tech	-2.13
<b>Total</b>	<b>8.52</b>

Sector	5 Years*
Industrials	2.67
Financials	1.29
Consumer Staples	0.47
Health Care	0.39
Consumer Disc	0.34
Real Estate	0.22
Utilities	0.15
Materials	0.14
Energy	-0.25
Communication Services	-0.36
Information Tech	-1.74
<b>Total</b>	<b>3.31</b>

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

**Top Contributors**

**Quarter**

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	8.49	28.84	1.95
PH	Parker-Hannifin	4.57	15.93	0.64
JNJ	Johnson & Johnson	3.54	11.61	0.38
AAPL	Apple	5.73	6.86	0.38
EXPD	Expeditors	1.83	21.55	0.33

**1 Year**

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.66	97.52	4.50
GOOG	Alphabet	8.49	65.50	4.14
GE	GE Aerospace	5.92	85.85	3.61
JPM	JP Morgan	7.11	37.07	2.46
TEL	TE Connectivity	3.82	61.80	1.86

**5 Years**

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	8.49	29.24	1.84
GEV	GE Vernova	5.66	139.24	1.69
GE	GE Aerospace	5.92	42.76	1.61
JPM	JP Morgan	7.11	23.53	1.47
PGR	Progressive	4.58	20.57	1.36

**Bottom Contributors**

**Quarter**

Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	3.82	-15.08	-0.69
ORLY	O'Reilly	2.76	-15.40	-0.51
META	Meta	4.32	-10.12	-0.50
MSFT	Microsoft	5.82	-6.63	-0.42
FAST	Fastenal	1.88	-17.72	-0.42

**1 Year**

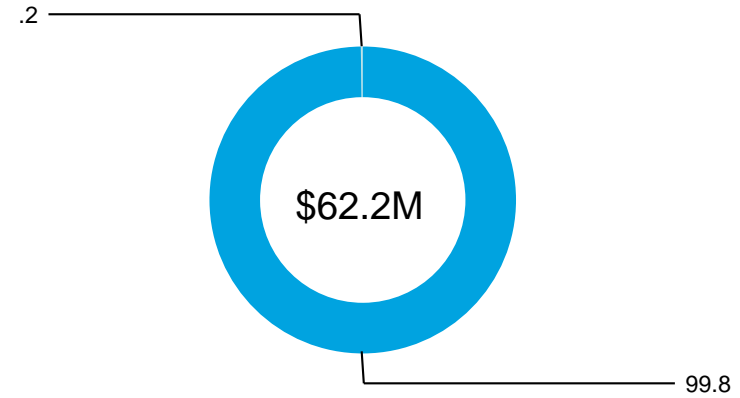
Ticker	Company	Ending Allocation	Total Return	Contribution
KMX	Carmax	.89	-52.77	-1.26
HD	Home Depot	3.82	-9.39	-0.48
OMC	Omnicom	2.33	-1.77	-0.05
UNP	Union Pacific	1.53	3.77	0.07
PGR	Progressive	4.58	-2.71	0.09

**5 Years**

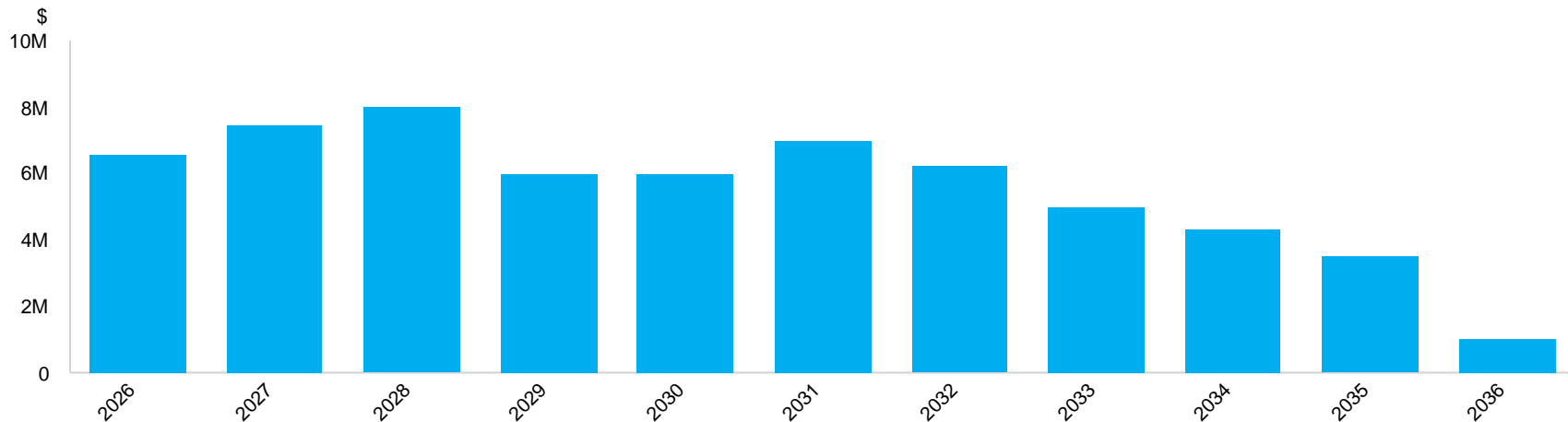
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Disney	3.22	-8.52	-0.41
KMX	Carmax	.89	-16.25	0.27
DHR	Danaher	2.38	10.80	0.07
UNP	Union Pacific	1.53	4.26	0.11
AMZN	Amazon	2.31	26.37	0.12

**Fixed Income Allocation**

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Taxable Fixed Income	62,004,498	99.8	2,438,762.50	4.0
● Taxable Bond Funds	145,763	.2	5,547.52	3.8
<b>Total</b>	<b>62,150,261</b>	<b>100.0</b>	<b>2,444,310.02</b>	<b>4.0</b>



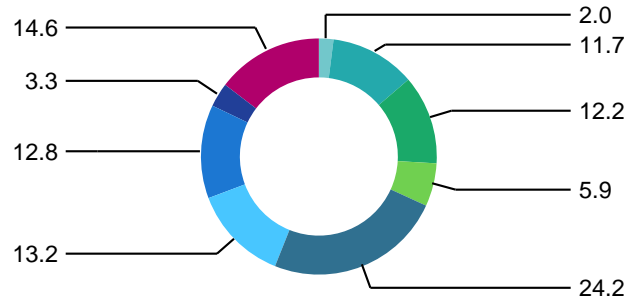
**Fixed Income Maturity Schedule**



**Fixed Income Analysis**

	12/31/2025	Bloomberg Gov't/Credit Interm Bond Index
Coupon	4.01	3.63
Current Yield	3.98	3.66
Yield to Maturity	4.10	3.90
Maturity	4.59	4.26
Duration	4.05	3.89
Face Amount	61,205,000	
Market Value	61,337,247	
Total Accrual	667,251	
Cost	63,277,861	

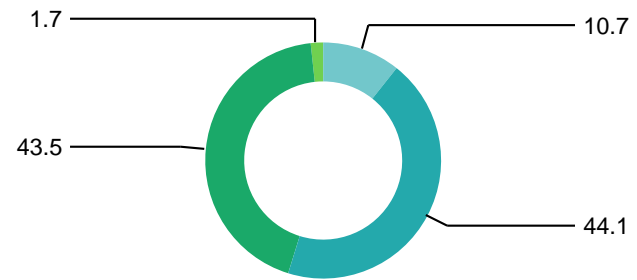
Quality Allocation by Market Value



■ AAA    ■ AA+    ■ AA-    ■ A+    ■ A  
■ A-    ■ BBB+    ■ BBB    ■ AA1

NR=Not rated by S&P

Maturity Allocation by Market Value



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

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2036</b>											
US BANCORP FR 5.424%02/12/2036	02/12/2036	1,000,000.000	103.860	103.933	1,060,272.67	A	NR	02/12/2035		54,240.00	4.925
<b>Total Matures 2036</b>					<b>1,060,272.67</b>					<b>54,240.00</b>	
<b>Matures 2035</b>											
TENNESSEE VALLEY AUTH FED BE B BD 4.875%05/15/2035	05/15/2035	1,500,000.000	102.870	103.463	1,561,288.75	AA+	NR			73,125.00	4.419
US BANCORP FR 5.678%01/23/2035	01/23/2035	2,000,000.000	103.700	105.590	2,161,640.22	A	A3	01/23/2034		113,560.00	4.906
<b>Total Matures 2035</b>					<b>3,722,928.97</b>					<b>186,685.00</b>	
<b>Matures 2034</b>											
CISCO SYS INC SR GLBL NT 5.050%02/26/2034	02/26/2034	1,000,000.000	101.950	102.905	1,046,584.72	AA-	A1	11/26/2033		50,500.00	4.618
FEDERAL HOME LOAN BKS CONS BDS 4.750%01/19/2034	01/19/2034	1,855,000.000	99.980	100.338	1,900,920.52	AA+	AAA	01/19/2027		88,112.50	4.699
JPMORGAN CHASE & CO GLBL NT 5.350%06/01/2034	06/01/2034	1,000,000.000	101.690	103.901	1,043,468.33	A	A1	06/01/2033		53,500.00	4.781
WELLS FARGO & CO FR 5.557%07/25/2034	07/25/2034	500,000.000	100.490	104.841	536,245.16	BBB+	A1	07/25/2033		27,785.00	4.859
<b>Total Matures 2034</b>					<b>4,527,218.73</b>					<b>219,897.50</b>	
<b>Matures 2033</b>											
APPLE INC SR GLBL 4.300%05/10/2033	05/10/2033	500,000.000	99.990	101.308	509,585.83	AA+	AAA	02/10/2033		21,500.00	4.092
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	101.665	1,034,525.00	AA+	NR			45,000.00	4.241
MCDONALDS CORP FR 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	103.156	1,050,397.50	BBB+	BAA1	05/14/2033		49,500.00	4.456
US BANCORP FR 5.850%10/21/2033	10/21/2033	500,000.000	100.490	107.091	541,142.50	A	A3	10/21/2032		29,250.00	4.751
US TREASURY NOTE 4.500%11/15/2033	11/15/2033	2,000,000.000	103.450	103.276	2,077,205.08	AA1	AAA			90,000.00	4.010
<b>Total Matures 2033</b>					<b>5,212,855.91</b>					<b>235,250.00</b>	
<b>Matures 2032</b>											
GEORGIA PWR CO SR GLBL 2022A 4.700%05/15/2032	05/15/2032	1,750,000.000	100.820	101.361	1,784,327.22	A	A3	02/15/2032		82,250.00	4.451
OREILLY AUTOMOTIVE INC SR GLBL 4.700%06/15/2032	06/15/2032	1,000,000.000	98.330	100.867	1,010,758.89	BBB	BAA1	03/15/2032		47,000.00	4.543
PAYCHEX INC SR GLBL NT	04/15/2032	1,000,000.000	102.390	103.559	1,046,884.44	BBB+	NR	02/15/2032		53,500.00	4.689

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
5.350%04/15/2032											
TARGET CORP SR GLBL	09/15/2032	2,500,000.000	102.240	100.988	2,557,825.00	A	A2	06/15/2032		112,500.00	4.328
4.500%09/15/2032											
<b>Total Matures 2032</b>					<b>6,399,795.55</b>					<b>295,250.00</b>	
<b>Matures 2031</b>											
CISCO SYS INC SR GLBL NT	02/26/2031	1,750,000.000	102.300	103.708	1,844,968.13	AA-	A1	12/26/2030		86,625.00	4.143
4.950%02/26/2031											
DISNEY WALT CO SR GLBL NT	01/13/2031	1,250,000.000	107.380	93.538	1,184,683.34	A	A2			33,125.00	4.083
2.650%01/13/2031											
TYCO ELECTRONICS GROUP S A SR GLBL	02/09/2031	1,000,000.000	101.450	101.139	1,029,140.00	A-	NR	01/09/2031		45,000.00	4.249
4.500%02/09/2031											
US TREASURY NOTE	11/30/2031	3,000,000.000	99.860	101.524	3,056,599.12	AA1	NR			123,750.00	3.834
4.125%11/30/2031											
<b>Total Matures 2031</b>					<b>7,115,390.59</b>					<b>288,500.00</b>	
<b>Matures 2030</b>											
COMCAST CORP NEW GLBL NT	02/01/2030	1,250,000.000	108.150	94.380	1,193,552.09	A-	A3	11/01/2029		33,125.00	4.159
2.650%02/01/2030											
EXXON MOBIL CORP SR GLBL COCO	10/15/2030	1,250,000.000	107.910	93.754	1,178,812.50	AA-	AA2	07/15/2030		32,625.00	4.058
2.610%10/15/2030											
PFIZER INC GLBL NT	04/01/2030	1,250,000.000	108.410	94.357	1,187,665.62	A	A2	01/01/2030		32,812.50	4.084
2.625%04/01/2030											
PROGRESSIVE CORP SR GLBL	03/26/2030	1,250,000.000	109.860	96.725	1,219,618.05	A	A2	12/26/2029		40,000.00	4.048
3.200%03/26/2030											
UNION PAC CORP SR GLBL	02/05/2030	1,000,000.000	106.970	93.613	945,863.33	A-	A3	11/05/2029		24,000.00	4.109
2.400%02/05/2030											
<b>Total Matures 2030</b>					<b>5,725,511.59</b>					<b>162,562.50</b>	
<b>Matures 2029</b>											
BLACKROCK INC SR GLBL NT	04/30/2029	1,250,000.000	110.360	98.000	1,231,883.68	AA-	AA3	01/30/2029		40,625.00	3.895
3.250%04/30/2029											
JPMORGAN CHASE & CO SR GLBL NT	07/24/2029	1,000,000.000	102.840	103.055	1,053,659.53	A	A1	07/24/2028		52,990.00	4.363
5.299%07/24/2029								100.000			
MERCK & CO INC SR GLBL	03/07/2029	1,250,000.000	111.450	98.407	1,243,545.84	A+	A1	12/07/2028		42,500.00	3.936
3.400%03/07/2029											
PARKER HANNIFIN CORP SR GLBL	09/15/2029	1,250,000.000	98.540	101.399	1,284,050.00	BBB+	BAA1	07/15/2029		56,250.00	4.088
4.500%09/15/2029											
TEXAS INSTRS INC SR GLBL NT	09/04/2029	1,250,000.000	105.830	94.208	1,186,740.63	A+	AA3	06/04/2029		28,125.00	3.959
2.250%09/04/2029											
<b>Total Matures 2029</b>					<b>5,999,879.68</b>					<b>220,490.00</b>	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>Matures 2028</b>											
ABBVIE INC SR GLBL NT 4.250%11/14/2028	11/14/2028	1,250,000.000	104.360	101.108	1,270,785.76	A-	Baa2	08/14/2028		53,125.00	3.837
CHEVRON USA INC SR GLBL NT 3.850%01/15/2028	01/15/2028	1,250,000.000	100.840	100.153	1,274,103.47	AA-	AA2	10/15/2027		48,125.00	3.771
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	1,000,000.000	99.650	101.494	1,026,863.61	AA+	NR			42,500.00	3.542
JOHNSON & JOHNSON SR GLBL 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	98.666	1,250,040.28	AAA	AAA	10/15/2027		36,250.00	3.583
META PLATFORMS INC GLBL NT 4.600%05/15/2028	05/15/2028	1,000,000.000	99.780	101.844	1,024,317.78	AA-	AA3	04/15/2028		46,000.00	3.778
SCHWAB CHARLES CORP SR GLBL 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	98.629	1,250,195.84	A-	A2	10/25/2027		40,000.00	3.896
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	98.897	993,027.32	AA1	NR			31,250.00	3.531
<b>Total Matures 2028</b>					<b>8,089,334.06</b>					<b>297,250.00</b>	
<b>Matures 2027</b>											
BANK AMER CORP FR 3.248%10/21/2027	10/21/2027	2,500,000.000	102.810	99.070	2,492,538.89	A-	A2	10/21/2026		81,200.00	3.784
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	1,250,000.000	100.000	99.601	1,254,146.88	AA+	NR	04/12/2023		41,625.00	3.649
MCDONALDS CORP MED TERM NT FR 3.500%03/01/2027	03/01/2027	1,500,000.000	99.100	99.540	1,510,600.00	BBB+	BAA1	12/01/2026		52,500.00	3.904
PEPSICO INC SR NT 2.625%03/19/2027	03/19/2027	1,250,000.000	109.150	98.765	1,243,859.37	A+	A1	01/19/2027 100.000		32,812.50	3.671
SYSCO CORP SR GLBL NT 3.250%07/15/2027	07/15/2027	1,000,000.000	98.520	99.016	1,005,146.11	BBB	BAA1	04/15/2027		32,500.00	3.914
<b>Total Matures 2027</b>					<b>7,506,291.25</b>					<b>240,637.50</b>	
<b>Matures 2026</b>											
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	1,250,000.000	108.130	99.351	1,251,106.25	A	A2	07/01/2026 100.000		36,875.00	3.831
OMNICOM GROUP INC SR GLBL 3.600%04/15/2026	04/15/2026	1,250,000.000	104.400	99.853	1,257,662.50	BBB+	BAA1	01/15/2026		45,000.00	4.084
US TREASURY NOTE 4.250%01/31/2026	01/31/2026	850,000.000	100.040	100.042	865,474.53	AA1	AAA			36,125.00	3.685
US TREASURY NOTE 4.125%10/31/2026	10/31/2026	2,000,000.000	100.110	100.435	2,022,829.83	AA1	n/a			82,500.00	3.584
WELLS FARGO CO NEW SR NT 3.000%10/23/2026	10/23/2026	1,250,000.000	108.470	99.269	1,247,945.83	BBB+	A2			37,500.00	3.921
<b>Total Matures 2026</b>					<b>6,645,018.94</b>					<b>238,000.00</b>	

	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
<b>No Maturity</b>											
	ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.580	82.820	145,763.20	NR	NR				.000
<b>Total No Maturity</b>					<b>145,763.20</b>						
<b>Total</b>					<b>62,150,261.14</b>						<b>2,438,762.50</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	45,500.000	27.39	1,246,307.09	313.80	14,277,900.00	6.2	.84	38,220.00	.268
DISNEY WALT CO COM	47,330.000	82.04	3,882,971.54	113.77	5,420,231.60	2.4	1.50	70,995.00	1.318
META PLATFORMS INC.	11,010.000	308.19	3,393,196.36	660.09	7,267,590.90	3.2	2.10	23,121.00	.318
OMNICOM GROUP INC COM	48,025.000	65.87	3,163,380.45	80.75	3,916,438.75	1.7	3.20	153,680.00	3.963
<b>Total for Communication Services</b>			<b>11,685,855.44</b>		<b>30,882,161.25</b>	<b>13.5</b>		<b>286,016.00</b>	<b>.928</b>
<b>Consumer Disc</b>									
AMAZON.COM INC COM	16,835.000	187.94	3,164,027.31	230.82	3,885,854.70	1.7	.00	.00	.000
CARMAX INC COM	38,875.000	63.73	2,477,665.47	38.64	1,502,130.00	.7	.00	.00	.000
HOME DEPOT INC COM	18,655.000	60.20	1,122,956.94	344.10	6,419,185.50	2.8	9.20	171,626.00	2.674
O REILLY AUTOMOTIVE INC NEW COM	50,835.000	3.83	194,796.92	91.21	4,636,660.35	2.0	.00	.00	.000
TJX COS INC NEW COM	35,495.000	13.19	468,136.47	153.61	5,452,386.95	2.4	1.70	60,341.50	1.107
<b>Total for Consumer Disc</b>			<b>7,427,583.11</b>		<b>21,896,217.50</b>	<b>9.6</b>		<b>231,967.50</b>	<b>1.059</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	44,750.000	26.92	1,204,537.08	55.00	2,461,250.00	1.1	1.12	50,120.00	2.036
BERKSHIRE HATHAWAY INC DEL CL B NEW	17,170.000	145.89	2,504,941.17	502.65	8,630,500.50	3.7	.00	.00	.000
JPMORGAN CHASE & CO COM	37,140.000	63.90	2,373,066.67	322.22	11,967,250.80	5.2	6.00	222,840.00	1.862
PROGRESSIVE CORP OH COM	33,815.000	38.93	1,316,467.07	227.72	7,700,351.80	3.3	.40	13,526.00	.176
SCHWAB CHARLES CORP NEW COM	78,270.000	39.87	3,120,597.69	99.91	7,819,955.70	3.4	1.08	84,531.60	1.081
WELLS FARGO & CO NEW COM	54,390.000	50.48	2,745,824.35	93.20	5,069,148.00	2.2	1.80	97,902.00	1.931
<b>Total for Financials</b>			<b>13,265,434.03</b>		<b>43,648,456.80</b>	<b>18.9</b>		<b>468,919.60</b>	<b>1.074</b>
<b>Health Care</b>									
DANAHER CORP COM	17,430.000	203.84	3,552,922.56	228.92	3,995,653.20	1.7	1.28	22,310.40	.559
JOHNSON & JOHNSON COM	28,815.000	83.70	2,411,937.57	206.95	5,963,264.25	2.6	5.20	149,838.00	2.513
<b>Total for Health Care</b>			<b>5,964,860.13</b>		<b>9,958,917.45</b>	<b>4.3</b>		<b>172,148.40</b>	<b>1.730</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	20,675.000	40.53	837,900.29	149.01	3,080,781.75	1.3	1.54	31,839.50	1.033
FASTENAL CO COM	78,630.000	10.30	810,082.21	40.13	3,155,421.90	1.4	.88	69,194.40	2.193
GE VERNOVA INC COM	14,578.000	87.66	1,277,870.54	653.57	9,527,743.46	4.1	1.25	18,222.50	.191

