JUDICIAL FORM RETIREMENT SYSTEM

BOARD OF TRUSTEE MEETING – OCTOBER 23, 2026



AGENDA

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

October 23, 2026 – 10:00 a.m. EST

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

A. Call to Order.

B. Adoption of the *Minutes* of the August 7, 2026 Meeting

C. Election of Board and Committee Chairs

D. Executive Session – Legal Matters

E. Investment Related Matters
   A. Quarterly Investment Compliance Report - Staff Update
   B. Quarterly Investment Review by Baird Trust Company

F. Cash Balance Asset Management & Custody
   Presentation by Gabriel Roeder & Smith (GRS)

G. Reports by Executive Director
   A. 2026 GASB Valuation Reports
   B. Public Pension Oversight Board
   C. APA Fiscal Year 2026 End Audit

H. January 22, 2027 Meeting

ITEM II-
Adoption of Minutes

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

August 7, 2026

The Board of Trustees of the Kentucky Judicial Form Retirement System (JFRS), the Investment Committee for the Kentucky Judicial Retirement Fund, and the Investment Committee for the Kentucky Legislators' Retirement Fund, convened at the offices of Baird Trust Company, 500 West Jefferson Street, Louisville, KY 40202 on Friday, August 7, 2026, at 10:00 a.m. All board members were present except for Senator Jimmy Higdon. JFRS staff present included Bo Cracraft, Executive Director. Guests attending the meeting included Derek Bonifer, John Watkins, Andy Means, John Craddock, and Riley McCarty of Baird Trust Company and Gabe Hellinger from Humana.

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

The Trustees considered the adoption of the previously distributed *Minutes* of the April 24, 2026 meeting. Upon motion by Judge Doughlas George, seconded by Representative Scott Brinkman, the board unanimously approved the *Minutes* of the April 24, 2026 meeting.

Chairman Venters recognized Mr. Cracraft, who referenced staff's *Quarterly Compliance Report* that was included in the meeting materials. He reminded the Trustees that with the start of the new year, the agency had begun to utilize some compliance tools offered by State Street. He briefly reviewed the compliance summary and noted that neither JRP nor LRP had any compliance issues as of June 30, 2026. Mr. Cracraft quickly highlighted a few of the portfolio's larger holdings and pointed out that the current overweight to Industrials was growing closer to the policy limit.

The next order of business was a quarterly investment review. Chairman Venters welcomed Baird Trust Company, who arrived and joined the meeting at 10:07 a.m. Mr. Cracraft had previously distributed copies of Baird's *Investment Review for Kentucky Judicial Retirement Fund and Kentucky Legislators Retirement Fund* dated August 7, 2026. In accordance with Board policy, the System maintains a copy of the Quarterly Investment Review.

Mr. Means began the review with a few comments regarding Baird's quarterly Market Commentary, titled "Opportunity and Risk," which highlighted the current challenge for investors as they weigh tremendous opportunities, but with what feels like elevated risks. First, he acknowledged there was much excitement in the market. The index had three consecutive years of returns exceeding 20%, and a continued rollout and growth of power AI technology platforms was sending expectations even higher. Valuations are high, yet with expected IPOs of

OpenAI and Anthropic, investors remained exuberant. While the Baird team did have a positive outlook, Mr. Means noted the team was much more concerned with elevated risks than some other investors. High levels of leverage and increased margin, especially within small pockets of the market have the team focused on the downside just as much as the upside. He pointed to the semiconductor industry, which had seen unprecedented levels of growth, up 89% in the quarter alone and grown to over 19% of the index. He noted the large cap portfolio did not hold any of these stocks, which likely would lead to some short-term underperformance. However, he was confident that being careful and not chasing or making a short-term bet would be the right call over time.

In response to a question from Representative Brinkman regarding any similarity in current markets to that of 2008 or 2022, Mr. Means stated that he did not think so. He pointed to recent comments from Jamie Dimon who had agreed that it felt quite a bit different. Mr. Means stressed just how much quicker events seem to garner momentum in current markets and this has made temporary or short-term market movements even more volatile. Markets have always overreacted to news, good and bad, but now we live in a world where information moves so quickly and with the internet, people can react to that information so quickly that market movements are magnified.

Next, Mr. Bonifer provided some commentary on current markets and recent economic news. First, he reviewed recent earnings estimates from the S&P 500, which continued to reflect growing corporate earnings into 2027. Next, following the previous comments from Mr. Means, with regards to the AI-driven rally, he pointed to a few slides that outlined how dramatic the semiconductor industry had performed over the first half of the year. The aggressive data-center build outs have led to a considerable bounce back in several smaller commodity chip makers. And as of the end of the quarter, this historically small industry had grown to represent almost one-fifth of the entire S&P 500 index. Lastly, given the recent SpaceX IPO and a few AI-related offerings upcoming, Mr. Bonifer reminded the Board that most of the larger IPO in the past had struggled in their first year. Investors don't always have to be first in line, and he highlighted that two current holdings, Uber and Meta, as good examples.

Next, Mr. Bonifer began to review current asset allocation, annual estimated income, and the current yield of the JRP and LRP legacy portfolios. He noted that portfolios had gotten quite close to a 75% equity allocation and the team was actively considering a rebalance in the coming weeks.

Mr. Watkins began to review the equity portfolio with a review of sector weightings relative to the benchmark and performance attribution. First, he reminded the board that all sector weightings were the output of Baird's bottom-up process, and they do expect to look different from the index as a result. With that in mind, he pointed to a couple of examples, which included the industrial and information technology portfolio allocations. The portfolio is overweight industrials, which may be unusual when compared to other large cap managers, while their current allocation to IT is their largest underweight. He noted that the IT underweight was a little misleading, given the fact that semiconductors had grown so dramatically, but also

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pointed to the inconsistent classification process with the indexes. He reiterated this wasn't a macro level bet and depending on how you actually measure exposure, stated that Baird could argue that more than one-half the portfolio was tied to technology via delivery, financing, or otherwise. Lastly, Mr. Watkins discussed a recent addition to the portfolio, Copart. This addition came after the team decided to exit Bank of America and trimmed Apple a bit. Copart runs a salvage auction business, which is totally virtual and has really profited recently as the insurance industry has moved away from a repair model and to more of a salvage and recoup model. The team had followed the company for a long time, but valuations were just too high. A recent pullback, along with the announcement that its former CEO was returning, provided an opportunity to add. Mr. Watkins closed out his comments with a quick review of sector and stock attribution. Short-term, the lack of semiconductors was a huge drag on performance, accounting for the relative shortfall. Over the past 5 years, he pointed out that Industrials, the portfolio's largest overweight had the largest positive impact.

In response to a question from Mr. Ben Allison, regarding any similarity to 1999 and the tech-telecom boom and ultimate bust, Mr. Means stated it did feel like there were some similarities, but also a few huge differences. First, in terms of excitement and the level of excess, it does feel similar. However, one major difference is source of funding and investment. The majority of AI spending is coming from three huge and established companies (Google, Amazon, and Microsoft), whereas the tech telecom was from smaller, start up companies. Lastly, fundamentals weren't driving markets in 1999, it was all about expectation and future growth.

In response to a question from Representative Montell, regarding all the negativity and political posturing with regards to Data Centers, Mr. Watkins did agree all that noise could ultimately disrupt some of the growth. He said there is a lot of misinformation out there with regards to all the water and power impact, but perception often is treated like reality in situations like this. And any slowdown in the build out of these centers would have impact and those who run into headwinds could fall behind. Mr. Means added that there is real pressure for US companies to win this race, especially when you begin to consider some of the other global competitors they are competing with.

Next, Mr. Craddock continued with a discussion of fixed income markets and a review of the current portfolios, allocations, and upcoming maturities. He noted the new Fed chair had presided over two meetings and while the expectation has been two additional cuts, given current rates he felt like markets believe two might not be enough now. He also highlighted the level of new issuances, specifically the number of mega-deals that were in process. As it related to JFRS portfolios, he said the team is starting to look out at the longer end of the ladder. They want to stay close to that 4-year average, but seeing a lot of attractive coupons in that intermediate time frame. Additionally, Mr. McCarty discussed several upcoming opportunities for the team to reinvest maturities or capital raised from a rebalance. Several high-quality bonds, such as Amazon, Toyota, and Google, all with coupons over 5% were available.

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Mr. Bonifer concluded 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 accounts 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 to discuss a few additional investment related topics. First, Mr. Cracraft informed the Board that JFRS staff, in coordination with Baird, had completed the annual cash balance interest credit calculation. He reminded the Trustees that the base annual interest rate is 4%, but the members and plan shared any upside at a 75/25 split based on the 5-year trailing return of each plan. For the period ending June 30, 2026, the annual interest credit (guarantee + upside sharing) was calculated as 9.52% for JRP and 9.50% for LRP.

Additionally, Mr. Cracraft referenced a staff memo, titled *Cash Balance Asset Management & Custody* that he had included in his Director Reports. Given members of Baird were still in attendance, he wanted to quickly highlight and request the Board consider consolidating Legacy and Cash Balance assets. He reminded the Trustees that both pools were currently invested separately, by Baird Trust, but held by two different custodians. This was not a new topic and something that dated back to 2021, but he wanted to formally add the topic as something the Board would discuss over the course of the next few meetings. He reviewed the memo, which provided some initial background and history, while also pointing out a few administrative benefits to consolidating the assets. He noted this was an introductory step, and he had begun the process of reaching out to the agency's actuary and third-party fiduciary counsel to consider statutory, tax, and funding impacts of any changes. He informed the Board that more information would be shared during the October meeting, and he hoped to have feedback from both the plan's actuary and legal counsel.

The meeting recessed for lunch at 11:55 a.m. and reconvened at 12:20 p.m.

Chairman Venters recognized Mr. Cracraft, who referenced a *2027 Retiree Health Insurance – KEHP and Medicare Advantage Plan Premiums* staff memo that was included in the meeting materials and outlined proposed rates for the upcoming plan year.

Mr. Cracraft began with a discussion on the Kentucky Employees Health Plan (KEHP), in which retirees and dependents who are under the age of 65 participate. He informed the Board that as of the date of the meeting, final rates had not been provided by the Department of Employee Insurance. He referenced the 2026 Regular Session and the Executive Branch Budget, which initially included some caps to state contributions to the KEHP. While this language was ultimately removed, it was evidence of the cost pressures that KEHP was facing. With that, he did expect rates to increase, along with potential benefit changes. From an actuarial standpoint, it is difficult to estimate any impact without knowing the exact rates, but Mr. Cracraft noted recent premium increases had negatively impacted levels for both LRP and JRP. Investment gains served to offset those actuarial losses, but recent premiums have grown faster than assumed, and if that continued the total accrued OPEB liability would likely continue to increase.

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Following a discussion, Judge Doughlas George made a motion, seconded by Justice Laurance VanMeter, to utilize the Kentucky Employees' Health Plan (KEHP) to provide non-Medicare eligible retirees and dependents health insurance coverage with a monthly contribution level for each classification (single, parent-plus, couple, family) equivalent to the Living Well PPO plan premium. The percentage of payment by the respective Plan is dependent upon the retiree's years of service and any balance will be deducted from the retiree's monthly benefit. If a retiree failed to comply with the 2025 Living Well promise, the $40.00 monthly KEHP assessment will be the member's responsibility and deducted from their monthly allowance. The motion passed unanimously.

Next, Mr. Cracraft reviewed the proposed premiums for the Humana Medicare Advantage plan, which retirees and dependents who have reached the age of 65 and older utilize. Humana had provided proposed rates for 2027 but had also suggested utilizing an alternative plan structure which would result in a reduction in monthly premiums. He noted that Humana had historically provided an integrated plan, meaning medical (Part C) and prescription drug (Part D) benefits were combined into a single plan. However, under the Inflation Reduction Act (IRA), the Centers for Medicare & Medicaid Services (CMS) was now calculating funding differently for integrated plans versus separated Medicare Advantage (MA) plus standalone Prescription Drug Plan (PDP) arrangements. As a result of these funding differences, additional CMS funding was available to Humana if sponsors, such as JFRS, separated the medical and pharmacy coverage into two separate plans.

Next, Mr. Cracraft recognized Mr. Gabe Hellinger of Humana, Inc, who had joined the meeting virtually via videoconference. Mr. Cracraft reminded the Trustees that Humana provides a Medicare Advantage PPO plan which is utilized by retirees and dependents of JFRS who have reached the age of 65. Humana had provided preliminary rates for JFRS's current group plan, but had also suggested utilizing a alternative plan structure which would result in a reduction in monthly premiums. Historically, Humana had provided JFRS members a integrated MAPD plan, meaning medical (Part C) and prescription drug (Part D) benefits were combined into a single plan. However, with the passage of the Inflation Reduction Act, additional funding from the Centers for Medicare & Medicaid Services (CMS) was available to sponsors, such as JFRS, if they separated the medical and pharmacy coverage into two separate plans. He asked Mr. Hellinger to attend the meeting to discuss the changes, provide more background, and outline how it would work administratively.

Mr. Hellinger began by reiterating the information that Mr. Cracraft and the staff memo outlined. The passage of the Inflation Reduction Act has led to many changes, including how services and plans are funded by CMS. For a few reasons, sponsors who have provided separate Part C and Part D plans received additional funds when compared to integrated, single plans like JFRS has been offering. Humana began testing a new administrative model in 2026 and is rolling out more fully for new plan year. He emphasized the proposed changes would not impact benefits or Humana's network of providers, nor would members see or experience much change as a result. The changes are a back-end administrative shift that allows Humana to capture

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additional CMS funding which is then passed on as a lower monthly premium. Humana would administer medical and pharmacy benefits separately, but as two linked plans, so there would be little impact to underlying participants. They would still have one Humana ID card.

There was a discussion among the Trustees regarding the Medicare plans and the proposed change suggested by Humana. Following the discussion, Justice Laurance VanMeter made a motion, seconded by Mr. Ben Allison, to renew its hospital and medical insurance contract with Humana for the 2027 plan year. The premium for the 2027 Plan Year was set at $556.43 per month. This included a Medicare Advantage Plan (Part C), separate Prescription Drug Plan (Part D), along with supplemental vision, dental, and hearing coverage. The motion passed unanimously.

Last, Chairman Venters recognized Mr. Cracraft, who quickly reported on a few remaining administrative matters. The Trustees discussed the following items, none of which required any Board action.

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

June 1, 2026 – JFRS was not on the agenda. KPPA and TRS staff reviewed retired-reemployed provisions, while PPOB staff provided an overall of actuarial audits.

He reminded the Board that HB 238, passed in 2016, requires the PPOB to conduct an actuarial audit every five years. The last was conducted in 2021 by Milliman, so he expects the next will be conducted based upon July 2026 valuations.

(B) EOY Processing/Annual Financial Audit. Mr. Cracraft provided an update on the fiscal year-end activities. He informed the Board that staff had already closed out the year financially, applied Cash Balance interest credits, and annual statements to active members were set to be mailed the following week. Lastly, he reminded the board that the Auditor of Public Accounts (APA) was conducting the financial audit for 2026. He noted that auditors had been onsite twice, while staff had also joined three virtual interviews with our primary field auditor. He hoped to have a better idea of the audit by the time the Board meets in October.

(C) APA - APA Special Audit – Investment & Proxy. Mr. Cracraft provided a quick verbal update on a special audit that was being conducted by the APA. This was in response to a request from the Legislative Oversight and Investigations Committee. Staff were notified of the audit in May and had made an initial response and provided several documents that were requested. Lastly, he indicated that he was set to have an informal entrance interview via videoconference on the following Monday.

There being no further business, the meeting adjourned at 1:36 p.m.

Justice Daniel Venters, Chairman Board of Trustees	Mr. Ben Allison, Chairman Judicial Retirement Fund Investment Committee
Bo Cracraft, Executive Director	Representative Brad Montell, Chairman Legislators Retirement Fund Investment Committee

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ITEM V-
Investment Related Matters

A. Investment Compliance Report

B. Baird Trust Company

Quarterly Portfolio & Performance Review

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

QUARTERLY COMPLIANCE REPORT

July 1, 2026 – September 30, 2026

Test		JRP	LRP
Equity Allocation Target allocation is 70% (of the total portfolio market value, excluding cash and equivalent balances), with allowable range of 60% to 80%.		**Pass** 72.243%	**Pass** 72.234%
Fixed Income Allocation Target allocation is 30% (of the total portfolio market value, excluding cash and equivalent balances), with allowable range of 20% to 40%.		**Pass** 27.741%	**Pass** 27.705%
Equity			
Non-Dividend Paying Equities No more than 50% of the total equity portfolio may be invested in common stocks that do not pay dividends.		**Pass** 18.393%	**Pass** 18.407%
Equity Concentration at Purchase Individual equity securities will not exceed 5% of the fund's equity market value at time of purchase		**Pass** Copart (2.1%)	**Pass** Copart (2.1%)
Individual Equity Concentration Individual equity securities will not exceed 8% of the fund's equity market value		**Pass** JP Morgan (7.3%)	**Pass** JP Morgan (7.3%)
Sector Weightings[1] 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.		**Pass** Industrials (+18.7%)	**Pass** Industrials (+18.8%)
Fixed Income			
Fixed Income Duration at Purchase[1] 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.		**Pass** Alphabet (7.5 yrs) Florida P&E (7.5 yrs) Toyota (5.5 yrs) Truist (4.73 yrs) Amazon (7.3 yrs) Paychex (4.7 yrs)	**Pass** Alphabet (7.5 yrs) Florida P&E (7.5 yrs) Amazon (7.3 yrs) Paychex (4.7 yrs) Toyota (5.4 yrs)
Weighted Average Maturity 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.		**Pass**	**Pass**
Fixed Income Concentration Single fixed income issuers cannot exceed 5% of the fund's market value in fixed income		**Pass**	**Pass**
Corporate Credit Quality Only corporate debt issues that meet or exceed a credit rating of BBB and/or Baa may be purchased		**Pass**	**Pass**

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Preferred Stock Rating Preferred stocks must be rated A or better at the time of purchase		**Pass**	**Pass**
ETF or Mutual Fund Quality[1] Only securities whose fixed income investments have a dollar-weighted average credit rating of BBB/Baa may be purchased.		**Pass**	**Pass**
Portfolio Duration[1] The fund's portfolio duration shall be within one year of the duration of its fixed income benchmark		**Pass** 3.84 (vs 3.85)	**Pass** 3.87 (vs 3.85)
Cash & Equivalents			
Commercial Paper Investments must have short term rating of A-2/P-2 and must mature in less than 270 days		**Pass**	**Pass**
Money Market Funds 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.		**Pass**	**Pass**
Cash & Equivalent Allocation Cash equivalents will not be greater than 7% of the funds market value		**Pass** 0.555%	**Pass** 0.542%
Other Assets			
Commodities, Currency Contracts The Manager will not invest in commodities and currency exchange contracts.		**Pass** No holdings	**Pass** No holdings
Derivatives, Securities on Margin 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		**Pass** No holdings	**Pass** No holdings

[1] Guideline test not included in daily State Street Compliance Reporting due to lack of index licenses or access to duration calculations. JFRS Staff conducting manual tests on quarterly basis.

Account Compliance Summary Report

Test Account	KJLA FB JUDICIAL CLEARANCE (USD)	**NAV Date:**	8/18/2026
Total Assets	831,795,228	**Net Assets**	831,795,228

Alerts:	0
Warnings:	3
Passes:	16

Test Concentrations

Category - Test - Bucket	Actual		Status	Disposition
Data Quality/Informational				
1. DD - Securities_Cash - Market Value excl accrued (35303764)				
	829,529,261.810	Value	Pass	
2. DD - Market Value of fixed income securities (290005917)				
	202,721,397.810	Value	Pass	
3. DD - Total Market Value, excluding cash and cash equivalents (290005918)				
	823,923,977.600	Value	Pass	
4. DD - Market Value of equities (290007094)				
	621,074,628.590	Value	Pass	
Informational				
5. (Informational) - Industry Sector weighting by fund (Upr Lmt:100.0) (290005748)				
Industrials	27.992	%	Pass	
Financials	23.942	%	Pass	
Communication Services	14.564	%	Pass	
Information Technology	13.767	%	Pass	
Consumer Discretionary	13.712	%	Pass	
Investment Restrictions /Guidelines				
6. Single fixed income issuers cannot exceed 5% of the fund's market value in fixed income (Upr Lmt:5.0 Upr Wrn:4.5) (290000377)				
Zero Concentration	0.000	%	Pass	
7. Cash equivalents will not be greater than 7% of the funds market value (Upr Lmt:7.0 Upr Wrn:6.5) (290000378)				
	0.555	%	Pass	

8. "The fund can hold U.S gov't holdings that mature in less than 30 yearsWeighted average maturity of U.S. Governent 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	
10. Individual equity securities will not exceed 8% of the fund's equity market value (Upr Lmt:8.0 Upr Wrn:7.5) (290005913)				
JPMORGAN CHASE + CO COMMON STOCK USD1.0	7.537	%	Warning	Passive
ALPHABET INC CL C COMMON STOCK USD.001	6.499	%	Pass	
GENERAL ELECTRIC COMMON STOCK USD.01	6.237	%	Pass	
GE VERNOVA INC COMMON STOCK USD.01	5.847	%	Pass	
APPLE INC COMMON STOCK USD.00001	5.358	%	Pass	
11. Fund's GICS Industry sector cannot exceed 40% (Upr Lmt:40.0 Upr Wrn:36.0) (290005914)				
Industrials	27.992	%	Pass	
Financials	23.942	%	Pass	
Communication Services	14.564	%	Pass	
Information Technology	13.767	%	Pass	
Consumer Discretionary	13.712	%	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	
13. Fund will have a target allocation in equity securites 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)				
	75.380	%	Warning	Passive
14. Fund will have a target allocation in fixed-income securites 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)				
	24.604	%	Warning	Passive

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
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
17. Perferred stocks must have a rating of A/A2 at time of purchase (Upr Lmt:0.0) (290007427)			
Number of buckets	0	Num Bkts	Pass
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)			
	18.421	%	Pass
19. Commerical 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

Account Compliance Summary Report

Test Account	KJLB FB LEG RET CLEARANCE (USD)	**NAV Date:**	8/18/2026
Total Assets	245,646,387	**Net Assets**	245,646,387

Alerts:	0
Warnings:	3
Passes:	16

Test Concentrations

Category - Test - Bucket	Actual		Status	Disposition
Data Quality/Informational				
1. DD - Securities_Cash - Market Value excl accrued (35303764)				
	243,252,818.270	Value	Pass	
2. DD - Market Value of fixed income securities (290005917)				
	58,964,580.020	Value	Pass	
3. DD - Total Market Value, excluding cash and cash equivalents (290005918)				
	240,933,566.710	Value	Pass	
4. DD - Market Value of equities (290007094)				
	181,824,631.490	Value	Pass	
Informational				
5. (Informational) - Industry Sector weighting by fund (Upr Lmt:100.0) (290005748)				
Industrials	28.029	%	Pass	
Financials	24.075	%	Pass	
Communication Services	14.720	%	Pass	
Consumer Discretionary	13.851	%	Pass	
Information Technology	13.239	%	Pass	
Investment Restrictions /Guidelines				
6. Single fixed income issuers cannot exceed 5% of the fund's market value in fixed income (Upr Lmt:5.0 Upr Wrn:4.5) (290000377)				
Zero Concentration	0.000	%	Pass	
7. Cash equivalents will not be greater than 7% of the funds market value (Upr Lmt:7.0 Upr Wrn:6.5) (290000378)				
	0.542	%	Pass	

8. "The fund can hold U.S gov't holdings that mature in less than 30 yearsWeighted average maturity of U.S. Governent 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	
10. Individual equity securities will not exceed 8% of the fund's equity market value (Upr Lmt:8.0 Upr Wrn:7.5) (290005913)				
JPMORGAN CHASE + CO COMMON STOCK USD1.0	7.577	%	Warning	Passive
ALPHABET INC CL C COMMON STOCK USD.001	6.560	%	Pass	
GENERAL ELECTRIC COMMON STOCK USD.01	6.023	%	Pass	
GE VERNOVA INC COMMON STOCK USD.01	5.902	%	Pass	
MICROSOFT CORP COMMON STOCK USD.00000625	5.359	%	Pass	
11. Fund's GICS Industry sector cannot exceed 40% (Upr Lmt:40.0 Upr Wrn:36.0) (290005914)				
Industrials	28.029	%	Pass	
Financials	24.075	%	Pass	
Communication Services	14.720	%	Pass	
Consumer Discretionary	13.851	%	Pass	
Information Technology	13.239	%	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	
13. Fund will have a target allocation in equity securites 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)				
	75.467	%	Warning	Passive
14. Fund will have a target allocation in fixed-income securites 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)				
	24.473	%	Warning	Passive

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
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
17. Perferred stocks must have a rating of A/A2 at time of purchase (Upr Lmt:0.0) (290007427)			
Number of buckets	0	Num Bkts	Pass
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)			
	18.670	%	Pass
19. Commerical 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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Investment Review

KY Judicial Retirement Fund

KY Legislators Retirement Fund

October 23, 2026

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Free Cash Flow: More Than Meets the Eye

What will owners ultimately receive in exchange for the cash being invested today?

One of the most common refrains in the financial media this quarter has been that many of the largest technology companies in the United States are "no longer generating any free cash flow." While on the surface the statement is true, there is much more to consider.

Free cash flow is the cash a business generates from its operations minus its capital expenditures, such as spending on buildings, equipment and technology. For most of the past decade, tech behemoths were gushing free cash flow. They were known as asset-light companies whose businesses required relatively little investment in plant and equipment. However, in the last two years, their capital spending has risen dramatically due to heavy spending on computing capacity for the artificial intelligence buildout. This rise in capital spending means there is far less free cash flow left over.

The widespread implication is that these businesses – until recently among the most cash generative in corporate history – are no longer as financially attractive as they once were. While the near-term decline is real, what it means for the long-term owners of these businesses is much less obvious. And although today's free cash flow debate is about technology and AI, the question underneath it applies to every profitable business: How much of this year's cash should be paid out to the owners, and how much should be invested to produce more cash in the years ahead?

What Management Does With the Cash

Free cash flow is one of the most important measures we use when evaluating a business. Over time, a successful and profitable business must generate cash for its owners. This is ultimately what we believe drives intrinsic value.

As a business generates cash, its CEO must decide what to do with it: Reinvest in the business through capital expenditures, acquire other businesses, pay down debt, or return it to shareholders through dividends or share repurchases. These decisions are of critical importance and will often be the determining factor between a successful and unsuccessful investment.

The best management teams aim to utilize the cash where it is likely to generate the highest return on investment (ROI) for the owners of the business franchise. Sometimes this is heavy spending on internal investment through capital expenditures, which puts downward pressure on free cash flow. In other scenarios, the internal investments are less attractive and avoided, and free cash flow surges higher. Therefore, a single year of free cash flow can only tell us so much.

Not Every Dollar Spent Is the Same

Here is a simple example. Imagine a retailer with one successful store location. After a profitable year, the owner spends half of her cash profit repairing a dilapidated roof and replacing the aging HVAC system at the existing store. She spends the other half opening a second store on the other side of town.

Accounting rules treat these two expenditures identically: Both are capital expenditures, subtracted in calculating free cash flow. Economically, they could hardly be more different. The roof and the HVAC system had to be replaced simply to keep the current store running. That spending does not help the business grow – it keeps the business from shrinking. On the other hand, the second store reaches customers the first never could, and if it succeeds, it becomes a second source of cash flow for the owner for many years.

How much of this year's cash should be paid out to the owners,
and how much should be invested to produce more cash in the years ahead?

We refer to the first kind of spending as ***maintenance capital expenditures*** and the second as ***growth capital expenditures.*** The line between them is not always clean, but the distinction matters a great deal to a long-term business owner. At the end of that year, the cash flow statement shows exactly how much cash she spent, but it tells us nothing about what she bought with the cash.

More Free Cash Flow Today Is Not Always Better

It is tempting to assume that more current free cash flow is always good and less is always bad. We do not think it is that simple.

A company can increase current free cash flow by reducing or delaying investment. In some cases, that may be the correct decision. But a business can also make its current results look better by underinvesting in its operations, allowing its competitive position to weaken or passing up attractive opportunities for profitable growth. That company may be harvesting the success of past investments while damaging its long-term future.

The opposite can also be true. A company may depress current free cash flow by investing heavily in projects that will generate an attractive ROI by expanding its earning power over time. The owners receive less cash today in exchange for the possibility of substantially more cash in the future.

Of course, heavy investment does not automatically create value. Management teams throughout history have spent enormous amounts on projects that never produced adequate returns. A project does not become attractive simply because management calls it a “growth investment.”

The relevant question for us is not whether management is investing more or investing less. It is whether the expected return on that investment is attractive relative to the alternatives. If highly attractive opportunities are available, reinvesting heavily may be the best decision. If they are not, the cash might better be used to reduce debt or returned to shareholders.

Management Matters

When a company we own enters a major capital investment cycle, we are really being asked to trust the people making the decisions. This is why our assessment of management quality is one of the critical pillars of our investment philosophy.

We must always be comfortable that the CEO thinks and acts like a long-term owner, but especially during a period of elevated internal investment spending. We consider their historical track record – were they successful in their past capital allocation decisions?