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	32,280.000	103.64	3,345,653.17	308.03	9,954,829.20	4.3	1.44	46,483.20	.467
PARKER HANNIFIN CORP COM	8,750.000	292.72	2,561,261.74	878.96	7,690,900.00	3.3	7.20	63,000.00	.819
UNION PAC CORP COM	11,115.000	93.91	1,043,806.61	231.32	2,571,121.80	1.1	5.52	61,354.80	2.386
<b>Total for Industrials</b>			<b>9,876,574.56</b>		<b>35,980,798.11</b>	<b>15.5</b>		<b>290,094.40</b>	<b>.807</b>
<b>Information Tech</b>									
APPLE INC COM	35,470.000	24.08	854,006.24	271.86	9,642,874.20	4.2	1.04	36,888.80	.383
MICROSOFT CORP COM	20,230.000	32.41	655,748.61	483.62	9,783,632.60	4.2	3.64	73,637.20	.753
TE CONNECTIVITY PLC ORD SHS	28,245.000	38.16	1,077,818.57	227.51	6,426,019.95	2.8	2.84	80,215.80	1.248
<b>Total for Information Tech</b>			<b>2,587,573.42</b>		<b>25,852,526.75</b>	<b>11.2</b>		<b>190,741.80</b>	<b>.738</b>
<b>Total: Total Equity</b>			<b>50,807,880.69</b>		<b>168,219,077.86</b>	<b>73.0</b>		<b>1,639,887.70</b>	<b>.975</b>
<b>Total Fixed Income</b>									
<b>Corporate Bonds</b>									
ABBVIE INC SR GLOBL NT 4.250% 11/14/2028	1,250,000.000	104.36	1,304,500.00	101.11	1,270,785.76	.6	4.25	53,125.00	4.203
APPLE INC SR GLOBL 4.300% 05/10/2033	500,000.000	99.99	499,970.00	101.31	509,585.83	.2	4.30	21,500.00	4.244
BANK AMER CORP FR 3.248% 10/21/2027	2,500,000.000	102.81	2,570,298.44	99.07	2,492,538.89	1.1	3.25	81,200.00	3.278
BLACKROCK INC SR GLOBL NT 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	98.00	1,231,883.68	.5	3.25	40,625.00	3.316
CHEVRON USA INC SR GLOBL NT 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	100.15	1,274,103.47	.6	3.85	48,125.00	3.844
CISCO SYS INC SR GLOBL NT 4.950% 02/26/2031	1,750,000.000	102.30	1,790,250.00	103.71	1,844,968.13	.8	4.95	86,625.00	4.773
CISCO SYS INC SR GLOBL NT 5.050% 02/26/2034	1,000,000.000	101.95	1,019,500.00	102.91	1,046,584.72	.5	5.05	50,500.00	4.907
COMCAST CORP NEW GLOBL NT 2.650% 02/01/2030	1,250,000.000	108.15	1,351,916.41	94.38	1,193,552.09	.5	2.65	33,125.00	2.808
DISNEY WALT CO SR GLOBL NT 2.650% 01/13/2031	1,250,000.000	107.38	1,342,255.25	93.54	1,184,683.34	.5	2.65	33,125.00	2.833
EXXON MOBIL CORP SR GLOBL COCO	1,250,000.000	107.91	1,348,900.66	93.75	1,178,812.50	.5	2.61	32,625.00	2.784

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.610% 10/15/2030 META PLATFORMS INC GBLB NT	1,000,000.000	99.78	997,780.00	101.84	1,024,317.78	.4	4.60	46,000.00	4.517
4.600% 05/15/2028 GEORGIA PWR CO SR GBLB 2022A	1,750,000.000	100.82	1,764,300.00	101.36	1,784,327.22	.8	4.70	82,250.00	4.637
4.700% 05/15/2032 JPMORGAN CHASE & CO SR NT	1,250,000.000	108.13	1,351,599.84	99.35	1,251,106.25	.5	2.95	36,875.00	2.969
2.950% 10/01/2026 JPMORGAN CHASE & CO GBLB NT	1,000,000.000	101.69	1,016,850.00	103.90	1,043,468.33	.5	5.35	53,500.00	5.149
5.350% 06/01/2034 JPMORGAN CHASE & CO SR GBLB NT	1,000,000.000	102.84	1,028,400.00	103.06	1,053,659.53	.5	5.30	52,990.00	5.142
5.299% 07/24/2029 JOHNSON & JOHNSON SR GBLB	1,250,000.000	109.21	1,365,091.23	98.67	1,250,040.28	.5	2.90	36,250.00	2.939
2.900% 01/15/2028 MCDONALDS CORP MED TERM NT FR	1,500,000.000	99.10	1,486,500.00	99.54	1,510,600.00	.7	3.50	52,500.00	3.516
3.500% 03/01/2027 MCDONALDS CORP FR	1,000,000.000	98.74	987,350.00	103.16	1,050,397.50	.5	4.95	49,500.00	4.799
4.950% 08/14/2033 MERCK & CO INC SR GBLB	1,250,000.000	111.45	1,393,128.69	98.41	1,243,545.84	.5	3.40	42,500.00	3.455
3.400% 03/07/2029 OREILLY AUTOMOTIVE INC SR GBLB	1,000,000.000	98.33	983,300.00	100.87	1,010,758.89	.4	4.70	47,000.00	4.660
4.700% 06/15/2032 OMNICOM GROUP INC SR GBLB	1,250,000.000	104.40	1,304,998.94	99.85	1,257,662.50	.5	3.60	45,000.00	3.605
3.600% 04/15/2026 PARKER HANNIFIN CORP SR GBLB	1,250,000.000	98.54	1,231,687.50	101.40	1,284,050.00	.6	4.50	56,250.00	4.438
4.500% 09/15/2029 PAYCHEX INC SR GBLB NT	1,000,000.000	102.39	1,023,900.00	103.56	1,046,884.44	.5	5.35	53,500.00	5.166
5.350% 04/15/2032 PEPSICO INC SR NT	1,250,000.000	109.15	1,364,337.28	98.77	1,243,859.37	.5	2.63	32,812.50	2.658
2.625% 03/19/2027 PFIZER INC GBLB NT	1,250,000.000	108.41	1,355,079.82	94.36	1,187,665.62	.5	2.63	32,812.50	2.782
2.625% 04/01/2030 PROGRESSIVE CORP SR GBLB	1,250,000.000	109.86	1,373,253.13	96.73	1,219,618.05	.5	3.20	40,000.00	3.308
3.200% 03/26/2030 SCHWAB CHARLES CORP SR GBLB	1,250,000.000	106.19	1,327,430.00	98.63	1,250,195.84	.5	3.20	40,000.00	3.244
3.200% 01/25/2028									

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
SYSCO CORP SR GLBL NT 3.250% 07/15/2027	1,000,000.000	98.52	985,200.00	99.02	1,005,146.11	.4	3.25	32,500.00	3.282
TARGET CORP SR GLBL 4.500% 09/15/2032	2,500,000.000	102.24	2,556,000.00	100.99	2,557,825.00	1.1	4.50	112,500.00	4.456
TEXAS INSTRS INC SR GLBL NT 2.250% 09/04/2029	1,250,000.000	105.83	1,322,899.94	94.21	1,186,740.63	.5	2.25	28,125.00	2.388
TYCO ELECTRONICS GROUP S A SR GLBL 4.500% 02/09/2031	1,000,000.000	101.45	1,014,500.00	101.14	1,029,140.00	.4	4.50	45,000.00	4.449
UNION PAC CORP SR GLBL 2.400% 02/05/2030	1,000,000.000	106.97	1,069,704.65	93.61	945,863.33	.4	2.40	24,000.00	2.564
US BANCORP FR 5.850% 10/21/2033	500,000.000	100.49	502,450.00	107.09	541,142.50	.2	5.85	29,250.00	5.463
US BANCORP FR 5.678% 01/23/2035	2,000,000.000	103.70	2,074,000.00	105.59	2,161,640.22	.9	5.68	113,560.00	5.377
US BANCORP FR 5.424% 02/12/2036	1,000,000.000	103.86	1,038,600.00	103.93	1,060,272.67	.5	5.42	54,240.00	5.219
WELLS FARGO CO NEW SR NT 3.000% 10/23/2026	1,250,000.000	108.47	1,355,895.73	99.27	1,247,945.83	.5	3.00	37,500.00	3.022
WELLS FARGO & CO FR 5.557% 07/25/2034	500,000.000	100.49	502,450.00	104.84	536,245.16	.2	5.56	27,785.00	5.300
<b>Total for Corporate Bonds</b>			<b>47,644,331.94</b>		<b>46,211,617.30</b>	<b>19.8</b>		<b>1,784,775.00</b>	<b>3.906</b>
<b>Governments</b>									
FEDERAL HOME LOAN BKS CONS BDS 4.750% 01/19/2034	1,855,000.000	99.98	1,854,629.00	100.34	1,900,920.52	.8	4.75	88,112.50	4.734
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	1,250,000.000	100.00	1,250,000.00	99.60	1,254,146.88	.5	3.33	41,625.00	3.343
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	1,000,000.000	99.65	996,450.00	101.49	1,026,863.61	.4	4.25	42,500.00	4.187
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.500% 08/08/2033	1,000,000.000	99.06	990,550.00	101.67	1,034,525.00	.4	4.50	45,000.00	4.426
TENNESSEE VALLEY AUTH FED BE B BD 4.875% 05/15/2035	1,500,000.000	102.87	1,543,000.00	103.46	1,561,288.75	.7	4.88	73,125.00	4.712
US TREASURY NOTE 3.125% 11/15/2028	1,000,000.000	108.18	1,081,750.00	98.90	993,027.32	.4	3.13	31,250.00	3.160

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
US TREASURY NOTE 4.500% 11/15/2033	2,000,000.000	103.45	2,068,980.00	103.28	2,077,205.08	.9	4.50	90,000.00	4.357
US TREASURY NOTE 4.250% 01/31/2026	850,000.000	100.04	850,340.00	100.04	865,474.53	.4	4.25	36,125.00	4.248
US TREASURY NOTE 4.125% 10/31/2026	2,000,000.000	100.11	2,002,180.00	100.44	2,022,829.83	.9	4.13	82,500.00	4.107
US TREASURY NOTE 4.125% 11/30/2031	3,000,000.000	99.86	2,995,650.00	101.52	3,056,599.12	1.3	4.13	123,750.00	4.063
<b>Total for Governments</b>			<b>15,633,529.00</b>		<b>15,792,880.64</b>	<b>6.7</b>		<b>653,987.50</b>	<b>4.179</b>
<b>Taxable Bond Funds</b>									
ISHARES 1-3 YEAR TREASURY BOND ETF	1,760.000	84.58	148,859.68	82.82	145,763.20	.1	3.15	5,547.52	3.806
<b>Total for Taxable Bond Funds</b>			<b>148,859.68</b>		<b>145,763.20</b>	<b>.1</b>		<b>5,547.52</b>	<b>3.806</b>
<b>Total: Total Fixed Income</b>			<b>63,426,720.62</b>		<b>62,150,261.14</b>	<b>26.6</b>		<b>2,444,310.02</b>	<b>3.976</b>
<b>Total</b>			<b>114,234,601.31</b>		<b>230,369,339.00</b>	<b>100.0</b>		<b>4,084,197.72</b>	<b>1.779</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>230,369,339</b>	<b>9.96</b>	<b>21.52</b>	<b>20.75</b>	<b>13.47</b>	<b>13.12</b>	<b>10.51</b>	<b>9.68</b>
<b>Total Portfolio - Net</b>	<b>230,369,339</b>	<b>9.92</b>	<b>21.42</b>	<b>20.65</b>	<b>13.38</b>	<b>13.04</b>	<b>10.45</b>	<b>9.63</b>
70% S&P 500 / 30% Bloomberg US Govt/Credit		8.47	14.65	17.48	10.42	11.16	8.85	8.69
<b>Total Equity</b>	<b>168,219,078</b>	<b>12.72</b>	<b>27.24</b>	<b>26.90</b>	<b>18.02</b>	<b>16.93</b>	<b>12.87</b>	<b>11.71</b>
S P 500 Index		11.00	17.88	23.01	14.42	14.82	11.00	10.35
<b>Total Fixed Income</b>	<b>62,150,261</b>	<b>2.72</b>	<b>7.15</b>	<b>5.37</b>	<b>1.22</b>	<b>2.36</b>	<b>2.96</b>	<b>3.88</b>
Bloomberg US Government/Credit Interm Bond		2.72	6.97	5.06	.96	2.29	3.16	4.04

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	13.12	11.16
Standard Deviation	12.06	10.95
Beta	1.06	
Alpha	1.39	
R-Squared	.92	
Sharpe Ratio	.90	.81
Treynor Ratio	10.23	8.88
Tracking Error	3.39	
Information Ratio	.56	
Downside Deviation	7.35	6.81
Downside Standard Deviation	9.11	8.30
Sortino Ratio	1.90	1.74
Upside Capture	1.12	
Downside Capture	1.02	
Batting Average	.58	
Annualized Excess Return	1.96	
Cumulative Excess Return	55.13	
Turnover %	105.99	
M-Squared	12.12	
Residual Risk	.98	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.28	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.51	8.85
Standard Deviation	10.97	10.77
Beta	.97	
Alpha	1.76	
R-Squared	.91	
Sharpe Ratio	.80	.66
Treynor Ratio	9.05	7.12
Tracking Error	3.24	
Information Ratio	.48	
Downside Deviation	6.86	7.03
Downside Standard Deviation	8.30	8.23
Sortino Ratio	1.63	1.35
Upside Capture	1.05	
Downside Capture	.94	
Batting Average	.58	
Annualized Excess Return	1.66	
Cumulative Excess Return	193.13	
Turnover %	209.34	
M-Squared	10.35	
Residual Risk	.95	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.73	

## Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/27/2025	4,260.00	DANAHER CORP COM	207.74	884,962.18
02/27/2025	13,000.00	DISNEY WALT CO COM	113.01	1,469,089.70
02/27/2025	17,700.00	OMNICOM GROUP INC COM	81.91	1,449,874.26
03/03/2025	10,000.00	DANAHER CORP COM	207.30	2,073,038.00
04/08/2025	13,985.00	AMAZON.COM INC COM	182.57	2,553,205.09
04/23/2025	500,000.00	WELLS FARGO & CO FR	100.49	502,450.00
04/23/2025	750,000.00	JPMORGAN CHASE & CO GLOBAL NT	100.75	755,625.00
06/03/2025	4,005.00	DANAHER CORP COM	191.86	768,383.28
06/03/2025	3,670.00	AMAZON.COM INC COM	207.23	760,527.49
07/23/2025	1,000,000.00	PAYCHEX INC SR GLOBAL NT	102.39	1,023,900.00
07/30/2025	2,000,000.00	US TREASURY NOTE	100.11	2,002,180.00
07/30/2025	1,250,000.00	GEORGIA PWR CO SR GLOBAL 2022A	100.40	1,255,000.00
08/08/2025	850,000.00	US TREASURY NOTE	100.04	850,340.00
08/08/2025	1,000,000.00	SYSCO CORP SR GLOBAL NT	98.52	985,200.00
08/08/2025	1,000,000.00	TENNESSEE VALLEY AUTH FED BE B BD	102.32	1,023,200.00
08/08/2025	1,500,000.00	MCDONALDS CORP MED TERM NT FR	99.10	1,486,500.00
08/08/2025	1,000,000.00	JPMORGAN CHASE & CO SR GLOBAL NT	102.84	1,028,400.00
09/18/2025	1,000,000.00	TYCO ELECTRONICS GROUP S A SR GLOBAL	101.45	1,014,500.00
10/03/2025	500,000.00	TENNESSEE VALLEY AUTH FED BE B BD	103.96	519,800.00
10/03/2025	500,000.00	GEORGIA PWR CO SR GLOBAL 2022A	101.86	509,300.00
10/22/2025	17,750.00	WELLS FARGO & CO NEW COM	83.62	1,484,290.50
10/31/2025	1,000,000.00	US BANCORP FR	103.86	1,038,600.00
10/31/2025	250,000.00	JPMORGAN CHASE & CO GLOBAL NT	104.49	261,225.00
10/31/2025	-1,000,000.00	US BANCORP FR	103.86	-1,038,600.00
10/31/2025	-250,000.00	JPMORGAN CHASE & CO GLOBAL NT	104.49	-261,225.00
10/31/2025	1,000,000.00	US BANCORP FR	103.86	1,038,600.00
10/31/2025	250,000.00	JPMORGAN CHASE & CO GLOBAL NT	104.49	261,225.00
				<u>25,699,590.50</u>

## Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
02/27/2025	-1,800.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	500.96	901,730.82	03/27/2020	40.76	73,370.73	828,360.09
02/27/2025	-4,400.00	GE AEROSPACE	204.12	898,145.26	08/02/2021	113.92	501,267.82	396,877.44
02/27/2025	-8,000.00	PROGRESSIVE CORP OH COM	278.40	2,227,197.27	03/11/2015	26.38	211,030.40	2,016,166.87
02/27/2025	-46,890.00	US BANCORP DEL COM NEW	46.41	2,176,048.09	09/07/2007	30.10	1,411,199.55	764,848.54
04/08/2025	-22,280.00	FASTENAL CO COM	74.74	1,665,127.46	02/12/2015	20.86	464,676.79	1,200,450.67
04/08/2025	-1,030.00	O REILLY AUTOMOTIVE INC NEW COM	1,369.46	1,410,547.84	07/11/2017	174.94	180,189.97	1,230,357.87
04/23/2025	-1,250,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.00	1,250,000.00	01/27/2021	1.08	1,351,938.92	-101,938.92
05/01/2025	1,250,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.00	-1,250,000.00	01/01/1950	1.08	-1,351,938.92	0.00
05/01/2025	-1,250,000.00	VERIZON COMMUNICATIONS INC SR GBL	100.50	1,256,197.92	01/01/1950	1.08	1,351,938.92	-95,741.00
06/03/2025	-3,125.00	GE VERNOVA INC COM	490.91	1,534,094.38	04/09/2024	0.00	0.00	1,534,094.38
07/20/2025	-1,000,000.00	CVS HEALTH CORP SR GBL NT	100.00	1,000,000.00	11/13/2017	1.01	1,012,931.54	-12,931.54
07/29/2025	-1,250,000.00	INTEL CORP SR GBL	100.00	1,250,000.00	04/12/2022	1.02	1,280,000.00	-30,000.00
07/31/2025	-2,000,000.00	US TREASURY NOTE	100.00	2,000,000.00	03/21/2024	1.00	1,998,800.00	1,200.00
08/07/2025	-1,670.00	APPLE INC COM	219.88	367,204.94	04/23/2015	32.36	54,039.32	313,165.62
08/07/2025	-820.00	AMAZON.COM INC COM	222.95	182,815.06	04/08/2025	182.57	149,705.27	33,109.79
08/07/2025	-2,180.00	BANK OF AMERICA CORP COM	45.22	98,575.46	08/30/2019	26.92	58,679.12	39,896.34
08/07/2025	-845.00	BERKSHIRE HATHAWAY INC DEL CL B NEW	462.18	390,542.27	03/27/2020	40.76	34,443.48	356,098.79
08/07/2025	-835.00	DANAHER CORP COM	198.43	165,688.38	02/27/2025	207.74	173,460.90	-7,772.52
08/07/2025	-2,335.00	DISNEY WALT CO COM	112.55	262,797.01	04/23/2015	25.44	59,392.42	203,404.59
08/07/2025	-1,015.00	EXPEDITORS INTL WASH INC COM	118.06	119,827.25	03/25/2013	37.20	37,759.32	82,067.93
08/07/2025	-3,800.00	FASTENAL CO COM	47.04	178,746.30	04/23/2015	10.18	38,679.92	140,066.38
08/07/2025	-1,575.00	GE AEROSPACE	269.87	425,043.20	08/02/2021	113.92	179,431.09	245,612.11
08/07/2025	-860.00	GE VERNOVA INC COM	649.15	558,269.17	04/09/2024	0.00	0.00	558,269.17
08/07/2025	-2,200.00	ALPHABET INC CAP STK CL C	197.44	434,377.90	03/31/2015	27.52	60,538.07	373,839.83
08/07/2025	-915.00	HOME DEPOT INC COM	384.96	352,238.49	04/23/2015	39.92	36,522.40	315,716.09
08/07/2025	-1,400.00	JOHNSON & JOHNSON COM	170.88	239,236.62	11/24/2021	1.06	1,488.37	237,748.25
08/07/2025	-1,820.00	JPMORGAN CHASE & CO COM	288.62	525,287.13	12/12/2008	30.90	56,245.35	469,041.78
08/07/2025	-1,915.00	CARMAX INC COM	55.42	106,130.07	01/30/2019	59.76	114,446.81	-8,316.74
08/07/2025	-540.00	META PLATFORMS INC.	768.18	414,818.60	05/06/2020	203.86	110,086.45	304,732.15
08/07/2025	-985.00	MICROSOFT CORP COM	522.56	514,716.68	06/30/2021	28.28	27,850.88	486,865.80
08/07/2025	-2,350.00	OMNICOM GROUP INC COM	72.88	171,258.37	06/30/2021	43.83	102,988.79	68,269.58
08/07/2025	-2,490.00	O REILLY AUTOMOTIVE INC NEW COM	103.43	257,546.68	07/11/2017	181.61	452,214.37	-194,667.69
08/07/2025	-1,660.00	PROGRESSIVE CORP OH COM	245.47	407,481.20	03/11/2015	26.38	43,788.81	363,692.39
08/07/2025	-420.00	PARKER HANNIFIN CORP COM	721.98	303,231.64	10/28/2022	280.15	117,661.61	185,570.03
08/07/2025	-3,830.00	SCHWAB CHARLES CORP NEW COM	95.96	367,537.52	08/26/2020	35.35	135,373.26	232,164.26

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
08/07/2025	-1,370.00	TE CONNECTIVITY PLC ORD SHS	200.53	274,721.99	09/30/2024	38.16	52,278.68	222,443.31
08/07/2025	-1,730.00	TJX COS INC NEW COM	131.56	227,600.53	04/23/2015	6.06	10,478.18	217,122.35
08/07/2025	-550.00	UNION PAC CORP COM	223.17	122,740.75	07/24/2015	93.91	51,650.35	71,090.40
08/07/2025	-1,790.00	WELLS FARGO & CO NEW COM	77.40	138,546.18	06/02/2011	28.21	50,494.65	88,051.53
09/15/2025	-1,000,000.00	HOME DEPOT INC SR GLBL NT	100.00	1,000,000.00	03/21/2024	0.98	979,900.00	20,100.00
10/01/2025	-1,000,000.00	SYSCO CORP SR NT	100.00	1,000,000.00	11/08/2017	1.03	1,028,451.91	-28,451.91
10/22/2025	-2,710.00	GE VERNOVA INC COM	559.68	1,516,732.80	04/09/2024	0.00	0.00	0.00
10/22/2025	2,710.00	GE VERNOVA INC COM	559.68	-1,516,732.80	04/09/2024	0.00	0.00	0.00
10/22/2025	-2,710.00	GE VERNOVA INC COM	559.68	1,516,732.80	04/09/2024	132.22	358,306.17	1,158,426.63
10/30/2025	-1,250,000.00	NORTHERN TR CORP SUB NT	100.00	1,250,000.00	06/28/2017	1.04	1,303,135.51	-53,135.51
				<u>28,692,801.23</u>			<u>14,364,897.18</u>	<u>14,225,965.13</u>

# Proxy Voting Report

Oct 1, 2025 to Dec 31, 2025

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	35
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
35	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	35
Number of Countries (Country of Origin)	Number of Countries (Country of Trade)
1	1
Number of Meetings With VAP	% of All Meetings Voted
1	33.3%
Number of Proposals With VAP	% of All Proposals Voted
2	5.7%
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
33	94.3%
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>
	33	94.3%

## Proposal Summary

<b>Number of Meetings:</b>	3
<b>Number of Mgmt Proposals:</b>	29
<b>Number of Shareholder Proposals:</b>	6

<b>Mgmt Proposals Voted FOR</b>	<b>% of All Mgmt Proposals</b>
29	100.0%
<b>Mgmt Proposals Voted Against/Withhold</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted Abstain</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals With No Votes Cast</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 1 Year</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 2 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA
<b>Mgmt Proposals Voted 3 Years</b>	<b>% of All Mgmt Proposals</b>
0	NA

<b>ShrHldr Proposal Voted FOR</b>	<b>% of All ShrHldr Proposals</b>
0	NA
<b>ShrHldr Proposals Voted Against/Withhold</b>	<b>% of All ShrHldr Proposals</b>
6	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

**Parker-Hannifin Corp.**

<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	09/23/2025	<b>Ballot Voted</b>	10/18/2025			
<b>Vote Deadline Date Contested</b>	10/21/2025 No	<b>Record Date Agenda Type</b>	09/05/2025 Mgmt	<b>Ticker Country Of Origin</b>	PH US	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-701094104					

**Annual Meeting Agenda (10/22/2025)**

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

**Accounts With Shares**

	<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.	29,875	KJLA	29,875	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	8,750	KJLB	8,750	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>38,625</b>		<b>38,625</b>	<b>0</b>		

**Union Pacific Corp.**

<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	10/10/2025	<b>Ballot Voted</b>	11/10/2025			
<b>Vote Deadline Date Contested</b>	11/13/2025 No	<b>Record Date Agenda Type</b>	10/06/2025 Mgmt	<b>Ticker Country Of Origin</b>	UNP US	<b>Share Blocking No Country Of Trade US</b>
<b>Ballot Sec ID</b>	CUSIP9-907818108					

**Special Meeting Agenda (11/14/2025)**

	<b>Mgmt Rec</b>	<b>GL Rec</b>	<b>HLT Main Policy</b>	<b>Vote Cast</b>
1 Issuance of Shares in connection with Norfolk Southern Acquisition	For	For	For	For
2 Right to Adjourn Meeting	For	For	For	For

**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.	37,790	KJLA	37,790	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	11,115	KJLB	11,115	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>48,905</b>		<b>48,905</b>	<b>0</b>		

<b>Voted</b>	<b>Ballot Status</b>	Counted	<b>Decision Status</b>	Approved		
<b>Ballot Created</b>	10/23/2025	<b>Ballot Voted</b>	11/18/2025			
<b>Vote Deadline Date Contested</b>	12/04/2025 No	<b>Record Date Agenda Type</b>	09/30/2025 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 (12/05/2025)**

		<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

**Vote Note:**We have been very impressed by him as the CFO of Disney. We do not believe that a rules based approach makes sense. We hold Hugh Johnston in high regard, so we would prefer him to stay on the MSFT board of directors.

3	Elect Teri L. List	For	For	For	For
4	Elect Catherine MacGregor	For	For	For	For
5	Elect Mark A. L. 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 John David Rainey	For	For	For	For
10	Elect Charles W. Scharf	For	For	For	For
11	Elect John W. Stanton	For	For	For	For
12	Elect Emma N. Walmsley	For	For	For	For
13	Advisory Vote on Executive Compensation	For	For	For	For
14	Ratification of Auditor	For	For	For	For
15	Approval of the 2026 Stock Plan	For	For	For	For
(SHP) 16	Shareholder Proposal Regarding Censorship Risk Audit	Against	Against	Against	Against
(SHP) 17	Shareholder Proposal Regarding GenAI Discrimination	Against	Against	Against	Against
(SHP) 18	Shareholder Proposal Regarding Report on Risks of AI Data Sourcing	Against	For	For	Against

**Vote Note:**BT has reviewed and does not believe it would add value for long-term owners of MSFT.

(SHP) 19	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	Against	Against	Against	Against
(SHP) 20	Shareholder Proposal Regarding Report on AI Human Rights Due Diligence	Against	Against	Against	Against
(SHP) 21	Shareholder Proposal Regarding Report on Risks of Providing AI to Facilitate New Oil and Gas Development and Production	Against	Against	Against	Against

**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.	68,835	KJLA	68,835	0	Hilliard Lyons Main	Baird Main
State Street Bank-US (837)- Kentucky Legislators Ret. Defined Benefit Agt.	20,230	KJLB	20,230	0	Hilliard Lyons Main	Baird Main
<b>Totals</b>	<b>89,065</b>		<b>89,065</b>	<b>0</b>		

## Investment Policy Review

**Account Number** \*\*\*\*\*7010

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

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

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

**Account Restrictions:** None

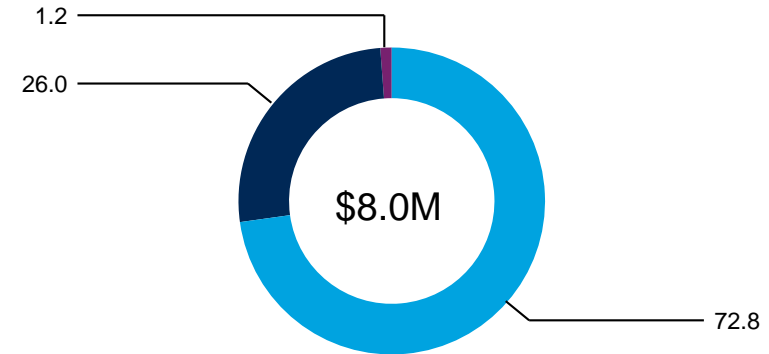
Meeting Date: January 23, 2026

## Client Investment Review

Investment activity through 12/31/2025

**Asset Allocation Summary**

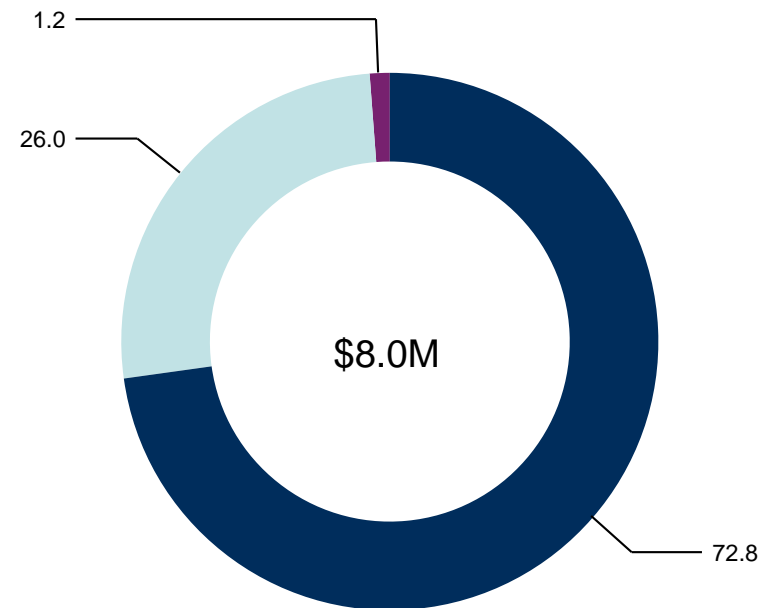
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Total Equity	5,827,993	72.8	57,309.35	1.0
● Total Fixed Income	2,082,076	26.0	92,488.75	4.4
● Cash & Equivalents	99,441	1.2	3,480.09	3.5
<b>Total</b>	<b>8,009,510</b>	<b>100.0</b>	<b>153,278.18</b>	<b>1.9</b>



**Investment Summary**

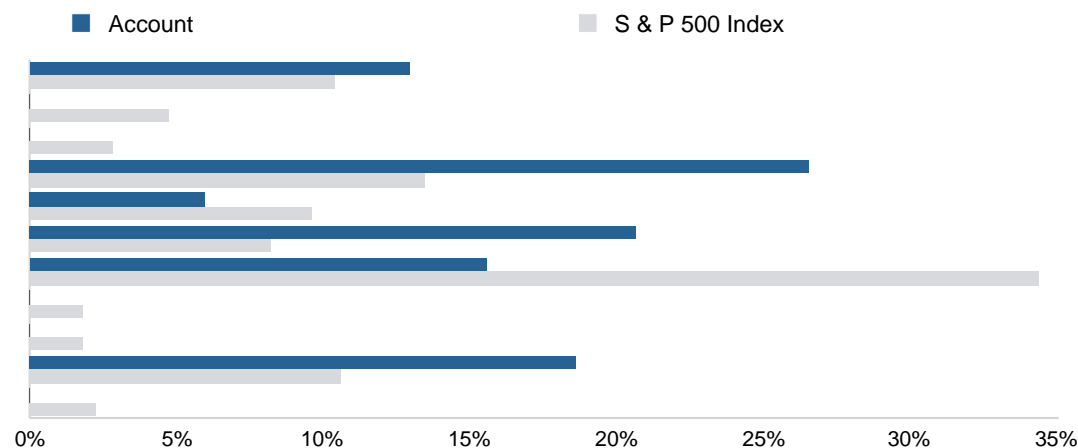
	Fiscal Year to Date (6 Months)
<b>Beginning Account Value</b>	<b>7,284,716.48</b>
Net Contributions/Withdrawals	-3,357.90
Income Earned	82,516.95
Market Appreciation	645,634.37
<b>Ending Account Value</b>	<b>8,009,509.90</b>

	Market Value	% of Mkt Val
● Core Equity	5,827,993	72.8
● Taxable Bond Funds	2,082,076	26.0
● Cash & Equivalents	99,441	1.2
<b>Total</b>	<b>8,009,510</b>	<b>100.0</b>



### Core Equity Allocation vs S & P 500 Index

	Account	Model
Consumer Disc	12.9	10.4
Consumer Staples	.0	4.7
Energy	.0	2.8
Financials	26.5	13.4
Health Care	5.9	9.6
Industrials	20.6	8.2
Information Tech	15.5	34.4
Materials	.0	1.8
Real Estate	.0	1.8
Communication Servic	18.6	10.6
Utilities	.0	2.2



### Top 10 Performers

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	286,917	3.6	97.13
GE AEROSPACE	333,061	4.2	85.68
ALPHABET INC CAP STK CL C	497,373	6.2	65.56
TE CONNECTIVITY PLC ORD S	214,087	2.7	61.58
JOHNSON & JOHNSON COM	208,606	2.6	47.45
PARKER HANNIFIN CORP COM	272,478	3.4	39.73
JPMORGAN CHASE & CO COM	444,019	5.5	36.98
SCHWAB CHARLES CORP NEW C	275,452	3.4	36.62
EXPEDITORS INTL WASH INC	105,499	1.3	36.08
WELLS FARGO & CO NEW COM	178,385	2.2	35.94

### Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
ISHARES TRUST ISHARES 1-5	1,139,564	14.2	6.95
VANGUARD SCOTTSDALE FDS V	794,369	9.9	9.32
ALPHABET INC CAP STK CL C	497,373	6.2	65.56
JPMORGAN CHASE & CO COM	444,019	5.5	36.98
MICROSOFT CORP COM	350,625	4.4	15.61
APPLE INC COM	339,281	4.2	9.04
GE AEROSPACE	333,061	4.2	85.68
BERKSHIRE HATHAWAY INC DE	294,050	3.7	11.10
GE VERNOVA INC COM	286,917	3.6	97.13
SCHWAB CHARLES CORP NEW C	275,452	3.4	36.62

	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	99,159.060	1.00	99,159.06	1.00	99,441.14	1.2	3.51	3,480.09	3.510
<b>Total for Money Markets</b>			<b>99,159.06</b>		<b>99,441.14</b>	<b>1.2</b>		<b>3,480.09</b>	<b>3.510</b>
<b>Total: Cash &amp; Equivalents</b>			<b>99,159.06</b>		<b>99,441.14</b>	<b>1.2</b>		<b>3,480.09</b>	<b>3.510</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	1,585.000	138.33	219,250.22	313.80	497,373.00	6.2	.84	1,331.40	.268
DISNEY WALT CO COM	1,558.000	135.57	211,214.71	113.77	177,253.66	2.2	1.50	2,337.00	1.318
META PLATFORMS INC.	408.000	422.76	172,488.07	660.09	269,316.72	3.4	2.10	856.80	.318
OMNICOM GROUP INC COM	1,681.000	78.62	132,156.59	80.75	137,085.55	1.7	3.20	5,379.20	3.963
<b>Total for Communication Services</b>			<b>735,109.59</b>		<b>1,081,028.93</b>	<b>13.5</b>		<b>9,904.40</b>	<b>.917</b>
<b>Consumer Disc</b>									
AMAZON.COM INC COM	611.000	187.46	114,540.14	230.82	141,031.02	1.8	.00	.00	.000
CARMAX INC COM	1,362.000	91.79	125,014.49	38.64	52,627.68	.7	.00	.00	.000
HOME DEPOT INC COM	643.000	329.77	212,045.19	344.10	221,256.30	2.8	9.20	5,915.60	2.674
O REILLY AUTOMOTIVE INC NEW COM	1,782.000	49.25	87,760.58	91.21	162,536.22	2.0	.00	.00	.000
TJX COS INC NEW COM	1,116.000	77.87	86,898.27	153.61	171,428.76	2.1	1.70	1,897.20	1.107
<b>Total for Consumer Disc</b>			<b>626,258.67</b>		<b>748,879.98</b>	<b>9.4</b>		<b>7,812.80</b>	<b>1.043</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	1,555.000	39.70	61,737.32	55.00	85,525.00	1.1	1.12	1,741.60	2.036
BERKSHIRE HATHAWAY INC DEL CL B NEW	585.000	321.28	187,951.42	502.65	294,050.25	3.7	.00	.00	.000
JPMORGAN CHASE & CO COM	1,378.000	166.13	228,931.46	322.22	444,019.16	5.5	6.00	8,268.00	1.862
PROGRESSIVE CORP OH COM	1,182.000	126.46	149,475.98	227.72	269,165.04	3.4	.40	472.80	.176
SCHWAB CHARLES CORP NEW COM	2,757.000	68.24	188,139.75	99.91	275,451.87	3.4	1.08	2,977.56	1.081
WELLS FARGO & CO NEW COM	1,914.000	62.61	119,828.13	93.20	178,384.80	2.2	1.80	3,445.20	1.931
<b>Total for Financials</b>			<b>936,064.06</b>		<b>1,546,596.12</b>	<b>19.3</b>		<b>16,905.16</b>	<b>1.093</b>
<b>Health Care</b>									