We do not simply give management the benefit of the doubt merely because it labels spending as long-term or strategic. Confidence must be earned through a history of rational decisions, transparency, humility, and adaptability – and even then, there are no certain outcomes. Talented managers can make mistakes, and attractive opportunities can develop differently than expected. The returns from a large investment program may take several years to become clear.

We must also consider the consequences if management is wrong. A competitively advantaged and profitable company with a strong balance sheet may have the time and flexibility to recover from an overinvestment. A highly leveraged or financially fragile company may not. Financial strength does not transform a poor investment into a good one. It does change the consequences of being wrong.

The Beginning, Not the End

Free cash flow remains indispensable to how we evaluate a business. Over time, a business must produce cash for its owners – ideally a growing stream of cash – or it is not worth owning. But the cash left over in any single year is only one piece of information about a stream of cash flows that stretches over decades. Maximizing that number every year is not the same as maximizing what the business is worth. The cash flow statement tells us objectively how much was spent but not what that spending will earn.

Warren Buffett made a version of this point in his 1982 letter to Berkshire Hathaway shareholders, explaining why the company's reported earnings understated what its businesses were actually worth:

"This is not a criticism of accounting procedures. We would not like to have the job of designing a better system. It's simply to say that managers and investors alike must understand that accounting numbers are the beginning, not the end, of business valuation."

We think that idea is getting lost in today's debate about the massive capital investment being made by large technology companies attempting to capture the AI opportunity they see ahead. The accounting number tells us where the cash went. Whether management is underinvesting,

intelligently building the future earning power of the business or wasting the owners' money is a question the accounting number cannot answer. We think there is nuance in analyzing each company's statement of cash flows.

The returns from today's AI investment cycle might not be known for several years, but they will not be invisible in the meantime. Productive investment shows up in customer demand, in whether the new capacity is actually used, in a stronger competitive position and, eventually, in more cash for the owners. Those are the things we spend our time thinking about, analyzing, and watching. We will also be watching for something less comfortable: The possibility that some of these businesses have permanently become more capital-intensive, so that what is called growth spending today becomes the maintenance spending of tomorrow.

Our goal has never been to own businesses that maximize the cash left over next quarter or next year. It is to own outstanding businesses, led by intelligent capital allocators, that grow the cash they produce for their owners over very long periods of time. That remains the best path we know to compounding our clients' wealth over decades.

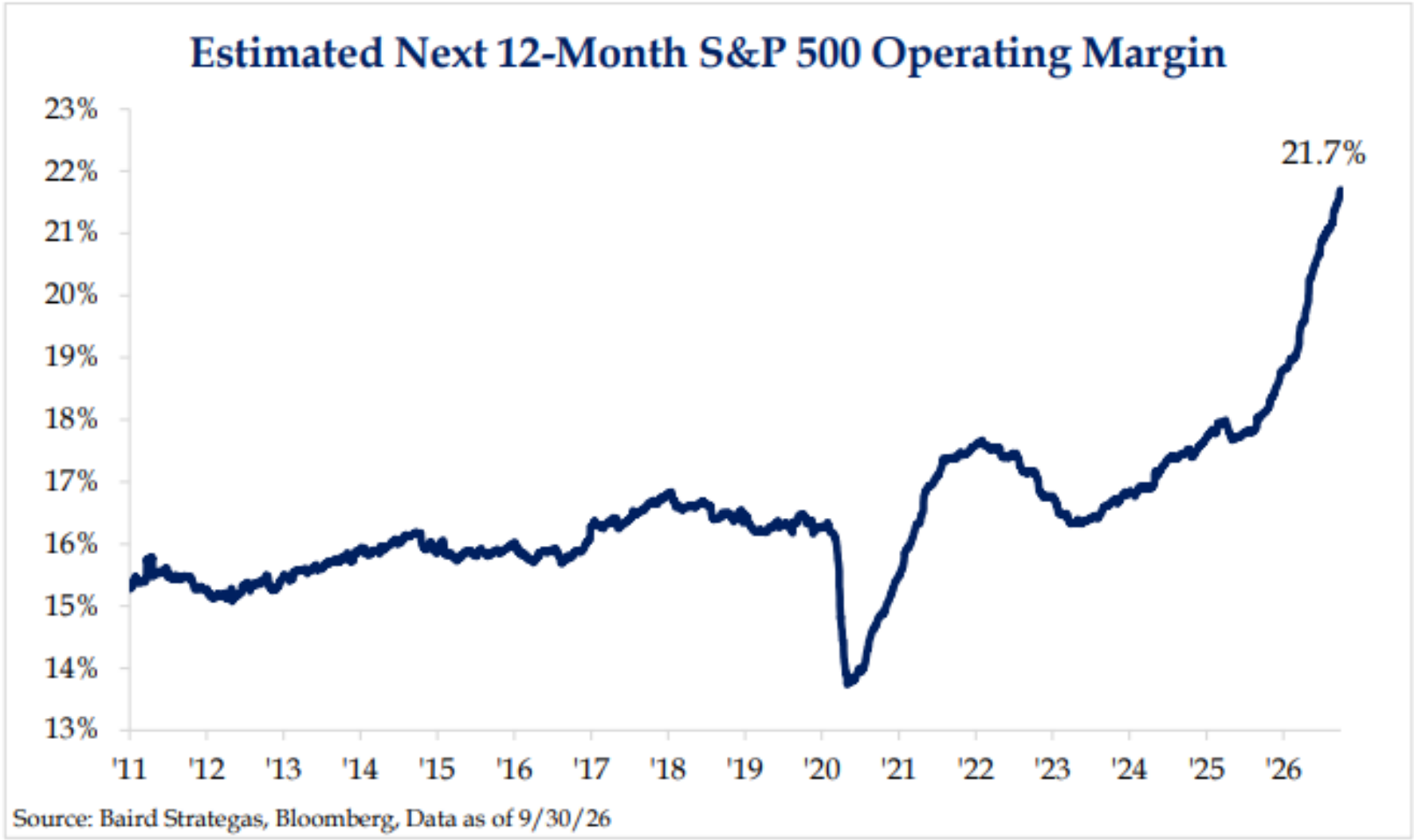
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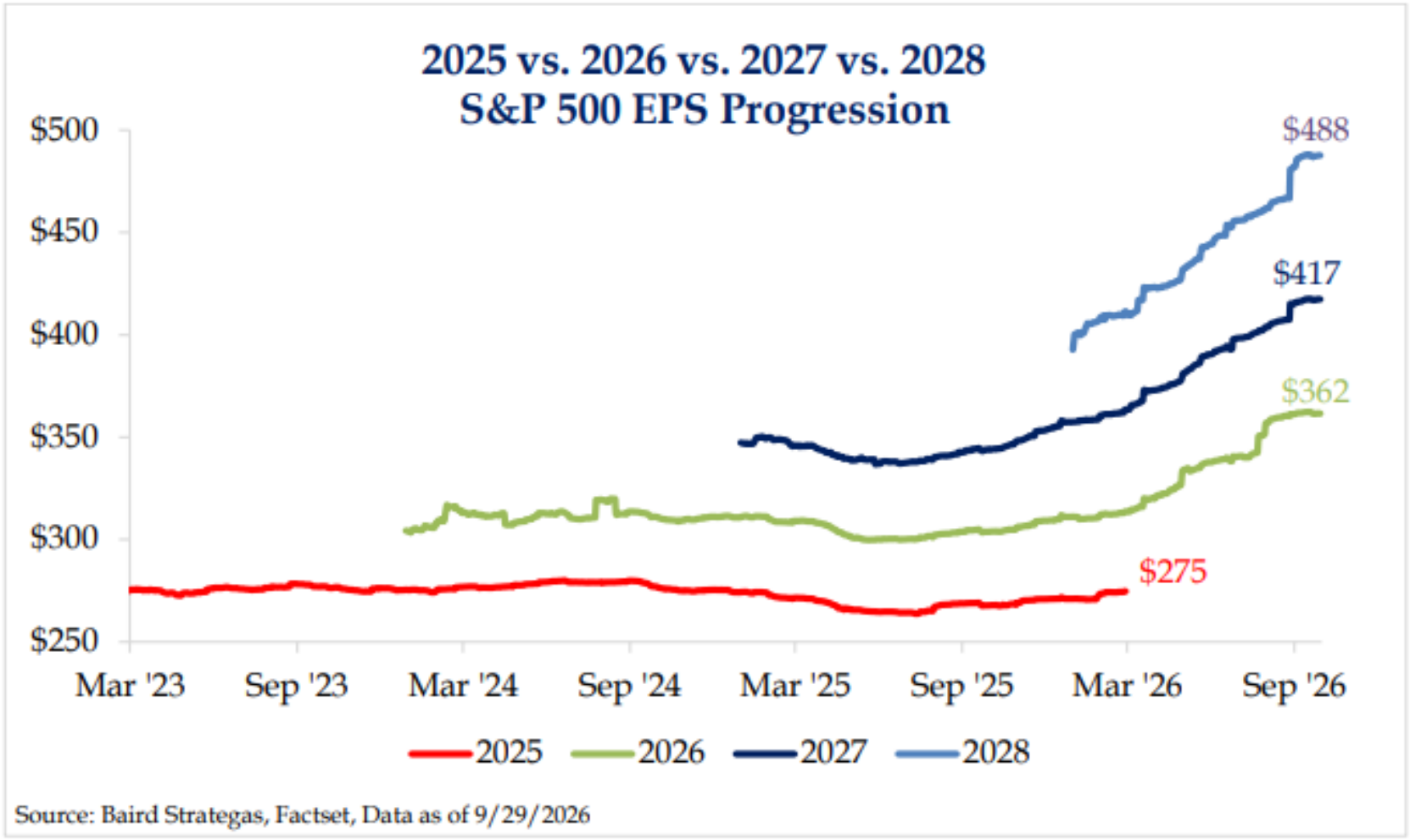
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Extraordinary S&P 500 Profit Margins are Powering Earnings Growth



Source: Baird Strategas Research Partners

S&P 500 Corporate Earnings Estimates Continue to Climb Higher



% Growth

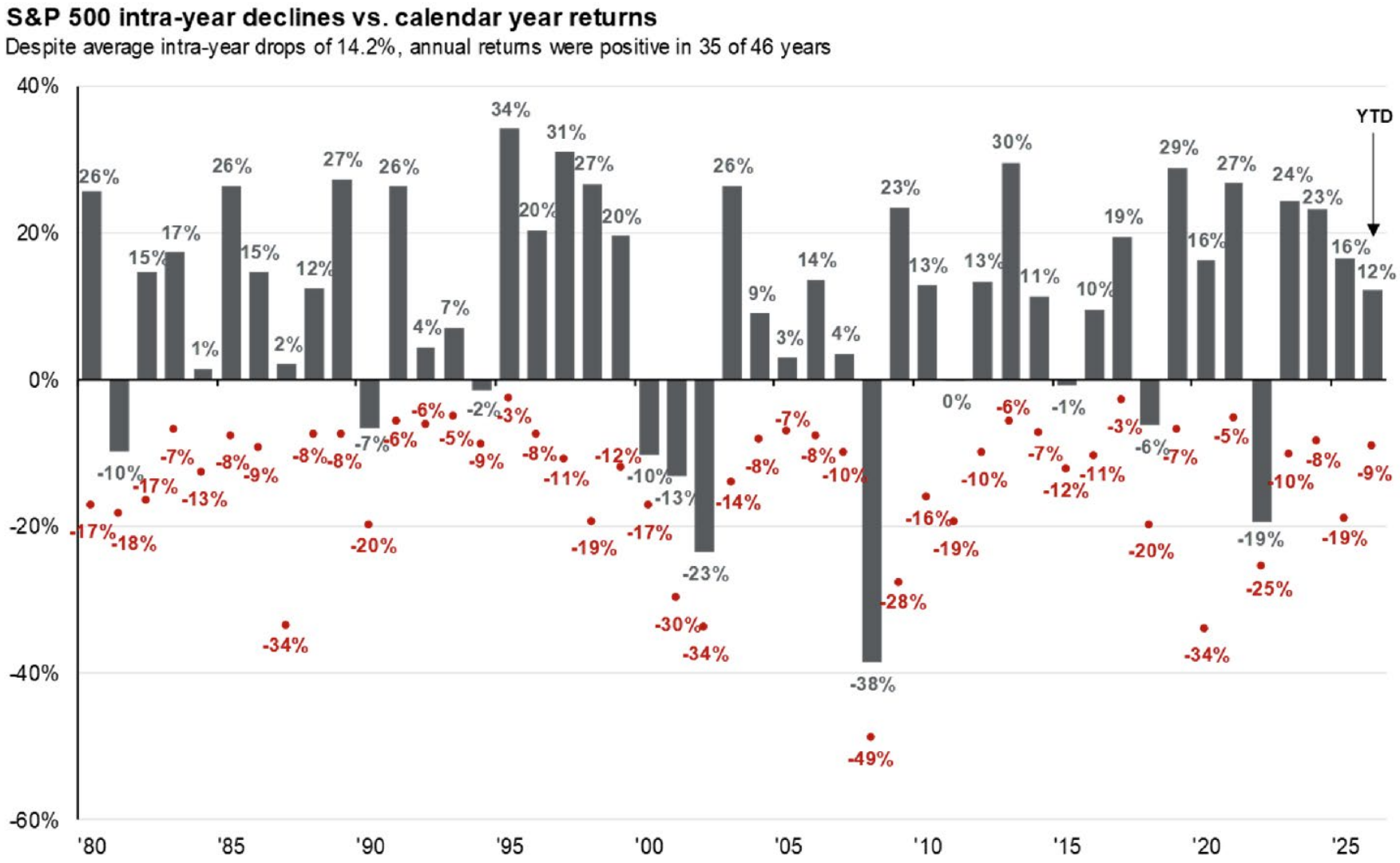
17.0%

15.2%

31.6%

Source: Baird Strategas Research Partners

Annual Returns and Intra-Year Declines – As of 9/30/26



Source: J.P. Morgan Asset Management

BAIRD TRUST

Investment Policy Review

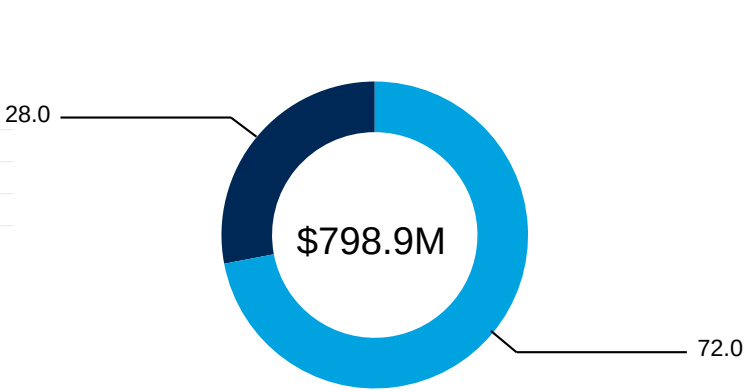
Account Number *****5014
Account Name KY JUDICIAL RET DEFINED BENEFIT AGT

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: October 23, 2026

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	575,545,052	72.0	5,433,313.60	.9
Total Fixed Income	223,394,245	28.0	9,501,055.76	4.3
Total	**798,939,297**	**100.0**	**14,934,369.36**	**1.9**

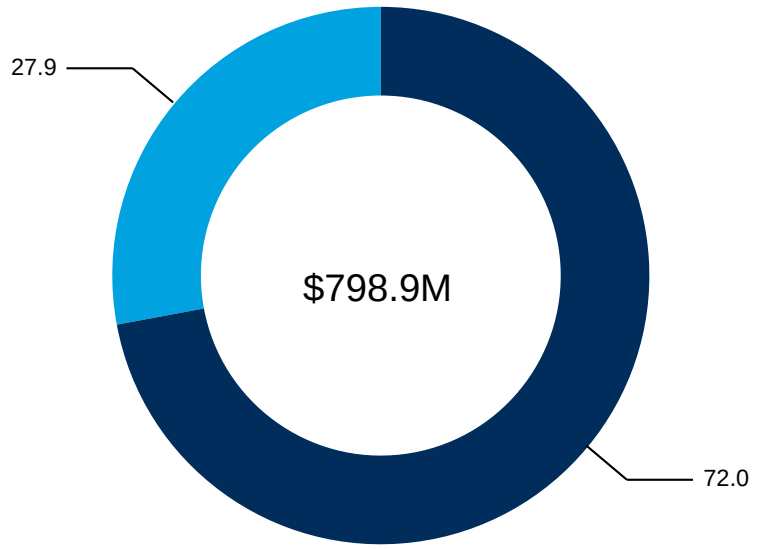


Investment Summary

	Fiscal Year to Date (3 Months)	1 Year
Beginning Account Value	**802,517,698.32**	**765,141,500.40**
Net Contributions/Withdrawals	-4,261,058.18	-17,988,270.27
Income Earned	3,508,130.08	15,821,989.66
Market Appreciation	-2,825,473.01	35,964,077.42
Ending Account Value	**798,939,297.21**	**798,939,297.21**

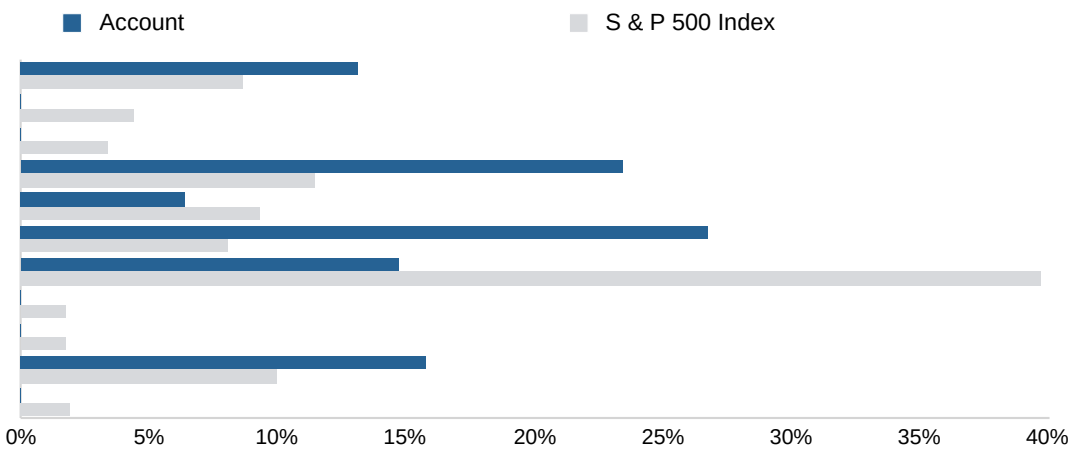
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
Core Equity	575,545,052	72.0
Taxable Fixed Income	223,267,573	27.9
Taxable Bond Funds	126,672	.0
Total	**798,939,297**	**100.0**



Core Equity Allocation vs S & P 500 Index

	Account	S & P 500
Consumer Disc	13.1	8.6
Consumer Staples	.0	4.4
Energy	.0	3.4
Financials	23.4	11.4
Health Care	6.4	9.3
Industrials	26.7	8.0
Information Tech	14.7	39.7
Materials	.0	1.7
Real Estate	.0	1.7
Communication Servic	15.8	9.9
Utilities	.0	1.9



Top 10 Performers

	Market Value	% of Mkt Val	Return
EXPEDITORS INTL WASH	11,901,156	1.5	52.05
GE VERNOVA LLC	32,988,656	4.1	50.71
JOHNSON & JOHNSON	24,064,601	3.0	46.00
ALPHABET INC CL C	38,853,560	4.9	39.45
APPLE INC	31,975,914	4.0	31.48
PARKER-HANNIFIN CORP	22,106,508	2.8	25.87
CARMAX INC	6,834,246	.9	22.76
UNION PACIFIC CORP	10,283,793	1.3	17.68
AMAZON.COM INC	23,881,277	3.0	13.21
DANAHER CORP	12,473,590	1.6	12.52

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
JPMORGAN CHASE & CO	42,075,621	5.3	6.90
ALPHABET INC CL C	38,853,560	4.9	39.45
MICROSOFT CORP	33,906,793	4.2	-.14
GE VERNOVA LLC	32,988,656	4.1	50.71
APPLE INC	31,975,914	4.0	31.48
GE AEROSPACE	30,967,926	3.9	4.06
BERKSHIRE HATHAWAY INC	27,974,831	3.5	-.93
PROGRESSIVE CORP OH	25,689,233	3.2	-10.55
META PLATFORMS INC CL A	25,183,326	3.2	-1.12
SCHWAB CHARLES CORP	24,728,318	3.1	3.78

Sector	Qtr*
Information Tech	0.80
Communication Services	0.56
Utilities	0.34
Consumer Staples	0.22
Real Estate	0.16
Materials	0.10
Health Care	0.02
Financials	-0.01
Consumer Disc	-0.58
Energy	-0.96
Industrials	-1.98
Total	**-1.35**

Sector	1 Year*
Industrials	2.04
Consumer Staples	0.57
Utilities	0.56
Health Care	0.43
Communication Services	0.38
Real Estate	0.29
Materials	-0.01
Energy	-1.28
Financials	-1.59
Consumer Disc	-1.65
Information Tech	-5.71
Total	**-5.98**

Sector	5 Years*
Industrials	2.98
Financials	0.88
Health Care	0.49
Consumer Staples	0.40
Real Estate	0.29
Utilities	0.17
Materials	0.13
Consumer Disc	-0.09
Communication Services	-0.35
Energy	-0.40
Information Tech	-3.00
Total	**1.51**

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

Top Contributors

Qtr

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	5.89	37.77	1.31
META	Meta Platforms	4.38	28.56	0.76
AAPL	Apple	5.56	15.38	0.68
SCHW	Charles Schwab	4.30	6.33	0.24
DHR	Danaher	2.17	16.45	0.24

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	6.75	39.45	2.86
GEV	GE Vernova	5.73	50.71	2.53
AAPL	Apple	5.56	31.48	1.65
JNJ	Johnson & Johnson	4.18	46.00	1.46
PH	Parker Hannifin	3.84	25.87	1.09

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.73	112.39	2.16
GE	GE Aerospace	5.38	37.52	1.54
GOOG	Alphabet	6.75	20.74	1.51
PGR	Progressive	4.46	20.79	1.31
JPM	JP Morgan Chase	7.31	17.97	1.16

Bottom Contributors

Qtr

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.73	-19.28	-1.09
GE	GE Aerospace	5.38	-16.31	-0.82
HD	Home Depot	2.86	-18.70	-0.52
TJX	TJX	2.32	-12.34	-0.26
CPRT	Copart	1.98	-11.64	-0.20

1 Year

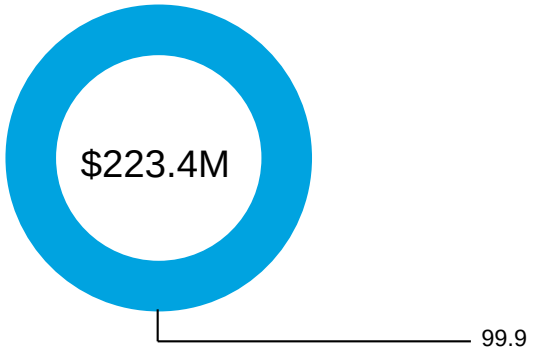
Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	2.86	-27.84	-1.20
ORLY	O'Reilly Automative	2.55	-20.78	-0.69
PGR	Progressive	4.46	-10.55	-0.52
UBER	Uber	3.66	-9.53	-0.37
CPRT	Copart	1.98	-11.64	-0.27

5 Years

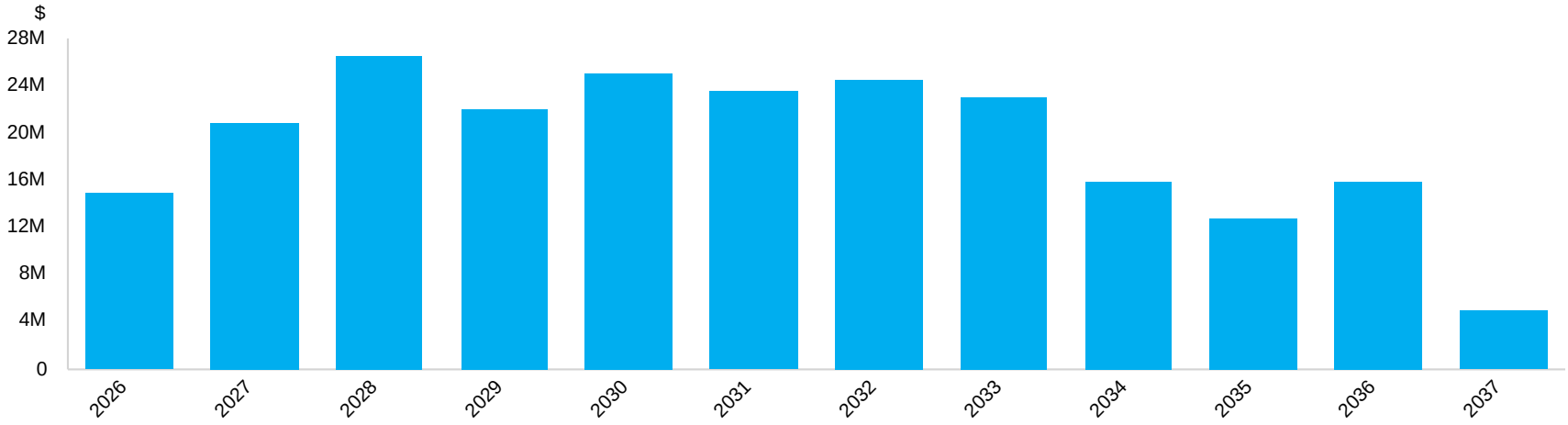
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Disney	2.68	-8.60	-0.37
KMX	Carmax	1.19	-15.36	-0.34
UBER	Uber	3.66	-9.53	-0.09
CPRT	Copart	1.98	-11.64	-0.07
DHR	Danaher	2.17	4.54	0.05

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Taxable Fixed Income	223,267,573	99.9	9,496,460.00	4.3
Taxable Bond Funds	126,672	.1	4,595.76	3.6
Total	**223,394,245**	**100.0**	**9,501,055.76**	**4.3**



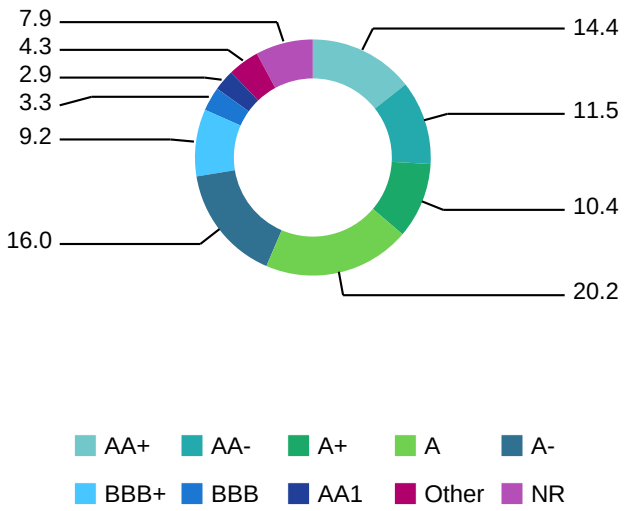
Fixed Income Maturity Schedule



Fixed Income Analysis

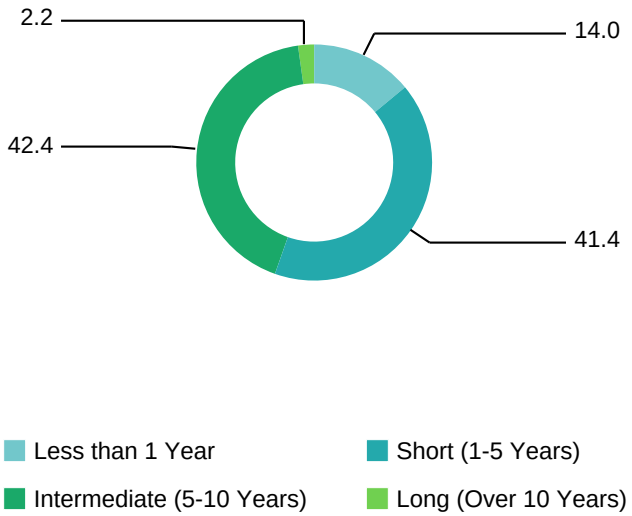
	09/30/2026	Bloomberg Gov't/Credit Interm Bond Index
Coupon	4.13	3.83
Current Yield	4.30	4.03
Yield to Maturity	5.32	5.25
Maturity	4.51	4.23
Duration	3.84	3.85
Face Amount	230,250,000	
Market Value	220,963,758	
Total Accrual	2,303,816	
Cost	236,796,707	

Quality Allocation by Market Value



NR=Not rated by S&P

Maturity Allocation by Market Value



	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
Matures 2037											
FLORIDA PWR & LTDTD 01/18/0 5.650% 02/01/37 5.650%02/01/2037	02/01/2037	5,000,000.000	102.130	97.515	4,922,833.33	A+	AA2			282,500.00	5.974
Total Matures 2037					**4,922,833.33**					**282,500.00**	
Matures 2036											
ALPHABET INC SR NOTE 4.800% 02/15/36 4.800%02/15/2036	02/15/2036	5,000,000.000	95.320	91.952	4,628,266.67	AA+	AA2	11/15/2035		240,000.00	5.931
AMAZON COM INC DTD 03/13/2 4.875% 03/13/36 4.875%03/13/2036	03/13/2036	5,000,000.000	97.990	91.972	4,610,787.50	AA	A1	12/13/2035		243,750.00	6.000
META PLATFORMS IDTD 05/04/2 5.250% 05/15/36 5.250%05/15/2036	05/15/2036	3,000,000.000	98.730	93.192	2,860,072.50	AA-	AA3	02/15/2036		157,500.00	6.199
U S BANCORP ORE DTD 02/12/2 5.424% 02/12/36 5.424%02/12/2036	02/12/2036	3,000,000.000	103.860	95.363	2,883,038.00	A	A3	02/12/2035		162,720.00	6.079
Total Matures 2036					**14,982,164.67**					**803,970.00**	
Matures 2035											
BANK AMER FDG CODTD 01/23/2 5.468% 01/23/35 5.468%01/23/2035	01/23/2035	3,250,000.000	103.880	96.427	3,167,444.95	A-	A1	01/23/2034		177,710.00	6.019
TENNESSEE VY ATHDTD 05/16/25 4.875 05/15/35 4.875%05/15/2035	05/15/2035	5,500,000.000	103.070	96.355	5,400,816.67	AA+	AA1			268,125.00	5.409
U S BANCORP ORE DTD 01/23/2 5.678% 01/23/35 5.678%01/23/2035	01/23/2035	4,000,000.000	103.700	97.320	3,935,700.45	A	A3	01/23/2034		227,120.00	6.092
Total Matures 2035					**12,503,962.07**					**672,955.00**	
Matures 2034											
CISCO SYS INC DTD 02/26/2 5.050% 02/26/34 5.050%02/26/2034	02/26/2034	3,500,000.000	101.950	95.588	3,362,764.03	AA-	A1	11/26/2033		176,750.00	5.790
FEDERAL HOME LOADTD 01/19/24 4.750 01/19/34 4.750%01/19/2034	01/19/2034	5,000,000.000	99.980	95.577	4,826,350.00	AA+	AA1	01/19/2027		237,500.00	5.492
JP MORGAN CHASE DTD 06/01/2 5.350% 06/01/34 5.350%06/01/2034	06/01/2034	4,000,000.000	102.150	96.576	3,934,373.34	A	A1	06/01/2033		214,000.00	5.910
WELLS FARGO & CODTD 07/25/2 5.557% 07/25/34 5.557%07/25/2034	07/25/2034	3,500,000.000	101.640	97.143	3,435,662.41	A-	A1	07/25/2033		194,495.00	6.019
Total Matures 2034					**15,559,149.78**					**822,745.00**	
Matures 2033											
APPLE INC DTD 05/10/2 4.300% 05/10/33 4.300%05/10/2033	05/10/2033	1,500,000.000	99.990	94.436	1,441,802.50	AA+	AAA	02/10/2033		64,500.00	5.308
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950%04/27/2033	04/27/2033	1,000,000.000	100.030	96.435	985,525.00	AA+	NR	04/27/2026		49,500.00	5.605
FEDL FARM CR BKSDTD 08/08/23 4.500 08/08/33	08/08/2033	4,000,000.000	99.060	94.778	3,817,620.00	AA+	AA1			180,000.00	5.421

	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
4.500%08/08/2033											
MCDONALDS CORP DTD 08/14/2 4.950% 08/14/33 4.950%08/14/2033	08/14/2033	4,000,000.000	98.740	95.975	3,864,850.00	BBB+	BAA1	05/14/2033		198,000.00	5.664
TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/11/33 4.600%03/11/2033	03/11/2033	5,000,000.000	99.120	93.660	4,695,777.78	A+	A1			230,000.00	5.792
U S BANCORP ORE DTD 10/21/2 5.850% 10/21/33 5.850%10/21/2033	10/21/2033	1,500,000.000	100.490	99.338	1,529,070.00	A	A3	10/21/2032		87,750.00	5.966
U S TREAS NTS DTD 11/15/23 4.500%%% 11/15/33 4.500%11/15/2033	11/15/2033	6,000,000.000	103.450	95.967	5,860,003.70	NR	AA1			270,000.00	5.183
Total Matures 2033					**22,194,648.98**					**1,079,750.00**	
Matures 2032											
BANK AMER CORP DTD 02/06/2 4.456% 02/06/32 4.456%02/06/2032	02/06/2032	1,500,000.000	99.240	94.718	1,430,981.67	A-	A1	02/06/2031		66,840.00	5.611
GEORGIA PWR CO DTD 05/04/2 4.700% 05/15/32 4.700%05/15/2032	05/15/2032	6,000,000.000	100.640	95.615	5,843,433.33	A	A3	02/15/2032		282,000.00	5.619
OREILLY AUTOMOTIDTD 06/15/2 4.700% 06/15/32 4.700%06/15/2032	06/15/2032	4,500,000.000	98.570	94.893	4,332,460.00	BBB	BAA1	03/15/2032		211,500.00	5.761
PAYCHEX INC DTD 04/10/2 5.350% 04/15/32 5.350%04/15/2032	04/15/2032	7,500,000.000	102.090	96.874	7,450,570.83	BBB+	BAA1	02/15/2032		401,250.00	6.021
SUNTRUST BKS INCDTD 01/27/2 4.597% 01/27/32 4.597%01/27/2032	01/27/2032	5,000,000.000	98.140	95.056	4,793,662.22	A-	BAA1	01/27/2031		229,850.00	5.685
Total Matures 2032					**23,851,108.05**					**1,191,440.00**	
Matures 2031											
CISCO SYS INC DTD 02/26/2 4.950% 02/26/31 4.950%02/26/2031	02/26/2031	2,000,000.000	102.300	98.158	1,972,785.00	AA-	A1	12/26/2030		99,000.00	5.424
CUMMINS INC DTD 05/09/2 4.700% 02/15/31 4.700%02/15/2031	02/15/2031	6,000,000.000	101.400	96.795	5,843,733.33	A	A2	01/15/2031		282,000.00	5.533
DISNEY WALT CO DTD 05/13/2 2.650% 01/13/31 2.650%01/13/2031	01/13/2031	4,500,000.000	107.230	89.457	4,051,402.50	A	A2			119,250.00	5.440
TYCO ELECTRONICSDTD 05/09/2 4.500% 02/09/31 4.500%02/09/2031	02/09/2031	5,000,000.000	101.450	95.521	4,808,550.00	A-	A3	01/09/2031		225,000.00	5.673
U S TREAS NTS DTD 11/30/24 4.125%%% 11/30/31 4.125%11/30/2031	11/30/2031	6,000,000.000	99.860	95.678	5,823,856.23	NR	AA1			247,500.00	5.085
Total Matures 2031					**22,500,327.06**					**972,750.00**	
Matures 2030											
COMCAST CORP NEWDTD 11/05/1 2.650% 02/01/30 2.650%02/01/2030	02/01/2030	4,500,000.000	107.850	90.647	4,098,990.00	A-	A3	11/01/2029		119,250.00	5.770
EXXON MOBIL CORPDTD 04/15/2 2.610% 10/15/30 2.610%10/15/2030	10/15/2030	4,500,000.000	107.950	90.196	4,112,977.50	AA-	AA2	07/15/2030		117,450.00	5.339

	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
KIMBERLY CLARK DTD 03/26/2 3.100% 03/26/30 3.100%03/26/2030	03/26/2030	4,500,000.000	109.260	92.575	4,167,812.50	A	A2	12/26/2029		139,500.00	5.466
OMNICOM GROUP DTD 04/01/2 4.200% 06/01/30 4.200%06/01/2030	06/01/2030	2,500,000.000	97.260	94.942	2,408,550.00	BBB+	BAA1	03/01/2030		105,000.00	5.746
PFIZER INC DTD 03/27/2 2.625% 04/01/30 2.625%04/01/2030	04/01/2030	4,500,000.000	108.330	91.109	4,158,967.50	A	A2	01/01/2030		118,125.00	5.447
PROGRESSIVE CORPDTD 03/26/2 3.200% 03/26/30 3.200%03/26/2030	03/26/2030	4,500,000.000	109.830	92.638	4,170,710.00	A	A2	12/26/2029		144,000.00	5.550
Total Matures 2030					**23,118,007.50**					**743,325.00**	
Matures 2029											
BLACKROCK INC DTD 04/29/1 3.250% 04/30/29 3.250%04/30/2029	04/30/2029	4,500,000.000	110.960	95.195	4,345,118.75	AA-	AA3	01/30/2029		146,250.00	5.262
MERCK & CO INC DTD 03/07/1 3.400% 03/07/29 3.400%03/07/2029	03/07/2029	4,500,000.000	111.400	96.014	4,330,830.00	A+	AA3	12/07/2028		153,000.00	5.161
PARKER HANNIFIN DTD 06/15/2 4.500% 09/15/29 4.500%09/15/2029	09/15/2029	4,000,000.000	95.730	97.575	3,911,000.00	BBB+	A3	07/15/2029		180,000.00	5.397
TEXAS INSTRS INCDTD 09/04/1 2.250% 09/04/29 2.250%09/04/2029	09/04/2029	4,500,000.000	105.750	91.847	4,140,708.75	A+	AA3	06/04/2029		101,250.00	5.292
US TREASURY NOTE 4.125%11/30/2029	11/30/2029	4,500,000.000	99.500	97.473	4,448,667.17	AA1	NR			185,625.00	4.996
Total Matures 2029					**21,176,324.67**					**766,125.00**	
Matures 2028											
CHEVRON USA INC DTD 07/15/2 3.850% 01/15/28 3.850%01/15/2028	01/15/2028	5,000,000.000	100.840	98.689	4,975,088.89	AA-	AA2	10/15/2027		192,500.00	4.906
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	6,000,000.000	99.650	99.294	5,965,431.67	AA+	NR			255,000.00	4.751
JOHNSON &JOHNSONDTD 11/10/1 2.900% 01/15/28 2.900%01/15/2028	01/15/2028	5,000,000.000	108.810	97.600	4,910,611.11	AAA	AAA	10/15/2027		145,000.00	4.837
META PLATFORMS INC SR NOTE 4.600% 05/15/28 4.600%05/15/2028	05/15/2028	4,000,000.000	99.780	99.396	4,045,351.11	AA-	AA3	04/15/2028		184,000.00	4.988
THE CHARLES SCHWDTD 12/07/1 3.200% 01/25/28 3.200%01/25/2028	01/25/2028	4,500,000.000	106.380	97.521	4,414,845.00	A-	A2	10/25/2027		144,000.00	5.166
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	2,000,000.000	108.180	96.493	1,953,467.34	AA1	NR			62,500.00	4.881
Total Matures 2028					**26,264,795.12**					**983,000.00**	
Matures 2027											
BANK AMER FDG CODTD 10/21/1 3.248% 10/21/27 3.248%10/21/2027	10/21/2027	5,000,000.000	108.340	98.312	4,987,777.78	A-	A1	10/21/2026		162,400.00	4.904
FEDERAL FARM CR BKS CONS SYSTEMWIDE	04/12/2027	5,000,000.000	100.000	99.440	5,050,162.50	AA+	NR	04/12/2023		166,500.00	4.403

	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
3.330%04/12/2027											
MCDONALDS CORP DTD 03/09/1 3.500% 03/01/27 3.500%03/01/2027	03/01/2027	3,000,000.000	99.100	99.536	2,994,830.00	BBB+	BAA1	12/01/2026		105,000.00	4.614
PEPSICO INC DTD 03/19/2 2.625% 03/19/27 2.625%03/19/2027	03/19/2027	5,000,000.000	108.550	99.027	4,955,725.00	A+	A1	01/19/2027 100.000		131,250.00	4.739
SYSCO CORP DTD 06/22/1 3.250% 07/15/27 3.250%07/15/2027	07/15/2027	3,000,000.000	98.520	98.698	2,981,523.33	BBB	BAA2	04/15/2027		97,500.00	4.943
Total Matures 2027					**20,970,018.61**					**662,650.00**	
Matures 2026											
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	4,500,000.000	108.980	100.000	4,566,375.00	A	A1	07/01/2026 100.000		132,750.00	2.908
U S TREAS NTS DTD 10/31/24 4.125%%% 10/31/26 4.125%10/31/2026	10/31/2026	6,000,000.000	100.110	99.987	6,102,793.37	NR	AA1			247,500.00	4.208
WELLS FARGO & CODTD 10/25/1 3.000% 10/23/26 3.000%10/23/2026	10/23/2026	4,500,000.000	108.470	99.907	4,555,065.00	A-	A1			135,000.00	4.426
Total Matures 2026					**15,224,233.37**					**515,250.00**	
No Maturity											
ISHARES TR 1-3 YR TRS BD		1,560.000	84.580	81.200	126,672.00	NR	NA				.000
Total No Maturity					**126,672.00**						
Total					**223,394,245.21**					**9,496,460.00**	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Total Equity									
Communication Services									
ALPHABET INC CL C	114,027.000	27.51	3,136,442.21	340.74	38,853,559.98	4.9	.88	100,343.76	.258
WALT DISNEY CO	147,093.000	82.72	12,168,051.29	104.90	15,430,055.70	1.9	1.50	220,639.50	1.430
META PLATFORMS INC CL A	34,727.000	318.26	11,052,179.26	725.18	25,183,325.86	3.2	2.10	72,926.70	.290
OMNICOM GROUP INC	152,131.000	65.17	9,914,798.09	73.63	11,323,110.33	1.4	3.20	486,819.20	4.346
Total for Communication Services			**36,271,470.85**		**90,790,051.87**	**11.4**		**880,729.16**	**.971**
Consumer Disc									
AMAZON.COM INC	95,851.000	201.51	19,315,245.65	249.15	23,881,276.65	3.0	.00	.00	.000
CARMAX INC	124,011.000	63.94	7,929,722.78	55.11	6,834,246.21	.9	.00	.00	.000
HOME DEPOT INC	57,845.000	26.28	1,520,069.06	284.49	16,456,324.05	2.1	9.32	539,115.40	3.276
O REILLY AUTOMOTIVE	172,060.000	11.78	2,027,112.33	85.41	14,695,644.60	1.8	.00	.00	.000
TJX COS INC	100,816.000	6.42	647,535.83	132.31	13,338,964.96	1.7	1.92	193,566.72	1.451
Total for Consumer Disc			**31,439,685.65**		**75,206,456.47**	**9.5**		**732,682.12**	**.974**
Financials									
BERKSHIRE HATHAWAY INC	56,180.000	140.72	7,905,449.15	497.95	27,974,831.00	3.5	.00	.00	.000
JPMORGAN CHASE & CO	127,182.000	61.22	7,786,035.63	330.83	42,075,621.06	5.3	6.60	839,401.20	1.995
PROGRESSIVE CORP OH	123,917.000	57.41	7,114,616.75	207.31	25,689,233.27	3.2	.40	49,566.80	.193
SCHWAB CHARLES CORP	253,001.000	40.44	10,230,102.84	97.74	24,728,317.74	3.1	1.28	323,841.28	1.310
WELLS FARGO & CO	178,491.000	46.09	8,227,329.93	80.05	14,288,204.55	1.8	2.00	356,982.00	2.498
Total for Financials			**41,263,534.30**		**134,756,207.62**	**16.9**		**1,569,791.28**	**1.165**
Health Care									
DANAHER CORP	56,200.000	203.86	11,457,116.38	221.55	12,473,590.00	1.6	1.60	89,920.00	.722
JOHNSON & JOHNSON	90,899.000	90.69	8,244,027.24	264.74	24,064,601.26	3.0	5.36	487,218.64	2.025
Total for Health Care			**19,701,143.62**		**36,538,191.26**	**4.6**		**577,138.64**	**1.581**
Industrials									
COPART INC COM	418,000.000	30.87	12,905,666.40	27.28	11,403,040.00	1.4	.00	.00	.000
EXPEDITORS INTL WASH	64,456.000	38.26	2,465,818.99	184.64	11,901,155.84	1.5	1.62	104,418.72	.877
FASTENAL CO	266,060.000	10.20	2,714,759.19	49.53	13,177,951.80	1.6	1.04	276,702.40	2.100
GE VERNOVA LLC	34,707.000	123.32	4,279,972.38	950.49	32,988,656.43	4.1	2.00	69,414.00	.210

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	99,164.000	102.11	10,125,231.48	312.29	30,967,925.56	3.9	1.88	186,428.32	.602
PARKER-HANNIFIN CORP	23,138.000	296.71	6,865,291.40	955.42	22,106,507.96	2.8	8.00	185,104.00	.837
UBER TECHNOLOGIES INC	307,179.000	75.36	23,150,259.68	68.51	21,044,833.29	2.6	.00	.00	.000
UNION PACIFIC CORP	37,790.000	93.91	3,548,848.53	272.13	10,283,792.70	1.3	5.68	214,647.20	2.087
Total for Industrials			**66,055,848.05**		**153,873,863.58**	**19.2**		**1,036,714.64**	**.674**
Information Tech									
APPLE INC	96,018.000	23.24	2,231,054.89	333.02	31,975,914.36	4.0	1.08	103,699.44	.324
MICROSOFT CORP	66,108.000	25.22	1,667,137.44	512.90	33,906,793.20	4.2	3.92	259,143.36	.764
TE CONNECTIVITY PLC	87,633.000	31.28	2,740,948.04	211.08	18,497,573.64	2.3	3.12	273,414.96	1.478
Total for Information Tech			**6,639,140.37**		**84,380,281.20**	**10.5**		**636,257.76**	**.754**
Total: Total Equity			**201,370,822.84**		**575,545,052.00**	**72.1**		**5,433,313.60**	**.944**
Total Fixed Income									
Corporate Bonds									
ALPHABET INC SR NOTE 4.800% 02/15/36 4.800% 02/15/2036	5,000,000.000	95.32	4,766,000.00	91.95	4,628,266.67	.6	4.80	240,000.00	5.220
AMAZON COM INC DTD 03/13/2 4.875% 03/13/ 4.875% 03/13/2036	5,000,000.000	97.99	4,899,364.58	91.97	4,610,787.50	.6	4.88	243,750.00	5.301
APPLE INC DTD 05/10/2 4.300% 05/10/33 4.300% 05/10/2033	1,500,000.000	99.99	1,499,910.00	94.44	1,441,802.50	.2	4.30	64,500.00	4.553
BANK AMER CORP DTD 02/06/2 4.456% 02/06/ 4.456% 02/06/2032	1,500,000.000	99.24	1,488,600.00	94.72	1,430,981.67	.2	4.46	66,840.00	4.704
BANK AMER FDG CODTD 10/21/1 3.248% 10/21 3.248% 10/21/2027	5,000,000.000	108.34	5,417,210.81	98.31	4,987,777.78	.6	3.25	162,400.00	3.304
BANK AMER FDG CODTD 01/23/2 5.468% 01/23 5.468% 01/23/2035	3,250,000.000	103.88	3,376,100.00	96.43	3,167,444.95	.4	5.47	177,710.00	5.671
BLACKROCK INC DTD 04/29/1 3.250% 04/30/2 3.250% 04/30/2029	4,500,000.000	110.96	4,993,217.73	95.20	4,345,118.75	.5	3.25	146,250.00	3.414
CHEVRON USA INC DTD 07/15/2 3.850% 01/15 3.850% 01/15/2028	5,000,000.000	100.84	5,042,000.00	98.69	4,975,088.89	.6	3.85	192,500.00	3.901
CISCO SYS INC DTD 02/26/2 4.950% 02/26/3 4.950% 02/26/2031	2,000,000.000	102.30	2,046,000.00	98.16	1,972,785.00	.2	4.95	99,000.00	5.043

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
CISCO SYS INC DTD 02/26/2 5.050% 02/26/3 5.050% 02/26/2034	3,500,000.000	101.95	3,568,250.00	95.59	3,362,764.03	.4	5.05	176,750.00	5.283
COMCAST CORP NEWDTD 11/05/1 2.650% 02/01 2.650% 02/01/2030	4,500,000.000	107.85	4,853,306.19	90.65	4,098,990.00	.5	2.65	119,250.00	2.923
CUMMINS INC DTD 05/09/2 4.700% 02/15/31 4.700% 02/15/2031	6,000,000.000	101.40	6,084,000.00	96.80	5,843,733.33	.7	4.70	282,000.00	4.856
DISNEY WALT CO DTD 05/13/2 2.650% 01/13/ 2.650% 01/13/2031	4,500,000.000	107.23	4,825,574.74	89.46	4,051,402.50	.5	2.65	119,250.00	2.962
EXXON MOBIL CORPDTD 04/15/2 2.610% 10/15 2.610% 10/15/2030	4,500,000.000	107.95	4,857,881.62	90.20	4,112,977.50	.5	2.61	117,450.00	2.894
META PLATFORMS INC SR NOTE 4.600% 05/15/ 4.600% 05/15/2028	4,000,000.000	99.78	3,991,120.00	99.40	4,045,351.11	.5	4.60	184,000.00	4.628
META PLATFORMS IDTD 05/04/2 5.250% 05/15 5.250% 05/15/2036	3,000,000.000	98.73	2,961,900.00	93.19	2,860,072.50	.4	5.25	157,500.00	5.634
FLORIDA PWR & LTDTD 01/18/0 5.650% 02/01 5.650% 02/01/2037	5,000,000.000	102.13	5,106,548.61	97.52	4,922,833.33	.6	5.65	282,500.00	5.794
GEORGIA PWR CO DTD 05/04/2 4.700% 05/15/ 4.700% 05/15/2032	6,000,000.000	100.64	6,038,600.00	95.62	5,843,433.33	.7	4.70	282,000.00	4.916
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	4,500,000.000	108.98	4,903,950.28	100.00	4,566,375.00	.6	2.95	132,750.00	2.950
JP MORGAN CHASE DTD 06/01/2 5.350% 06/01 5.350% 06/01/2034	4,000,000.000	102.15	4,086,100.00	96.58	3,934,373.34	.5	5.35	214,000.00	5.540
JOHNSON &JOHNSONDTD 11/10/1 2.900% 01/15 2.900% 01/15/2028	5,000,000.000	108.81	5,440,382.18	97.60	4,910,611.11	.6	2.90	145,000.00	2.971
KIMBERLY CLARK DTD 03/26/2 3.100% 03/26/ 3.100% 03/26/2030	4,500,000.000	109.26	4,916,915.28	92.58	4,167,812.50	.5	3.10	139,500.00	3.349
MCDONALDS CORP DTD 03/09/1 3.500% 03/01/ 3.500% 03/01/2027	3,000,000.000	99.10	2,973,000.00	99.54	2,994,830.00	.4	3.50	105,000.00	3.516
MCDONALDS CORP DTD 08/14/2 4.950% 08/14/ 4.950% 08/14/2033	4,000,000.000	98.74	3,949,400.00	95.98	3,864,850.00	.5	4.95	198,000.00	5.158
MERCK & CO INC DTD 03/07/1 3.400% 03/07/ 3.400% 03/07/2029	4,500,000.000	111.40	5,012,820.28	96.01	4,330,830.00	.5	3.40	153,000.00	3.541
OREILLY AUTOMOTIDTD 06/15/2 4.700% 06/15 4.700% 06/15/2032	4,500,000.000	98.57	4,435,550.00	94.89	4,332,460.00	.5	4.70	211,500.00	4.953
OMNICOM GROUP DTD 04/01/2 4.200% 06/01/3	2,500,000.000	97.26	2,431,500.00	94.94	2,408,550.00	.3	4.20	105,000.00	4.424

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
4.200% 06/01/2030									
PARKER HANNIFIN DTD 06/15/2 4.500% 09/15 4.500% 09/15/2029	4,000,000.000	95.73	3,829,080.00	97.58	3,911,000.00	.5	4.50	180,000.00	4.612
PAYCHEX INC DTD 04/10/2 5.350% 04/15/32 5.350% 04/15/2032	7,500,000.000	102.09	7,657,044.44	96.87	7,450,570.83	.9	5.35	401,250.00	5.523
PEPSICO INC DTD 03/19/2 2.625% 03/19/27 2.625% 03/19/2027	5,000,000.000	108.55	5,427,413.51	99.03	4,955,725.00	.6	2.63	131,250.00	2.651
PFIZER INC DTD 03/27/2 2.625% 04/01/30 2.625% 04/01/2030	4,500,000.000	108.33	4,874,850.53	91.11	4,158,967.50	.5	2.63	118,125.00	2.881
PROGRESSIVE CORPDTD 03/26/2 3.200% 03/26 3.200% 03/26/2030	4,500,000.000	109.83	4,942,133.37	92.64	4,170,710.00	.5	3.20	144,000.00	3.454
THE CHARLES SCHWDTD 12/07/1 3.200% 01/25 3.200% 01/25/2028	4,500,000.000	106.38	4,787,060.00	97.52	4,414,845.00	.6	3.20	144,000.00	3.281
SYSCO CORP DTD 06/22/1 3.250% 07/15/27 3.250% 07/15/2027	3,000,000.000	98.52	2,955,600.00	98.70	2,981,523.33	.4	3.25	97,500.00	3.293
TEXAS INSTRS INCDTD 09/04/1 2.250% 09/04 2.250% 09/04/2029	4,500,000.000	105.75	4,758,542.97	91.85	4,140,708.75	.5	2.25	101,250.00	2.450
TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/11 4.600% 03/11/2033	5,000,000.000	99.12	4,955,861.11	93.66	4,695,777.78	.6	4.60	230,000.00	4.911
SUNTRUST BKS INCDTD 01/27/2 4.597% 01/27 4.597% 01/27/2032	5,000,000.000	98.14	4,907,238.75	95.06	4,793,662.22	.6	4.60	229,850.00	4.836
TYCO ELECTRONICSDTD 05/09/2 4.500% 02/09 4.500% 02/09/2031	5,000,000.000	101.45	5,072,500.00	95.52	4,808,550.00	.6	4.50	225,000.00	4.711
U S BANCORP ORE DTD 10/21/2 5.850% 10/21 5.850% 10/21/2033	1,500,000.000	100.49	1,507,350.00	99.34	1,529,070.00	.2	5.85	87,750.00	5.889
U S BANCORP ORE DTD 01/23/2 5.678% 01/23 5.678% 01/23/2035	4,000,000.000	103.70	4,148,000.00	97.32	3,935,700.45	.5	5.68	227,120.00	5.834
U S BANCORP ORE DTD 02/12/2 5.424% 02/12 5.424% 02/12/2036	3,000,000.000	103.86	3,115,800.00	95.36	2,883,038.00	.4	5.42	162,720.00	5.688
WELLS FARGO & CODTD 10/25/1 3.000% 10/23 3.000% 10/23/2026	4,500,000.000	108.47	4,881,224.62	99.91	4,555,065.00	.6	3.00	135,000.00	3.003
WELLS FARGO & CODTD 07/25/2 5.557% 07/25 5.557% 07/25/2034	3,500,000.000	101.64	3,557,500.00	97.14	3,435,662.41	.4	5.56	194,495.00	5.720
Total for Corporate Bonds			**185,342,401.60**		**173,032,879.56**	**21.5**		**7,326,710.00**	**4.275**

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Governments									
FEDERAL HOME LOADTD 01/19/24 4.750 01/19 4.750% 01/19/2034	5,000,000.000	99.98	4,999,000.00	95.58	4,826,350.00	.6	4.75	237,500.00	4.970
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	5,000,000.000	100.00	5,000,000.00	99.44	5,050,162.50	.6	3.33	166,500.00	3.349
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250% 03/20/2028	6,000,000.000	99.65	5,978,700.00	99.29	5,965,431.67	.7	4.25	255,000.00	4.280
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.950% 04/27/2033	1,000,000.000	100.03	1,000,250.00	96.44	985,525.00	.1	4.95	49,500.00	5.133
FEDL FARM CR BKSDTD 08/08/23 4.500 08/08 4.500% 08/08/2033	4,000,000.000	99.06	3,962,200.00	94.78	3,817,620.00	.5	4.50	180,000.00	4.748
TENNESSEE VY ATHDTD 05/16/25 4.875 05/15 4.875% 05/15/2035	5,500,000.000	103.07	5,668,600.00	96.36	5,400,816.67	.7	4.88	268,125.00	5.059
US TREASURY NOTE 3.125% 11/15/2028	2,000,000.000	108.18	2,163,500.00	96.49	1,953,467.34	.2	3.13	62,500.00	3.239
U S TREAS NTS DTD 11/15/23 4.500%%% 11/1 4.500% 11/15/2033	6,000,000.000	103.45	6,206,940.00	95.97	5,860,003.70	.7	4.50	270,000.00	4.689
U S TREAS NTS DTD 10/31/24 4.125%%% 10/3 4.125% 10/31/2026	6,000,000.000	100.11	6,006,540.00	99.99	6,102,793.37	.8	4.13	247,500.00	4.126
U S TREAS NTS DTD 11/30/24 4.125%%% 11/3 4.125% 11/30/2031	6,000,000.000	99.86	5,991,300.00	95.68	5,823,856.23	.7	4.13	247,500.00	4.311
US TREASURY NOTE 4.125% 11/30/2029	4,500,000.000	99.50	4,477,275.00	97.47	4,448,667.17	.6	4.13	185,625.00	4.232
Total for Governments			**51,454,305.00**		**50,234,693.65**	**6.2**		**2,169,750.00**	**4.376**
Taxable Bond Funds									
ISHARES TR 1-3 YR TRS BD	1,560.000	84.58	131,943.81	81.20	126,672.00	.0	2.95	4,595.76	3.628
Total for Taxable Bond Funds			**131,943.81**		**126,672.00**	**.0**		**4,595.76**	**3.628**
Total: Total Fixed Income			**236,928,650.41**		**223,394,245.21**	**27.7**		**9,501,055.76**	**4.297**
Total			**438,299,473.25**		**798,939,297.21**	**100.0**		**14,934,369.36**	**1.875**