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
DANAHER CORP COM	600.000	204.10	122,459.10	228.92	137,544.00	1.7	1.28	768.00	.559
JOHNSON & JOHNSON COM	1,008.000	168.93	170,280.66	206.95	208,605.60	2.6	5.20	5,241.60	2.513
<b>Total for Health Care</b>			<b>292,739.76</b>		<b>346,149.60</b>	<b>4.3</b>		<b>6,009.60</b>	<b>1.737</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	708.000	119.69	84,739.70	149.01	105,499.08	1.3	1.54	1,090.32	1.033
FASTENAL CO COM	2,728.000	29.48	80,425.30	40.13	109,474.64	1.4	.88	2,400.64	2.193
GE VERNOVA INC COM	439.000	126.55	55,557.30	653.57	286,917.25	3.6	1.25	548.75	.191
GE AEROSPACE	1,080.000	86.39	93,300.65	308.03	333,061.20	4.2	1.44	1,555.20	.467
PARKER HANNIFIN CORP COM	310.000	353.84	109,689.09	878.96	272,477.60	3.4	7.20	2,232.00	.819
UNION PAC CORP COM	406.000	226.15	91,815.49	231.32	93,915.92	1.2	5.52	2,241.12	2.386
<b>Total for Industrials</b>			<b>515,527.53</b>		<b>1,201,345.69</b>	<b>15.1</b>		<b>10,068.03</b>	<b>.838</b>
<b>Information Tech</b>									
APPLE INC COM	1,248.000	161.46	201,502.24	271.86	339,281.28	4.2	1.04	1,297.92	.383
MICROSOFT CORP COM	725.000	312.24	226,372.81	483.62	350,624.50	4.4	3.64	2,639.00	.753
TE CONNECTIVITY PLC ORD SHS	941.000	147.16	138,476.96	227.51	214,086.91	2.7	2.84	2,672.44	1.248
<b>Total for Information Tech</b>			<b>566,352.01</b>		<b>903,992.69</b>	<b>11.3</b>		<b>6,609.36</b>	<b>.731</b>
<b>Total: Total Equity</b>			<b>3,672,051.62</b>		<b>5,827,993.01</b>	<b>72.9</b>		<b>57,309.35</b>	<b>.984</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES INTERMEDIATE	1,380.000	106.79	147,369.09	107.35	148,143.00	1.8	373.10	5,148.78	3.476
ISHARES TRUST ISHARES 1-5 YEAR	21,550.000	52.73	1,136,265.02	52.88	1,139,564.00	14.2	2.35	50,642.50	4.444
VANGUARD SCOTTSDALE FDS VANGUARD	9,485.000	86.31	818,613.95	83.75	794,368.75	9.9	3.87	36,697.47	4.620
<b>Total for Taxable Bond Funds</b>			<b>2,102,248.06</b>		<b>2,082,075.75</b>	<b>25.9</b>		<b>92,488.75</b>	<b>4.442</b>
<b>Total: Total Fixed Income</b>			<b>2,102,248.06</b>		<b>2,082,075.75</b>	<b>25.9</b>		<b>92,488.75</b>	<b>4.442</b>
<b>Total</b>			<b>5,873,458.74</b>		<b>8,009,509.90</b>	<b>100.0</b>		<b>153,278.18</b>	<b>1.914</b>

## Performance Overview

KY JUDICIAL RET HYBRID CASH BAL AGT

Ending: December 31, 2025

Managed Since: June 01, 2015

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>8,009,510</b>	<b>10.00</b>	<b>21.27</b>	<b>20.82</b>	<b>12.91</b>	<b>12.49</b>	<b>11.58</b>
<b>Total Portfolio - Net</b>	<b>8,009,510</b>	<b>9.95</b>	<b>21.17</b>	<b>20.73</b>	<b>12.82</b>	<b>12.40</b>	<b>11.50</b>
70% SP500 30% Bloomberg Int Govt Cr		8.47	14.65	17.48	10.42	11.16	10.38
<b>Total Equity</b>	<b>5,827,993</b>	<b>12.62</b>	<b>26.81</b>	<b>26.79</b>	<b>17.21</b>	<b>16.17</b>	<b>15.01</b>
S P 500 Index		11.00	17.88	23.01	14.42	14.82	13.75
<b>Total Fixed Income</b>	<b>2,082,076</b>	<b>3.25</b>	<b>7.86</b>	<b>6.51</b>	<b>1.54</b>	<b>3.31</b>	<b>3.04</b>
Bloomberg US Government/Credit Interm Bond		2.72	6.97	5.06	.96	2.29	2.13
<b>Cash &amp; Equivalents</b>	<b>99,441</b>	<b>2.01</b>	<b>4.46</b>	<b>5.57</b>	<b>3.67</b>	<b>2.34</b>	<b>2.21</b>
3 Mos Treasury Bill Rate		2.04	4.29	4.99	3.41	2.28	2.16

	GVI*	Bloomberg Intermediate Gov/Cr**
Modified Duration	3.76	3.89
Effective Maturity	4.41	4.26
Credit Rating	AA-	AA2/AA3
Weighted Coupon	3.71	3.63
Weighted Price	99.38	99.19
Yield to Maturity	3.85	3.90

\*Investment as of January 12, 2026 | Source: Manager-reported and holdings-based calculations.

\*\*Bloomberg Intermediate Gov/Cr as of December 31, 2025 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (2.79)	0.11	1.22	0.87	0.42	0.15	–	–	0.01
AA (68.32)	0.76	30.17	20.60	12.21	4.57	–	–	0.01
A (14.15)	0.33	5.09	3.75	4.07	0.82	–	–	0.08
BBB (14.20)	0.27	4.54	4.28	4.17	0.92	–	–	0.02
BB (0.27)	0.01	0.07	0.11	0.08	0.00	–	–	0.00
B	–	–	–	–	–	–	–	–
Below B	–	–	–	–	–	–	–	–
Not Rated (0.28)	–	0.06	0.07	0.04	0.09	–	–	0.01

As of January 12, 2026 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	IGSB*	Bloomberg Intermediate Gov/Cr**
Modified Duration	2.71	3.89
Effective Maturity	3.71	4.26
Credit Rating	A-	AA2/AA3
Weighted Coupon	4.30	3.63
Weighted Price	99.98	99.19
Yield to Maturity	4.21	3.90

\*Investment as of January 12, 2026 | Source: Manager-reported and holdings-based calculations.

\*\*Bloomberg Intermediate Gov/Cr as of December 31, 2025 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.44)	0.10	0.17	0.17	–	–	–	–	–
AA (8.80)	0.28	5.51	3.01	–	–	–	–	–
A (45.84)	1.68	27.33	16.71	0.02	–	–	–	0.09
BBB (42.87)	1.47	24.26	17.08	–	–	–	–	0.05
BB (0.82)	0.04	0.31	0.47	–	–	–	–	–
B	–	–	–	–	–	–	–	–
Below B	–	0.00	–	–	–	–	–	–
Not Rated (1.23)	–	0.38	0.73	–	–	–	–	0.13

As of January 9, 2026 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	VCIT*	Bloomberg Intermediate Gov/Cr**
Modified Duration	–	3.89
Effective Maturity	7.40	4.26
Credit Rating	A-	AA2/AA3
Weighted Coupon	–	3.63
Weighted Price	100.79	99.19
Yield to Maturity	4.74	3.90

\*Investment as of November 30, 2025 | Source: Manager-reported and holdings-based calculations.

\*\*Bloomberg Intermediate Gov/Cr as of December 31, 2025 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.35)	–	–	0.07	0.14	0.15	–	–	–
AA (5.02)	–	–	0.96	3.06	0.99	–	–	–
A (44.16)	–	–	4.38	29.33	10.28	–	–	0.17
BBB (48.46)	–	0.05	8.41	30.17	9.73	–	–	0.09
BB (0.72)	–	–	0.24	0.37	0.01	–	–	0.09
B	–	–	–	–	–	–	–	–
Below B	–	–	–	–	–	–	–	–
Not Rated (1.29)	–	–	0.07	0.49	0.71	–	–	0.01

As of November 30, 2025 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

# Investment Policy Review

**Account Number** \*\*\*\*\*8018

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

**Investment Goal:** Growth & Income

**Baird Trust Investment Authority:** Sole Authority

**Time Horizon:** Long – 10+ Years

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

**Account Restrictions:** None

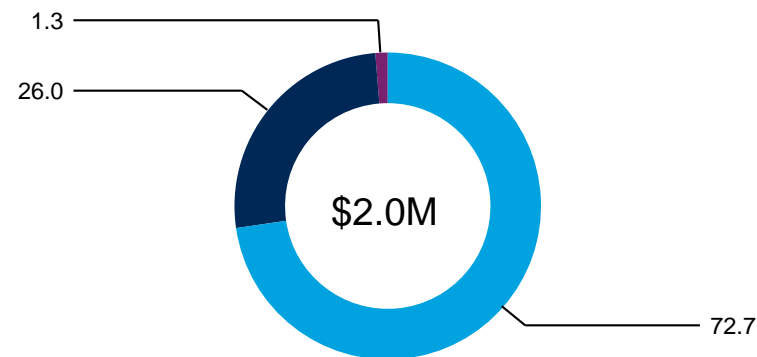
Meeting Date: January 23, 2026

## Client Investment Review

Investment activity through 12/31/2025

**Asset Allocation Summary**

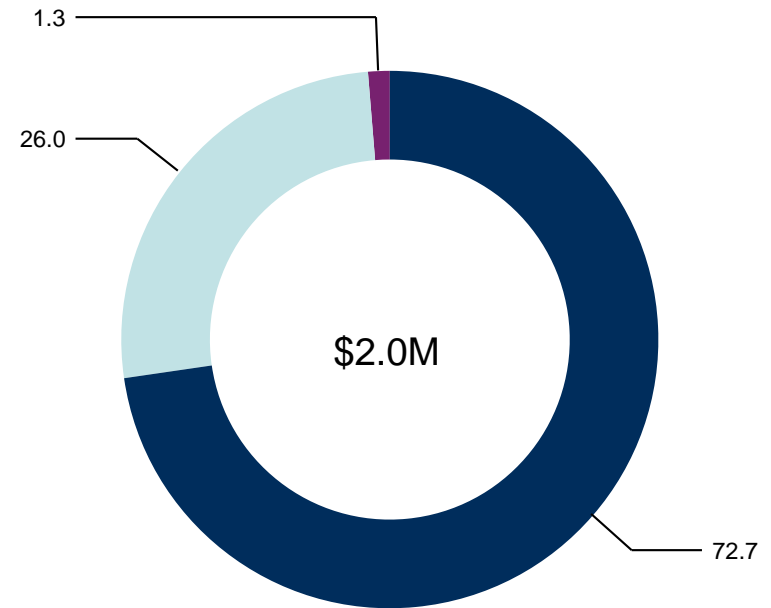
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
● Total Equity	1,490,314	72.7	14,686.21	1.0
● Total Fixed Income	531,921	26.0	23,501.30	4.4
● Cash & Equivalents	26,533	1.3	928.56	3.5
<b>Total</b>	<b>2,048,768</b>	<b>100.0</b>	<b>39,116.07</b>	<b>1.9</b>



**Investment Summary**

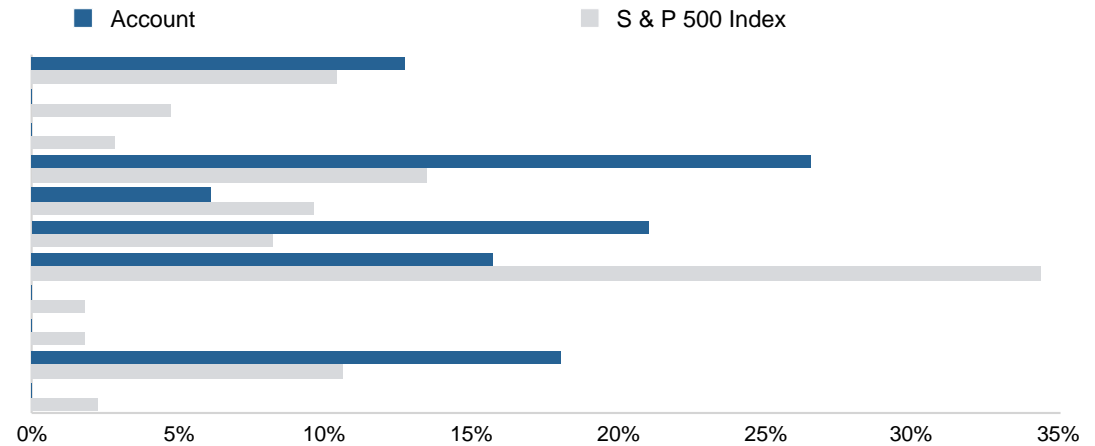
	Fiscal Year to Date (6 Months)
<b>Beginning Account Value</b>	<b>1,863,841.74</b>
Net Contributions/Withdrawals	-861.04
Income Earned	20,986.21
Market Appreciation	164,800.93
<b>Ending Account Value</b>	<b>2,048,767.84</b>

	Market Value	% of Mkt Val
● Core Equity	1,490,314	72.7
● Taxable Bond Funds	531,921	26.0
● Cash & Equivalents	26,533	1.3
<b>Total</b>	<b>2,048,768</b>	<b>100.0</b>



Core Equity Allocation vs S & P 500 Index

	Account	Model
Consumer Disc	12.7	10.4
Consumer Staples	.0	4.7
Energy	.0	2.8
Financials	26.5	13.4
Health Care	6.1	9.6
Industrials	21.0	8.2
Information Tech	15.7	34.4
Materials	.0	1.8
Real Estate	.0	1.8
Communication Servic	18.0	10.6
Utilities	.0	2.2



Top 10 Performers

	Market Value	% of Mkt Val	Return
GE VERNOVA INC COM	81,696	4.0	97.25
GE AEROSPACE	85,424	4.2	85.71
ALPHABET INC CAP STK CL C	120,185	5.9	65.57
TE CONNECTIVITY PLC ORD S	55,967	2.7	61.57
JOHNSON & JOHNSON COM	54,428	2.7	47.46
PARKER HANNIFIN CORP COM	66,801	3.3	39.75
JPMORGAN CHASE & CO COM	113,099	5.5	37.01
SCHWAB CHARLES CORP NEW C	70,437	3.4	36.62
EXPEDITORS INTL WASH INC	27,567	1.4	36.08
WELLS FARGO & CO NEW COM	45,295	2.2	35.93

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
ISHARES TRUST ISHARES 1-5	285,023	13.9	6.96
VANGUARD SCOTTSDALE FDS V	196,980	9.6	9.32
ALPHABET INC CAP STK CL C	120,185	5.9	65.57
JPMORGAN CHASE & CO COM	113,099	5.5	37.01
MICROSOFT CORP COM	89,470	4.4	15.60
APPLE INC COM	87,811	4.3	9.12
GE AEROSPACE	85,424	4.2	85.71
GE VERNOVA INC COM	81,696	4.0	97.25
BERKSHIRE HATHAWAY INC DE	75,900	3.7	11.05
SCHWAB CHARLES CORP NEW C	70,437	3.4	36.62

	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	26,457.620	1.00	26,457.62	1.00	26,533.23	1.3	3.51	928.56	3.510
<b>Total for Money Markets</b>			<b>26,457.62</b>		<b>26,533.23</b>	<b>1.3</b>		<b>928.56</b>	<b>3.510</b>
<b>Total: Cash &amp; Equivalents</b>			<b>26,457.62</b>		<b>26,533.23</b>	<b>1.3</b>		<b>928.56</b>	<b>3.510</b>
<b>Total Equity</b>									
<b>Communication Services</b>									
ALPHABET INC CAP STK CL C	383.000	138.11	52,897.93	313.80	120,185.40	5.9	.84	321.72	.268
DISNEY WALT CO COM	401.000	132.77	53,242.00	113.77	45,621.77	2.2	1.50	601.50	1.318
META PLATFORMS INC.	101.000	418.52	42,270.19	660.09	66,669.09	3.3	2.10	212.10	.318
OMNICOM GROUP INC COM	430.000	79.01	33,973.63	80.75	35,066.50	1.7	3.20	1,376.00	3.963
<b>Total for Communication Services</b>			<b>182,383.75</b>		<b>267,542.76</b>	<b>13.1</b>		<b>2,511.32</b>	<b>.940</b>
<b>Consumer Disc</b>									
AMAZON.COM INC COM	150.000	186.21	27,932.20	230.82	34,623.00	1.7	.00	.00	.000
CARMAX INC COM	350.000	90.52	31,682.98	38.64	13,524.00	.7	.00	.00	.000
HOME DEPOT INC COM	166.000	328.91	54,598.54	344.10	57,120.60	2.8	9.20	1,527.20	2.674
O REILLY AUTOMOTIVE INC NEW COM	450.000	48.94	22,023.79	91.21	41,044.50	2.0	.00	.00	.000
TJX COS INC NEW COM	283.000	77.83	22,027.22	153.61	43,471.63	2.1	1.70	481.10	1.107
<b>Total for Consumer Disc</b>			<b>158,264.73</b>		<b>189,783.73</b>	<b>9.3</b>		<b>2,008.30</b>	<b>1.058</b>
<b>Financials</b>									
BANK OF AMERICA CORP COM	402.000	39.40	15,838.38	55.00	22,110.00	1.1	1.12	450.24	2.036
BERKSHIRE HATHAWAY INC DEL CL B NEW	151.000	322.51	48,699.73	502.65	75,900.15	3.7	.00	.00	.000
JPMORGAN CHASE & CO COM	351.000	164.05	57,579.96	322.22	113,099.22	5.5	6.00	2,106.00	1.862
PROGRESSIVE CORP OH COM	300.000	126.70	38,008.97	227.72	68,316.00	3.3	.40	120.00	.176
SCHWAB CHARLES CORP NEW COM	705.000	67.88	47,858.79	99.91	70,436.55	3.4	1.08	761.40	1.081
WELLS FARGO & CO NEW COM	486.000	61.68	29,974.61	93.20	45,295.20	2.2	1.80	874.80	1.931
<b>Total for Financials</b>			<b>237,960.44</b>		<b>395,157.12</b>	<b>19.2</b>		<b>4,312.44</b>	<b>1.091</b>
<b>Health Care</b>									