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
Total Portfolio - Gross	**798,939,297**	**.07**	**6.82**	**19.44**	**11.46**	**13.16**	**10.29**	**9.57**
Total Portfolio - Net	**798,939,297**	**.05**	**6.74**	**19.34**	**11.38**	**13.07**	**10.23**	**9.51**
70% S&P 500 / 30% Bloomberg US Govt/Credit		1.04	10.85	17.17	9.96	11.32	8.93	8.65
Total Equity	**575,545,052**	**.70**	**9.20**	**25.26**	**15.38**	**17.17**	**12.60**	**11.62**
S P 500 Index		2.30	15.74	22.89	13.79	15.33	11.21	10.33
Total Fixed Income	**223,394,245**	**-1.99**	**-.03**	**4.57**	**1.16**	**1.92**	**2.76**	**3.78**
Bloomberg US Government/Credit Interm Bond		-1.88	-.31	4.31	.83	1.71	2.93	3.93

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	13.16	11.32
Standard Deviation	12.10	11.15
Beta	1.03	
Alpha	1.52	
R-Squared	.90	
Sharpe Ratio	.88	.79
Treynor Ratio	10.30	8.77
Tracking Error	3.88	
Information Ratio	.45	
Downside Deviation	7.43	6.85
Downside Standard Deviation	9.19	8.39
Sortino Ratio	1.88	1.75
Upside Capture	1.09	
Downside Capture	1.00	
Batting Average	.58	
Annualized Excess Return	1.84	
Cumulative Excess Return	52.00	
Turnover %	114.52	
M-Squared	12.33	
Residual Risk	1.10	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.55	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.29	8.93
Standard Deviation	11.15	10.93
Beta	.97	
Alpha	1.52	
R-Squared	.90	
Sharpe Ratio	.77	.66
Treynor Ratio	8.87	7.24
Tracking Error	3.50	
Information Ratio	.36	
Downside Deviation	7.01	7.07
Downside Standard Deviation	8.43	8.30
Sortino Ratio	1.56	1.35
Upside Capture	1.03	
Downside Capture	.94	
Batting Average	.57	
Annualized Excess Return	1.36	
Cumulative Excess Return	155.76	
Turnover %	211.58	
M-Squared	10.12	
Residual Risk	1.02	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.69	

Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/02/2026	3,250,000.00	BANK AMER FDG CODTD 01/23/2 5.468% 01/2	103.88	3,376,100.00
03/05/2026	42,500.00	AMAZON.COM INC	218.01	9,265,599.25
03/05/2026	2,000.00	JPMORGAN CHASE & CO	295.22	590,437.80
03/05/2026	194,000.00	UBER TECHNOLOGIES INC	76.08	14,760,179.60
04/02/2026	1,500,000.00	WELLS FARGO & CODTD 07/25/2 5.557% 07/2	103.18	1,547,700.00
04/02/2026	1,500,000.00	BANK AMER CORP DTD 02/06/2 4.456% 02/0	99.98	1,499,740.00
05/01/2026	-1,500,000.00	BANK AMER CORP DTD 02/06/2 4.456% 02/0	99.98	-1,499,740.00
05/01/2026	1,500,000.00	BANK AMER CORP DTD 02/06/2 4.456% 02/0	99.24	1,488,600.00
05/19/2026	13,100.00	PROGRESSIVE CORP OH	204.27	2,675,914.73
05/19/2026	115,500.00	UBER TECHNOLOGIES INC	74.17	8,566,669.65
05/20/2026	3,000,000.00	META PLATFORMS IDTD 05/04/2 5.250% 05/1	0.99	2,961,900.00
07/29/2026	418,000.00	COPART INC COM	30.87	12,905,666.40
08/21/2026	5,000,000.00	ALPHABET INC SR NOTE 4.800% 02/1	95.32	4,766,000.00
08/21/2026	5,106,548.61	FLORIDA PWR & LTDTD 01/18/0 5.650% 02/0	97.91	5,000,000.00
08/21/2026	5,000,000.00	TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/1	99.12	4,955,861.11
08/21/2026	5,000,000.00	SUNTRUST BKS INCDTD 01/27/2 4.597% 01/2	98.14	4,907,238.75
08/21/2026	-5,106,548.61	FLORIDA PWR & LTDTD 01/18/0 5.650% 02/0	97.91	-5,000,000.00
08/21/2026	5,000,000.00	FLORIDA PWR & LTDTD 01/18/0 5.650% 02/0	102.13	5,106,548.61
08/25/2026	5,000,000.00	AMAZON COM INC DTD 03/13/2 4.875% 03/1	97.99	4,899,364.58
09/09/2026	4,000,000.00	PAYCHEX INC DTD 04/10/2 5.350% 04/1	101.83	4,073,394.44
				86,847,174.92

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/31/2026	3,250,000.00	US TREASURY NOTE	100.00	-3,250,000.00	08/08/2025	1.00	-3,251,300.00	0.00
01/31/2026	-3,250,000.00	US TREASURY NOTE	100.00	3,250,000.00	08/08/2025	1.00	3,251,300.00	-1,300.00
02/02/2026	-3,250,000.00	US TREASURY NOTE	100.00	3,250,000.00	08/08/2025	1.00	3,251,300.00	-1,300.00
03/05/2026	-5,150.00	WALT DISNEY CO	102.10	525,800.07	02/24/2023	25.61	131,891.19	393,908.88
03/05/2026	-3,560.00	EXPEDITORS INTL WASH	145.68	518,613.32	03/25/2013	37.20	132,436.63	386,176.69
03/05/2026	-4,725.00	GE AEROSPACE	324.78	1,534,599.20	08/02/2021	109.86	519,076.44	1,015,522.76
03/05/2026	-13,125.00	GE VERNOVA LLC	802.13	10,527,981.19	04/09/2024	0.00	0.00	10,527,981.19

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
03/05/2026	-4,420.00	ALPHABET INC CL C	298.68	1,320,186.37	03/31/2015	27.52	121,626.49	1,198,559.88
03/05/2026	-3,490.00	HOME DEPOT INC	361.28	1,260,867.20	06/30/2021	39.91	139,297.42	1,121,569.78
03/05/2026	-3,590.00	JOHNSON & JOHNSON	237.10	851,174.28	11/24/2021	29.90	107,341.00	743,833.28
03/05/2026	-5,775.00	PARKER-HANNIFIN CORP	959.53	5,541,263.23	10/28/2022	280.15	1,617,847.19	3,923,416.04
03/05/2026	-15,420.00	TJX COS INC	160.12	2,469,121.33	12/06/2004	5.92	91,227.84	2,377,893.49
03/05/2026	-290.00	TE CONNECTIVITY PLC	210.57	61,065.30	09/30/2024	31.28	9,070.50	51,994.80
03/13/2026	-3,000,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	100.00	3,000,000.00	09/26/2019	1.04	3,129,146.81	-129,146.81
04/01/2026	5,150.00	WALT DISNEY CO	102.10	-525,800.07	02/24/2023	25.61	-131,891.19	0.00
04/01/2026	-5,150.00	WALT DISNEY CO	102.10	525,800.06	02/24/2023	25.61	131,891.19	393,908.87
04/01/2026	3,000,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	100.00	-3,000,000.00	01/01/1950	1.04	-3,129,146.81	0.00
04/01/2026	-3,000,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	101.48	3,044,400.00	01/01/1950	1.04	3,129,146.81	-84,746.81
05/14/2026	-4,500,000.00	ABBVIE INC DTD 05/12/1 3.200% 05/1	100.00	4,500,000.00	06/25/2020	1.09	4,906,016.32	-406,016.32
05/19/2026	-500.00	APPLE INC	297.82	148,911.93	04/25/2013	14.64	7,317.66	141,594.27
05/19/2026	-29,760.00	ALPHABET INC CL C	384.68	11,448,010.57	03/31/2015	27.52	818,914.99	10,629,095.58
07/29/2026	-11,300.00	APPLE INC	339.73	3,838,947.87	04/25/2013	15.68	177,165.42	3,661,782.45
07/29/2026	-151,180.00	BANK OF AMERICA CORP	62.32	9,421,751.60	08/30/2019	26.92	4,069,316.54	5,352,435.06
08/18/2026	-3,644.00	AMAZON.COM INC	261.70	953,618.79	04/08/2025	182.57	665,275.61	288,343.18
08/18/2026	-1,750.00	BERKSHIRE HATHAWAY INC	502.67	879,675.55	07/26/2011	48.71	85,248.07	794,427.48
08/18/2026	-7,779.00	CARMAX INC	58.08	451,767.00	01/30/2019	59.76	464,899.08	-13,132.08
08/18/2026	-2,650.00	DANAHER CORP	200.11	530,303.36	02/27/2025	207.74	550,504.64	-20,201.28
08/18/2026	-6,097.00	WALT DISNEY CO	104.72	638,470.17	02/24/2023	25.61	156,143.81	482,326.36
08/18/2026	-2,669.00	EXPEDITORS INTL WASH	187.47	500,368.47	03/25/2013	37.20	99,290.27	401,078.20
08/18/2026	-2,400.00	HOME DEPOT INC	339.71	815,292.96	06/30/2021	39.91	95,791.92	719,501.04
08/18/2026	-1,688.00	JPMORGAN CHASE & CO	360.20	608,024.65	03/05/2026	30.98	52,296.77	555,727.88
08/18/2026	-3,766.00	JOHNSON & JOHNSON	271.05	1,020,760.04	11/24/2021	29.13	109,714.87	911,045.17
08/18/2026	-10,009.00	OMNICOM GROUP INC	86.91	869,915.31	02/27/2025	37.20	372,331.29	497,584.02
08/18/2026	-3,448.00	PROGRESSIVE CORP OH	206.70	712,715.18	05/20/2026	26.38	90,954.10	621,761.08
08/18/2026	-4,174.00	TJX COS INC	151.38	631,871.73	12/06/2004	5.92	24,694.23	607,177.50
08/18/2026	-2,321.00	UBER TECHNOLOGIES INC	76.36	177,240.90	03/05/2026	76.08	176,589.57	651.33
08/18/2026	-7,264.00	WELLS FARGO & CO	87.07	632,466.35	06/02/2011	28.21	204,912.35	427,554.00
08/18/2026	-5,412.00	TE CONNECTIVITY PLC	207.08	1,120,694.40	09/30/2024	31.28	169,274.25	951,420.15
08/18/2026	-4,238.00	ALPHABET INC CL C	341.11	1,445,615.58	03/31/2015	27.52	116,618.34	1,328,997.24
08/18/2026	-11,317.00	APPLE INC	310.18	3,510,313.95	04/25/2013	25.92	293,385.82	3,216,928.13
08/18/2026	-2,383.00	META PLATFORMS INC CL A	551.15	1,313,393.42	05/06/2020	203.86	485,807.44	827,585.98
08/18/2026	-1,441.00	GE VERNOVA LLC	1,017.83	1,466,699.12	04/09/2024	0.00	0.00	0.00

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
08/18/2026	-4,111.00	GE AEROSPACE	372.06	1,529,548.66	08/02/2021	109.86	451,623.96	1,077,924.70
08/18/2026	-2,727.00	MICROSOFT CORP	481.78	1,313,808.26	09/05/2006	25.68	70,029.36	1,243,778.90
08/18/2026	-962.00	PARKER-HANNIFIN CORP	1,036.43	997,043.48	10/28/2022	280.15	269,501.13	727,542.35
08/18/2026	-16,674.00	SCHWAB CHARLES CORP	111.97	1,866,905.96	08/26/2020	35.35	589,350.87	1,277,555.09
08/18/2026	1,441.00	GE VERNOVA LLC	1,017.83	-1,466,699.12	04/09/2024	0.00	0.00	0.00
08/18/2026	-1,441.00	GE VERNOVA LLC	1,017.83	1,466,699.12	04/09/2024	123.32	177,700.18	1,288,998.94
08/25/2026	-5,000,000.00	TARGET CORP DTD 09/13/2 4.500% 09/1	100.83	5,041,625.00	09/12/2024	1.02	5,112,000.00	-70,375.00
				89,290,831.74			30,112,930.37	59,441,363.44

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

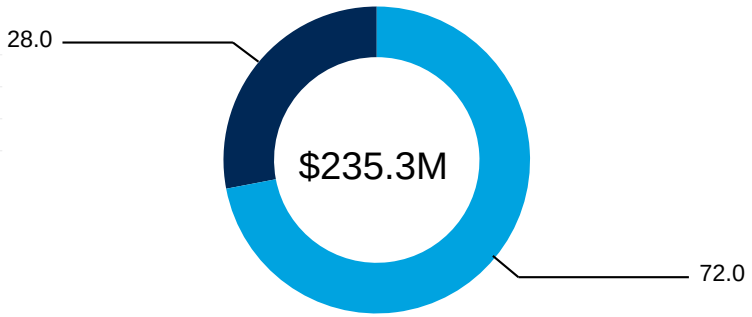
Meeting Date: October 23, 2026

Client Investment Review

Investment activity through 09/30/2026

Asset Allocation Summary

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	169,489,698	72.0	1,599,858.46	.9
Total Fixed Income	65,804,552	28.0	2,793,797.46	4.3
Total	**235,294,250**	**100.0**	**4,393,655.92**	**1.9**

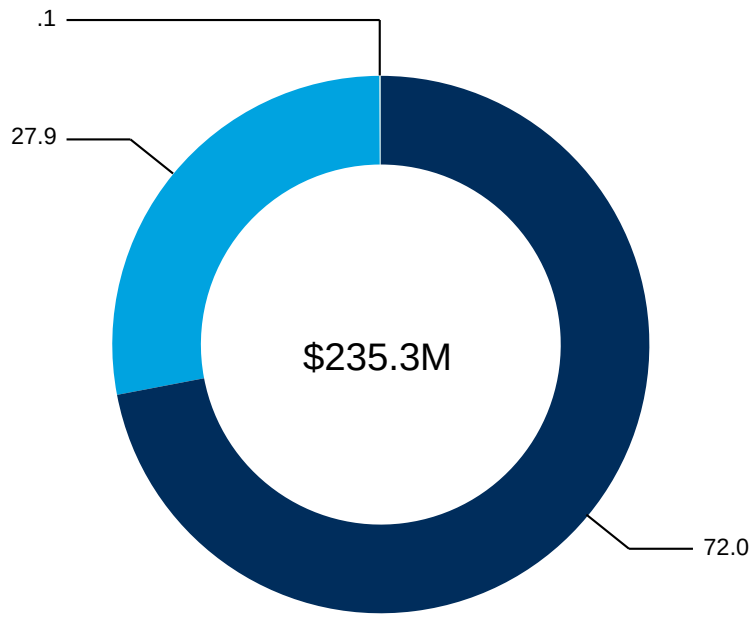


Investment Summary

	Fiscal Year to Date (3 Months)	1 Year
Beginning Account Value	**236,295,613.51**	**226,121,055.83**
Net Contributions/Withdrawals	-1,236,993.25	-6,104,239.63
Income Earned	1,021,140.50	4,582,435.64
Market Appreciation	-785,511.10	10,694,997.82
Ending Account Value	**235,294,249.66**	**235,294,249.66**

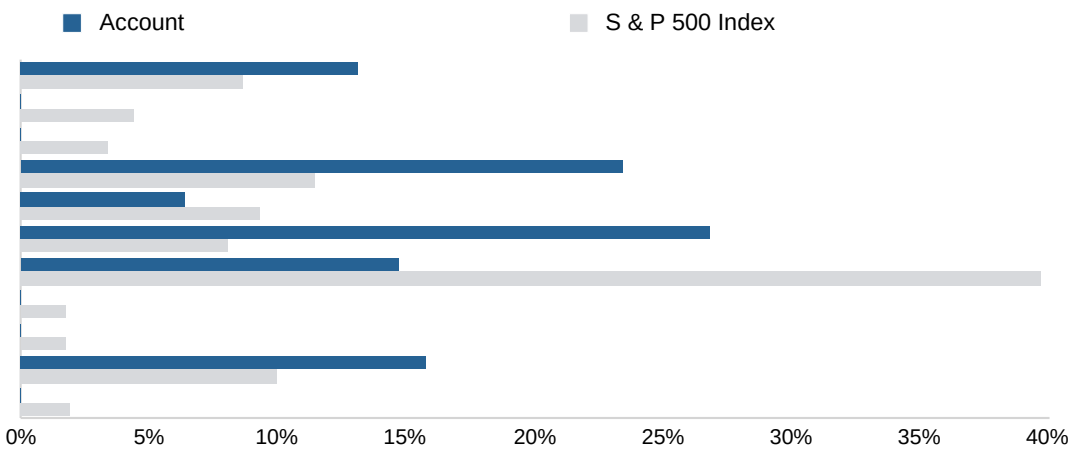
Total market value may differ slightly from your custodian statement due to processing lag of accruals in non-custody accounts.

	Market Value	% of Mkt Val
Core Equity	169,489,698	72.0
Taxable Fixed Income	65,661,640	27.9
Taxable Bond Funds	142,912	.1
Total	**235,294,250**	**100.0**



Core Equity Allocation vs S & P 500 Index

	Account	S & P 500
Consumer Disc	13.1	8.6
Consumer Staples	.0	4.4
Energy	.0	3.4
Financials	23.4	11.4
Health Care	6.4	9.3
Industrials	26.8	8.0
Information Tech	14.7	39.7
Materials	.0	1.7
Real Estate	.0	1.7
Communication Servic	15.8	9.9
Utilities	.0	1.9



Top 10 Performers

	Market Value	% of Mkt Val	Return
EXPEDITORS INTL WASH	3,504,098	1.5	52.06
GE VERNOVA LLC	9,713,057	4.1	50.68
JOHNSON & JOHNSON	7,085,237	3.0	46.06
ALPHABET INC CL C	11,439,664	4.9	39.42
APPLE INC	9,411,811	4.0	31.65
PARKER-HANNIFIN CORP	6,508,321	2.8	25.90
CARMAX INC	2,011,846	.9	22.76
UNION PACIFIC CORP	3,024,725	1.3	17.68
AMAZON.COM INC	7,031,760	3.0	13.21
DANAHER CORP	3,672,385	1.6	12.51

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
JPMORGAN CHASE & CO	12,389,584	5.3	6.90
ALPHABET INC CL C	11,439,664	4.9	39.42
MICROSOFT CORP	9,982,060	4.2	-.14
GE VERNOVA LLC	9,713,057	4.1	50.68
APPLE INC	9,411,811	4.0	31.65
GE AEROSPACE	9,117,619	3.9	4.01
BERKSHIRE HATHAWAY INC	8,237,587	3.5	-.92
PROGRESSIVE CORP OH	7,565,157	3.2	-10.54
META PLATFORMS INC CL A	7,413,515	3.2	-1.15
SCHWAB CHARLES CORP	7,277,427	3.1	3.76

Sector	Qtr*
Information Tech	0.80
Communication Services	0.56
Utilities	0.34
Consumer Staples	0.22
Real Estate	0.16
Materials	0.10
Health Care	0.02
Financials	-0.01
Consumer Disc	-0.58
Energy	-0.96
Industrials	-1.98
Total	**-1.35**

Sector	1 Year*
Industrials	2.04
Consumer Staples	0.57
Utilities	0.56
Health Care	0.43
Communication Services	0.38
Real Estate	0.29
Materials	-0.01
Energy	-1.28
Financials	-1.59
Consumer Disc	-1.65
Information Tech	-5.71
Total	**-5.98**

Sector	5 Years*
Industrials	2.98
Financials	0.88
Health Care	0.49
Consumer Staples	0.40
Real Estate	0.29
Utilities	0.17
Materials	0.13
Consumer Disc	-0.09
Communication Services	-0.35
Energy	-0.40
Information Tech	-3.00
Total	**1.51**

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

Top Contributors

Qtr

Ticker	Company	Ending Allocation	Total Return	Contribution
MSFT	Microsoft	5.89	37.77	1.31
META	Meta Platforms	4.37	28.52	0.77
AAPL	Apple	5.55	15.53	0.69
DHR	Danaher	2.17	16.44	0.25
SCHW	Charles Schwab	4.29	6.31	0.24

1 Year

Ticker	Company	Ending Allocation	Total Return	Contribution
GOOG	Alphabet	6.75	39.42	2.87
GEV	GE Vernova	5.73	50.68	2.54
AAPL	Apple	5.55	31.65	1.66
JNJ	Johnson & Johnson	4.18	46.06	1.46
PH	Parker Hannifin	3.84	25.90	1.09

5 Years

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.73	112.39	2.16
GE	GE Aerospace	5.38	37.50	1.55
GOOG	Alphabet	6.75	20.72	1.53
PGR	Progressive	4.46	20.80	1.28
AAPL	Apple	5.55	19.40	1.17

Bottom Contributors

Qtr

Ticker	Company	Ending Allocation	Total Return	Contribution
GEV	GE Vernova	5.73	-19.30	-1.10
GE	GE Aerospace	5.38	-16.30	-0.83
HD	Home Depot	2.86	-18.69	-0.52
TJX	TJX	2.32	-12.33	-0.26
CPRT	Copart	1.99	-11.64	-0.21

1 Year

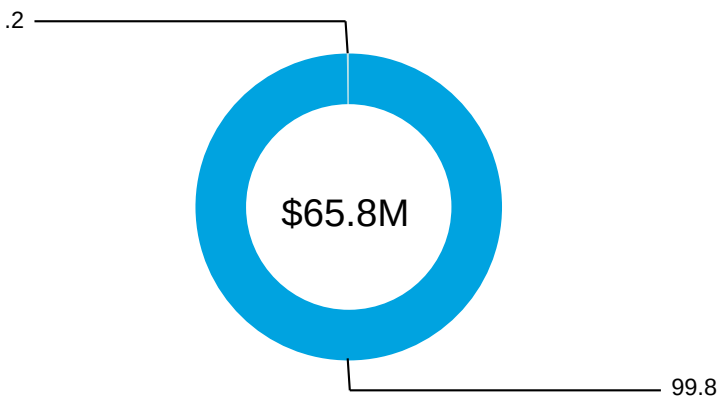
Ticker	Company	Ending Allocation	Total Return	Contribution
HD	Home Depot	2.86	-27.82	-1.19
ORLY	O'Reilly Automative	2.56	-20.78	-0.69
PGR	Progressive	4.46	-10.54	-0.52
UBER	Uber	3.66	-9.49	-0.37
CPRT	Copart	1.99	-11.64	-0.27

5 Years

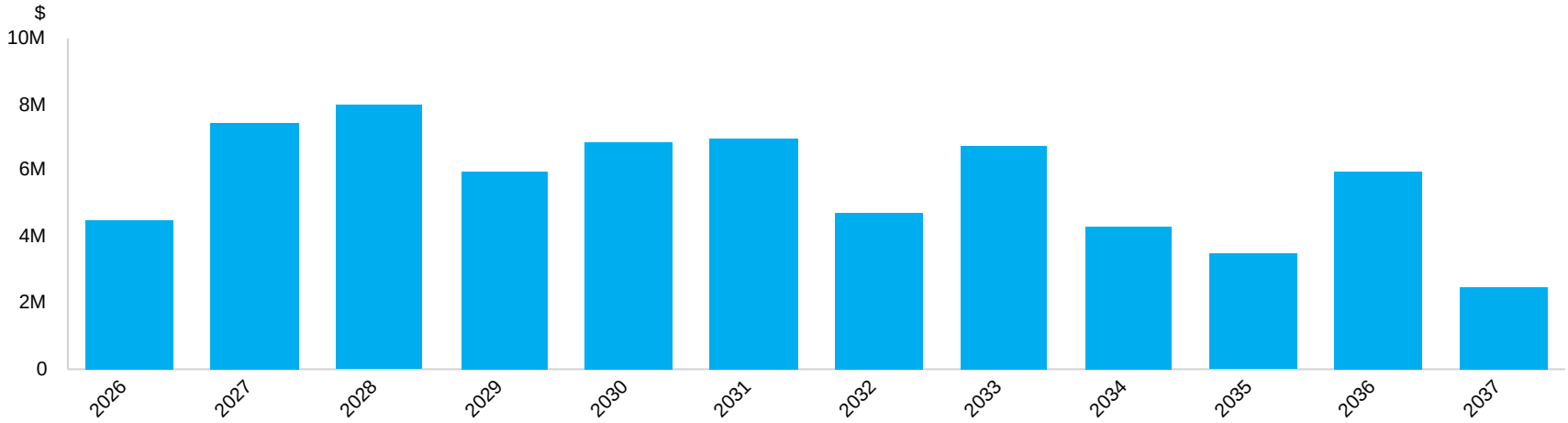
Ticker	Company	Ending Allocation	Total Return	Contribution
DIS	Disney	2.68	-8.59	-0.37
KMX	Carmax	1.19	-15.37	-0.33
UBER	Uber	3.66	-9.49	-0.09
CPRT	Copart	1.99	-11.64	-0.07
DHR	Danaher	2.17	4.62	0.05

Fixed Income Allocation

	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Taxable Fixed Income	65,661,640	99.8	2,788,612.50	4.3
Taxable Bond Funds	142,912	.2	5,184.96	3.6
Total	**65,804,552**	**100.0**	**2,793,797.46**	**4.3**



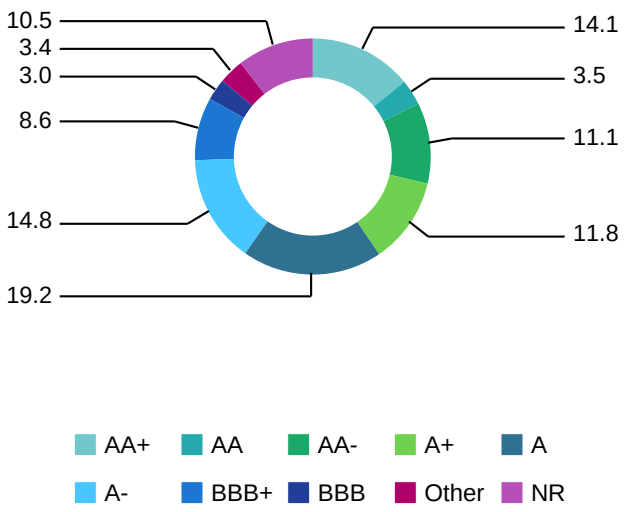
Fixed Income Maturity Schedule



Fixed Income Analysis

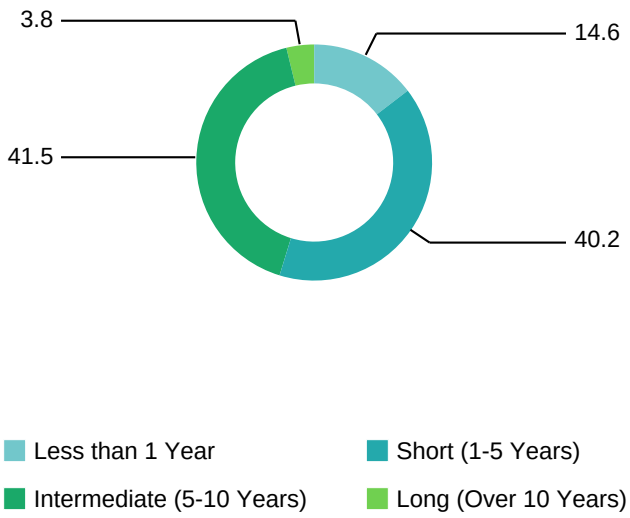
	09/30/2026	Bloomberg Gov't/Credit Interm Bond Index
Coupon	4.12	3.83
Current Yield	4.29	4.03
Yield to Maturity	5.31	5.25
Maturity	4.57	4.23
Duration	3.87	3.85
Face Amount	67,705,000	
Market Value	64,994,648	
Total Accrual	666,991	
Cost	69,514,291	

Quality Allocation by Market Value



NR=Not rated by S&P

Maturity Allocation by Market Value



	Maturity Date	Units	Unit Cost	Current Price	Market Value	SP or Moody Rating	Rating	Call Date/Price	Put Date/Price	Annual Income	Yield to Maturity
Matures 2037											
FLORIDA PWR & LTDTD 01/18/0 5.650% 02/01/37 5.650%02/01/2037	02/01/2037	2,500,000.000	102.130	97.515	2,461,416.66	A+	AA2			141,250.00	5.974
Total Matures 2037					**2,461,416.66**					**141,250.00**	
Matures 2036											
ALPHABET INC SR NOTE 4.800% 02/15/36 4.800%02/15/2036	02/15/2036	2,500,000.000	95.320	91.952	2,314,133.33	AA+	AA2	11/15/2035		120,000.00	5.931
AMAZON COM INC DTD 03/13/2 4.875% 03/13/36 4.875%03/13/2036	03/13/2036	2,500,000.000	97.990	91.972	2,305,393.75	AA	A1	12/13/2035		121,875.00	6.000
U S BANCORP ORE DTD 02/12/2 5.424% 02/12/36 5.424%02/12/2036	02/12/2036	1,000,000.000	103.860	95.363	961,012.67	A	A3	02/12/2035		54,240.00	6.079
Total Matures 2036					**5,580,539.75**					**296,115.00**	
Matures 2035											
TENNESSEE VY ATHDTD 05/16/25 4.875 05/15/35 4.875%05/15/2035	05/15/2035	1,500,000.000	102.870	96.355	1,472,950.00	AA+	AA1			73,125.00	5.409
U S BANCORP ORE DTD 01/23/2 5.678% 01/23/35 5.678%01/23/2035	01/23/2035	2,000,000.000	103.700	97.320	1,967,850.22	A	A3	01/23/2034		113,560.00	6.092
Total Matures 2035					**3,440,800.22**					**186,685.00**	
Matures 2034											
CISCO SYS INC DTD 02/26/2 5.050% 02/26/34 5.050%02/26/2034	02/26/2034	1,000,000.000	101.950	95.588	960,789.72	AA-	A1	11/26/2033		50,500.00	5.790
FEDERAL HOME LOADTD 01/19/24 4.750 01/19/34 4.750%01/19/2034	01/19/2034	1,855,000.000	99.980	95.577	1,790,575.85	AA+	AA1	01/19/2027		88,112.50	5.492
JP MORGAN CHASE DTD 06/01/2 5.350% 06/01/34 5.350%06/01/2034	06/01/2034	1,000,000.000	101.690	96.576	983,593.33	A	A1	06/01/2033		53,500.00	5.910
WELLS FARGO & CODTD 07/25/2 5.557% 07/25/34 5.557%07/25/2034	07/25/2034	500,000.000	100.490	97.143	490,808.91	A-	A1	07/25/2033		27,785.00	6.019
Total Matures 2034					**4,225,767.81**					**219,897.50**	
Matures 2033											
APPLE INC DTD 05/10/2 4.300% 05/10/33 4.300%05/10/2033	05/10/2033	500,000.000	99.990	94.436	480,600.83	AA+	AAA	02/10/2033		21,500.00	5.308
FEDL FARM CR BKSDTD 08/08/23 4.500 08/08/33 4.500%08/08/2033	08/08/2033	1,000,000.000	99.060	94.778	954,405.00	AA+	AA1			45,000.00	5.421
MCDONALDS CORP DTD 08/14/2 4.950% 08/14/33 4.950%08/14/2033	08/14/2033	1,000,000.000	98.740	95.975	966,212.50	BBB+	BAA1	05/14/2033		49,500.00	5.664
TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/11/33 4.600%03/11/2033	03/11/2033	1,750,000.000	98.560	93.660	1,643,522.22	A+	A1			80,500.00	5.792
U S BANCORP ORE DTD 10/21/2 5.850% 10/21/33	10/21/2033	500,000.000	100.490	99.338	509,690.00	A	A3	10/21/2032		29,250.00	5.966

	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
5.850%10/21/2033											
U S TREAS NTS DTD 11/15/23 4.500%%% 11/15/33 4.500%11/15/2033	11/15/2033	2,000,000.000	103.450	95.967	1,953,334.56	NR	AA1			90,000.00	5.183
Total Matures 2033					**6,507,765.11**					**315,750.00**	
Matures 2032											
GEORGIA PWR CO DTD 05/04/2 4.700% 05/15/32 4.700%05/15/2032	05/15/2032	1,750,000.000	100.820	95.615	1,704,334.72	A	A3	02/15/2032		82,250.00	5.619
OREILLY AUTOMOTIDTD 06/15/2 4.700% 06/15/32 4.700%06/15/2032	06/15/2032	1,000,000.000	98.330	94.893	962,768.89	BBB	BAA1	03/15/2032		47,000.00	5.761
PAYCHEX INC DTD 04/10/2 5.350% 04/15/32 5.350%04/15/2032	04/15/2032	2,000,000.000	102.110	96.874	1,986,818.88	BBB+	BAA1	02/15/2032		107,000.00	6.021
Total Matures 2032					**4,653,922.49**					**236,250.00**	
Matures 2031											
CISCO SYS INC DTD 02/26/2 4.950% 02/26/31 4.950%02/26/2031	02/26/2031	1,750,000.000	102.300	98.158	1,726,186.88	AA-	A1	12/26/2030		86,625.00	5.424
DISNEY WALT CO DTD 05/13/2 2.650% 01/13/31 2.650%01/13/2031	01/13/2031	1,250,000.000	107.380	89.457	1,125,389.59	A	A2			33,125.00	5.440
TYCO ELECTRONICSDTD 05/09/2 4.500% 02/09/31 4.500%02/09/2031	02/09/2031	1,000,000.000	101.450	95.521	961,710.00	A-	A3	01/09/2031		45,000.00	5.673
U S TREAS NTS DTD 11/30/24 4.125%%% 11/30/31 4.125%11/30/2031	11/30/2031	3,000,000.000	99.860	95.678	2,911,928.11	NR	AA1			123,750.00	5.085
Total Matures 2031					**6,725,214.58**					**288,500.00**	
Matures 2030											
COMCAST CORP NEWDTD 11/05/1 2.650% 02/01/30 2.650%02/01/2030	02/01/2030	1,250,000.000	108.150	90.647	1,138,608.34	A-	A3	11/01/2029		33,125.00	5.770
EXXON MOBIL CORPDTD 04/15/2 2.610% 10/15/30 2.610%10/15/2030	10/15/2030	1,250,000.000	107.910	90.196	1,142,493.75	AA-	AA2	07/15/2030		32,625.00	5.339
KIMBERLY CLARK DTD 03/26/2 3.100% 03/26/30 3.100%03/26/2030	03/26/2030	850,000.000	96.310	92.575	787,253.47	A	A2	12/26/2029		26,350.00	5.466
PFIZER INC DTD 03/27/2 2.625% 04/01/30 2.625%04/01/2030	04/01/2030	1,250,000.000	108.410	91.109	1,155,268.75	A	A2	01/01/2030		32,812.50	5.447
PROGRESSIVE CORPDTD 03/26/2 3.200% 03/26/30 3.200%03/26/2030	03/26/2030	1,250,000.000	109.860	92.638	1,158,530.55	A	A2	12/26/2029		40,000.00	5.550
UNION PAC CORP DTD 01/31/2 2.400% 02/05/30 2.400%02/05/2030	02/05/2030	1,000,000.000	106.970	90.771	911,443.33	A-	A3	11/05/2029		24,000.00	5.452
Total Matures 2030					**6,293,598.19**					**188,912.50**	
Matures 2029											
BLACKROCK INC DTD 04/29/1 3.250% 04/30/29	04/30/2029	1,250,000.000	110.360	95.195	1,206,977.43	AA-	AA3	01/30/2029		40,625.00	5.262

	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
3.250%04/30/2029											
JPMORGAN CHASE & CO NOTE FX 5.299% 07/24/29 5.299%07/24/2029	07/24/2029	1,000,000.000	102.840	99.877	1,008,632.03	A	A1	07/24/2028 100.000		52,990.00	5.343
MERCK & CO INC DTD 03/07/1 3.400% 03/07/29 3.400%03/07/2029	03/07/2029	1,250,000.000	111.450	96.014	1,203,008.34	A+	AA3	12/07/2028		42,500.00	5.161
PARKER HANNIFIN DTD 06/15/2 4.500% 09/15/29 4.500%09/15/2029	09/15/2029	1,250,000.000	98.540	97.575	1,222,187.50	BBB+	A3	07/15/2029		56,250.00	5.397
TEXAS INSTRS INCDTD 09/04/1 2.250% 09/04/29 2.250%09/04/2029	09/04/2029	1,250,000.000	105.830	91.847	1,150,196.88	A+	AA3	06/04/2029		28,125.00	5.292
Total Matures 2029					**5,791,002.18**					**220,490.00**	
Matures 2028											
ABBVIE INC DTD 09/18/1 4.250% 11/14/28 4.250%11/14/2028	11/14/2028	1,250,000.000	104.360	98.136	1,246,917.01	A-	A2	08/14/2028		53,125.00	5.186
CHEVRON USA INC DTD 07/15/2 3.850% 01/15/28 3.850%01/15/2028	01/15/2028	1,250,000.000	100.840	98.689	1,243,772.22	AA-	AA2	10/15/2027		48,125.00	4.906
FEDERAL FARM CR BKS CONS SYSTEMWIDE 4.250%03/20/2028	03/20/2028	1,000,000.000	99.650	99.294	994,238.61	AA+	NR			42,500.00	4.751
JOHNSON &JOHNSONDTD 11/10/1 2.900% 01/15/28 2.900%01/15/2028	01/15/2028	1,250,000.000	109.210	97.600	1,227,652.78	AAA	AAA	10/15/2027		36,250.00	4.837
META PLATFORMS INC SR NOTE 4.600% 05/15/28 4.600%05/15/2028	05/15/2028	1,000,000.000	99.780	99.396	1,011,337.78	AA-	AA3	04/15/2028		46,000.00	4.988
THE CHARLES SCHWDTD 12/07/1 3.200% 01/25/28 3.200%01/25/2028	01/25/2028	1,250,000.000	106.190	97.521	1,226,345.84	A-	A2	10/25/2027		40,000.00	5.166
US TREASURY NOTE 3.125%11/15/2028	11/15/2028	1,000,000.000	108.180	96.493	976,733.67	AA1	NR			31,250.00	4.881
Total Matures 2028					**7,926,997.91**					**297,250.00**	
Matures 2027											
BANK AMER FDG CODTD 10/21/1 3.248% 10/21/27 3.248%10/21/2027	10/21/2027	2,500,000.000	102.810	98.312	2,493,888.89	A-	A1	10/21/2026		81,200.00	4.904
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330%04/12/2027	04/12/2027	1,250,000.000	100.000	99.440	1,262,540.63	AA+	NR	04/12/2023		41,625.00	4.403
MCDONALDS CORP DTD 03/09/1 3.500% 03/01/27 3.500%03/01/2027	03/01/2027	1,500,000.000	99.100	99.536	1,497,415.00	BBB+	BAA1	12/01/2026		52,500.00	4.614
PEPSICO INC DTD 03/19/2 2.625% 03/19/27 2.625%03/19/2027	03/19/2027	1,250,000.000	109.150	99.027	1,238,931.25	A+	A1	01/19/2027 100.000		32,812.50	4.739
SYSCO CORP DTD 06/22/1 3.250% 07/15/27 3.250%07/15/2027	07/15/2027	1,000,000.000	98.520	98.698	993,841.11	BBB	BAA2	04/15/2027		32,500.00	4.943
Total Matures 2027					**7,486,616.88**					**240,637.50**	
Matures 2026											

	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
JPMORGAN CHASE & CO SR NT 2.950%10/01/2026	10/01/2026	1,250,000.000	108.130	100.000	1,268,437.50	A	A1	07/01/2026 100.000		36,875.00	2.908
U S TREAS NTS DTD 10/31/24 4.125%%% 10/31/26 4.125%10/31/2026	10/31/2026	2,000,000.000	100.110	99.987	2,034,264.46	NR	AA1			82,500.00	4.208
WELLS FARGO & CODTD 10/25/1 3.000% 10/23/26 3.000%10/23/2026	10/23/2026	1,250,000.000	108.470	99.907	1,265,295.83	A-	A1			37,500.00	4.426
Total Matures 2026					**4,567,997.79**					**156,875.00**	
No Maturity											
ISHARES TR 1-3 YR TRS BD		1,760.000	84.580	81.200	142,912.00	NR	NA				.000
Total No Maturity					**142,912.00**						
Total					**65,804,551.57**					**2,788,612.50**	

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Total Equity									
Communication Services									
ALPHABET INC CL C	33,573.000	27.35	918,108.20	340.74	11,439,664.02	4.9	.88	29,544.24	.258
WALT DISNEY CO	43,308.000	87.23	3,777,916.81	104.90	4,543,009.20	1.9	1.50	64,962.00	1.430
META PLATFORMS INC CL A	10,223.000	316.22	3,232,755.55	725.18	7,413,515.14	3.2	2.10	21,468.30	.290
OMNICOM GROUP INC	44,786.000	67.46	3,021,431.22	73.63	3,333,421.98	1.4	3.20	143,315.20	4.346
Total for Communication Services			**10,950,211.78**		**26,729,610.34**	**11.4**		**259,289.74**	**.971**
Consumer Disc									
AMAZON.COM INC	28,223.000	201.66	5,691,505.62	249.15	7,031,760.45	3.0	.00	.00	.000
CARMAX INC	36,506.000	63.99	2,336,086.10	55.11	2,011,845.66	.9	.00	.00	.000
HOME DEPOT INC	17,031.000	62.12	1,057,996.94	284.49	4,845,149.19	2.1	9.32	158,728.92	3.276
O REILLY AUTOMOTIVE	50,835.000	11.79	599,107.65	85.41	4,341,817.35	1.8	.00	.00	.000
TJX COS INC	29,683.000	14.59	432,934.64	132.31	3,927,357.73	1.7	1.92	56,991.36	1.451
Total for Consumer Disc			**10,117,630.95**		**22,157,930.38**	**9.5**		**215,720.28**	**.974**
Financials									
BERKSHIRE HATHAWAY INC	16,543.000	149.88	2,479,383.70	497.95	8,237,586.85	3.5	.00	.00	.000
JPMORGAN CHASE & CO	37,450.000	69.12	2,588,369.01	330.83	12,389,583.50	5.3	6.60	247,170.00	1.995
PROGRESSIVE CORP OH	36,492.000	58.24	2,125,324.55	207.31	7,565,156.52	3.2	.40	14,596.80	.193
SCHWAB CHARLES CORP	74,457.000	40.10	2,985,825.30	97.74	7,277,427.18	3.1	1.28	95,304.96	1.310
WELLS FARGO & CO	52,545.000	51.27	2,693,778.19	80.05	4,206,227.25	1.8	2.00	105,090.00	2.498
Total for Financials			**12,872,680.75**		**39,675,981.30**	**16.9**		**462,161.76**	**1.165**
Health Care									
DANAHER CORP	16,546.000	203.63	3,369,282.52	221.55	3,672,384.70	1.6	1.60	26,473.60	.722
JOHNSON & JOHNSON	26,763.000	90.04	2,409,756.04	264.74	7,085,236.62	3.0	5.36	143,449.68	2.025
Total for Health Care			**5,779,038.56**		**10,757,621.32**	**4.6**		**169,923.28**	**1.581**
Industrials									
COPART INC COM	123,500.000	30.87	3,813,037.80	27.28	3,369,080.00	1.4	.00	.00	.000
EXPEDITORS INTL WASH	18,978.000	40.82	774,769.68	184.64	3,504,097.92	1.5	1.62	30,744.36	.877
FASTENAL CO	78,630.000	10.30	810,082.21	49.53	3,894,543.90	1.7	1.04	81,775.20	2.100
GE VERNOVA LLC	10,219.000	119.62	1,222,368.16	950.49	9,713,057.31	4.1	2.00	20,438.00	.210

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
GE AEROSPACE	29,196.000	102.56	2,994,310.00	312.29	9,117,618.84	3.9	1.88	54,888.48	.602
PARKER-HANNIFIN CORP	6,812.000	296.29	2,018,337.43	955.42	6,508,321.04	2.8	8.00	54,496.00	.837
UBER TECHNOLOGIES INC	90,481.000	75.33	6,816,187.07	68.51	6,198,853.31	2.6	.00	.00	.000
UNION PACIFIC CORP	11,115.000	93.91	1,043,806.61	272.13	3,024,724.95	1.3	5.68	63,133.20	2.087
Total for Industrials			**19,492,898.96**		**45,330,297.27**	**19.3**		**305,475.24**	**.674**
Information Tech									
APPLE INC	28,262.000	23.24	656,690.13	333.02	9,411,811.24	4.0	1.08	30,522.96	.324
MICROSOFT CORP	19,462.000	32.58	634,033.41	512.90	9,982,059.80	4.2	3.92	76,291.04	.764
TE CONNECTIVITY PLC	25,793.000	38.16	984,251.17	211.08	5,444,386.44	2.3	3.12	80,474.16	1.478
Total for Information Tech			**2,274,974.71**		**24,838,257.48**	**10.5**		**187,288.16**	**.754**
Total: Total Equity			**61,487,435.71**		**169,489,698.09**	**72.2**		**1,599,858.46**	**.944**
Total Fixed Income									
Corporate Bonds									
ABBVIE INC DTD 09/18/1 4.250% 11/14/28 4.250% 11/14/2028	1,250,000.000	104.36	1,304,500.00	98.14	1,246,917.01	.5	4.25	53,125.00	4.331
ALPHABET INC SR NOTE 4.800% 02/15/36 4.800% 02/15/2036	2,500,000.000	95.32	2,383,000.00	91.95	2,314,133.33	1.0	4.80	120,000.00	5.220
AMAZON COM INC DTD 03/13/2 4.875% 03/13/ 4.875% 03/13/2036	2,500,000.000	97.99	2,449,682.29	91.97	2,305,393.75	1.0	4.88	121,875.00	5.301
APPLE INC DTD 05/10/2 4.300% 05/10/33 4.300% 05/10/2033	500,000.000	99.99	499,970.00	94.44	480,600.83	.2	4.30	21,500.00	4.553
BANK AMER FDG CODTD 10/21/1 3.248% 10/21 3.248% 10/21/2027	2,500,000.000	102.81	2,570,298.44	98.31	2,493,888.89	1.1	3.25	81,200.00	3.304
BLACKROCK INC DTD 04/29/1 3.250% 04/30/2 3.250% 04/30/2029	1,250,000.000	110.36	1,379,554.43	95.20	1,206,977.43	.5	3.25	40,625.00	3.414
CHEVRON USA INC DTD 07/15/2 3.850% 01/15 3.850% 01/15/2028	1,250,000.000	100.84	1,260,500.00	98.69	1,243,772.22	.5	3.85	48,125.00	3.901
CISCO SYS INC DTD 02/26/2 4.950% 02/26/3 4.950% 02/26/2031	1,750,000.000	102.30	1,790,250.00	98.16	1,726,186.88	.7	4.95	86,625.00	5.043
CISCO SYS INC DTD 02/26/2 5.050% 02/26/3 5.050% 02/26/2034	1,000,000.000	101.95	1,019,500.00	95.59	960,789.72	.4	5.05	50,500.00	5.283

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
COMCAST CORP NEWDTD 11/05/1 2.650% 02/01 2.650% 02/01/2030	1,250,000.000	108.15	1,351,916.41	90.65	1,138,608.34	.5	2.65	33,125.00	2.923
DISNEY WALT CO DTD 05/13/2 2.650% 01/13/ 2.650% 01/13/2031	1,250,000.000	107.38	1,342,255.25	89.46	1,125,389.59	.5	2.65	33,125.00	2.962
EXXON MOBIL CORPDTD 04/15/2 2.610% 10/15 2.610% 10/15/2030	1,250,000.000	107.91	1,348,900.66	90.20	1,142,493.75	.5	2.61	32,625.00	2.894
META PLATFORMS INC SR NOTE 4.600% 05/15/ 4.600% 05/15/2028	1,000,000.000	99.78	997,780.00	99.40	1,011,337.78	.4	4.60	46,000.00	4.628
FLORIDA PWR & LTDTD 01/18/0 5.650% 02/01 5.650% 02/01/2037	2,500,000.000	102.13	2,553,274.31	97.52	2,461,416.66	1.0	5.65	141,250.00	5.794
GEORGIA PWR CO DTD 05/04/2 4.700% 05/15/ 4.700% 05/15/2032	1,750,000.000	100.82	1,764,300.00	95.62	1,704,334.72	.7	4.70	82,250.00	4.916
JPMORGAN CHASE & CO SR NT 2.950% 10/01/2026	1,250,000.000	108.13	1,351,599.84	100.00	1,268,437.50	.5	2.95	36,875.00	2.950
JP MORGAN CHASE DTD 06/01/2 5.350% 06/01 5.350% 06/01/2034	1,000,000.000	101.69	1,016,850.00	96.58	983,593.33	.4	5.35	53,500.00	5.540
JPMORGAN CHASE & CO NOTE FX 5.299% 07/24 5.299% 07/24/2029	1,000,000.000	102.84	1,028,400.00	99.88	1,008,632.03	.4	5.30	52,990.00	5.306
JOHNSON &JOHNSONDTD 11/10/1 2.900% 01/15 2.900% 01/15/2028	1,250,000.000	109.21	1,365,091.23	97.60	1,227,652.78	.5	2.90	36,250.00	2.971
KIMBERLY CLARK DTD 03/26/2 3.100% 03/26/ 3.100% 03/26/2030	850,000.000	96.31	818,635.00	92.58	787,253.47	.3	3.10	26,350.00	3.349
MCDONALDS CORP DTD 03/09/1 3.500% 03/01/ 3.500% 03/01/2027	1,500,000.000	99.10	1,486,500.00	99.54	1,497,415.00	.6	3.50	52,500.00	3.516
MCDONALDS CORP DTD 08/14/2 4.950% 08/14/ 4.950% 08/14/2033	1,000,000.000	98.74	987,350.00	95.98	966,212.50	.4	4.95	49,500.00	5.158
MERCK & CO INC DTD 03/07/1 3.400% 03/07/ 3.400% 03/07/2029	1,250,000.000	111.45	1,393,128.69	96.01	1,203,008.34	.5	3.40	42,500.00	3.541
OREILLY AUTOMOTIDTD 06/15/2 4.700% 06/15 4.700% 06/15/2032	1,000,000.000	98.33	983,300.00	94.89	962,768.89	.4	4.70	47,000.00	4.953
PARKER HANNIFIN DTD 06/15/2 4.500% 09/15 4.500% 09/15/2029	1,250,000.000	98.54	1,231,687.50	97.58	1,222,187.50	.5	4.50	56,250.00	4.612
PAYCHEX INC DTD 04/10/2 5.350% 04/15/32 5.350% 04/15/2032	2,000,000.000	102.11	2,042,248.61	96.87	1,986,818.88	.8	5.35	107,000.00	5.523
PEPSICO INC DTD 03/19/2 2.625% 03/19/27	1,250,000.000	109.15	1,364,337.28	99.03	1,238,931.25	.5	2.63	32,812.50	2.651

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
2.625% 03/19/2027									
PFIZER INC DTD 03/27/2 2.625% 04/01/30 2.625% 04/01/2030	1,250,000.000	108.41	1,355,079.82	91.11	1,155,268.75	.5	2.63	32,812.50	2.881
PROGRESSIVE CORPDTD 03/26/2 3.200% 03/26 3.200% 03/26/2030	1,250,000.000	109.86	1,373,253.13	92.64	1,158,530.55	.5	3.20	40,000.00	3.454
THE CHARLES SCHWDTD 12/07/1 3.200% 01/25 3.200% 01/25/2028	1,250,000.000	106.19	1,327,430.00	97.52	1,226,345.84	.5	3.20	40,000.00	3.281
SYSCO CORP DTD 06/22/1 3.250% 07/15/27 3.250% 07/15/2027	1,000,000.000	98.52	985,200.00	98.70	993,841.11	.4	3.25	32,500.00	3.293
TEXAS INSTRS INCDTD 09/04/1 2.250% 09/04 2.250% 09/04/2029	1,250,000.000	105.83	1,322,899.94	91.85	1,150,196.88	.5	2.25	28,125.00	2.450
TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/11 4.600% 03/11/2033	1,750,000.000	98.56	1,724,829.17	93.66	1,643,522.22	.7	4.60	80,500.00	4.911
TYCO ELECTRONICSDTD 05/09/2 4.500% 02/09 4.500% 02/09/2031	1,000,000.000	101.45	1,014,500.00	95.52	961,710.00	.4	4.50	45,000.00	4.711
UNION PAC CORP DTD 01/31/2 2.400% 02/05/ 2.400% 02/05/2030	1,000,000.000	106.97	1,069,704.65	90.77	911,443.33	.4	2.40	24,000.00	2.644
U S BANCORP ORE DTD 10/21/2 5.850% 10/21 5.850% 10/21/2033	500,000.000	100.49	502,450.00	99.34	509,690.00	.2	5.85	29,250.00	5.889
U S BANCORP ORE DTD 01/23/2 5.678% 01/23 5.678% 01/23/2035	2,000,000.000	103.70	2,074,000.00	97.32	1,967,850.22	.8	5.68	113,560.00	5.834
U S BANCORP ORE DTD 02/12/2 5.424% 02/12 5.424% 02/12/2036	1,000,000.000	103.86	1,038,600.00	95.36	961,012.67	.4	5.42	54,240.00	5.688
WELLS FARGO & CODTD 10/25/1 3.000% 10/23 3.000% 10/23/2026	1,250,000.000	108.47	1,355,895.73	99.91	1,265,295.83	.5	3.00	37,500.00	3.003
WELLS FARGO & CODTD 07/25/2 5.557% 07/25 5.557% 07/25/2034	500,000.000	100.49	502,450.00	97.14	490,808.91	.2	5.56	27,785.00	5.720
Total for Corporate Bonds			**54,731,102.38**		**51,310,668.68**	**21.3**		**2,170,750.00**	**4.270**
Governments									
FEDERAL HOME LOADTD 01/19/24 4.750 01/19 4.750% 01/19/2034	1,855,000.000	99.98	1,854,629.00	95.58	1,790,575.85	.8	4.75	88,112.50	4.970
FEDERAL FARM CR BKS CONS SYSTEMWIDE 3.330% 04/12/2027	1,250,000.000	100.00	1,250,000.00	99.44	1,262,540.63	.5	3.33	41,625.00	3.349
FEDERAL FARM CR BKS CONS SYSTEMWIDE	1,000,000.000	99.65	996,450.00	99.29	994,238.61	.4	4.25	42,500.00	4.280

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
4.250% 03/20/2028									
FEDL FARM CR BKSDTD 08/08/23 4.500 08/08 4.500% 08/08/2033	1,000,000.000	99.06	990,550.00	94.78	954,405.00	.4	4.50	45,000.00	4.748
TENNESSEE VY ATHDTD 05/16/25 4.875 05/15 4.875% 05/15/2035	1,500,000.000	102.87	1,543,000.00	96.36	1,472,950.00	.6	4.88	73,125.00	5.059
US TREASURY NOTE 3.125% 11/15/2028	1,000,000.000	108.18	1,081,750.00	96.49	976,733.67	.4	3.13	31,250.00	3.239
U S TREAS NTS DTD 11/15/23 4.500%%% 11/1 4.500% 11/15/2033	2,000,000.000	103.45	2,068,980.00	95.97	1,953,334.56	.8	4.50	90,000.00	4.689
U S TREAS NTS DTD 10/31/24 4.125%%% 10/3 4.125% 10/31/2026	2,000,000.000	100.11	2,002,180.00	99.99	2,034,264.46	.9	4.13	82,500.00	4.126
U S TREAS NTS DTD 11/30/24 4.125%%% 11/3 4.125% 11/30/2031	3,000,000.000	99.86	2,995,650.00	95.68	2,911,928.11	1.2	4.13	123,750.00	4.311
Total for Governments			**14,783,189.00**		**14,350,970.89**	**6.0**		**617,862.50**	**4.365**
Taxable Bond Funds									
ISHARES TR 1-3 YR TRS BD	1,760.000	84.58	148,859.68	81.20	142,912.00	.1	2.95	5,184.96	3.628
Total for Taxable Bond Funds			**148,859.68**		**142,912.00**	**.1**		**5,184.96**	**3.628**
Total: Total Fixed Income			**69,663,151.06**		**65,804,551.57**	**27.4**		**2,793,797.46**	**4.289**
Total			**131,150,586.77**		**235,294,249.66**	**100.0**		**4,393,655.92**	**1.873**

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
Total Portfolio - Gross	**235,294,250**	**.06**	**6.82**	**19.42**	**11.52**	**13.16**	**10.31**	**9.53**
Total Portfolio - Net	**235,294,250**	**.04**	**6.74**	**19.33**	**11.43**	**13.08**	**10.25**	**9.47**
70% S&P 500 / 30% Bloomberg US Govt/Credit		1.04	10.85	17.17	9.96	11.32	8.93	8.65
Total Equity	**169,489,698**	**.70**	**9.20**	**25.28**	**15.39**	**17.16**	**12.61**	**11.43**
S P 500 Index		2.30	15.74	22.89	13.79	15.33	11.21	10.33
Total Fixed Income	**65,804,552**	**-1.91**	**.05**	**4.57**	**1.15**	**1.88**	**2.75**	**3.80**
Bloomberg US Government/Credit Interm Bond		-1.88	-.31	4.31	.83	1.71	2.93	3.93