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
DANAHER CORP COM	160.000	203.59	32,574.23	228.92	36,678.40	1.8	1.28	204.80	.559
JOHNSON & JOHNSON COM	263.000	168.95	44,434.99	206.95	54,427.85	2.7	5.20	1,367.60	2.513
<b>Total for Health Care</b>			<b>77,009.22</b>		<b>91,106.25</b>	<b>4.5</b>		<b>1,572.40</b>	<b>1.727</b>
<b>Industrials</b>									
EXPEDITORS INTL WASH INC COM	185.000	118.88	21,993.20	149.01	27,566.85	1.3	1.54	284.90	1.033
FASTENAL CO COM	696.000	29.30	20,392.88	40.13	27,930.48	1.4	.88	612.48	2.193
GE VERNOVA INC COM	125.000	118.35	14,794.03	653.57	81,696.26	4.0	1.25	156.25	.191
GE AEROSPACE	277.000	86.56	23,977.07	308.03	85,424.03	4.2	1.44	398.88	.467
PARKER HANNIFIN CORP COM	76.000	351.70	26,729.33	878.96	66,800.96	3.3	7.20	547.20	.819
UNION PAC CORP COM	104.000	226.23	23,528.18	231.32	24,057.28	1.2	5.52	574.08	2.386
<b>Total for Industrials</b>			<b>131,414.69</b>		<b>313,475.86</b>	<b>15.4</b>		<b>2,573.79</b>	<b>.821</b>
<b>Information Tech</b>									
APPLE INC COM	323.000	161.76	52,247.31	271.86	87,810.78	4.3	1.04	335.92	.383
MICROSOFT CORP COM	185.000	313.71	58,036.10	483.62	89,469.70	4.4	3.64	673.40	.753
TE CONNECTIVITY PLC ORD SHS	246.000	146.26	35,979.38	227.51	55,967.46	2.7	2.84	698.64	1.248
<b>Total for Information Tech</b>			<b>146,262.79</b>		<b>233,247.94</b>	<b>11.4</b>		<b>1,707.96</b>	<b>.732</b>
<b>Total: Total Equity</b>			<b>933,295.62</b>		<b>1,490,313.66</b>	<b>72.9</b>		<b>14,686.21</b>	<b>.986</b>
<b>Total Fixed Income</b>									
<b>Taxable Bond Funds</b>									
ISHARES INTERMEDIATE	465.000	106.79	49,656.98	107.35	49,917.75	2.4	373.10	1,734.92	3.476
ISHARES TRUST ISHARES 1-5 YEAR	5,390.000	52.65	283,796.06	52.88	285,023.20	13.9	2.35	12,666.50	4.444
VANGUARD SCOTTSDALE FDS VANGUARD	2,352.000	86.16	202,643.18	83.75	196,980.00	9.6	3.87	9,099.89	4.620
<b>Total for Taxable Bond Funds</b>			<b>536,096.22</b>		<b>531,920.95</b>	<b>25.9</b>		<b>23,501.30</b>	<b>4.418</b>
<b>Total: Total Fixed Income</b>			<b>536,096.22</b>		<b>531,920.95</b>	<b>25.9</b>		<b>23,501.30</b>	<b>4.418</b>
<b>Total</b>			<b>1,495,849.46</b>		<b>2,048,767.84</b>	<b>100.0</b>		<b>39,116.07</b>	<b>1.910</b>

	Market Value	Fiscal Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 06/01/2015
<b>Total Portfolio - Gross</b>	<b>2,048,768</b>	<b>9.97</b>	<b>21.34</b>	<b>20.71</b>	<b>12.81</b>	<b>12.44</b>	<b>11.55</b>
<b>Total Portfolio - Net</b>	<b>2,048,768</b>	<b>9.93</b>	<b>21.24</b>	<b>20.61</b>	<b>12.72</b>	<b>12.35</b>	<b>11.46</b>
70% SP500 30% Bloomberg Int Govt Cr		8.47	14.65	17.48	10.42	11.16	10.38
<b>Total Equity</b>	<b>1,490,314</b>	<b>12.55</b>	<b>26.85</b>	<b>26.72</b>	<b>17.19</b>	<b>16.16</b>	<b>15.00</b>
S P 500 Index		11.00	17.88	23.01	14.42	14.82	13.75
<b>Total Fixed Income</b>	<b>531,921</b>	<b>3.24</b>	<b>7.85</b>	<b>6.51</b>	<b>1.54</b>	<b>3.31</b>	<b>3.04</b>
Bloomberg US Government/Credit Interm Bond		2.72	6.97	5.06	.96	2.29	2.13
<b>Cash &amp; Equivalents</b>	<b>26,533</b>	<b>2.01</b>	<b>4.50</b>	<b>5.02</b>	<b>3.35</b>	<b>2.16</b>	<b>2.04</b>
3 Mos Treasury Bill Rate		2.04	4.29	4.99	3.41	2.28	2.16

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

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

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

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

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

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

### **Broad Index Descriptions**

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

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

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

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

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

### Glossary of Terms and Calculations

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

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

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

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

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

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

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

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



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## **INVESTMENT POLICY STATEMENT**

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**Effective as of April 23, 2022**

# INTRODUCTION



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

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

## A. OBJECTIVES

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

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

## B. POLICIES AND RESTRICTIONS

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

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

## ASSET ALLOCATION

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### C. ASSET ALLOCATION GUIDELINES

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

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

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

## **D. EQUITY GUIDELINES**

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

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

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

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

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

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

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

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

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

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

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

## **E. FIXED INCOME GUIDELINES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **G. OTHER ASSETS**

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

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

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

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

## **H. SALES AND PURCHASES**

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

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

## **MONITORING**

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## **I. COMMUNICATIONS AND COMPLIANCE**

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

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

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

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

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

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

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

**Investment Committee  
Kentucky Judicial Retirement Plan**

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

**Investment Committee  
Kentucky Legislators Retirement Plan**

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

**Baird Trust Company**

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

# ITEM IV-

## Administrative Reports

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- A. Public Pension Oversight Board
- B. 2026 Regular Session of GA
- C. 2026-27 Personal Service Contracts
- D. Blue & Co. Fiscal Year 2025 Audit
- E. Board Member Financial Disclosure Statements



# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman  
Board of Trustees

Bo Cracraft  
Executive Director

December 12, 2025

Public Pension Oversight Board  
700 Capital Ave.  
Frankfort, KY 40601

## RE: 2025 Funding Valuation Results

Dear Co-Chairs and Members of the PPOB:

Please accept my apologies for my absence from the December 2025 meeting of the Public Pension Oversight Board (PPOB). In response to a request from the Co-Chairs, I have attached a presentation summarizing the results of 2025 actuarial funding valuations completed for the Judicial Retirement Plan (JRP) or Legislator's Retirement Plan (LRP).

The enclosed presentation provides a comprehensive overview of recent funding trends, the principal factors influencing the 2025 valuation results, recent changes in actuarial assumptions, and historical and projected employer contribution requirements. Most notable, I would like to highlight that, based on 2025 results, **neither the Judicial Retirement Plan (JRP) or Legislator's Retirement Plan (LRP) will have a request for employer contributions in either year of the upcoming budget biennium.**

For the Committee's reference, complete actuarial valuation reports for each system are publicly available on the Judicial Form Retirement System's website and can be found at the following link -- <https://kjfrs.ky.gov/publications/Pages/Financial>.

Please do not hesitate to contact me if the Committee desires additional information or has questions regarding the attached material. I would also be happy to review the presentation in greater detail with the Committee at a future meeting.

Thank you for your time and consideration.

Sincerely,

Bo Cracraft  
Executive Director



# JUDICIAL FORM RETIREMENT SYSTEM

2025 ACTUARIAL UPDATE

PUBLIC PENSION OVERSIGHT BOARD – DECEMBER 12, 2025



**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



# ASSUMPTION CHANGES FOR 2025

- **Result of 2025 Experience Study, Adopted by Board effective July 1, 2025**
- **Modest Changes, Results in Slight Increase in Total Accrued Liability**

<b>Individual Salary Increase Assumption</b>	Removed a shorter-term, lower growth assumption and adopted a flat 3.5% assumption. Most notable change, drives majority of net increase in liability.
<b>Cash Balance Interest Credit Rate</b>	A recommendation from the PPOB Actuarial Audit conducted by Milliman. Increased the assumed interest credit (from 4% guaranteed rate). Increases accrued liability, but not materially given size of cash balance tiers.
<b>Mortality Table</b>	Modest revision, updated to most recent rates which were published in 2025. Negligible increase to total liability.
<b>Retirement Rates/ Termination Rates</b>	Slight revision to simplify both assumptions. No real impact on total liability.

# 2025 VALUATION RESULTS



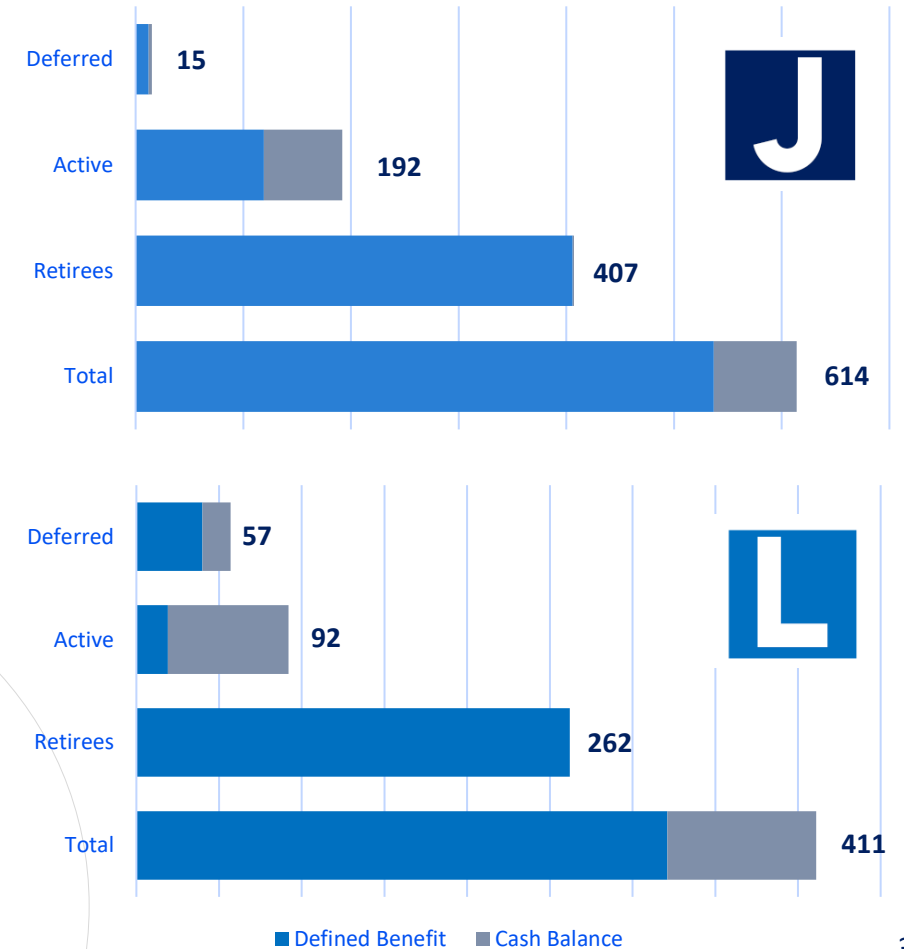
FUNDING	Pension	Health	Pension	Health
Total Liability	\$390.7M	\$74.5M	\$67.5M	\$25.3M
<u>Actuarial Assets</u>	<u>\$474.2M</u>	<u>\$160.6M</u>	<u>\$100.3M</u>	<u>\$85.7M</u>
Accrued Liability	(83.5M)	(\$86.1M)	(\$32.8M)	(\$60.4M)

<b>Funding Level</b>	<b>121.4%</b>	<b>215.5%</b>	<b>148.7%</b>	<b>338.5%</b>
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CONTRIBUTIONS	Pension	Health	Pension	Health
Normal Cost	\$3.604M	1.103M	0.346M	0.243M
<u>UAL Cost</u>	<u>(\$7.116M)</u>	<u>(\$7.334M)</u>	<u>(2.798M)</u>	<u>(5.144M)</u>
<b>ADEC</b>	-	-	-	-

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





# ACTUARIAL SNAPSHOT



## PENSION

Funding Level

**121.4%** | **↑ 15.6%**  
from 2023 Valuation

Actuarial Value of Assets

**\$474.2 Million**  
Versus \$558.1 Market Value of Assets

Accrued Liability

**\$390.7 Million**  
98% Legacy | 2% Cash Balance  
71.5% Retired | 28.5% Active



## RETIREE HEALTH

Funding Level

**215.5%** | **↓ 44.0%**  
from 2023 Valuation

Actuarial Value of Assets

**\$160.6 Million**  
Versus \$189.0 Market Value of Assets

Accrued Liability

**\$74.5 Million**  
99.5% Legacy | 0.5% Cash Balance  
71% Retired | 29% Active



# ACTUARIAL SUMMARY

- **Pension – Net Gain of \$61.5 million**

- Driven by strong Investment Gains
- Partially offset by salary increases for active members and recent assumption changes

- **Medical – Slight gain of \$7.5 million**

- Strong investment gains
- Largely offset by significantly higher than expected insurance premiums since 2023



## (GAINS)/LOSSES

	Pension	Medical
July 2023 Surplus	\$22.0	\$78.6
Expected Changes	3.7	8.7
Investments	65.8	21.4
Liability Experience	(5.8)	(20.8)
Plan Changes	-	-
Assumption Changes	(2.2)	(1.8)
July 2025 Surplus	\$83.5	\$86.1



# ACTUARIAL TRENDS - JRP



## \$0 Budget Request for 2027-28 Biennium

<b>PENSION</b>	<b>FY2020</b>	<b>FY2021<sup>1</sup></b>	<b>FY2022</b>	<b>FY2023<sup>1</sup></b>	<b>FY2024</b>	<b>FY2025<sup>1</sup></b>	<b>FY2026</b>	<b>FY2027<sup>1</sup></b>	<b>FY2028</b>
UAL/(Surplus) <i>in millions</i>	\$58.3		\$20.2		(\$22.2)		(\$83.5)		
Funding Ratio	84.2%		94.7%		105.8%		121.4%		
Recommended ADEC	\$9.9	\$6.7	\$7.2	\$5.0	\$5.3	\$0.7	\$0.7	\$0	\$0
ADEC as % of Payroll	35.9%	26.6%	28.3%	16.9%	19.0%	2.4%	2.5%	-	-
<b>RETIREE HEALTH</b>	<b>FY2020</b>	<b>FY2021<sup>1</sup></b>	<b>FY2022</b>	<b>FY2023<sup>1</sup></b>	<b>FY2024</b>	<b>FY2025<sup>1</sup></b>	<b>FY2026</b>	<b>FY2027<sup>1</sup></b>	<b>FY2028</b>
UAL/(Surplus) <i>in millions</i>	(\$41.0)		(\$67.9)		(\$78.6)		(\$86.1)		
Funding Ratio	186.9%		272.5%		259.5%		215.5%		
Recommended ADEC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADEC as % of Payroll	-	-	-	-	-	-	-	-	-

<sup>1</sup> Funding Valuation only completed every other year. Recommended ADEC and % of Payroll based upon prior year prior fiscal year funding valuation



# ACTUARIAL SUMMARY - LRP



## PENSION

Funding Level

---

**148.7%** | **↑ 21.9%**  
*from 2023 Valuation*

Actuarial Value of Assets

---

**\$100.3 Million**  
Versus \$117.8 Market Value of Assets

Accrued Liability

---

**\$67.5 Million**  
97% Legacy Tier | 3% Cash Balance  
87.5% Retired | 12.5% Active



## RETIREE HEALTH

Funding Level

---

**338.5%** | **↓ 36.0%**  
*from 2023 Valuation*

Actuarial Value of Assets

---

**\$85.7 Million**  
Versus \$100.6 Market Value of Assets

Accrued Liability

---

**\$25.3 Million**  
99% Legacy | 1% Cash Balance  
87% Retired | 13% Active



# ACTUARIAL SUMMARY

- **Pension – Gain of \$14.6 million**
  - Majority of due to investment gains
  - Slight decrease due to assumption changes
- **Medical – Net Increase of \$10.7 million**
  - Strong investment gains
  - Largely offset by significantly higher than expected insurance premiums since 2023



## (GAINS)/LOSSES

	Pension	Medical
July 2023 Surplus	\$18.2	\$49.7
Expected Changes	1.8	6.2
Investments	13.9	11.3
Liability Experience	(0.1)	(6.2)
Plan Changes	-	-
Assumption Changes	(1.2)	(0.7)
July 2025 Surplus	\$32.8	60.4



# ACTUARIAL TRENDS - LRP



## \$0 Budget Request for 2027-28 Biennium

➤ Employer Contributions suspended since FY2018 per General Assembly

PENSION	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025 <sup>1</sup>	FY2026	FY2027 <sup>1</sup>	FY2028
UAL/(Surplus) <i>in millions</i>	\$0.5		(\$6.5)		(\$18.2)		(\$32.8)		
Funding Ratio	99.4%		108.9%		126.8%		148.7%		
Recommended ADEC	\$1.2	\$0.4	\$0.4	-	-	-	-	\$0	\$0
ADEC as % of Payroll	27.6%	8.3%	8.8%	-	-	-	-	-	-

RETIREE HEALTH	FY2020	FY2021 <sup>1</sup>	FY2022	FY2023 <sup>1</sup>	FY2024	FY2025 <sup>1</sup>	FY2026	FY2027 <sup>1</sup>	FY2028
UAL/(Surplus) <i>in millions</i>	(\$26.9)		(\$41.1)		(\$49.7)		(\$60.4)		
Funding Ratio	237.4%		362.6%		374.5%		338.5%		
Recommended ADEC	\$0.01	\$0.02	\$0.03	\$0	\$0	\$0	\$0	\$0	\$0
ADEC as % of Payroll	0.3%	0.6%	0.6%	-	-	-	-	-	-

<sup>1</sup> Funding Valuation completed every other year. Recommended ADEC and % of Payroll based on prior fiscal year funding valuation results.



# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman  
Board of Trustees

Bo Cracraft  
Executive Director

## Memo

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

**FROM:** Bo Cracraft, Executive Director

**DATE:** January 23, 2026

**SUBJECT:** 2026 Regular Session – Legislative Update

The 2026 Regular Session of the General Assembly began on Tuesday, January 6, 2026. The 60-day session has started quickly, with over 500 bills filed in the first couple of weeks.

### Proposed Legislation – JFRS Related

As of January 20, 2026, only one piece of legislation directly impacting JFRS had been proposed by the General Assembly.

#### JFRS RELATED LEGISLATION – PROPOSED

Bill/Description

**SB 85** (R. Webb) – **Act relating to designating a special needs trust to receive state-administered retirement benefits.**

- Bill would amend KRS 21.420 to allow for a SNT to be selected as a beneficiary and define "special needs trust." Would amend KRS 21.425 to allow a member to designate a SNT to receive lifetime survivorship benefits on behalf of a surviving spouse, dependent child, or disabled child.

**STAFF NOTE:** This is a follow up to a similar bill that was filed in 2024 and 2025. Staff did work with sponsor in the drafting process. It is largely administrative in nature and does not appear to have a financial impact. Bill was passed out of Senate in 2025, but did not get vote from House.

### Proposed Legislation – Other Retirement Related

Below is a summary, as of January 20, 2026, of proposed legislation related to retirement plans, but do not currently impact LRP or JRP:

#### OTHER RETIREMENT RELATED LEGISLATION - PROPOSED

Bill/Description

**HB 406** (Rep. Tipton & Others) – **AN ACT relating to a supplemental payment for retired state employees, making an appropriation therefor, and declaring an emergency.**

- Bill would have appropriated \$96 million from the Permanent Pension Fund in fiscal year 2026-2027 to the KPPA to fund one-time supplemental 13th check on July 1, 2026 to KERS and SPRS members who have been retired for at least 12 months.
- Bill would also allow the CERS Board of Trustees, by board decision, provide a one-time supplemental payment to recipients of a retirement allowance who have been retired at least 12 months by increasing employer contribution rates over a one-year or two-year period.

**HB 183** (Rep. Tackett Laferty & Elliott) – **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, 2027.

**HB 98** (Rep. Tipton & Others) and **HB 219** (Rep. Blanton & Others) – **ACT relating to retiree health provisions of the Kentucky Retirement Systems.**

- Both bills would increase the monthly health subsidy for fixed-dollar non-hazardous retirees under the age of 65 (non-Medicare) to \$40 per month for each year of service (from current \$15 per month)
- Retirees must meet “career threshold” requirements, which include 25 years of service for tier 3 (i.e. cash balance) members.
- Also retroactively starts applying 1%, non-refundable, employee contribution to all employees who began participating on or after July 1, 2003 (was July 1, 2008).