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	13.16	11.32
Standard Deviation	12.11	11.15
Beta	1.03	
Alpha	1.51	
R-Squared	.90	
Sharpe Ratio	.88	.79
Treynor Ratio	10.30	8.77
Tracking Error	3.86	
Information Ratio	.46	
Downside Deviation	7.44	6.85
Downside Standard Deviation	9.20	8.39
Sortino Ratio	1.88	1.75
Upside Capture	1.09	
Downside Capture	1.00	
Batting Average	.58	
Annualized Excess Return	1.84	
Cumulative Excess Return	52.05	
Turnover %	105.78	
M-Squared	12.32	
Residual Risk	1.11	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.55	

	Total Portfolio - Gross	70% S&P 500 / 30% Bloomberg US Govt/Credit
Return	10.31	8.93
Standard Deviation	11.10	10.93
Beta	.96	
Alpha	1.57	
R-Squared	.90	
Sharpe Ratio	.78	.66
Treynor Ratio	8.98	7.24
Tracking Error	3.51	
Information Ratio	.37	
Downside Deviation	6.96	7.07
Downside Standard Deviation	8.39	8.30
Sortino Ratio	1.58	1.35
Upside Capture	1.03	
Downside Capture	.94	
Batting Average	.58	
Annualized Excess Return	1.38	
Cumulative Excess Return	158.18	
Turnover %	212.76	
M-Squared	10.18	
Residual Risk	1.01	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	1.69	

Purchases

Date	Amount	Security	Purchase Price	Total Cost
02/02/2026	850,000.00	KIMBERLY CLARK DTD 03/26/2 3.100% 03/2	96.31	818,635.00
03/05/2026	12,650.00	AMAZON.COM INC	218.01	2,757,878.37
03/05/2026	785.00	JPMORGAN CHASE & CO	295.22	231,746.84
03/05/2026	57,250.00	UBER TECHNOLOGIES INC	76.08	4,355,774.65
05/19/2026	4,150.00	PROGRESSIVE CORP OH	204.27	847,713.45
05/19/2026	35,500.00	UBER TECHNOLOGIES INC	74.17	2,633,045.65
07/29/2026	123,500.00	COPART INC COM	30.87	3,813,037.80
08/21/2026	2,500,000.00	ALPHABET INC SR NOTE 4.800% 02/1	95.32	2,383,000.00
08/21/2026	2,500,000.00	AMAZON COM INC DTD 03/13/2 4.875% 03/1	97.99	2,449,682.29
08/21/2026	2,500,000.00	FLORIDA PWR & LTDTD 01/18/0 5.650% 02/0	102.13	2,553,274.31
09/09/2026	1,000,000.00	PAYCHEX INC DTD 04/10/2 5.350% 04/1	101.83	1,018,348.61
09/09/2026	1,750,000.00	TOYOTA MOTOR CREDTD 03/13/2 4.600% 03/1	98.56	1,724,829.17
				25,586,966.14

Sales

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
01/31/2026	850,000.00	US TREASURY NOTE	100.00	-850,000.00	08/08/2025	1.00	-850,340.00	0.00
01/31/2026	-850,000.00	US TREASURY NOTE	100.00	850,000.00	08/08/2025	1.00	850,340.00	-340.00
02/02/2026	-850,000.00	US TREASURY NOTE	100.00	850,000.00	08/08/2025	1.00	850,340.00	-340.00
03/05/2026	-2,050.00	WALT DISNEY CO	102.10	209,299.06	04/23/2015	25.44	52,143.24	157,155.82
03/05/2026	-835.00	EXPEDITORS INTL WASH	145.68	121,641.05	03/25/2013	37.20	31,063.09	90,577.96
03/05/2026	-1,755.00	GE AEROSPACE	324.78	569,993.99	08/02/2021	113.92	199,937.50	370,056.49
03/05/2026	-3,895.00	GE VERNOVA LLC	802.13	3,124,303.75	04/09/2024	0.00	0.00	3,124,303.75
03/05/2026	-1,750.00	ALPHABET INC CL C	298.68	522,698.23	03/31/2015	27.52	48,155.28	474,542.95
03/05/2026	-850.00	HOME DEPOT INC	361.28	307,088.00	04/23/2015	40.00	34,000.00	273,088.00
03/05/2026	-835.00	JOHNSON & JOHNSON	237.10	197,975.08	11/24/2021	1.06	887.71	197,087.37
03/05/2026	-1,625.00	PARKER-HANNIFIN CORP	959.53	1,559,229.91	10/28/2022	280.15	455,238.39	1,103,991.52
03/05/2026	-4,465.00	TJX COS INC	160.12	714,956.34	04/23/2015	6.06	27,043.39	687,912.95
03/05/2026	-85.00	TE CONNECTIVITY PLC	210.71	17,910.35	09/30/2024	38.16	3,243.57	14,666.78
03/13/2026	-1,250,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	100.00	1,250,000.00	09/26/2019	1.04	1,304,998.94	-54,998.94
04/01/2026	2,050.00	WALT DISNEY CO	102.10	-209,299.06	04/23/2015	25.44	-52,143.24	0.00

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
04/01/2026	-2,050.00	WALT DISNEY CO	102.10	209,299.05	04/23/2015	25.44	52,143.24	157,155.81
04/01/2026	1,750.00	ALPHABET INC CL C	298.68	-522,698.23	03/31/2015	27.52	-48,155.28	0.00
04/01/2026	-1,750.00	ALPHABET INC CL C	298.68	522,698.22	03/31/2015	27.52	48,155.28	474,542.94
04/01/2026	1,250,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	100.00	-1,250,000.00	01/01/1950	1.04	-1,304,998.94	0.00
04/01/2026	-1,250,000.00	OMNICOM GROUP DTD 04/06/1 3.600% 04/1	101.48	1,268,500.00	01/01/1950	1.04	1,304,998.94	-36,498.94
05/19/2026	-1,000.00	TE CONNECTIVITY PLC	196.56	196,555.95	09/30/2024	38.16	38,159.62	158,396.33
05/19/2026	-8,800.00	ALPHABET INC CL C	384.68	3,385,164.41	03/31/2015	27.52	242,152.28	3,143,012.13
07/28/2026	-3,325.00	APPLE INC	339.73	1,129,601.91	04/23/2015	32.21	107,091.50	1,022,510.41
07/28/2026	-44,750.00	BANK OF AMERICA CORP	62.32	2,788,883.35	08/30/2019	26.92	1,204,537.08	1,584,346.27
08/18/2026	-1,377.00	ALPHABET INC CL C	341.11	469,705.67	03/31/2015	27.52	37,891.33	431,814.34
08/18/2026	-3,883.00	APPLE INC	310.18	1,204,431.30	04/23/2015	23.24	90,224.61	1,114,206.69
08/18/2026	-464.00	GE VERNOVA LLC	1,017.83	472,275.08	04/09/2024	0.00	0.00	0.00
08/18/2026	-1,329.00	GE AEROSPACE	372.06	494,470.97	08/02/2021	113.92	151,405.67	343,065.30
08/18/2026	464.00	GE VERNOVA LLC	1,017.83	-472,275.08	04/09/2024	0.00	0.00	0.00
08/18/2026	-464.00	GE VERNOVA LLC	1,017.83	472,275.08	04/09/2024	0.00	0.00	0.00
08/18/2026	464.00	GE VERNOVA LLC	1,017.83	-472,275.08	04/09/2024	0.00	0.00	0.00
08/18/2026	-464.00	GE VERNOVA LLC	1,017.83	472,275.08	04/09/2024	119.62	55,502.38	416,772.70
08/18/2026	-1,262.00	AMAZON.COM INC	261.70	330,259.85	04/08/2025	182.57	230,400.06	99,859.79
08/18/2026	-627.00	BERKSHIRE HATHAWAY INC	502.67	315,175.18	03/27/2020	40.76	25,557.47	289,617.71
08/18/2026	-2,369.00	CARMAX INC	58.08	137,580.15	01/30/2019	59.76	141,579.37	-3,999.22
08/18/2026	-884.00	DANAHER CORP	200.11	176,901.19	02/27/2025	207.74	183,640.04	-6,738.85
08/18/2026	-1,972.00	WALT DISNEY CO	104.72	206,505.35	04/23/2015	26.83	52,911.49	153,593.86
08/18/2026	-862.00	EXPEDITORS INTL WASH	187.47	161,602.71	03/25/2013	37.20	32,067.52	129,535.19
08/18/2026	-787.00	META PLATFORMS INC CL A	551.15	433,756.03	05/06/2020	203.86	160,440.81	273,315.22
08/18/2026	-774.00	HOME DEPOT INC	339.71	262,931.98	04/23/2015	40.00	30,960.00	231,971.98
08/18/2026	-475.00	JPMORGAN CHASE & CO	360.20	171,096.98	03/05/2026	34.62	16,444.50	154,652.48
08/18/2026	-1,217.00	JOHNSON & JOHNSON	271.05	329,863.24	11/24/2021	1.06	1,293.82	328,569.42
08/18/2026	-768.00	MICROSOFT CORP	481.78	370,005.40	06/30/2021	28.28	21,715.20	348,290.20
08/18/2026	-3,239.00	OMNICOM GROUP INC	86.91	281,512.20	06/30/2021	43.83	141,949.23	139,562.97
08/18/2026	-313.00	PARKER-HANNIFIN CORP	1,036.43	324,401.88	10/28/2022	280.15	87,685.92	236,715.96
08/18/2026	-1,473.00	PROGRESSIVE CORP OH	206.70	304,474.90	05/20/2026	26.38	38,855.97	265,618.93
08/18/2026	-3,813.00	SCHWAB CHARLES CORP	111.97	426,922.90	08/26/2020	35.35	134,772.39	292,150.51
08/18/2026	-1,347.00	TJX COS INC	151.38	203,912.60	04/23/2015	6.06	8,158.44	195,754.16
08/18/2026	-2,269.00	UBER TECHNOLOGIES INC	76.36	173,269.97	03/05/2026	76.08	172,633.23	636.74
08/18/2026	-1,845.00	WELLS FARGO & CO	87.07	160,641.57	06/02/2011	28.21	52,046.16	108,595.41

Date	Amount	Security	Sale Price	Proceeds	Acquisition Date	Purchase Price	Cost Basis	Gain/Loss
08/18/2026	-1,367.00	TE CONNECTIVITY PLC	207.08	283,072.66	09/30/2024	38.16	52,164.21	230,908.45
08/25/2026	-2,500,000.00	TARGET CORP DTD 09/13/2 4.500% 09/1	100.83	2,520,812.50	09/12/2024	1.02	2,556,000.00	-35,187.50
				27,179,383.62			9,075,291.41	18,680,452.04

Proxy Voting Report

Jul 1, 2026 to Sep 30, 2026

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

Vote Against Management (VAM) Summary

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

Votes Against Policy (VAP) Summary

Number of Meetings	Number of Proposals
0	0
Number of Countries (Country of Origin)	**Number of Countries (Country of Trade)**
0	0
Number of Meetings With VAP	**% of All Meetings Voted**
0	NA
Number of Proposals With VAP	**% of All Proposals Voted**
0	NA
Number of Meetings With Votes For Policy	**% of All Meetings Voted**
0	NA
Number of Proposals With Votes For Policy	**% of All Proposals Voted**
0	NA
Number of Abstain Votes	**% of All Proposals Voted**
0	NA
Number of No Votes Cast	**% of All Proposals Voted**

0	NA
Number of Proposals with Votes with GL	**% of All Proposals Voted**
0	NA

Proposal Summary

Number of Meetings: 0

Number of Mgmt Proposals: 0

Number of Shareholder Proposals: 0

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

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

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

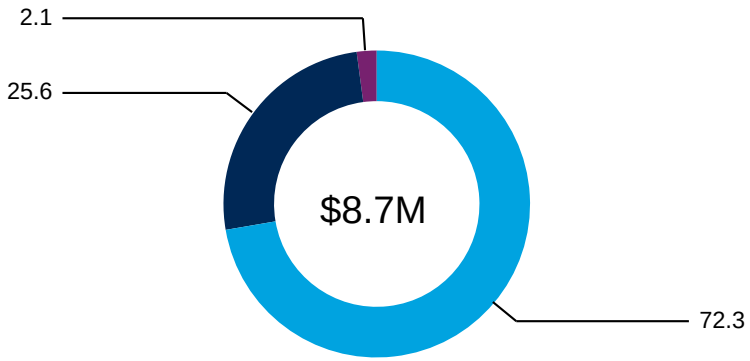
Meeting Date: October 23, 2026

Client Investment Review

Investment activity through 09/30/2026

Asset Allocation Summary

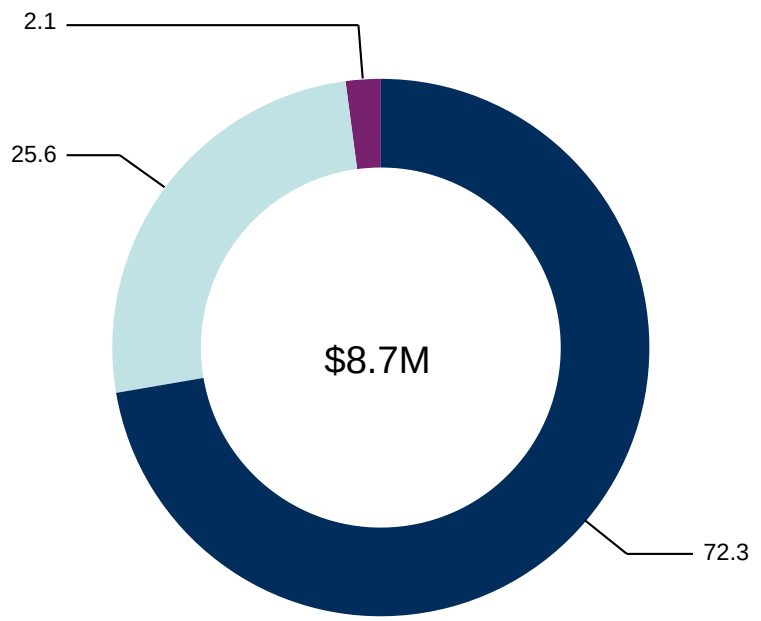
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	6,314,552	72.3	59,576.40	.9
Total Fixed Income	2,239,214	25.6	107,783.63	4.8
Cash & Equivalents	186,089	2.1	6,931.37	3.7
Total	**8,739,855**	**100.0**	**174,291.40**	**2.0**



Investment Summary

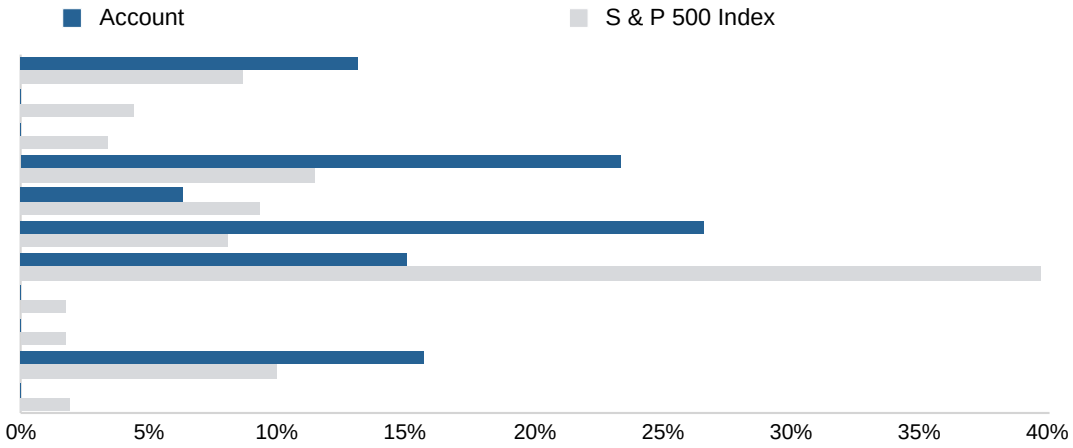
	Fiscal Year to Date (3 Months)	1 Year
Beginning Account Value	**8,753,477.92**	**7,838,820.51**
Net Contributions/Withdrawals	-1,935.96	397,524.26
Income Earned	37,895.61	180,659.85
Market Appreciation	-49,582.55	322,850.40
Ending Account Value	**8,739,855.02**	**8,739,855.02**

	Market Value	% of Mkt Val
Core Equity	6,314,552	72.3
Taxable Bond Funds	2,239,214	25.6
Cash & Equivalents	186,089	2.1
Total	**8,739,855**	**100.0**



Core Equity Allocation vs S & P 500 Index

	Account	S & P 500
Consumer Disc	13.1	8.6
Consumer Staples	.0	4.4
Energy	.0	3.4
Financials	23.3	11.4
Health Care	6.3	9.3
Industrials	26.6	8.0
Information Tech	15.0	39.7
Materials	.0	1.7
Real Estate	.0	1.7
Communication Servic	15.7	9.9
Utilities	.0	1.9



Top 10 Performers

	Market Value	% of Mkt Val	Return
EXPEDITORS INTL WASH	130,171	1.5	52.11
GE VERNOVA LLC	361,186	4.1	51.39
JOHNSON & JOHNSON	263,152	3.0	45.95
ALPHABET INC CL C	425,584	4.9	39.74
APPLE INC	373,648	4.3	31.35
PARKER-HANNIFIN CORP	241,721	2.8	26.41
CARMAX INC	74,729	.9	22.75
UNION PACIFIC CORP	113,206	1.3	17.63
AMAZON.COM INC	261,109	3.0	13.09
DANAHER CORP	136,499	1.6	12.55

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
ISHARES TR LEHMAN 1-3 YR	1,104,007	12.6	1.11
VANGUARD INTERMEDIATE	992,971	11.4	-2.33
JPMORGAN CHASE & CO	460,515	5.3	6.81
ALPHABET INC CL C	425,584	4.9	39.74
APPLE INC	373,648	4.3	31.35
MICROSOFT CORP	370,827	4.2	-.15
GE VERNOVA LLC	361,186	4.1	51.39
GE AEROSPACE	338,835	3.9	3.99
BERKSHIRE HATHAWAY INC	306,239	3.5	-.90
PROGRESSIVE CORP OH	279,039	3.2	-10.59

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	185,544.060	1.00	185,544.06	1.00	186,089.21	2.1	3.74	6,931.37	3.736
Total for Money Markets			**185,544.06**		**186,089.21**	**2.1**		**6,931.37**	**3.736**
Total: Cash & Equivalents			**185,544.06**		**186,089.21**	**2.1**		**6,931.37**	**3.736**
Total Equity									
Communication Services									
ALPHABET INC CL C	1,249.000	133.38	166,594.90	340.74	425,584.26	4.9	.88	1,099.12	.258
WALT DISNEY CO	1,609.000	133.77	215,239.42	104.90	168,784.10	1.9	1.50	2,413.50	1.430
META PLATFORMS INC CL A	380.000	412.49	156,745.51	725.18	275,568.40	3.2	2.10	798.00	.290
OMNICOM GROUP INC	1,663.000	78.39	130,363.08	73.63	123,777.09	1.4	3.20	5,321.60	4.346
Total for Communication Services			**668,942.91**		**993,713.85**	**11.4**		**9,632.22**	**.971**
Consumer Disc									
AMAZON.COM INC	1,048.000	199.88	209,472.23	249.15	261,109.20	3.0	.00	.00	.000
CARMAX INC	1,356.000	90.89	123,250.26	55.11	74,729.16	.9	.00	.00	.000
HOME DEPOT INC	633.000	329.56	208,614.58	284.49	180,082.17	2.1	9.32	5,899.56	3.276
O REILLY AUTOMOTIVE	1,898.000	52.20	99,071.27	85.41	162,108.18	1.9	.00	.00	.000
TJX COS INC	1,103.000	77.52	85,507.77	132.31	145,937.93	1.7	1.92	2,117.76	1.451
Total for Consumer Disc			**725,916.11**		**823,966.64**	**9.6**		**8,017.32**	**.973**
Financials									
BERKSHIRE HATHAWAY INC	615.000	330.95	203,535.18	497.95	306,239.25	3.5	.00	.00	.000
JPMORGAN CHASE & CO	1,392.000	168.95	235,184.00	330.83	460,515.36	5.3	6.60	9,187.20	1.995
PROGRESSIVE CORP OH	1,346.000	135.87	182,887.27	207.31	279,039.26	3.2	.40	538.40	.193
SCHWAB CHARLES CORP	2,765.000	68.62	189,732.07	97.74	270,251.10	3.1	1.28	3,539.20	1.310
WELLS FARGO & CO	1,952.000	63.58	124,111.21	80.05	156,257.60	1.8	2.00	3,904.00	2.498
Total for Financials			**935,449.73**		**1,472,302.57**	**16.9**		**17,168.80**	**1.166**
Health Care									
DANAHER CORP	615.000	204.16	125,560.14	221.55	136,499.25	1.6	1.60	984.00	.722

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
JOHNSON & JOHNSON	994.000	168.81	167,800.02	264.74	263,151.56	3.0	5.36	5,327.84	2.025
Total for Health Care			**293,360.16**		**399,650.81**	**4.6**		**6,311.84**	**1.580**
Industrials									
COPART INC COM	4,550.000	30.74	139,844.71	27.28	124,124.00	1.4	.00	.00	.000
EXPEDITORS INTL WASH	705.000	119.86	84,504.65	184.64	130,171.20	1.5	1.62	1,142.10	.877
FASTENAL CO	2,964.000	30.97	91,793.09	49.53	146,806.92	1.7	1.04	3,082.56	2.100
GE VERNOVA LLC	380.000	261.03	99,192.01	950.49	361,186.22	4.1	2.00	760.00	.210
GE AEROSPACE	1,085.000	95.17	103,263.07	312.29	338,834.65	3.9	1.88	2,039.80	.602
PARKER-HANNIFIN CORP	253.000	332.16	84,035.52	955.42	241,721.26	2.8	8.00	2,024.00	.837
UBER TECHNOLOGIES INC	3,243.000	75.73	245,582.43	68.51	222,177.93	2.5	.00	.00	.000
UNION PACIFIC CORP	416.000	227.37	94,584.02	272.13	113,206.08	1.3	5.68	2,362.88	2.087
Total for Industrials			**942,799.50**		**1,678,228.26**	**19.2**		**11,411.34**	**.680**
Information Tech									
APPLE INC	1,122.000	155.98	175,010.58	333.02	373,648.44	4.3	1.08	1,211.76	.324
MICROSOFT CORP	723.000	311.95	225,542.58	512.90	370,826.70	4.2	3.92	2,834.16	.764
TE CONNECTIVITY PLC	958.000	149.97	143,667.52	211.08	202,214.64	2.3	3.12	2,988.96	1.478
Total for Information Tech			**544,220.68**		**946,689.78**	**10.8**		**7,034.88**	**.743**
Total: Total Equity			**4,110,689.09**		**6,314,551.91**	**72.5**		**59,576.40**	**.944**
Total Fixed Income									
Taxable Bond Funds									
ISHARES TR INTRM GOV/CR E	1,380.000	106.79	147,369.09	103.07	142,236.60	1.6	3.89	5,362.68	3.770
ISHARES TR LEHMAN 1-3 YR	21,550.000	52.73	1,136,265.02	51.23	1,104,006.50	12.6	2.41	51,827.75	4.695
VANGUARD INTERMEDIATE	12,680.000	85.84	1,088,479.63	78.31	992,970.80	11.4	3.99	50,593.20	5.095
Total for Taxable Bond Funds			**2,372,113.74**		**2,239,213.90**	**25.6**		**107,783.63**	**4.813**
Total: Total Fixed Income			**2,372,113.74**		**2,239,213.90**	**25.6**		**107,783.63**	**4.813**
Total			**6,668,346.89**		**8,739,855.02**	**100.0**		**174,291.40**	**1.995**

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	**8,739,855**	**-.13**	**6.24**	**19.25**	**11.29**	**12.19**	**11.16**
Total Portfolio - Net	**8,739,855**	**-.15**	**6.15**	**19.16**	**11.20**	**12.10**	**11.07**
70% SP500 30% Bloomberg Int Govt Cr		1.04	10.85	17.17	9.96	11.32	10.45
Total Equity	**6,314,552**	**.77**	**8.95**	**25.06**	**15.27**	**16.00**	**14.56**
S P 500 Index		2.30	15.74	22.89	13.79	15.33	13.99
Total Fixed Income	**2,239,214**	**-2.68**	**-.57**	**5.36**	**1.43**	**2.57**	**2.67**
Bloomberg US Government/Credit Interm Bond		-1.88	-.31	4.31	.83	1.71	1.85
Cash & Equivalents	**186,089**	**.91**	**3.69**	**4.51**	**4.22**	**2.60**	**2.30**
3 Mos Treasury Bill Rate		.99	3.88	4.62	3.99	2.55	2.27

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.19	11.32
Standard Deviation	11.51	11.15
Beta	.99	
Alpha	.89	
R-Squared	.93	
Sharpe Ratio	.84	.79
Treynor Ratio	9.74	8.77
Tracking Error	3.13	
Information Ratio	.26	
Downside Deviation	7.11	6.85
Downside Standard Deviation	8.74	8.39
Sortino Ratio	1.82	1.75
Upside Capture	1.02	
Downside Capture	.98	
Batting Average	.66	
Annualized Excess Return	.86	
Cumulative Excess Return	23.47	
Turnover %	.80	
M-Squared	11.89	
Residual Risk	.88	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.55	

	GVI*	Bloomberg Intermediate Gov/Cr**
Modified Duration	3.68	3.85
Effective Maturity	4.38	4.23
Credit Rating	AA-	AA2/AA3
Weighted Coupon	3.87	3.83
Weighted Price	95.55	95.12
Yield to Maturity	4.67	5.25

*Investment as of Oct 13, 2026 | Source: Manager-reported and holdings-based calculations.
**Bloomberg Intermediate Gov/Cr as of September 30, 2026 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (2.51)	0.01	1.21	0.79	0.38	0.12	–	–	–
AA (68.41)	0.22	31.59	21.82	11.21	3.57	–	–	–
A (13.67)	0.20	4.72	4.51	3.46	0.73	–	–	0.05
BBB (13.22)	0.15	4.23	4.50	3.86	0.48	–	–	0.00
BB (0.23)	–	0.07	0.06	0.10	0.00	–	–	–
B	–	–	–	–	–	–	–	–
Below B	–	0.00	–	–	–	–	–	–
Not Rated (1.96)	0.00	0.40	0.49	0.38	0.62	–	–	0.06

As of Oct 13, 2026 | Data is based on the long position of the holdings. | Source: Holdings-based calculations.

	IGSB*	Bloomberg Intermediate Gov/Cr**
Modified Duration	2.70	3.85
Effective Maturity	3.71	4.23
Credit Rating	A-	AA2/AA3
Weighted Coupon	4.37	3.83
Weighted Price	96.56	95.12
Yield to Maturity	4.99	5.25

*Investment as of Oct 13, 2026 | Source: Manager-reported and holdings-based calculations.
**Bloomberg Intermediate Gov/Cr as of September 30, 2026 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.34)	–	0.17	0.17	–	–	–	–	–
AA (10.30)	0.22	5.87	4.21	–	–	–	–	–
A (41.42)	0.92	24.07	16.42	0.02	–	–	–	–
BBB (40.69)	0.67	22.83	17.16	–	–	–	–	0.02
BB (0.84)	0.01	0.45	0.39	–	–	–	–	–
B	–	–	–	–	–	–	–	–
Below B (0.01)	–	0.01	–	–	–	–	–	–
Not Rated (6.39)	0.02	2.59	3.73	–	–	–	–	0.06

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

	VCIT*	Bloomberg Intermediate Gov/Cr**
Modified Duration	–	3.85
Effective Maturity	7.57	4.23
Credit Rating	A-	AA2/AA3
Weighted Coupon	–	3.83
Weighted Price	97.73	95.12
Yield to Maturity	5.52	5.25

*Investment as of Aug 31, 2026 | Source: Manager-reported and holdings-based calculations.
**Bloomberg Intermediate Gov/Cr as of September 30, 2026 | Source: Bloomberg L.P.