**STAFF NOTE:** This is another example of legislation that would make benefit changes to nonhazardous members of KERS, but not applying same changes to similar members of JRP or LRP. As a result, if this legislation were to pass, insurance benefits for JRP and LRP cash balance members would differ, sometimes considerably to that of same Judge or Legislator who choose to participate at KERS.

**HB 37** (Rep. Lehman & Others) – **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.

# **KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

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JUNE 30, 2025 AND 2024

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

## Report of Independent Auditors

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

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Kentucky Judicial Form Retirement System (KJFRS), a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which comprise KJFRS's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects the fiduciary net position of KJFRS, as of June 30, 2025 and 2024, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 7, and the defined benefit pension plan and other postemployment benefit plan supplemental schedules on pages 35 through 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of KJFRS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KJFRS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KJFRS's internal control over financial reporting and compliance.

*Blue & Co., LLC*

Lexington, Kentucky

November 21, 2025

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

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The management of the Kentucky Judicial Form Retirement System (the System), a component unit of the Commonwealth of Kentucky, offers the readers of the System's financial statements this narrative overview and analysis of the financial performance of the System for the fiscal years ended June 30, 2025 and 2024. The two retirement plans within the System are the Kentucky Judicial Retirement Plan and the Kentucky Legislators Retirement Plan (collectively, the Plans). We encourage readers to read it in conjunction with the System's financial statements and the accompanying notes.

USING THIS FINANCIAL REPORT

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

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

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

### Medical Insurance

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

### FINANCIAL HIGHLIGHTS

#### Judicial Retirement Plan

In the fiscal years ended June 30, 2025 and 2024, the Judicial Retirement Plan experienced:

- An increase in fiduciary net position of \$101.1 million, from \$646.0 million to \$747.0 million during fiscal year 2025 and an increase of \$83.3 million, from \$562.7 million to \$646.0 million during fiscal year 2024. The changes each year is primarily due to earnings on investments.
- A decrease of \$4.7 million and an increase of \$324,000 in employer contributions during fiscal years 2025 and 2024, respectively. The changes each year is directly related to the amount appropriated by the Commonwealth of Kentucky.
- An increase in net investment income of \$22.5 million from \$107.4 million to \$129.8 million during fiscal year 2025 and an increase of \$32.6 million from \$74.8 million to \$107.4 million during fiscal year 2024. The change each year is due primarily to the amount of appreciation or depreciation of investments held.
- A decrease of \$256,000 and an increase of \$1.3 million in benefit payments during fiscal years 2025 and 2024, respectively, with aggregate benefit payments of \$27.7 million and \$28.0 million in fiscal years 2025 and 2024, respectively.

	June 30,				
	2025	% Increase (Decrease)	2024	% Increase (Decrease)	2023
<u>Summary of Fiduciary Net Position</u>					
Cash and investments	\$744,920,887	15.65%	\$644,129,466	14.79%	\$561,136,685
Receivables	2,215,806	19.13%	1,859,967	19.40%	1,557,821
Fiduciary net position	<u>\$747,136,693</u>	15.66%	<u>\$645,989,433</u>	14.80%	<u>\$562,694,506</u>
	2025	% Increase (Decrease)	2024	% Increase (Decrease)	2023
<u>Summary of Changes in Fiduciary Net Position</u>					
Additions:					
Employer contributions	\$ 660,000	-87.56%	\$ 5,305,600	6.50%	\$ 4,981,800
Member contributions	1,663,076	9.20%	1,523,015	-27.02%	2,086,957
Net investment income	<u>129,834,963</u>	20.94%	<u>107,351,562</u>	43.58%	<u>74,766,993</u>
Total additions	132,158,039	15.75%	114,180,177	39.52%	81,835,750
Deductions:					
Benefit payments	27,701,587	-0.92%	27,957,833	4.82%	26,672,093
Insurance premiums	3,004,536	22.72%	2,448,367	13.65%	2,154,350
Administrative expenses	304,656	-14.44%	356,064	-4.39%	372,418
Refund of member contributions	0	-100.00%	122,986	7.24%	114,681
Total deductions	<u>31,010,779</u>	0.41%	<u>30,885,250</u>	5.36%	<u>29,313,542</u>
Change in fiduciary net position	<u>\$101,147,260</u>	21.43%	<u>\$ 83,294,927</u>	58.59%	<u>\$ 52,522,208</u>

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

### Legislators Retirement Plan

In the fiscal years ended June 30, 2025 and 2024, the Legislators Retirement Plan experienced:

- An increase in fiduciary net position of \$30.9 million, from \$187.5 million to \$218.4 million during fiscal year 2025 and an increase in fiduciary net position of \$24.5 million, from \$163.0 million to \$187.5 million during fiscal year 2024. The changes each year is primarily due to earnings on investments.
- An increase in net investment income of \$6.7 million, from \$30.9 million to \$37.7 million during fiscal year 2025, and an increase in net investment income of \$9.4 million, from \$21.5 million to \$30.9 million during fiscal year 2024. The change each year is due primarily to the amount of appreciation or depreciation of investments held.
- An increase of \$42,000 and \$52,000 in benefit payments during fiscal years 2025 and 2024, respectively. Benefit payments approximate \$5.5 million and \$5.5 million during fiscal years 2025 and 2024, respectively.

	June 30,				
	2025	% Increase (Decrease)	2024	% Increase (Decrease)	2023
<u>Summary of Fiduciary Net Position</u>					
Cash and investments	\$217,756,877	16.51%	\$186,904,358	15.00%	\$162,531,666
Receivables	681,476	20.53%	565,412	19.95%	471,380
Fiduciary net position	\$218,438,353	16.52%	\$187,469,770	15.01%	\$163,003,046
<u>Summary of Changes</u>					
<u>in Fiduciary Net Position</u>					
Additions:					
Member contributions	\$ 343,390	34.57%	\$ 255,183	16.52%	\$ 218,995
Net investment income	37,666,756	21.79%	30,928,061	43.63%	21,533,861
Total additions (losses)	38,010,146	21.89%	31,183,244	43.35%	21,752,856
Deductions:					
Benefit payments	5,502,347	0.77%	5,460,078	0.96%	5,408,121
Insurance premiums	1,262,275	23.32%	1,023,581	8.08%	947,095
Administrative expenses	197,188	-15.32%	232,861	-6.08%	247,933
Refund of member contributions	79,753	100.00%	-0-	-100.00%	34,545
Total deductions	7,041,563	4.84%	6,716,520	1.19%	6,637,694
Change in fiduciary net position	\$ 30,968,583	26.57%	\$ 24,466,724	61.87%	\$ 15,115,162

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

---

### DISCUSSION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

Annual contributions of the Commonwealth are set by the Kentucky Revised Statutes. During the years ended June 30, 2015 through June 30, 2025, the General Assembly appropriated the statutorily-required annual contributions to the Judicial Plan. For the Legislators Plan, statutorily required contributions were suspended for the fiscal year ending June 30, 2018, and have not been required thereafter. The Schedules of Contributions – Retirement Plan and Schedules of Contributions – OPEB (on pages 39 through 42) indicate the contributions that have been made while the statutes were suspended. During the years ended June 30, 2025 and 2024, the General Assembly appropriated the statutorily required annual contributions for the Judicial Plan only. The General Assembly suspended state statutes so that contributions could be reduced for the Legislators Plan. There were no contributions appropriated to the Legislative Plan in fiscal year 2025 or 2024.

### CONTACTING THE SYSTEM

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2025

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical Insurance	Total	Pension	Medical Insurance	Total	
Cash and cash equivalents	\$ 9,742,304	\$ 3,298,995	\$ 13,041,299	\$ 1,770,679	\$ 1,512,526	\$ 3,283,205	\$ 16,324,504
Receivables:							
Accrued interest receivable	1,458,492	493,883	1,952,375	328,850	280,907	609,757	2,562,132
Dividend receivable	196,792	66,639	263,431	38,680	33,039	71,719	335,150
Total receivables	<u>1,655,284</u>	<u>560,522</u>	<u>2,215,806</u>	<u>367,530</u>	<u>313,946</u>	<u>681,476</u>	<u>2,897,282</u>
Investments at fair value:							
Investments held by State Treasury	113,705	38,504	152,209	89,939	76,831	166,770	318,979
Governmental securities	34,142,617	11,561,568	45,704,185	7,087,427	6,054,473	13,141,900	58,846,085
Mutual funds	4,003,244	1,355,601	5,358,845	746,278	637,512	1,383,790	6,742,635
Corporate notes	107,237,133	36,313,252	143,550,385	22,989,476	19,638,886	42,628,362	186,178,747
Common stocks	401,242,822	135,871,142	537,113,964	84,755,562	72,397,288	157,152,850	694,266,814
Total investments	<u>546,739,521</u>	<u>185,140,067</u>	<u>731,879,588</u>	<u>115,668,682</u>	<u>98,804,990</u>	<u>214,473,672</u>	<u>946,353,260</u>
Fiduciary net position - restricted for pension and other post- employment benefits	<u>\$ 558,137,109</u>	<u>\$ 188,999,584</u>	<u>\$ 747,136,693</u>	<u>\$ 117,806,891</u>	<u>\$ 100,631,462</u>	<u>\$ 218,438,353</u>	<u>\$ 965,575,046</u>

See accompanying notes to financial statements.

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2024

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

See accompanying notes to financial statements.

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION YEAR ENDED JUNE 30, 2025

	Kentucky Judicial Retirement Plan			Kentucky Legislators Retirement Plan			System Total
	Pension	Medical Insurance	Total	Pension	Medical Insurance	Total	
<b>Additions</b>							
Contributions:							
Employer	\$ 660,000	\$ -0-	\$ 660,000	\$ -0-	\$ -0-	\$ -0-	\$ 660,000
Member	1,558,547	104,529	1,663,076	313,477	29,913	343,390	2,006,466
Total contributions	2,218,547	104,529	2,323,076	313,477	29,913	343,390	2,666,466
Investments:							
Net appreciation (realized and unrealized)	86,723,220	29,548,863	116,272,083	18,191,968	15,567,031	33,758,999	150,031,082
Interest	5,774,338	1,967,468	7,741,806	1,194,933	1,022,515	2,217,448	9,959,254
Dividends	4,754,205	1,619,881	6,374,086	997,958	853,960	1,851,918	8,226,004
Total investment income	97,251,763	33,136,212	130,387,975	20,384,859	17,443,506	37,828,365	168,216,340
Less investment expenses	412,472	140,540	553,012	87,088	74,521	161,609	714,621
Net investment income	96,839,291	32,995,672	129,834,963	20,297,771	17,368,985	37,666,756	167,501,719
Total additions	99,057,838	33,100,201	132,158,039	20,611,248	17,398,898	38,010,146	170,168,185
<b>Deductions</b>							
Benefit payments	27,701,587	-0-	27,701,587	5,502,347	-0-	5,502,347	33,203,934
Insurance premiums	-0-	3,004,536	3,004,536	-0-	1,262,275	1,262,275	4,266,811
Administrative expense	227,232	77,424	304,656	106,260	90,928	197,188	501,844
Refund of member contributions	-0-	-0-	-0-	79,753	-0-	79,753	79,753
Total deductions	27,928,819	3,081,960	31,010,779	5,688,360	1,353,203	7,041,563	38,052,342
Change in plan net position	71,129,019	30,018,241	101,147,260	14,922,888	16,045,695	30,968,583	132,115,843
Fiduciary net position - restricted, beginning of year	487,008,090	158,981,343	645,989,433	102,884,003	84,585,767	187,469,770	833,459,203
Fiduciary net position - restricted, end of year	<u>\$ 558,137,109</u>	<u>\$ 188,999,584</u>	<u>\$ 747,136,693</u>	<u>\$ 117,806,891</u>	<u>\$ 100,631,462</u>	<u>\$ 218,438,353</u>	<u>\$ 965,575,046</u>

See accompanying notes to financial statements.

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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

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

See accompanying notes to financial statements.

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

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

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

#### Basis of Accounting

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

#### Management's Use of Estimates

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

#### Cash and Cash Equivalents

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

#### Member Contributions

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

#### Benefit Payments and Refunds

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

Valuation of Investments

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

Net Pension and OPEB Liabilities

The System obtains actuarial valuation reports to estimate the net pension and other post-employment benefits ("OPEB") liabilities on a bi-annual basis. The most recent actuarial valuation had a measurement date of June 30, 2025.

**2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION**

**Kentucky Judicial Retirement Plan**

Membership

Total membership in the Kentucky Judicial Retirement Plan (Judicial Plan) consisted of the following at June 30, 2025 and 2024:

	2025		2024	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Retirees and beneficiaries receiving benefits	406	1	404	1
Terminated plan members - vested	12	3	5	0
Active plan members	119	73	126	72
<b>Total</b>	<b>537</b>	<b>77</b>	<b>535</b>	<b>73</b>
Number of participating employers	1	1	1	1

Plan Description – Defined Benefit Plan

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

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

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

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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

Additionally, legislation provides that a pension benefit shall be increased, if necessary, so that it equals 2.75% times 55% of member's the final compensation of the office in which the credit was earned for a person retiring as of the re-computation date, times the number of years of service credit, not to exceed 36 years. Final compensation is the average monthly compensation for the position held by the member for the 60 months immediately preceding retirement.

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

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

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

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

#### Plan Description – Hybrid Cash Balance Plan

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

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

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

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

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

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

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

Contributions – Defined Benefit Plan

Members entering membership on or after September 1, 2008 contribute 6% of their official salary, as defined. Members who first participated on or after July 1, 1978 and prior to September 1, 2008 contribute at a rate of 5% of their official salary. Once a member has earned sufficient service credit to have accrued a benefit of 100% of final average compensation, then employee contributions shall cease. For the years ending June 30, 2025 and 2024, the Commonwealth made a normal contribution at the actuarially-determined rate calculated by utilizing the entry age normal method of funding, and a past service contribution equal to 1% of the unfunded past service liability and contributed interest on the unfunded past service liabilities at the actuarially-assumed interest rate of 6.5%, in an amount equal to 100% of the amount required by Kentucky Revised Statutes (KRS) 21.515.

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

Contributions – Hybrid Cash Balance Plan

Members electing to participate in the Judicial HCB Plan contribute an amount equal to 6% of official salary. Of this, 1% is to be used to fund retiree health benefits and is not refundable. For each pay period that a personal contribution is made, the Commonwealth will apply an employer credit of 4% of official salary to the member’s account. On June 30 of each year, interest, in accordance with KRS 21.402, will be credited to the account. As of June 30, 2025 and 2024, approximately \$7.3 million and \$5.4 million, respectively, of the fiduciary net position of the System relates to the Judicial HCB Plan.

**Kentucky Legislators Retirement Plan**

Membership

Total membership in the Kentucky Legislators Retirement Plan (Legislators Plan) consisted of the following at June 30, 2025 and 2024:

	2025		2024	
	Defined Benefit	Cash Balance	Defined Benefit	Cash Balance
Retirees and beneficiaries receiving benefits	262	0	260	0
Terminated plan members - vested	40	17	31	4
Active plan members	19	73	26	71
<b>Total</b>	<b>321</b>	<b>90</b>	<b>317</b>	<b>75</b>
Number of participating employers	1	1	1	1

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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#### Plan Description – Defined Benefit Plan

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

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

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

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

Additionally, legislation provides that a pension benefit shall be increased, if necessary, so that it equals 3.5% times 55% of member's the final compensation of the office in which the credit was earned for a person retiring as of the re-computation date, times the number of years of service credit, not to exceed 28 years. Final compensation is the average of the member's three highest years of legislative creditable compensation.

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

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

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

#### Plan Description – Hybrid Cash Balance Plan

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

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## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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Commonwealth; or (b) at least age 57 and the member's accumulated active service credit in the Legislators HC Plan and other state-supported retirement system of the Commonwealth plus his/her age is at least 87.

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

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

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

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

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

#### Contributions – Defined Benefit Plan

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

#### Contributions – Hybrid Cash Balance Plan

Members electing to participate in the Legislators HCB Plan contribute an amount equal to 6% of official salary. Of this, 1% is to be used to fund retiree health benefits and is not refundable. For each pay period that a personal contribution is made, the Commonwealth will apply an employer credit of 4% of official salary to the member's account. On June 30 of each year, interest, in accordance with KRS 21.402 will be credited to the account. As of June 30, 2025 and 2024, approximately \$1.9 million and \$1.5 million, respectively, of the fiduciary net position of the System relates to the Legislators HCB Plan.

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# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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### 3. INVESTMENTS

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

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

1. Cash and cash equivalent balances will be held separately for each fund as liquidity reserve for the payment of certain fund expenses, pension or qualified refund payments, and insurance premium requirements.
2. Equities will have a target allocation of 70% of the portfolio's market value (with a fluctuation tolerance of up to 10%.)
3. Fixed income securities and/or cash equivalents will have a target allocation of 30% of the portfolio's market value (with a fluctuation tolerance of up to 10%.)
4. If an allocation exceeds its targeted range, the applicable Investment Committee will be notified of the status of the fund's portfolio allocation percentages. Such Committee may direct the fund manager to, on a timely basis, adjust the fund's applicable allocation percentage to bring the fund's portfolio back into its targeted range. If the Committee does not make a rebalancing recommendation, the fund manager, at its discretion, may or may not adjust the fund's portfolio allocations. Each retirement plan has two tiers, a Defined Benefit Plan tier and a Hybrid Cash Balance Plan tier. Funds for each retirement plan and each tier are maintained separately. The parameters applicable to the Defined Benefit and Hybrid Cash Balance investments for both retirement plans are:

#### *Equities*

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

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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#### *Fixed Income*

1. No issues (with the exception of those of the U.S. Government and its Agencies) may be purchased with more than 15 years duration at the time of purchase.
2. Investments in securities of the U.S. Government and its Agencies may be purchased with a maturity of up to 30 years, but the weighted average maturity of those securities in each fund shall not exceed 10 years.
3. Investments in securities of a single issuer (with the exception of U.S. Government and its Agencies) of each fund must not exceed 5% of the fund's market value of the fixed income portfolio.
4. Only corporate debt issues that meet or exceed a credit rating of BBB from Standard & Poor's and/or a BAA rating by Moody's may be purchased.
5. Preferred stocks must be rated A or better by Moody's and/or Standard & Poor's at the time of purchase.
6. Investment in bonds will be limited to those eligible for purchase by national banks.
7. Bond maturities will be reasonably spaced with due consideration given to call provisions.
8. Any fixed income benchmark selected by the manager for any fund must be a broad market benchmark and must reasonably reflect the nature and risk of the underlying investments of such fund's fixed income portfolio.
9. Each fund's fixed income portfolio duration, defined as the weighted average of the modified durations of all of the Fund's fixed income investments, shall at all times be generally consistent with the duration of its fixed income benchmark, plus or minus one year.
10. The fund manager is prohibited from investing in private placements, from speculating in fixed income or interest rate futures, and from arbitrage or any other specialized investments. No investments shall be made in proprietary funds of the fund manager without written consent of the Investment Committee.

#### *Cash and Cash Equivalents*

1. The fund manager may maintain cash and cash equivalent balances as part of a fund's portfolio allocations in anticipation of liquidity reserve needs or as temporary fund investments pending longer term portfolio investments.
2. Any cash and cash equivalent investments held in the liquidity reserves or within fund portfolios may be made in the following types of short-term investments, with limits and requirements as described below:
  - a. Treasury bills
  - b. Commercial paper investments and marketable short-term money market securities, each with time of purchase ratings of as least A-2 or P-2 by Standard & Poor's or Moody's, respectively, and each with time of purchase maturities of no longer than 270 days

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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- c. Marketable short-term money market funds of marketable short-term securities, under the following limits for each such fund: fund ratings at least AAA or Aaa by Standard & Poor's or Moody's, respectively, at time of purchase; final maturities of underlying fund investments of no longer than 13 months from dates of acquisition; and fund weighted average maturity of underlying fund investments of no longer than 60 days at all times
  - d. Corporate cash equivalent investments with maturities no longer than one year, provided any such investment shall be restricted to not more than 7% per issuer
  - e. Repurchase agreements relating to and consistent with the instruments described in these Cash and Cash Equivalent Guidelines provided such agreements have a maturity deemed to be no longer than the scheduled maturity period remaining on the underlying securities covered by such agreement
3. All cash and cash equivalents should have maturities no longer than one year from the date of their acquisition.
  4. The fund manager may invest no more than 10% of the market values of either of the two Defined Benefit Funds' portfolios, and no more than 5% of the market values of either of the two Hybrid Cash Balance Funds' portfolios, in cash or cash equivalents of a single government agency other than U.S. Government agencies. Investment in obligations of the U.S. Government and its agencies are not restricted.

#### Rate of Return

For the years ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 21.0% and 20.9% for the Judicial Plan and Legislators Plans respectively. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of investment expense, for the Judicial Plan and Legislators Plan, was 19.4% and 19.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Investment Fees

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

#### Credit Risk

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

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

	<u>S&amp;P Quality Rating</u>	<u>2025</u>	<u>2024</u>
U.S. governmental securities	AA+	\$ 45,704,185	\$ 45,474,110
Corporate notes	AAA	\$ 4,883,850	\$ 4,725,600
	AA+	1,504,530	1,478,595
	AA-	23,240,560	20,472,665
	A+	13,456,825	12,939,540
	A	44,110,065	23,027,680
	A-	17,947,090	25,498,125
	BBB+	20,042,275	24,195,700
	BBB	16,441,716	11,205,185
	Not Rated*	1,923,474	1,353,558
		<u>143,550,385</u>	<u>124,896,648</u>
Total		<u>\$ 189,254,570</u>	<u>\$ 170,370,758</u>

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

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

	<u>S&amp;P Quality Rating</u>	<u>2025</u>	<u>2024</u>
U.S. governmental securities	AA+	\$ 13,141,900	\$ 14,938,049
Corporate notes	AAA	\$ 1,220,963	\$ 1,181,400
	AA+	501,510	492,865
	AA-	7,461,100	5,469,195
	A+	3,602,187	3,463,425
	A	12,845,738	4,957,678
	A-	7,015,270	7,839,668
	BBB+	5,266,240	7,013,477
	BBB	4,235,950	2,925,730
	Not Rated*	479,404	336,625
		<u>42,628,362</u>	<u>33,680,063</u>
Total		<u>\$ 55,770,262</u>	<u>\$ 48,618,112</u>

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
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Concentration of Credit Risk

Investments exceeded more than 5% of Plan fiduciary net position as follows: At June 30, 2025, JPMorgan Chase & Co. at 5.22% and 5.17% in the Judicial Plan and Legislators Plan, respectively. At June 30, 2024, Progressive Corporation at 5.17% and Microsoft Corporation at 5.45% in the Judicial Plan, and Progressive Corporation at 5.19%, Alphabet, Inc. at 5.02%, and Microsoft Corporation at 5.45% in the Legislators Plan

Interest Rate Risk

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

The debt securities, and related maturities, within the Judicial Plan are as follows at June 30, 2025:

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 45,704,185	\$ 6,001,620	\$ 17,535,165	\$ 22,167,400
Corporate notes	143,550,385	30,810,715	73,400,260	39,339,410
	<u>\$ 189,254,570</u>	<u>\$ 36,812,335</u>	<u>\$ 90,935,425</u>	<u>\$ 61,506,810</u>

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

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

The debt securities, and related maturities, within the Legislators Plan are as follows at June 30, 2025:

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 13,141,900	\$ 2,000,540	\$ 3,227,505	\$ 7,913,855
Corporate notes	42,628,362	7,208,087	21,398,090	14,022,185
	<u>\$ 55,770,262</u>	<u>\$ 9,208,627</u>	<u>\$ 24,625,595</u>	<u>\$ 21,936,040</u>

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

	Amount	Less than One Year	1 - 5 Years	6 - 10 Years
Governmental securities	\$ 14,938,049	\$ 2,990,010	\$ 5,140,308	\$ 6,807,731
Corporate notes	33,680,063	336,625	20,652,905	12,690,533
	<u>\$ 48,618,112</u>	<u>\$ 3,326,635</u>	<u>\$ 25,793,213</u>	<u>\$ 19,498,264</u>

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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### Foreign Currency Risk

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. There were no investments held by the Judicial and Legislators Plan at June 30, 2025 and 2024 subject to foreign currency risk.

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

### Cash and Investments Held by State Treasury

At June 30, 2025 and 2024, the System's share of deposits in the Commonwealth's general depository (State investment pool) totaled \$1.3 million and \$2.5 million, respectively. The Commonwealth's ACFR for the year ended June 30, 2025 should be referred to for required disclosures.

## **4. FAIR VALUE MEASUREMENTS**

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
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- U.S. government securities: Value using pricing models maximizing the use of observable inputs for similar securities.
- Investments held by the State Treasury and Cash Equivalents: Valued at cost which approximates fair value.
- Common stocks: Valued at the closing price reported on the New York Stock Exchange.
- Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.
- Foreign government securities: Valued using pricing for interactive data which offers daily evaluations and related data for international fixed income securities with embedded equity options including convertible and exchangeable bonds.
- Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the System are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the System are deemed to be actively traded.

The following tables set forth by level, within the hierarchy, the System's assets and liabilities measured at fair value on a recurring basis as of June 30, 2025 are as follows:

Judicial Retirement Plan	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 94,411	\$ 57,798	\$ -0-	\$ 152,209
Common stocks	537,113,964	-0-	-0-	537,113,964
Mutual funds	5,358,845	-0-	-0-	5,358,845
Corporate bonds	-0-	143,550,385	-0-	143,550,385
Foreign government securities	45,704,185	-0-	-0-	45,704,185
<b>Total assets at fair value</b>	<b>\$ 588,271,405</b>	<b>\$ 143,608,183</b>	<b>\$ -0-</b>	<b>\$ 731,879,588</b>

Legislators Retirement Plan	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 134,187	\$ 32,583	\$ -0-	\$ 166,770
Common stocks	157,152,850	-0-	-0-	157,152,850
Mutual funds	1,383,790	-0-	-0-	1,383,790
Corporate bonds	-0-	42,628,362	-0-	42,628,362
Foreign government securities	13,141,900	-0-	-0-	13,141,900
<b>Total assets at fair value</b>	<b>\$ 171,812,727</b>	<b>\$ 42,660,945</b>	<b>\$ -0-</b>	<b>\$ 214,473,672</b>

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

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

Judicial Retirement Plan	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 1,136,720	\$ 13,354	\$ -0-	\$ 1,150,074
Common stocks	460,253,616	-0-	-0-	460,253,616
Mutual funds	3,601,125	-0-	-0-	3,601,125
Corporate bonds	-0-	124,896,648	-0-	124,896,648
Foreign government securities	45,474,110	-0-	-0-	45,474,110
<b>Total assets at fair value</b>	<b>\$ 510,465,571</b>	<b>\$ 124,910,002</b>	<b>\$ -0-</b>	<b>\$ 635,375,573</b>

Legislators Retirement Plan	Level 1	Level 2	Level 3	Total
Investments held by				
State Treasury	\$ 278,912	\$ 3,872	\$ -0-	\$ 282,784
Common stocks	133,932,256	-0-	-0-	133,932,256
Mutual funds	919,865	-0-	-0-	919,865
Corporate bonds		33,680,063	-0-	33,680,063
Foreign government securities	14,938,049	-0-	-0-	14,938,049
<b>Total assets at fair value</b>	<b>\$ 150,069,082</b>	<b>\$ 33,683,935</b>	<b>\$ -0-</b>	<b>\$ 183,753,017</b>

The System's policy is to recognize transfers between levels as of the actual date of the event or change in circumstances. There were no transfers between levels during 2025 or 2024.

**5. NET PENSION LIABILITY**

Judicial Retirement Plan

The components of the net pension asset of the Judicial Plan as of June 30, 2025 and 2024, are as follows:

	2025	2024
Total pension liability	\$ 390,744,852	\$ 383,914,910
Pension plan fiduciary net position	(558,137,109)	(487,008,090)
<b>Plan's net pension asset</b>	<b>\$ (167,392,257)</b>	<b>\$ (103,093,180)</b>

Plan fiduciary net position as a percentage of the total pension liability	142.8%	126.9%
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**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2025 and 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Valuation Date:	July 1, 2025	July 1, 2023
Actuarial Cost Method:	Entry Age Normal funding method	Entry Age Normal funding method
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	3.50%	1% through June 30, 2028, and 3.5%

Mortality rates were based on the Pub-2016 Table for General Employees with Above-Median Income). The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study based on plan experience from 2018 to 2023, adopted by the board on August 1, 2025.

The long-term expected rate of return on Judicial Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Judicial DB Plan’s target asset allocation as of June 30, 2025 and 2024 (see the discussion of the Judicial DB Plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>2025</u>	<u>2024</u>
Domestic Equity	4.50%	4.50%
International Equity	2.50%	2.50%
Fixed Income	1.25%	1.25%
Cash	1.00%	0.00%

The discount used to measure the total pension liability as of July 1, 2025 and 2024 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 6.50% was used for discount rate/long-term rate of return assumption for GASB calculations.

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
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The following presents the net pension liability (asset) of the Judicial Plan at June 30, 2025, calculated using the discount rate of 6.50%, as well as what the Judicial Plan’s pension liability (asset) would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Net pension liability (asset)	\$ (131,332,836)	\$ (167,392,257)	\$ (198,490,895)

Legislators Retirement Plan

The components of the net pension liability of the Legislators Plan as of June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 67,480,113	\$ 68,183,085
Pension plan fiduciary net position	(117,806,891)	(102,884,003)
Plan's net pension asset	<u>\$ (50,326,778)</u>	<u>\$ (34,700,918)</u>

Plan fiduciary net position as a percentage of the total pension liability	174.6%	150.9%
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The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2025 and 2024:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Valuation Date:	July 1, 2025	July 1, 2023
Actuarial Cost Method:	Entry Age Normal funding method	Entry Age Normal funding method
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	3.50%	1% through June 30, 2028, and 3.5%

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
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Mortality rates were based on the Pub-2016 Table for General Employees with Above-Median Income). The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study based on plan experience from 2018 to 2023, adopted by the board on August 1, 2025.

The long-term expected rate of return on Legislators Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Legislators DB Plan’s target asset allocation as of June 30, 2025 and 2024 (see the discussion of the Legislators Plan’s investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2025	2024
Domestic Equity	4.50%	4.50%
International Equity	2.50%	2.50%
Fixed Income	1.25%	1.25%
Cash	1.00%	0.00%

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

The following presents the net pension liability (asset) of the Legislators Plan at June 30, 2025, calculated using the discount rate of 6.50%, as well as what the Legislators Plan’s pension liability (asset) would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net pension liability (asset)	\$ (44,293,682)	\$ (50,326,778)	\$ (55,502,245)

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

**6. NET OPEB LIABILITY**

Judicial Retirement Plan

The components of the net other post-employment benefits (OPEB) liability of the Judicial Plan as of June 30, 2025 and 2024, are as follows:

	2025	2024
Total OPEB liability	\$ 74,528,217	\$ 53,559,375
Plan fiduciary net position	(188,999,584)	(159,152,597)
Plan's net OPEB liability (asset)	<u>\$ (114,471,367)</u>	<u>\$ (105,593,222)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	253.6%	297.2%
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The following are the actuarial methods and assumptions used to develop the above liabilities at June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Valuation Date:	July 1, 2025	July 1, 2023
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	3.50%	1% through June 30, 2028, and 3.5% thereafter
Healthcare cost trend rates	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

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The long-term expected rate of return on Judicial OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Judicial OPEB Plan’s target asset allocation as of June 30, 2025 and 2024 (see the discussion of the Judicial OPEB Plan’s investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2025	2024
Domestic Equity	4.50%	4.50%
International Equity	2.50%	2.50%
Fixed Income	1.25%	1.25%
Cash	1.00%	0.00%

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

The following presents the net OPEB liability of the Judicial Plan as of June 30, 2025, calculated using the discount rate of 6.50%, as well as what the Judicial Plan’s OPEB liability would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net OPEB asset	\$ (105,611,859)	\$ (114,471,367)	\$ (121,905,018)

The following presents the OPEB liability of the Judicial Plan as of June 30, 2025 calculated using the healthcare cost trend of 6.25% level for 2 years, then 5.75% and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075, as well as what the Judicial Plan’s OPEB liability would be if it was calculated using a healthcare cost trend that is 1% lower or 1% higher than the current rate:

	1% Decrease on Trend Assumption	Current Rate on Trend Assumption	1% Increase on Trend Assumption
Net OPEB asset	\$ (121,852,942)	\$ (114,471,367)	\$ (105,756,823)

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
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Legislators Retirement Plan

The components of the net other post-employment benefits (OPEB) liability (asset) of the Legislators Plan as of June 30, 2025 and 2024, are as follows:

	2025	2024
Total OPEB liability	\$ 25,315,315	\$ 19,050,428
Plan fiduciary net position	(100,631,462)	(84,604,481)
Plan's net OPEB asset	\$ (75,316,147)	\$ (65,554,053)

Plan fiduciary net position as a percentage of the total OPEB asset	397.5%	444.1%
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The following are the actuarial methods and assumptions used to develop the above liabilities:

	June 30, 2025	June 30, 2024
Valuation Date:	July 1, 2025	July 1, 2023
Amortization Method:	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window	Gains and losses over 20-year closed bases. If the Plan has surplus assets, all bases are consolidated and surplus is consolidated over a 20-year open window
Asset Valuation Method:	Market Value, adjusted for a 5-year smoothing method	Market Value, adjusted for a 5-year smoothing method
Investment Return:	6.50%	6.50%
Inflation:	2.50%	2.50%
Projected Salary Increases:	3.50%	1% through June 30, 2028, and 3.5% thereafter
Healthcare cost trend rates	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075	6.25% decreasing to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075

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

**KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

The long-term expected rate of return on Legislators OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Legislators OPEB Plan’s target asset allocation as of June 30, 2025 and 2024 (see the discussion of the Legislators OPEB Plan’s investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2025	2024
Domestic Equity	4.50%	4.50%
International Equity	2.50%	2.50%
Fixed Income	1.25%	1.25%
Cash	1.00%	0.00%

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

The following presents the net OPEB liability of the Legislators Plan as of June 30, 2025, calculated using the discount rate of 6.50%, as well as what the Legislators Plan’s OPEB liability would be if it was calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
Net OPEB asset	\$ (72,314,076)	\$ (75,316,147)	\$ (77,813,693)

The following presents the OPEB liability of the Judicial Plan as of June 30, 2025 calculated using the healthcare cost trend of 6.25% level for 2 years, then 5.75% and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075, as well as what the Legislators Plan’s OPEB liability would be if it was calculated using a healthcare cost trend that is 1% lower or 1% higher than the current rate:

	1% Decrease on Trend Assumption	Current Rate on Trend Assumption	1% Increase on Trend Assumption
Net OPEB asset	\$ (77,707,238)	\$ (75,316,147)	\$ (72,481,252)

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

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### **7. RISK MANAGEMENT**

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

### **8. INCOME TAX STATUS**

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

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

REQUIRED SUPPLEMENTARY INFORMATION

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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

### Kentucky Judicial Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Total pension liability</u>										
Service cost	\$ 3,900,000	\$ 3,900,000	\$ 4,300,000	\$ 4,300,000	\$ 3,600,000	\$ 3,500,000	\$ 4,100,000	\$ 4,100,000	\$ 4,900,000	\$ 5,000,000
Interest	24,200,000	24,100,000	23,900,000	23,800,000	23,700,000	23,400,000	22,900,000	22,700,000	23,800,000	23,400,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	5,800,000	1,500,000	4,400,000	-0-	(5,300,000)	-0-	(100,000)	-0-	(8,800,000)	-0-
Changes in assumptions	600,000	-0-	-0-	(5,900,000)	9,100,000	-0-	(7,700,000)	-0-	(2,100,000)	-0-
Benefit payments/refunds of member contributions	(27,700,000)	(28,100,000)	(26,800,000)	(25,000,000)	(24,400,000)	(24,400,000)	(24,200,000)	(23,200,000)	(23,000,000)	(22,900,000)
Net change in total pension liability	6,800,000	1,400,000	5,800,000	(2,800,000)	6,700,000	2,500,000	(5,000,000)	3,600,000	(5,200,000)	5,500,000
Total pension liability - beginning	383,900,000	382,500,000	376,700,000	379,500,000	372,700,000	370,300,000	375,200,000	371,500,000	376,800,000	371,300,000
Total pension liability - ending	<u>\$ 390,700,000</u>	<u>\$ 383,900,000</u>	<u>\$ 382,500,000</u>	<u>\$ 376,700,000</u>	<u>\$ 379,400,000</u>	<u>\$ 372,800,000</u>	<u>\$ 370,200,000</u>	<u>\$ 375,100,000</u>	<u>\$ 371,600,000</u>	<u>\$ 376,800,000</u>
<u>Pension plan fiduciary net position</u>										
Contributions - employer	\$ 700,000	\$ 5,300,000	\$ 5,000,000	\$ 7,100,000	\$ 6,800,000	\$ 8,700,000	\$ 8,700,000	\$ 12,000,000	\$ 12,000,000	\$ 15,200,000
Contributions - member	1,500,000	1,400,000	2,000,000	2,400,000	1,900,000	1,700,000	1,500,000	2,000,000	1,600,000	1,800,000
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	600,000	-0-	100,000
Net investment income	96,900,000	81,000,000	56,500,000	(42,000,000)	122,800,000	19,500,000	38,600,000	27,100,000	34,600,000	8,700,000
Benefit payments/refunds of member contributions	(27,700,000)	(28,100,000)	(26,800,000)	(25,000,000)	(24,400,000)	(24,400,000)	(24,200,000)	(23,200,000)	(23,000,000)	(22,900,000)
Administrative expenses	(300,000)	(200,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	71,100,000	59,400,000	36,700,000	(57,500,000)	107,100,000	5,500,000	24,600,000	18,500,000	25,200,000	2,900,000
Pension plan fiduciary net position - beginning	487,000,000	427,600,000	390,900,000	448,400,000	341,300,000	335,700,000	311,100,000	292,700,000	267,500,000	264,600,000
Pension plan fiduciary net position - ending	<u>\$ 558,100,000</u>	<u>\$ 487,000,000</u>	<u>\$ 427,600,000</u>	<u>\$ 390,900,000</u>	<u>\$ 448,400,000</u>	<u>\$ 341,200,000</u>	<u>\$ 335,700,000</u>	<u>\$ 311,200,000</u>	<u>\$ 292,700,000</u>	<u>\$ 267,500,000</u>
Net pension liability/(asset) - ending	<u>\$ (167,400,000)</u>	<u>\$ (103,100,000)</u>	<u>\$ (45,100,000)</u>	<u>\$ (14,200,000)</u>	<u>\$ (69,000,000)</u>	<u>\$ 31,600,000</u>	<u>\$ 34,500,000</u>	<u>\$ 63,900,000</u>	<u>\$ 78,900,000</u>	<u>\$ 109,300,000</u>
Pension plan fiduciary net position as a % of the total pension liability	142.8%	126.9%	111.8%	103.8%	118.2%	91.5%	90.7%	82.9%	78.8%	71.0%
Covered payroll	30,200,000	27,800,000	27,700,000	29,800,000	29,500,000	30,900,000	30,600,000	30,600,000	30,300,000	31,900,000
Net pension liability/(asset) as a % of covered payroll	-554.1%	-370.4%	-162.8%	-47.7%	-233.9%	101.6%	113.1%	209.5%	260.1%	342.6%

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

See accompanying report of independent auditors.