Credit Rating (Subtotal Weight)	0-1	1-3	3-5	5-7	7-10	10-20	>20	Unk
AAA (0.37)	–	–	0.14	0.16	0.07	–	–	–
AA (5.40)	–	–	0.71	2.91	1.78	–	–	–
A (42.80)	–	–	8.24	26.74	7.65	–	–	0.18
BBB (42.80)	–	–	8.88	28.52	5.41	–	–	–
BB (0. 48)	–	–	0.1	0.32	0.06	–	–	–
B	–	–	–	–	–	–	–	–
Below B	–	–	–	–	–	–	–	–
Not Rated (8.16)	–	–	0.4	2.7	5.01	–	–	0.05

As of Aug 31, 2026 | 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

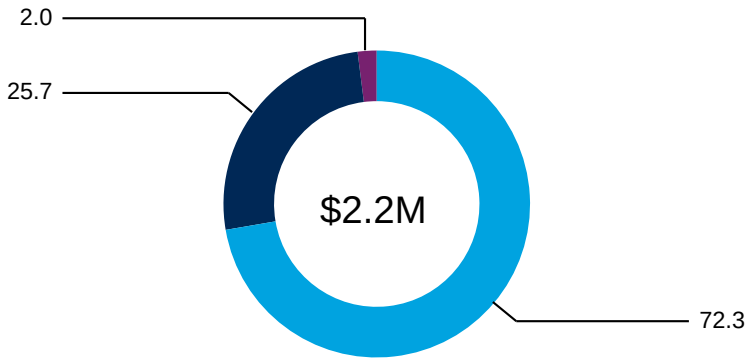
Meeting Date: October 23, 2026

Client Investment Review

Investment activity through 09/30/2026

Asset Allocation Summary

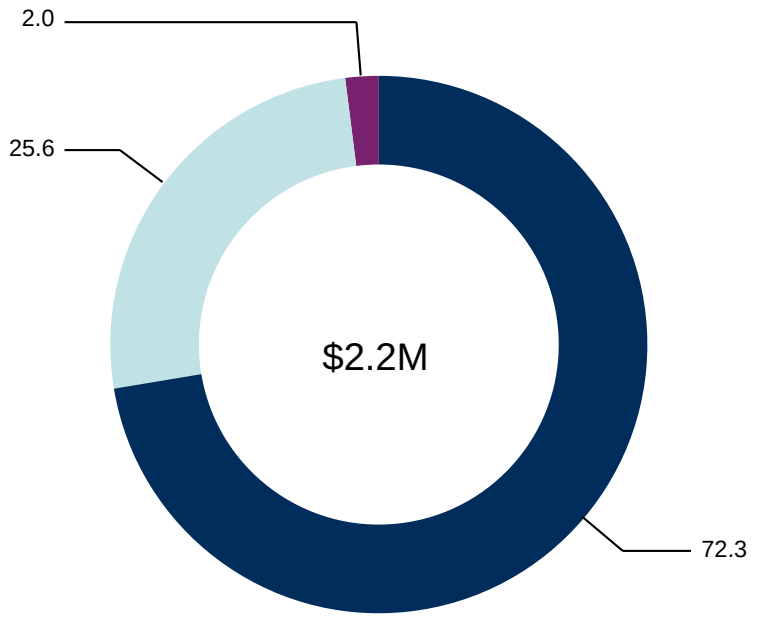
	Market Value	% of Mkt Val	Estimated Annual Income	Current Yield
Total Equity	1,588,127	72.3	14,972.60	.9
Total Fixed Income	563,294	25.7	26,959.39	4.8
Cash & Equivalents	44,907	2.0	1,672.70	3.7
Total	**2,196,329**	**100.0**	**43,604.69**	**2.0**



Investment Summary

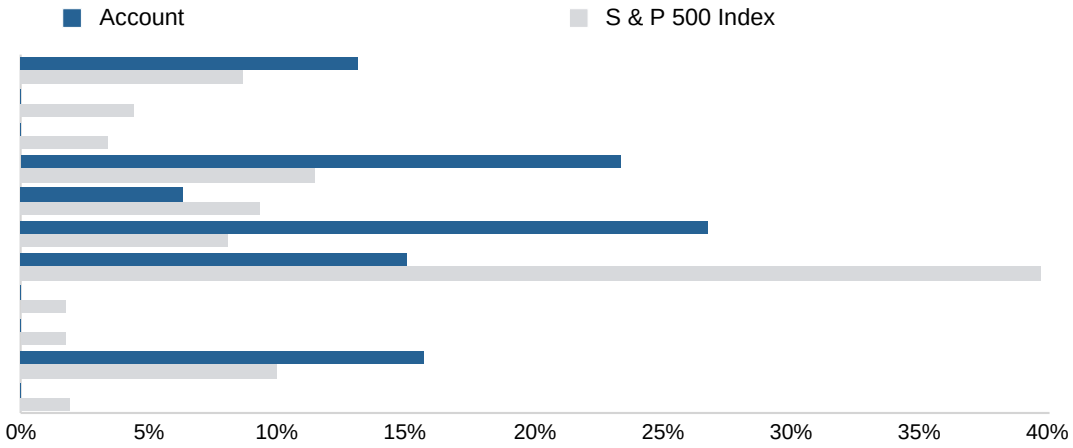
	Fiscal Year to Date (3 Months)	1 Year
Beginning Account Value	**2,199,635.24**	**2,005,790.93**
Net Contributions/Withdrawals	-486.54	61,108.07
Income Earned	9,478.85	45,565.82
Market Appreciation	-12,298.71	83,864.02
Ending Account Value	**2,196,328.84**	**2,196,328.84**

	Market Value	% of Mkt Val
Core Equity	1,588,127	72.3
Taxable Bond Funds	563,294	25.6
Cash & Equivalents	44,907	2.0
Total	**2,196,329**	**100.0**



Core Equity Allocation vs S & P 500 Index

	Account	S & P 500
Consumer Disc	13.1	8.6
Consumer Staples	.0	4.4
Energy	.0	3.4
Financials	23.3	11.4
Health Care	6.3	9.3
Industrials	26.7	8.0
Information Tech	15.0	39.7
Materials	.0	1.7
Real Estate	.0	1.7
Communication Servic	15.7	9.9
Utilities	.0	1.9



Top 10 Performers

	Market Value	% of Mkt Val	Return
EXPEDITORS INTL WASH	32,681	1.5	52.14
GE VERNOVA LLC	90,297	4.1	51.79
JOHNSON & JOHNSON	66,185	3.0	45.97
ALPHABET INC CL C	106,652	4.9	39.70
APPLE INC	93,579	4.3	31.37
PARKER-HANNIFIN CORP	61,147	2.8	26.45
CARMAX INC	18,793	.9	22.97
UNION PACIFIC CORP	28,302	1.3	17.62
AMAZON.COM INC	65,776	3.0	13.04
DANAHER CORP	34,180	1.6	12.56

Largest 10 Holdings by Market Value

	Market Value	% of Mkt Val	Return
ISHARES TR LEHMAN 1-3 YR	276,130	12.6	1.11
VANGUARD INTERMEDIATE	239,237	10.9	-2.33
JPMORGAN CHASE & CO	115,791	5.3	6.83
ALPHABET INC CL C	106,652	4.9	39.70
APPLE INC	93,579	4.3	31.37
MICROSOFT CORP	93,348	4.3	-.13
GE VERNOVA LLC	90,297	4.1	51.79
GE AEROSPACE	85,255	3.9	4.02
BERKSHIRE HATHAWAY INC	76,684	3.5	-.89
PROGRESSIVE CORP OH	70,485	3.2	-10.62

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
Cash & Equivalents									
Money Markets									
GOLDMAN SACHS FINANCIAL SQUARE	44,776.000	1.00	44,776.00	1.00	44,907.46	2.0	3.74	1,672.70	3.736
Total for Money Markets			**44,776.00**		**44,907.46**	**2.0**		**1,672.70**	**3.736**
Total: Cash & Equivalents			**44,776.00**		**44,907.46**	**2.0**		**1,672.70**	**3.736**
Total Equity									
Communication Services									
ALPHABET INC CL C	313.000	139.65	43,709.05	340.74	106,651.62	4.9	.88	275.44	.258
WALT DISNEY CO	404.000	131.55	53,145.29	104.90	42,379.60	1.9	1.50	606.00	1.430
META PLATFORMS INC CL A	95.000	409.44	38,896.78	725.18	68,892.10	3.1	2.10	199.50	.290
OMNICOM GROUP INC	418.000	78.57	32,844.08	73.63	31,111.74	1.4	3.20	1,337.60	4.346
Total for Communication Services			**168,595.20**		**249,035.06**	**11.3**		**2,418.54**	**.972**
Consumer Disc									
AMAZON.COM INC	264.000	199.45	52,656.05	249.15	65,775.60	3.0	.00	.00	.000
CARMAX INC	341.000	89.53	30,528.46	55.11	18,792.51	.9	.00	.00	.000
HOME DEPOT INC	159.000	328.28	52,197.11	284.49	45,233.91	2.1	9.32	1,481.88	3.276
O REILLY AUTOMOTIVE	477.000	51.70	24,663.11	85.41	40,740.57	1.9	.00	.00	.000
TJX COS INC	277.000	77.13	21,364.16	132.31	36,649.87	1.7	1.92	531.84	1.451
Total for Consumer Disc			**181,408.89**		**207,192.46**	**9.6**		**2,013.72**	**.972**
Financials									
BERKSHIRE HATHAWAY INC	154.000	327.33	50,409.45	497.95	76,684.30	3.5	.00	.00	.000
JPMORGAN CHASE & CO	350.000	164.83	57,691.26	330.83	115,790.50	5.3	6.60	2,310.00	1.995
PROGRESSIVE CORP OH	340.000	135.78	46,163.97	207.31	70,485.40	3.2	.40	136.00	.193
SCHWAB CHARLES CORP	695.000	67.81	47,129.02	97.74	67,929.30	3.1	1.28	889.60	1.310
WELLS FARGO & CO	491.000	62.38	30,629.55	80.05	39,304.55	1.8	2.00	982.00	2.498
Total for Financials			**232,023.25**		**370,194.05**	**16.9**		**4,317.60**	**1.166**
Health Care									
DANAHER CORP	154.000	203.42	31,326.91	221.55	34,180.30	1.6	1.60	246.40	.722

	Units	Unit Cost	Total Cost	Price	Market Value	Weight	Unit Income	Annual Income	Current Yield
JOHNSON & JOHNSON	250.000	168.53	42,131.54	264.74	66,185.00	3.0	5.36	1,340.00	2.025
Total for Health Care			**73,458.45**		**100,365.30**	**4.6**		**1,586.40**	**1.582**
Industrials									
COPART INC COM	1,144.000	30.74	35,160.95	27.28	31,208.32	1.4	.00	.00	.000
EXPEDITORS INTL WASH	177.000	118.61	20,993.41	184.64	32,681.28	1.5	1.62	286.74	.877
FASTENAL CO	745.000	30.57	22,773.92	49.53	36,899.85	1.7	1.04	774.80	2.100
GE VERNOVA LLC	95.000	143.21	13,604.73	950.49	90,296.56	4.1	2.00	190.00	.210
GE AEROSPACE	273.000	90.16	24,613.32	312.29	85,255.17	3.9	1.88	513.24	.602
PARKER-HANNIFIN CORP	64.000	338.25	21,648.20	955.42	61,146.88	2.8	8.00	512.00	.837
UBER TECHNOLOGIES INC	843.000	75.71	63,822.03	68.51	57,753.93	2.6	.00	.00	.000
UNION PACIFIC CORP	104.000	226.75	23,581.95	272.13	28,301.52	1.3	5.68	590.72	2.087
Total for Industrials			**226,198.51**		**423,543.51**	**19.3**		**2,867.50**	**.677**
Information Tech									
APPLE INC	281.000	153.55	43,146.33	333.02	93,578.62	4.3	1.08	303.48	.324
MICROSOFT CORP	182.000	312.21	56,822.40	512.90	93,347.80	4.3	3.92	713.44	.764
TE CONNECTIVITY PLC	241.000	146.13	35,216.85	211.08	50,870.28	2.3	3.12	751.92	1.478
Total for Information Tech			**135,185.58**		**237,796.70**	**10.9**		**1,768.84**	**.744**
Total: Total Equity			**1,016,869.88**		**1,588,127.08**	**72.6**		**14,972.60**	**.943**
Total Fixed Income									
Taxable Bond Funds									
ISHARES TR INTRM GOV/CR E	465.000	106.79	49,656.98	103.07	47,927.55	2.2	3.89	1,806.99	3.770
ISHARES TR LEHMAN 1-3 YR	5,390.000	52.65	283,796.06	51.23	276,129.70	12.6	2.41	12,962.95	4.695
VANGUARD INTERMEDIATE	3,055.000	85.77	262,025.59	78.31	239,237.05	10.9	3.99	12,189.45	5.095
Total for Taxable Bond Funds			**595,478.63**		**563,294.30**	**25.7**		**26,959.39**	**4.786**
Total: Total Fixed Income			**595,478.63**		**563,294.30**	**25.7**		**26,959.39**	**4.786**
Total			**1,657,124.51**		**2,196,328.84**	**100.0**		**43,604.69**	**1.986**

	Market Value	Fiscal Year to Date (3 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 06/01/2015
Total Portfolio - Gross	**2,196,329**	**-.13**	**6.34**	**19.29**	**11.26**	**12.16**	**11.14**
Total Portfolio - Net	**2,196,329**	**-.15**	**6.25**	**19.19**	**11.17**	**12.07**	**11.05**
70% SP500 30% Bloomberg Int Govt Cr		1.04	10.85	17.17	9.96	11.32	10.45
Total Equity	**1,588,127**	**.76**	**9.07**	**25.13**	**15.29**	**16.01**	**14.56**
S P 500 Index		2.30	15.74	22.89	13.79	15.33	13.99
Total Fixed Income	**563,294**	**-2.64**	**-.54**	**5.37**	**1.43**	**2.58**	**2.68**
Bloomberg US Government/Credit Interm Bond		-1.88	-.31	4.31	.83	1.71	1.85
Cash & Equivalents	**44,907**	**.91**	**3.69**	**4.50**	**3.90**	**2.42**	**2.15**
3 Mos Treasury Bill Rate		.99	3.88	4.62	3.99	2.55	2.27

	Total Portfolio - Gross	70% SP500 30% Bloomberg Int Govt Cr
Return	12.16	11.32
Standard Deviation	11.49	11.15
Beta	.99	
Alpha	.88	
R-Squared	.92	
Sharpe Ratio	.84	.79
Treynor Ratio	9.71	8.77
Tracking Error	3.15	
Information Ratio	.25	
Downside Deviation	7.10	6.85
Downside Standard Deviation	8.72	8.39
Sortino Ratio	1.82	1.75
Upside Capture	1.02	
Downside Capture	.97	
Batting Average	.65	
Annualized Excess Return	.83	
Cumulative Excess Return	22.65	
Turnover %	2.65	
M-Squared	11.88	
Residual Risk	.94	
Risk-Free Benchmark (3 Mos Treasury Bill Rate)	2.55	

Disclosure

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

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

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

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

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

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

Broad Index Descriptions

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

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

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

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

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

Glossary of Terms and Calculations

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

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

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

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

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

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

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

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



INVESTMENT POLICY STATEMENT

Effective as of April 23, 2022

INTRODUCTION

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

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

A. OBJECTIVES

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

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

B. POLICIES AND RESTRICTIONS

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

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

ASSET ALLOCATION

C. ASSET ALLOCATION GUIDELINES

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

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

1. Cash and cash equivalent balances will be held separately for each Fund as a liquidity reserve for the payment of certain Fund expenses, pension or qualified refund payments, and insurance premium requirements. Such liquidity reserve balances will be held separately from a Fund's overall investment portfolio as managed by the Manager.

2. Equities (generally, common stock investments) in each Fund's investment portfolio will have a target allocation of 70% of the total portfolio market value, not including cash and cash equivalents balances, of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 60% to 80% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.

3. Fixed income investments in each Fund's investment portfolio will have a target allocation of 30% of the total portfolio market value, not including cash and cash equivalent balances, of such Fund. The Manager is granted discretion to vary from this portfolio allocation within a range of 20% to 40% (inclusive) of the Fund's portfolio market value, unless otherwise granted an exception by a Committee in writing.

4. If a Fund's portfolio allocation falls outside of its targeted range, the Manager will notify the applicable Investment Committee, or its designee, of the status of the Fund's portfolio allocation percentages. Such Committee may direct the Manager to, on a timely basis, adjust the Fund's applicable allocation percentage to bring the Fund's portfolio back into its targeted range. If the Committee does not make a rebalancing recommendation, the Manager, at its discretion, may or may not adjust the Fund's portfolio allocations. The Committees' designee will review all of the Funds' portfolio allocations on a monthly basis and will make quarterly or more frequent reports to the Committees, if the target portfolio allocations fall outside of the parameters above.

D. EQUITY GUIDELINES

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

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

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

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

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

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

1. Each Fund's investment in equities (generally, common stocks) shall be from those stocks that meet the statutory standards for investment of trust funds, except that 50% of the total equity portfolio of each Fund may not be invested in common stocks with a dividend payment history of less than five years.

2. Investment in an individual security, at time of purchase shall not exceed 5% of a Fund's then current market value of such Fund's equity portfolio. At a time when a security's value reaches 8% of such Fund's equity portfolio market value, the Manager shall promptly notify the applicable Investment Committee, or its designee. Upon notification of a security value reaching 8%, the Committee may recommend a course of action to the Manager; absent a Committee recommendation to reduce the equity holding, the Manager, at its discretion, may or may not reduce the equity holding.

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

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

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

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

E. FIXED INCOME GUIDELINES

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

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

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

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

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

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

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

1. No individual fixed income security (with the exception of those of the U.S. Government and its Agencies) may be purchased with a modified duration of more than 15 years at time of purchase.

2. Investments in individual fixed income securities of the U.S. Government and its Agencies may be purchased with a maturity of up to 30 years at time of purchase, but the weighted average maturity of those securities in each Fund shall not exceed ten years.

3. Investments for any Fund in an individual security at time of purchase of a single issuer (with the exception of U.S. Government and its Agencies) must not exceed 5% of the market value of such Fund's fixed income portfolio.

4. Only corporate debt issues that meet or exceed a credit rating of BBB from Standard & Poor's and/or a Baa rating from Moody's, may be purchased.

5. Preferred stocks must be rated A or better, by Moody's and/or Standard & Poor's at the time of purchase.

6. Only ETF or Mutual Fund securities whose fixed income investments have a dollar-weighted average credit rating of BBB from Standard & Poor's and/or Baa rating from Moody's, may be purchased. No ETF or Mutual Fund shall have a total allocation of more than 5% in below investment grade rated holdings.

7. Investment in bonds will be limited to those eligible for purchase by national banks.

8. Individual fixed income security maturities will be reasonably spaced with due consideration given to call provisions.

9. Each Fund's fixed income portfolio duration, defined as the weighted average of the modified durations of all of the Fund's fixed income investments, including ETF or Mutual Funds, shall at all times be within one year of the duration of its fixed income benchmark.

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

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

F. CASH AND CASH EQUIVALENT GUIDELINES

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

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

1. Treasury bills;

2. Commercial paper investments and marketable short-term money market securities, each with time of purchase ratings of as least A-2 or P-2 by Standard & Poor's or Moody's, respectively, and each with time of purchase maturities of no longer than 270 days;

3. Marketable short-term money market funds of marketable short-term securities, under the following limits for each such fund:
    a. fund ratings at least AAA or Aaa by Standard & Poor's or Moody's, respectively, at time of purchase;
    b. final maturities of underlying fund investments of no longer than 13 months from dates of acquisition;
    c. fund weighted average maturity of underlying fund investments of no longer than 60 days at all times;

4. Corporate cash equivalent investments with maturities no longer than one year, provided any such investment shall be restricted to not more than 7% per issuer;

5. Repurchase agreements relating to and consistent with the instruments described in these Cash and Cash Equivalent Guidelines provided such agreements have a maturity deemed to be no longer than the scheduled maturity period remaining on the underlying securities covered by such agreement; and/or

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

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

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

G. OTHER ASSETS

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

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

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

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

H. SALES AND PURCHASES

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

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

MONITORING

I. COMMUNICATIONS AND COMPLIANCE

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

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

1. Each Fund's holdings and characteristics, investment performance and risk levels in light of the stated objectives, policies, guidelines, and benchmarks.

2. A review of each Fund's portfolio investment positions during the prior quarter in comparison to the guidelines of this *Statement,* along with any exceptions. The Manager shall include an assessment of the financial effects of any compliance exceptions and proposals for corrective actions.

3. The Manager's view on any important recent or anticipated developments within the economy and the securities markets, and their potential effect on investment strategy and Fund performance.

4. The effects of any recent or anticipated changes within the Manager's organization on investment philosophy, strategy and performance.

5. Amendments to the policies and objectives presented in this *Statement* as desired by the Committees or recommended by the Manager.

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

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

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

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

Investment Committee
Kentucky Judicial Retirement Plan

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

Investment Committee
Kentucky Legislators Retirement Plan

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

Baird Trust Company

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

ITEM VI-
Cash Balance Asset Management

Kentucky Judicial Form Retirement System

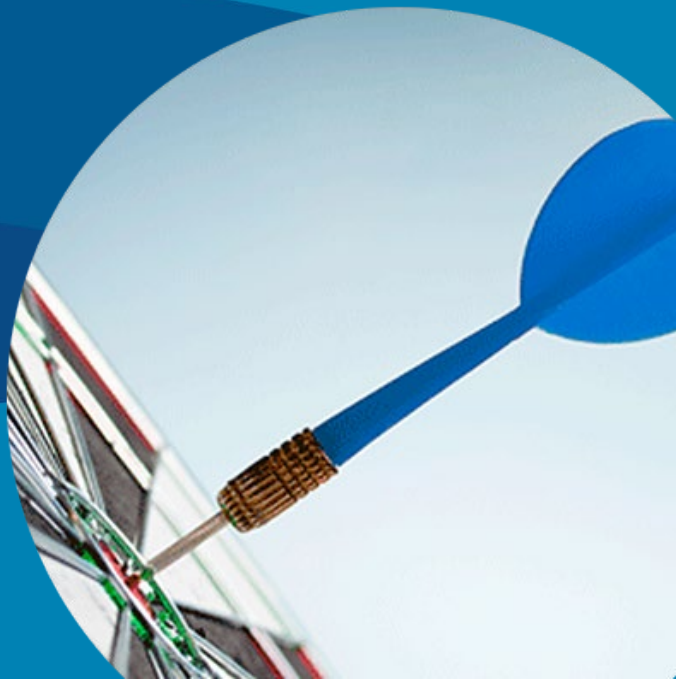
Considerations for Pension Surplus Management

October 23, 2026

Krysti Kiesel ASA, EA, MAAA

Janie Shaw, ASA, EA, MAAA

Danny White, FSA, EA, MAAA



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Funded Status as of June 30, 2026 – Pension Funds

	Judicial Plan	Legislative Plan
Accrued Liability	$393 million	$67 million
Actuarial Value of Assets (AVA)	$510 million	$108 million
Surplus Assets – AVA Basis	$117 million	$41 million
Funded Ratio – AVA Basis	129.7%	161.9%
Market Value of Assets (MVA)	$611 million	$129 million
Surplus Assets – MVA Basis	$218 million	$62 million
Funded Ratio – MVA Basis	155.7%	193.7%

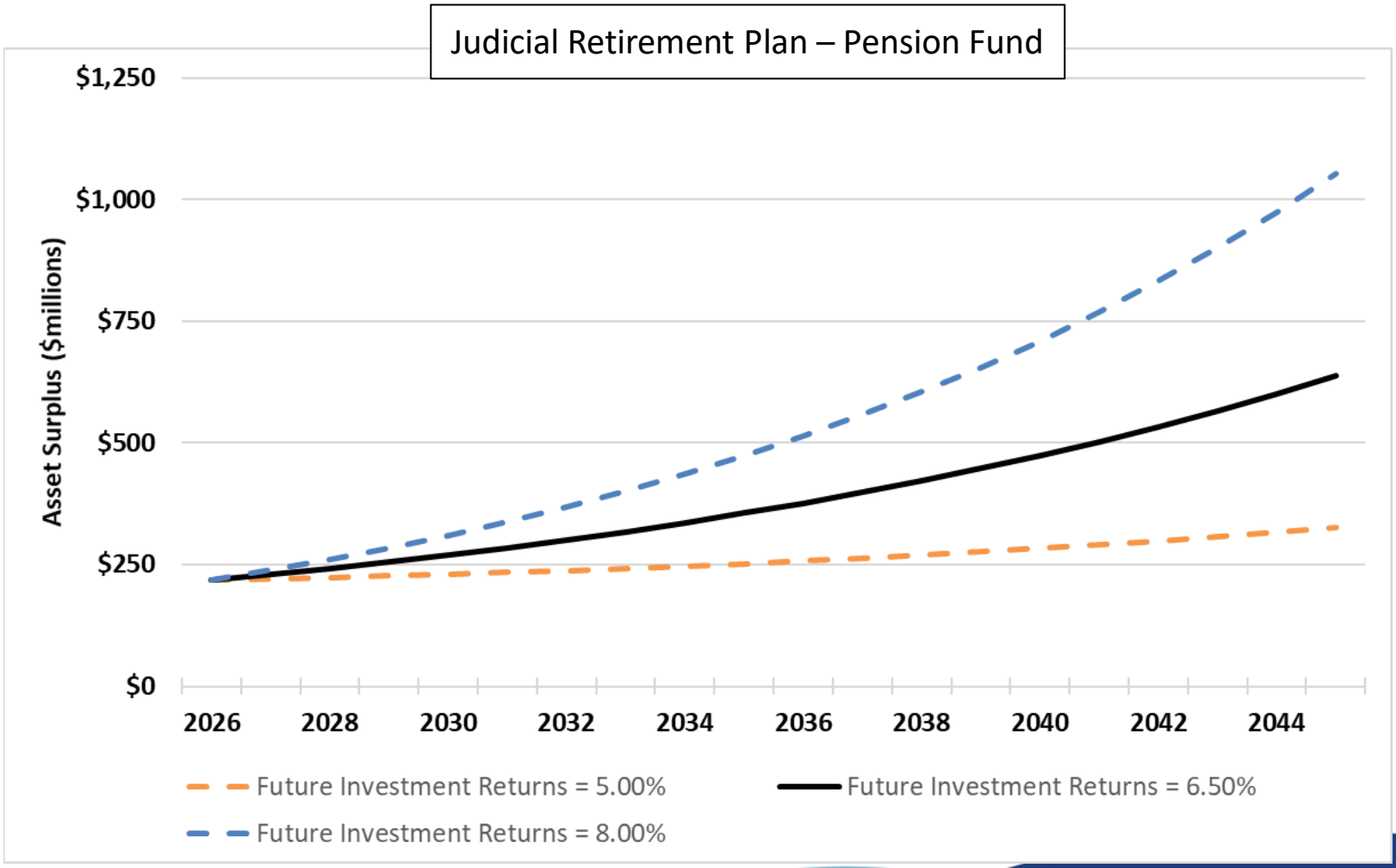
* Amounts in $millions

Funded Status as of June 30, 2026 – Retiree Medical

	Judicial Plan	Legislative Plan
Accrued Liability	$77 million	$26 million
Actuarial Value of Assets (AVA)	$178 million	$95 million
Surplus Assets – AVA Basis	$101 million	$69 million
Funded Ratio – AVA Basis	230.6%	370.7%
Market Value of Assets (MVA)	$213 million	$114 million
Surplus Assets – MVA Basis	$136 million	$88 million
Funded Ratio – MVA Basis	276.7%	443.7%

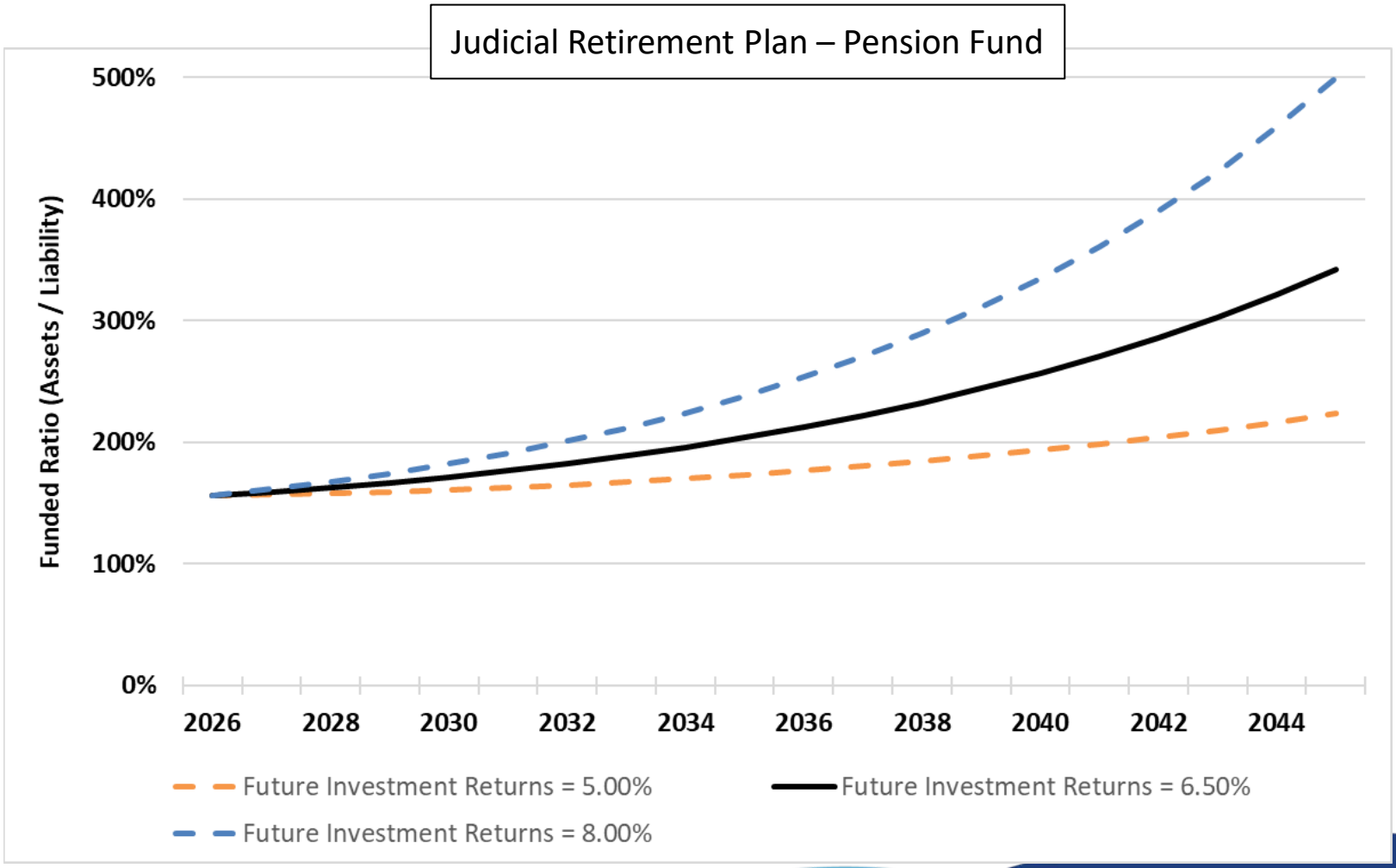
* Amounts in $millions

Surplus assets have the potential to continue to increase, despite lower future investment returns



* Projection assumes no future state contributions

Surplus assets have the potential to continue to increase, despite lower future investment returns



* Projection assumes no future state contributions

Potential Surplus Asset Uses

- Increase member benefits
  - Increase benefits for active members
  - Provide cost-of-living adjustments for retirees
- Decrease contribution effort
  - Currently no required contribution from the state
  - Reduce or eliminate member contributions
    - Provide “imputed” member pay credits for Hybrid Plan
- Use funding surplus to offset future adverse experience
  - Review and possibly modify investment policy
    - Include an objective to minimize the present value of future contributions
  - Plans are still exposed to demographic risk related to member life expectancy, salary increases, and increasing healthcare costs

Hybrid Plan Interest Crediting Rate

- Member's accumulated account balance =
  - 5% employee pay credits, plus
  - 4% employer pay credits, plus
  - Interest credit (4% + 75% of the average of the plan's actual investment returns in excess of 4% over the last 5 years)

Investment Policy Considerations

- Absent future benefit increases, significant surplus assets do not provide benefit to plan members
- Consider the impact on the Hybrid Plan interest crediting rate
  - Currently assets are separate for the Traditional and Hybrid Plans for this calculation
- Gradual move to less risky asset classes over time
  - Plans can likely withstand long-term underperformance of the 6.50% investment return assumption but plans are not immune to large market shocks
  - Some equity exposure should be maintained to hedge against future salary increases and healthcare costs
  - Potential future changes in the investment return assumption
- Consider short-term cash flow matching
  - Reduces or eliminates need to sell positions in a down market

Projected Benefit Payments – 15 Years

FYE	Judicial Plan	Legislative Plan
2026 - Actual	$ 27,536,000	$ 5,527,000
2027	31,098,000	6,137,000
2028	31,802,000	6,026,000
2029	32,247,000	6,060,000
2030	32,838,000	5,923,000
2031	33,320,000	5,882,000
2032	33,541,000	5,858,000
2033	33,450,000	5,749,000
2034	33,261,000	5,755,000
2035	33,436,000	5,612,000
2036	33,439,000	5,488,000
2037	33,010,000	5,332,000
2038	32,399,000	5,244,000
2039	31,894,000	5,174,000
2040	31,661,000	5,021,000
2041	30,988,000	4,854,000

Increase shown from FYE 2026 (actual) to FYE 2027 (projected) is related to active members who are past their normal retirement date and are assumed to retire. Actual increase will likely happen over several years.