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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

### Kentucky Legislators Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ 400,000	\$ 400,000	\$ 600,000	\$ 600,000	\$ 500,000	\$ 600,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 900,000
Interest	4,300,000	4,300,000	4,500,000	4,500,000	4,600,000	4,500,000	4,600,000	4,600,000	5,300,000	5,200,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	-0-	900,000	(2,700,000)	-0-	(2,000,000)	-0-	(2,800,000)	-0-	(6,400,000)	-0-
Changes in assumptions	200,000	-0-	-0-	(1,400,000)	2,600,000	-0-	(300,000)	-0-	(200,000)	-0-
Benefit payments/refunds of member contributions	(5,600,000)	(5,500,000)	(5,400,000)	(5,200,000)	(5,100,000)	(5,000,000)	(4,700,000)	(4,500,000)	(4,200,000)	(4,000,000)
Net change in total pension liability	(700,000)	100,000	(3,000,000)	(1,500,000)	600,000	100,000	(2,500,000)	800,000	(4,800,000)	2,100,000
Total pension liability - beginning	68,200,000	68,100,000	71,100,000	72,600,000	72,000,000	71,900,000	74,400,000	73,600,000	78,400,000	76,200,000
Total pension liability - ending	<u>\$ 67,500,000</u>	<u>\$ 68,200,000</u>	<u>\$ 68,100,000</u>	<u>\$ 71,100,000</u>	<u>\$ 72,600,000</u>	<u>\$ 72,000,000</u>	<u>\$ 71,900,000</u>	<u>\$ 74,400,000</u>	<u>\$ 73,600,000</u>	<u>\$ 78,300,000</u>
<b>Pension plan fiduciary net position</b>										
Contributions - employer	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000
Contributions - member	300,000	200,000	200,000	200,000	300,000	200,000	200,000	200,000	300,000	300,000
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000	-0-
Net investment income	20,300,000	17,000,000	11,900,000	(8,700,000)	26,700,000	4,300,000	8,600,000	6,200,000	7,900,000	2,000,000
Benefit payments/refunds of member contributions	(5,600,000)	(5,500,000)	(5,400,000)	(5,200,000)	(5,100,000)	(5,000,000)	(4,700,000)	(4,500,000)	(4,200,000)	(4,000,000)
Administrative expenses	(100,000)	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	14,900,000	11,600,000	6,700,000	(13,700,000)	21,900,000	(500,000)	4,100,000	4,300,000	6,500,000	1,700,000
Pension plan fiduciary net position - beginning	102,900,000	91,300,000	84,600,000	98,300,000	76,400,000	76,900,000	72,800,000	68,400,000	61,900,000	60,100,000
Pension plan fiduciary net position - ending	<u>\$ 117,800,000</u>	<u>\$ 102,900,000</u>	<u>\$ 91,300,000</u>	<u>\$ 84,600,000</u>	<u>\$ 98,300,000</u>	<u>\$ 76,400,000</u>	<u>\$ 76,900,000</u>	<u>\$ 72,700,000</u>	<u>\$ 68,400,000</u>	<u>\$ 61,800,000</u>
Net pension liability/(asset) - ending	<u>\$ (50,300,000)</u>	<u>\$ (34,700,000)</u>	<u>\$ (23,200,000)</u>	<u>\$ (13,500,000)</u>	<u>\$ (25,700,000)</u>	<u>\$ (4,400,000)</u>	<u>\$ (5,000,000)</u>	<u>\$ 1,700,000</u>	<u>\$ 5,200,000</u>	<u>\$ 16,500,000</u>
Pension plan fiduciary net position as a % of the total pension liability	174.6%	150.9%	134.1%	119.0%	135.4%	106.1%	107.0%	97.8%	92.9%	79.0%
Covered payroll	4,100,000	4,100,000	4,100,000	4,200,000	4,200,000	4,300,000	4,300,000	4,400,000	4,400,000	4,900,000
Net pension liability/(asset) as a % of covered payroll	-1215.7%	-846.3%	-565.9%	-321.4%	-611.9%	-102.3%	-116.3%	36.4%	118.2%	336.7%

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

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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

<u>Kentucky Judicial Retirement Plan</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability</u>									
Service cost	\$ 900,000	\$ 900,000	\$ 700,000	\$ 600,000	\$ 700,000	\$ 700,000	\$ 900,000	\$ 900,000	\$ 1,200,000
Interest	3,400,000	3,200,000	2,500,000	2,500,000	3,200,000	3,000,000	3,600,000	3,300,000	4,600,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	13,200,000	2,700,000	8,500,000	-0-	(9,300,000)	-0-	(9,700,000)	-0-	(22,100,000)
Changes in assumptions	6,400,000	-0-	(900,000)	-0-	(2,300,000)	-0-	100,000	-0-	5,600,000
Benefit payments/refunds of member contributions	(3,000,000)	(2,400,000)	(2,200,000)	(1,900,000)	(1,800,000)	(2,000,000)	(2,000,000)	(2,000,000)	(1,900,000)
Net change in total OPEB liability	20,900,000	4,400,000	8,600,000	1,200,000	(9,500,000)	1,700,000	(7,100,000)	2,200,000	(12,600,000)
Total OPEB liability - beginning	53,600,000	49,200,000	40,600,000	39,400,000	49,000,000	47,300,000	54,400,000	52,100,000	64,700,000
Total OPEB liability - ending	<u>\$ 74,500,000</u>	<u>\$ 53,600,000</u>	<u>\$ 49,200,000</u>	<u>\$ 40,600,000</u>	<u>\$ 39,500,000</u>	<u>\$ 49,000,000</u>	<u>\$ 47,300,000</u>	<u>\$ 54,300,000</u>	<u>\$ 52,100,000</u>
<u>Plan fiduciary net position</u>									
Contributions - employer	\$ -0-	\$ -0-	\$ -0-	\$ 100,000	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000
Contributions - member	100,000	100,000	100,000	100,000	100,000	-0-	-0-	200,000	100,000
Transfer in payments			-0-	-0-	-0-	-0-	-0-	100,000	-0-
Net investment income	32,800,000	26,500,000	17,900,000	(12,900,000)	36,700,000	5,600,000	11,000,000	7,600,000	9,400,000
Benefit payments/refunds of member contributions	(3,000,000)	(2,400,000)	(2,200,000)	(1,900,000)	(1,800,000)	(2,000,000)	(2,000,000)	(2,000,000)	(1,900,000)
Administrative expenses	(100,000)	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	29,800,000	24,100,000	15,800,000	(14,600,000)	35,000,000	3,600,000	9,000,000	7,100,000	8,800,000
Plan fiduciary net position - beginning	159,200,000	135,100,000	119,300,000	133,900,000	99,000,000	95,400,000	86,300,000	79,200,000	70,300,000
Plan fiduciary net position - ending	<u>\$ 189,000,000</u>	<u>\$ 159,200,000</u>	<u>\$ 135,100,000</u>	<u>\$ 119,300,000</u>	<u>\$ 134,000,000</u>	<u>\$ 99,000,000</u>	<u>\$ 95,300,000</u>	<u>\$ 86,300,000</u>	<u>\$ 79,100,000</u>
Net OPEB liability (asset) - ending	<u>\$ (114,500,000)</u>	<u>\$ (105,600,000)</u>	<u>\$ (85,900,000)</u>	<u>\$ (78,700,000)</u>	<u>\$ (94,500,000)</u>	<u>\$ (50,000,000)</u>	<u>\$ (48,000,000)</u>	<u>\$ (32,000,000)</u>	<u>\$ (27,000,000)</u>
Plan fiduciary net position as a % of the total OPEB liability	253.6%	297.2%	274.6%	293.8%	339.8%	202.0%	201.7%	158.6%	152.0%
Covered payroll	30,200,000	27,800,000	26,700,000	29,800,000	29,500,000	30,900,000	30,600,000	30,600,000	30,300,000
Net OPEB liability/(asset) as a % of covered payroll	-378.9%	-379.4%	-321.3%	-264.1%	-320.3%	-161.8%	-156.9%	-104.6%	-89.1%

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

See accompanying report of independent auditors.

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

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

<u>Kentucky Legislators Retirement Plan</u>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability</u>									
Service cost	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 100,000	\$ 300,000	\$ 300,000	\$ 400,000
Interest	1,200,000	1,100,000	1,000,000	1,000,000	1,300,000	1,200,000	1,500,000	1,400,000	2,000,000
Changes in benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	3,800,000	700,000	2,400,000	-0-	(4,800,000)	-0-	(4,400,000)	-0-	(10,600,000)
Changes in assumptions	2,300,000	-0-	(300,000)	-0-	(400,000)	-0-	-0-	-0-	2,300,000
Benefit payments/refunds of member contributions	(1,200,000)	(1,000,000)	(900,000)	(900,000)	(800,000)	(800,000)	(800,000)	(800,000)	(700,000)
Net change in total OPEB liability	6,200,000	900,000	2,300,000	200,000	(4,500,000)	500,000	(3,400,000)	900,000	(6,600,000)
Total OPEB liability - beginning	19,100,000	18,100,000	15,900,000	15,700,000	20,200,000	19,700,000	23,100,000	22,000,000	28,600,000
Total OPEB liability - ending	<u>\$ 25,300,000</u>	<u>\$ 19,000,000</u>	<u>\$ 18,200,000</u>	<u>\$ 15,900,000</u>	<u>\$ 15,700,000</u>	<u>\$ 20,200,000</u>	<u>\$ 19,700,000</u>	<u>\$ 22,900,000</u>	<u>\$ 22,000,000</u>
<u>Plan fiduciary net position</u>									
Contributions - employer	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions - member	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfer in payments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net investment income	17,400,000	14,000,000	9,400,000	(6,500,000)	19,200,000	2,900,000	5,700,000	3,900,000	4,900,000
Benefit payments/refunds of member contributions	(1,300,000)	(1,000,000)	(900,000)	(900,000)	(800,000)	(800,000)	(800,000)	(800,000)	(700,000)
Administrative expenses	(100,000)	(100,000)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	16,000,000	12,900,000	8,500,000	(7,400,000)	18,400,000	2,100,000	4,900,000	3,100,000	4,200,000
Plan fiduciary net position - beginning	84,600,000	71,700,000	63,300,000	70,700,000	52,100,000	50,000,000	45,100,000	42,000,000	37,800,000
Plan fiduciary net position - ending	<u>\$ 100,600,000</u>	<u>\$ 84,600,000</u>	<u>\$ 71,800,000</u>	<u>\$ 63,300,000</u>	<u>\$ 70,500,000</u>	<u>\$ 52,100,000</u>	<u>\$ 50,000,000</u>	<u>\$ 45,100,000</u>	<u>\$ 42,000,000</u>
Net OPEB liability (asset) - ending	<u>\$ (75,300,000)</u>	<u>\$ (65,600,000)</u>	<u>\$ (53,600,000)</u>	<u>\$ (47,400,000)</u>	<u>\$ (54,800,000)</u>	<u>\$ (31,900,000)</u>	<u>\$ (30,300,000)</u>	<u>\$ (22,200,000)</u>	<u>\$ (20,000,000)</u>
Plan fiduciary net position as a % of the total OPEB liability	397.5%	444.1%	394.5%	398.1%	450.3%	258.9%	254.3%	195.2%	190.9%
Covered payroll	4,100,000	4,100,000	4,000,000	4,200,000	4,200,000	4,300,000	4,300,000	4,400,000	4,400,000
Net OPEB liability/(asset) as a % of covered payroll	-1819.3%	-1580.7%	-1340.0%	-1128.6%	-1304.8%	-741.9%	-704.7%	-504.5%	-454.5%

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

See accompanying report of independent auditors.

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULES OF CONTRIBUTIONS KENTUCKY JUDICIAL RETIREMENT PLAN LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 700,000	\$ 5,300,000	\$ 5,000,000	\$ 7,900,000	\$ 6,700,000	\$ 9,800,000	\$ 9,200,000	\$ 11,900,000	\$ 11,884,797	\$ 15,171,300
Contributions in relation to the actuarially determined contribution	\$ 700,000	\$ 5,300,000	\$ 5,000,000	\$ 7,100,000	\$ 6,800,000	\$ 8,600,000	\$ 8,600,000	\$ 11,900,000	\$ 11,884,797	\$ 15,171,300
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ 800,000	\$ (100,000)	\$ 1,200,000	\$ 600,000	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 30,200,000	\$ 27,800,000	\$ 27,700,000	\$ 29,800,000	\$ 29,500,000	\$ 30,009,000	\$ 30,600,000	\$ 30,600,000	\$ 30,300,000	\$ 31,900,000
Contributions as a percentage of covered payroll	2.2%	19.1%	18.1%	23.8%	23.1%	28.2%	28.4%	39.2%	29.6%	47.6%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%
Valuation Date:	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013

**Methods and assumptions used to determine contributions:**

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

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULES OF CONTRIBUTIONS KENTUCKY LEGISLATORS RETIREMENT PLAN LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ 600,000	\$ 400,000	\$ 1,200,000	\$ 1,100,000	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,400,000	\$ 2,400,000	\$ 3,400,000
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ 600,000	\$ 400,000	\$ 1,200,000	\$ 1,100,000	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 4,100,000	\$ 4,100,000	\$ 4,100,000	\$ 4,200,000	\$ 4,200,000	\$ 4,300,000	\$ 4,300,000	\$ 4,400,000	\$ 4,400,000	\$ 4,900,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	54.5%	54.5%	69.4%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%
Valuation date:	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013

**Methods and assumptions used to determine contributions:**

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

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULE OF CONTRIBUTIONS KENTUCKY JUDICIAL OPEB PLAN LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000	\$ 1,300,000
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ 100,000	\$ -0-	\$ -0-	\$ -0-	\$ 1,200,000	\$ 1,200,000	\$ 1,300,000
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ (100,000)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 30,200,000	\$ 27,800,000	\$ 26,700,000	\$ 29,800,000	\$ 29,500,000	\$ 30,900,000	\$ 30,600,000	\$ 30,600,000	\$ 30,300,000	\$ 32,000,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	3.9%	4.0%	4.1%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.24%	6.24%	6.41%
Valuation date:	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Salary Increases:	1% for the next 3 years and 3.5% thereafter
Healthcare cost trend rates:	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULE OF CONTRIBUTIONS KENTUCKY LEGISLATORS OPEB PLAN LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions in relation to the actuarially determined contribution	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered payroll	\$ 4,100,000	\$ 4,100,000	\$ 4,000,000	\$ 4,200,000	\$ 4,200,000	\$ 4,300,000	\$ 4,300,000	\$ 4,400,000	\$ 4,400,000	\$ 5,300,000
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment return:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.45%	6.45%	6.85%
Valuation date:	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2015	July 1, 2013

**Methods and assumptions used to determine contributions:**

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar
Asset Valuation Method:	5-year smoothed market
Inflation:	2.50%
Salary Increases:	1% for the next 3 years and 3.5% thereafter
Healthcare cost trend rates:	6.25% grading to 5.75% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075
Mortality	Pub-2010 (above median) Table for General Employees with projected mortality improvements under Projection Scale MP-2020

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

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULES OF INVESTMENT RETURNS – RETIREMENT LAST 10 FISCAL YEARS

### Kentucky Judicial Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	21.0%	19.4%	15.1%	-9.9%	37.2%	6.0%	12.9%	9.4%	12.8%	3.2%

### Kentucky Legislators Retirement Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	20.9%	19.5%	15.5%	-9.9%	37.3%	6.0%	12.6%	9.4%	12.7%	3.6%

See accompanying report of independent auditors

## KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

### SCHEDULES OF INVESTMENT RETURNS – OPEB LAST 10 FISCAL YEARS

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<u>Kentucky Judicial Retirement Plan</u>										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	21.0%	19.4%	15.1%	-9.9%	37.2%	6.0%	12.9%	9.4%	12.8%	3.2%

<u>Kentucky Legislators Retirement Plan</u>										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	20.9%	19.5%	15.5%	-9.9%	37.3%	6.0%	12.6%	9.4%	12.7%	3.6%

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See accompanying report of independent auditors



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kentucky Judicial Form Retirement System (the System), a component unit of the Commonwealth of Kentucky, which comprise the statement of fiduciary net position as of June 30, 2025, and the statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2025.

Internal Control Over Financial Reporting

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

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

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

identify any deficiencies in internal control that we consider to be material weaknesses. However, a material weaknesses or significant deficiencies may exist that have not been identified.

#### Report on Compliance and Other Matters

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

#### Purpose of this Report

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

*Blue & Co., LLC*

Lexington, Kentucky  
November 21, 2025

# KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2025

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### Summary of Auditor's Results

- 1) We have issued an unmodified opinion, dated November 21, 2025, on the financial statements of the System as of and for the year ended June 30, 2025.
- 2) Our audit disclosed no findings that are required to be communicated under Government Auditing Standards for the year ended June 30, 2025.

### Summary of Prior Year Findings

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

## *Financial Disclosure Report*

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

### Please Include The Following Information For The Preceding Calendar Year:

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

#### ***DIRECTORSHIPS AND EMPLOYMENT:***

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

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

#### **FINANCIAL INTERESTS THAT HAVE POTENTIAL FOR CONFLICT:**

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

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

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

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

Signature \_\_\_\_\_

Date: \_\_\_\_\_

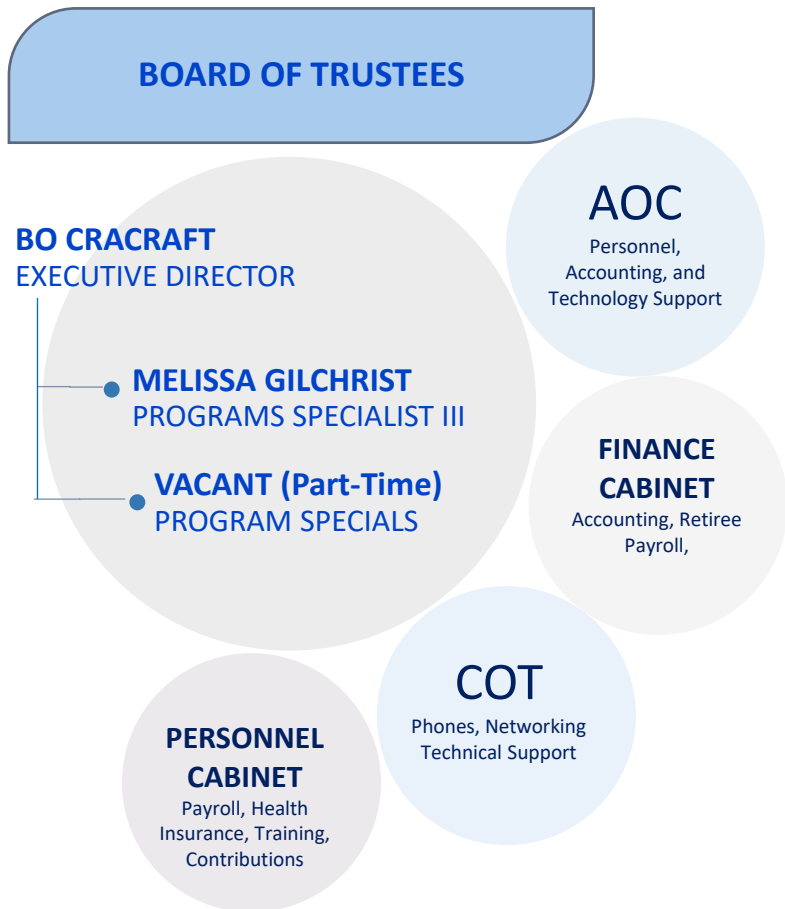
# APPENDIX

- Organization Chart & Service Providers



# JUDICIAL FORM RETIREMENT SYSTEM

## Organizational Structure



## Service Providers