ITEM VII-
Administrative Reports

A. 2026 GASB Valuation Reports
B. Public Pension Oversight Boardy
C. EOY Processing/Annual Financial Audit

Kentucky Legislators Retirement Plan

GASB Reporting Information for the Measurement Period Ending June 30, 2026

DRAFT



P: 469.524.0000 | www.grsconsulting.com

September 4, 2026

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

Subject: GASB Reporting Information for Measurement Period Ending June 30, 2026

Dear Members of the Board:

This report provided herein contains information for the **Kentucky Legislators Retirement Plan (LRP**) in connection with the Governmental Accounting Standards Board (GASB) Statements No. 67, 68, 74, and 75. The information provided herein was prepared for the purpose of assisting the Kentucky Judicial Form Retirement System (JFRS) and the Commonwealth of Kentucky in compliance with the financial reporting and disclosure requirements of GASB. This information can be used by the Commonwealth of Kentucky for fiscal years ending between (and including) June 30, 2026 and June 30, 2027, for the financial reporting and disclosure requirements of GASB Statement No. 68 and No. 75.

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

The total pension liability, net pension liability, total OPEB liability, net OPEB liability and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total pension/OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

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5605 North MacArthur Boulevard | Suite 870 | Irving, Texas 75038-2631

Actuarial Assumptions and Plan Provisions

There have been no actuarial assumption or plan provision changes that would materially impact the total pension/OPEB liability since June 30, 2025.

Additional Disclosures

This report is based upon information furnished by JFRS, which includes benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided by JFRS. This report complements the "Actuarial Valuation Report as of July 1, 2025", which was prepared for plan funding purposes. Together, these reports should be considered as a complete report for the measurement period that ended June 30, 2026. Please see the actuarial valuation report for information regarding the nature of actuarial calculations, participant data, economic and demographic assumptions, and benefit provisions.

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

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

Respectfully submitted,
Gabriel, Roeder, Smith & Company

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

Janie Shaw, ASA, EA, MAAA
Senior Consultant and Actuary

Krysti Kiesel, ASA, EA, MAAA
Consultant and Actuary

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SECTION 1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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Statement of Changes in Fiduciary Net Position

		Year Ending June 30, 2026 (1) Retirement	Year Ending June 30, 2026 (2) Retiree Medical	Year Ending June 30, 2026 (3) Pension + Retiree Medical
1.	Market Value of assets at beginning of year	$ 117,806,891	$ 100,631,462	$ 218,438,353
2.	Revenue for the year			
	a. Contributions			
	i. Member contributions	$ 219,404	$ 34,338	$ 253,742
	ii. Employer contributions	0	0	0
	iii. Other contributions	0	0	0
	iv. Total	$ 219,404	$ 34,338	$ 253,742
	b. Transfer In Payments	$ 0	$ 0	$ 0
	c. Investment Income	$ 16,672,207	$ 14,704,698	$ 31,376,905
	d. Total revenue	$ 16,891,611	$ 14,739,036	$ 31,630,647
3.	Expenditures for the year			
	a. Disbursements			
	i. Benefit Payments / Refunds	$ 5,526,943	$ 1,442,635	$ 6,969,578
	ii. Administrative Expenses	137,132	120,948	258,080
	iii. Other	0	0	0
	v. Total	$ 5,664,075	$ 1,563,583	$ 7,227,658
4.	Increase in net assets (Item 2. - Item 3.)	$ 11,227,536	$ 13,175,453	$ 24,402,989
5.	Market Value of assets at end of year (Item 1. + Item 4.)	$ 129,034,427	$ 113,806,915	$ 242,841,342

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

1. State and member contributions are allocated based on the Actuarially Determined Contribution for the fiscal year;
2. Benefits paid reflect actual benefits paid relative to retirement and insurance benefits;
3. Preliminary assets are determined by adjusting the beginning asset value by contributions and benefit payments;
4. Net investment return and administrative expenses are allocated relative to the preliminary asset value determined in item #3;
5. The fiduciary net position as of the end of the year is the sum of item #3 and item #4, which totals to actual net plan assets as of June 30, 2026.

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SECTION 2

GASB 67/68 – EXECUTIVE SUMMARY

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Executive Summary

Summary of Principal Results

Actuarial Valuation Date		June 30, 2025
Measurement Date		June 30, 2026
Membership Information		
Number of		
- Inactive employees or beneficiaries currently receiving benefits		262
- Inactive employees entitled to but not yet receiving benefits		57
- Active employees		92
- Total		411
Covered Payroll	$	4,284,786
Net Pension Liability/(Asset)		
Total Pension Liability	$	66,606,003
Plan Fiduciary Net Position		129,034,427
Net Pension Liability/(Asset)	$	(62,428,424)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		193.73%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll		-1456.98%
Pension Expense and Deferred Outflows/(Inflows) of Resources		
GASB 68 Pension Expense	$	(8,009,708)
Deferred Outflows of Resources		14,395
Deferred Inflow of Resources		21,449,953
Employer Contributions for Fiscal Year Ending June 30, 2026		
Actuarially Determined Contribution	$	-
Actual Contribution		-
Contribution Deficiency / (Excess)	$	-
Actual Contribution as a Percentage of Covered Payroll		0.00%
Development of the Single Discount Rate		
Single Discount Rate		6.50%
Long-Term Expected Rate of Return		6.50%
Long-Term Municipal Bond Rate		N/A

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Summary of Change in Net Pension Liability/(Asset)

	Total Pension Liability (1)	Plan Fiduciary Net Position (2)	Net Pension Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2025	$ 67,480,113	$ 117,806,891	$ (50,326,778)
Adjustment to prior year			
1. Service cost	432,205		432,205
2. Interest	4,220,628		4,220,628
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	-		-
6. Employer contributions		-	-
7. Member contributions		219,404	(219,404)
8. Net investment income		16,672,207	(16,672,207)
9. Benefit payments	(5,526,943)	(5,526,943)	-
10. Administrative expense		(137,132)	137,132
11. Other changes	-	-	-
12. Net changes	$ (874,110)	$ 11,227,536	$ (12,101,646)
Balance at June 30, 2026	$ 66,606,003	$ 129,034,427	$ (62,428,424)

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Report Purpose and Scope

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

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

Financial Reporting Overview

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

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

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

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Timing of the Valuation

For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total pension liability, net pension liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

Single Discount Rate

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

A single discount rate of 6.50% was used to measure the total pension liability for the fiscal year ending June 30, 2026. This single discount rate was based on the expected rate of return on pension plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.

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Summary of Population Statistics

The total pension liability described in this report is based on the plan membership as of June 30, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	262
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	57
Active Plan Members	92
Total Plan Members	411

Rollforward Disclosure

The actuarial valuation was performed as of June 30, 2025. Update procedures were used to roll forward the total pension liability to June 30, 2026.

Recognition of Deferred Outflows and Inflows of Resources

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

At the beginning of the 2026 measurement period, the expected remaining service lives of all employees was 677 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2026 measurement period was 1.65 years (677 total expected remaining service period divided by 411 plan members).

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

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

As of June 30, 2026, the Net Pension Liability/(Asset) is $(62,428,424). Below is a table providing the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net Pension Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
$ (56,654,134)	$ (62,428,424)	$ (67,391,688)

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SECTION 4

GASB 67/68 – ACCOUNTING EXHIBITS

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Exhibit 1

Schedule of Pension Expense as of June 30, 2026

1. Total Service Cost	$	432,205
2. Interest on the Total Pension Liability		4,220,628
3. Current-Period Benefit Changes		0
4. Member Contributions		(219,404)
5. Projected Earnings on Plan Investments		(7,480,496)
6. Administrative Expense		137,132
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		99,528
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(5,199,301)
10. Total Pension Expense	**$**	**(8,009,708)**

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Exhibit 2

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

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	$ 14,395	$ -
2. Changes in assumptions	-	547
3. Differenced between projected and actual earnings on plan investments	-	21,449,406
4. Employer contributions subsequent to the measurement date	-	
5. Total	$ 14,395	$ 21,449,953

Paragraph 34 of GASB No. 68 indicates that employer contributions made subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The deferred outflow of $0 is based on the actuarially determined contribution for fiscal year ending 2027.

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Exhibit 3

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

Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ 17,914	$ 2,944	11.97	$ 1,497	$ 1,497	$ 1,447	$ -	$ -	$ -	$ -
2018-2019	35,899	11,451	11.75	3,056	3,056	3,056	3,056	2,283	-	-
2024-2025	23,108	-	1.86	10,684	-	-	-	-	-	-
2025-2026	-	-	1.65	-	-	-	-	-	-	-
		$ 14,395		$ 15,237	$ 4,553	$ 4,503	$ 3,056	$ 2,283	$ -	$ -

Differences Between Projected and Actual Earnings on Pension Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on Pension Plan Investments						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2021-2022	$ 14,855,851	$ -	5.00	$ 2,971,171	$ -	$ -	$ -	$ -	$ -	$ -
2022-2023	(6,640,220)	(1,328,044)	5.00	(1,328,044)	(1,328,044)	-	-	-	-	-
2023-2024	(11,221,305)	(4,488,522)	5.00	(2,244,261)	(2,244,261)	(2,244,261)	-	-	-	-
2024-2025	(13,799,120)	(8,279,472)	5.00	(2,759,824)	(2,759,824)	(2,759,824)	(2,759,824)	-	-	-
2025-2026	(9,191,711)	(7,353,368)	5.00	(1,838,343)	(1,838,343)	(1,838,343)	(1,838,343)	(1,838,339)	-	-
		$ (21,449,406)		$ (5,199,301)	$ (8,170,472)	$ (6,842,428)	$ (4,598,167)	$ (1,838,339)	$ -	$ -

Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ (3,337)	$ (547)	11.97	$ (279)	$ (279)	$ (268)	$ -	$ -	$ -	$ -
2024-2025	182,909	-	1.86	84,570	-	-	-	-	-	-
2025-2026	-	-	1.65	-	-	-	-	-	-	-
		$ (547)		$ 84,291	$ (279)	$ (268)	$ -	$ -	$ -	$ -

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Exhibit 4

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

	Period		Amount
	(1)		(2)
1.	Fiscal Year + 1	$	(8,166,198)
2.	Fiscal Year + 2		(6,838,193)
3.	Fiscal Year + 3		(4,595,111)
4.	Fiscal Year + 4		(1,836,056)
5.	Fiscal Year + 5		-
6.	Thereafter		-
7.	**Total**	**$**	**(21,435,558)**

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Exhibit 5

Schedule of Changes in the Employers' Net Pension Liability/(Asset)

($ in millions)

Fiscal year ending June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability										
Service Cost	$ 0.4	$ 0.4	$ 0.4	$ 0.6	$ 0.6	$ 0.5	$ 0.6	$ 0.7	$ 0.7	$ 0.7
Interest on the Total Pension Liability	4.2	4.3	4.3	4.5	4.5	4.6	4.5	4.6	4.6	5.3
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience	0.0	0.0	0.9	(2.7)	0.0	(2.0)	0.0	(2.8)	0.0	(6.4)
Assumption Changes	0.0	0.2	0.0	0.0	(1.3)	2.6	0.0	(0.3)	0.0	(0.2)
Benefit Payments and Refunds	(5.5)	(5.6)	(5.5)	(5.4)	(5.2)	(5.1)	(5.0)	(4.7)	(4.5)	(4.2)
Net Change in Total Pension Liability	$ (0.9)	$ (0.7)	$ 0.1	$ (3.0)	$ (1.4)	$ 0.6	$ 0.1	$ (2.5)	$ 0.8	$ (4.7)
Total Pension Liability - Beginning	67.5	68.2	68.1	71.1	72.6	72.0	71.9	74.4	73.6	78.4
Total Pension Liability - Ending (a)	$ 66.6	$ 67.5	$ 68.2	$ 68.1	$ 71.1	$ 72.6	$ 72.0	$ 71.9	$ 74.4	$ 73.6
Plan Fiduciary Net Position										
Employer Contributions	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 2.4	$ 2.4
Member Contributions	0.2	0.3	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.3
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Pension Plan Net Investment Income	16.7	20.3	17.0	11.9	(8.7)	26.7	4.3	8.6	6.2	7.9
Benefit Payments and Refunds	(5.5)	(5.6)	(5.5)	(5.4)	(5.2)	(5.1)	(5.0)	(4.7)	(4.5)	(4.2)
Pension Plan Administrative Expense	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Plan Fiduciary Net Position	$ 11.2	$ 14.9	$ 11.6	$ 6.7	$ (13.7)	$ 21.9	$ (0.5)	$ 4.1	$ 4.4	$ 6.6
Plan Fiduciary Net Position - Beginning	117.8	102.9	91.3	84.6	98.3	76.4	76.9	72.8	68.4	61.9
Prior Period Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan Fiduciary Net Position - Ending (b)	$ 129.0	$ 117.8	$ 102.9	$ 91.3	$ 84.6	$ 98.3	$ 76.4	$ 76.9	$ 72.8	$ 68.4
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (62.4)	$ (50.3)	$ (34.7)	$ (23.2)	$ (13.5)	$ (25.7)	$ (4.4)	$ (5.0)	$ 1.6	$ 5.2
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	193.7 %	174.6 %	150.9 %	134.1 %	119.0 %	135.4 %	106.1 %	107.0 %	97.8 %	92.9 %
Covered Employee Payroll	$ 4.3	$ 4.1	$ 4.1	$ 4.1	$ 4.2	$ 4.2	$ 4.3	$ 4.3	$ 4.4	$ 4.4
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	(1,457.0)%	(1,215.7)%	(836.7)%	(565.9)%	(321.4)%	(611.9)%	(102.3)%	(116.3)%	36.4 %	118.2 %

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Exhibit 6

Schedule of the Employers' Contributions

($ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$ 2.4	$ 2.4	$ 0.0	$ 4.4	54.9 %
2018	2.4	2.4	0.0	4.4	54.8 %
2019	1.1	0.0	1.1	4.3	0.0 %
2020	1.2	0.0	1.2	4.3	0.0 %
2021	0.4	0.0	0.4	4.2	0.0 %
2022	0.6	0.0	0.6	4.2	0.0 %
2023	0.0	0.0	0.0	4.1	0.0 %
2024	0.0	0.0	0.0	4.1	0.0 %
2025	0.0	0.0	0.0	4.1	0.0 %
2026	0.0	0.0	0.0	4.3	0.0 %

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Notes to Schedule of Employers' Contributions for FYE 2026

Valuation Date:	July 1, 2023
Notes	The actuarially determined contribution effective for fiscal year ending 2026 that is documented in the schedule on the previous page was calculated as of July 1, 2023.

Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2026:

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

Other Information:

Notes	The Board adopted new assumptions effective with the July 1, 2025 valaution.

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SECTION 5

GASB 74/75 – EXECUTIVE SUMMARY

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Executive Summary

Summary of Principal Results

Actuarial Valuation Date		June 30, 2025
Measurement Date		June 30, 2026
Membership Information		
Number of		
- Inactive employees or beneficiaries currently receiving benefits		157
- Inactive employees entitled to but not yet receiving benefits		35
- Active employees		92
- Total		284
Covered Payroll	$	4,284,785
Net OPEB Liability/(Asset)		
Total OPEB Liability	$	25,652,526
Plan Fiduciary Net Position		113,806,915
Net OPEB Liability/(Asset)	$	(88,154,389)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		443.65%
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll		-2057.38%
OPEB Expense and Deferred Outflows/(Inflows) of Resources		
GASB 75 OPEB Expense	$	(6,805,940)
Deferred Outflows of Resources		1,413,038
Deferred Inflow of Resources		18,496,566
Employer Contributions for Fiscal Year Ending June 30, 2026		
Actuarially Determined Contribution	$	-
Actual Contribution		-
Contribution Deficiency / (Excess)	$	-
Actual Contribution as a Percentage of Covered Payroll		0.00%
Development of the Single Discount Rate		
Single Discount Rate		6.50%
Long-Term Expected Rate of Return		6.50%
Long-Term Municipal Bond Rate		N/A

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Summary of Change in Net OPEB Liability/(Asset)

	Total OPEB Liability (1)	Plan Fiduciary Net Position (2)	Net OPEB Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2025	$ 25,315,315	$ 100,631,462	$ (75,316,147)
Adjustment to prior year			
1. Service cost	175,531		175,531
2. Interest	1,604,315		1,604,315
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	-		-
6. Employer contributions		-	-
7. Member contributions		34,338	(34,338)
8. Net investment income		14,704,698	(14,704,698)
9. Benefit payments	(1,442,635)	(1,442,635)	-
10. Administrative expense		(120,948)	120,948
11. Other changes	-	-	-
12. Net changes	$ 337,211	$ 13,175,453	$ (12,838,242)
Balance at June 30, 2026	$ 25,652,526	$ 113,806,915	$ (88,154,389)

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Report Purpose and Scope

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

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

Financial Reporting Overview

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

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

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

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Timing of the Valuation

For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

Single Discount Rate

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

A single discount rate of 6.50% was used to measure the total OPEB liability for the fiscal year ending June 30, 2026. This single discount rate was based on the expected rate of return on OPEB plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the OPEB plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.

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Summary of Population Statistics

The total OPEB liability described in this report is based on the plan membership as of June 30, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	157
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	35
Active Plan Members	92
Total Plan Members	284

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

Rollforward Disclosure

The actuarial valuation was performed as of June 30, 2025. Update procedures were used to roll forward the total OPEB liability to June 30, 2026.

Recognition of Deferred Outflows and Inflows of Resources

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

At the beginning of the 2026 measurement period, the expected remaining service lives of all employees was 677 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2026 measurement period was 2.38 years (677 total expected remaining service period divided by 284 plan members).

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

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

As of June 30, 2026, the Net OPEB Liability/(Asset) is $(88,154,389). Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
$ (85,183,828)	$ (88,154,389)	$ (90,631,090)

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ (90,720,563)	$ (88,154,389)	$ (85,110,434)

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SECTION 6

GASB 74/75 – ACCOUNTING EXHIBITS

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Exhibit 1

Schedule of OPEB Expense as of June 30, 2026

1. Total Service Cost	$	175,531
2. Interest on the Total OPEB Liability		1,604,315
3. Current-Period Benefit Changes		0
4. Member Contributions		(34,338)
5. Projected Earnings on Plan Investments		(6,491,345)
6. Administrative Expense		120,948
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		2,539,860
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(4,720,911)
10. Total OPEB Expense	**$**	**(6,805,940)**

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Exhibit 2

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

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	$ 881,206	$ -
2. Changes in assumptions	531,832	-
3. Differenced between projected and actual earnings on plan investments	-	18,496,566
4. Employer contributions subsequent to the measurement date	-	
5. Total	$ 1,413,038	$ 18,496,566

GASB No. 75 indicates that employer contributions made subsequent to the measurement date of the Net OPEB Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources. The deferred outflow of $0 is based on the actuarially determined contribution for fiscal year ending 2027.

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Exhibit 3

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

Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ 7,216	$ 1,186	11.97	$ 603	$ 603	$ 583	$ -	$ -	$ -	$ -
2018-2019	9,745	3,105	11.75	830	830	830	830	615	-	-
2023-2024	665,695	-	2.59	151,643	-	-	-	-	-	-
2024-2025	3,849,513	876,915	2.59	1,486,299	876,915	-	-	-	-	-
2025-2026	-	-	2.38	-	-	-	-	-	-	-
		$ 881,206		$ 1,639,375	$ 878,348	$ 1,413	$ 830	$ 615	$ -	$ -

Differences Between Projected and Actual Earnings on OPEB Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on OPEB Plan Investments						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2021-2022	$ 11,115,186	$ -	5.00	$ 2,223,038	$ -	$ -	$ -	$ -	$ -	$ -
2022-2023	(5,277,241)	(1,055,449)	5.00	(1,055,448)	(1,055,449)	-	-	-	-	-
2023-2024	(9,335,249)	(3,734,099)	5.00	(1,867,050)	(1,867,050)	(1,867,049)	-	-	-	-
2024-2025	(11,893,896)	(7,136,336)	5.00	(2,378,780)	(2,378,780)	(2,378,780)	(2,378,776)	-	-	-
2025-2026	(8,213,353)	(6,570,682)	5.00	(1,642,671)	(1,642,671)	(1,642,671)	(1,642,671)	(1,642,669)	-	-
		$ (18,496,566)		$ (4,720,911)	$ (6,943,950)	$ (5,888,500)	$ (4,021,447)	$ (1,642,669)	$ -	$ -

Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2018-2019	$ 2,032	$ 648	11.75	$ 173	$ 173	$ 173	$ 173	$ 129	$ -	$ -
2024-2025	2,331,808	531,184	2.59	900,312	531,184	-	-	-	-	-
2025-2026	-	-	2.38	-	-	-	-	-	-	-
		$ 531,832		$ 900,485	$ 531,357	$ 173	$ 173	$ 129	$ -	$ -

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Exhibit 4

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

	Period		Amount
	(1)		(2)
1.	Fiscal Year + 1	$	(5,534,245)
2.	Fiscal Year + 2		(5,886,914)
3.	Fiscal Year + 3		(4,020,444)
4.	Fiscal Year + 4		(1,641,925)
5.	Fiscal Year + 5		-
6.	Thereafter		-
7.	**Total**	**$**	**(17,083,528)**

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Exhibit 5

Schedule of Changes in the Employers' Net OPEB Liability/(Asset)

($ in millions)

Fiscal year ending June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability										
Service Cost	$ 0.2	$ 0.1	$ 0.1	$ 0.1	$ 0.1	$ 0.2	$ 0.1	$ 0.3	$ 0.3	$ 0.4
Interest on the Total OPEB Liability	1.6	1.2	1.1	1.0	1.0	1.3	1.2	1.5	1.4	2.0
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience	0.0	3.8	0.7	2.4	0.0	(4.8)	0.0	(4.4)	0.0	(10.6)
Assumption Changes	0.0	2.3	0.0	(0.3)	0.0	(0.4)	0.0	0.0	0.0	2.3
Benefit Payments and Refunds	(1.4)	(1.3)	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)
Net Change in Total OPEB Liability	$ 0.3	$ 6.3	$ 0.9	$ 2.3	$ 0.2	$ (4.5)	$ 0.5	$ (3.4)	$ 0.9	$ (6.6)
Total OPEB Liability - Beginning	25.3	19.1	18.1	15.9	15.7	20.2	19.7	23.1	22.0	28.6
Total OPEB Liability - Ending (a)	$ 25.7	$ 25.3	$ 19.1	$ 18.1	$ 15.9	$ 15.7	$ 20.2	$ 19.7	$ 23.1	$ 22.0
Plan Fiduciary Net Position										
Employer Contributions	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Member Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB Plan Net Investment Income	14.7	17.4	14.0	9.4	(6.5)	19.2	2.9	5.7	3.9	4.9
Benefit Payments and Refunds	(1.4)	(1.3)	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)
OPEB Plan Administrative Expense	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Plan Fiduciary Net Position	$ 13.2	$ 16.0	$ 12.9	$ 8.5	$ (7.4)	$ 18.4	$ 2.1	$ 4.9	$ 3.1	$ 4.2
Plan Fiduciary Net Position - Beginning	100.6	84.6	71.7	63.3	70.7	52.2	50.1	45.1	42.0	37.8
Prior Period Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan Fiduciary Net Position - Ending (b)	$ 113.8	$ 100.6	$ 84.6	$ 71.7	$ 63.3	$ 70.7	$ 52.2	$ 50.1	$ 45.1	$ 42.0
Net OPEB Liability/(Asset) - Ending (a) - (b)	$ (88.2)	$ (75.3)	$ (65.6)	$ (53.6)	$ (47.4)	$ (55.0)	$ (32.1)	$ (30.4)	$ (22.1)	$ (20.0)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	443.6 %	397.5 %	444.1 %	396.1 %	398.1 %	450.3 %	258.4 %	254.3 %	195.2 %	190.9 %
Covered Employee Payroll	$ 4.3	$ 4.1	$ 4.1	$ 4.0	$ 4.2	$ 4.2	$ 4.3	$ 4.3	$ 4.4	$ 4.4
Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll	(2,057.4)%	(1,819.3)%	(1,580.7)%	(1,340.0)%	(1,128.6)%	(1,309.5)%	(746.5)%	(707.0)%	(502.3)%	(454.5)%

*** Exhibit may not add due to rounding**

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Exhibit 6

Schedule of the Employers' Contributions

($ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$ 0.0	$ 0.0	$ 0.0	$ 4.4	0.0 %
2018	0.0	0.0	0.0	4.4	0.0 %
2019	0.0	0.0	0.0	4.3	0.0 %
2020	0.0	0.0	0.0	4.3	0.0 %
2021	0.0	0.0	0.0	4.2	0.0 %
2022	0.0	0.0	0.0	4.2	0.0 %
2023	0.0	0.0	0.0	4.0	0.0 %
2024	0.0	0.0	0.0	4.1	0.0 %
2025	0.0	0.0	0.0	4.1	0.0 %
2026	0.0	0.0	0.0	4.3	0.0 %

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Notes to Schedule of Employers' Contributions for FYE 2026

Valuation Date:	July 1, 2023
Notes	The actuarially determined contribution effective for fiscal year ending 2026 that is documented in the schedule on the previous page was calculated as of July 1, 2023.

Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2026:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 5 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020
Healthcare Trend Rates (Pre-65)	6.25% grading to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075
Healthcare Trend Rates (Post-65)	6.25% grading to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075
Participation Rates	100% of future eligible retirees are assumed to elect coverage at retirement.

Other Information:

Notes	The Board adopted new assumptions effective with the July 1, 2025 valuation.

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Kentucky Judicial Retirement Plan

GASB Reporting Information for the Measurement Period Ending June 30, 2026

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P: 469.524.0000 | www.grsconsulting.com

September 4, 2026

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

Subject: GASB Reporting Information for Measurement Period Ending June 30, 2026

Dear Members of the Board:

This report provided herein contains information for the **Judicial Retirement Plan (JRP**) in connection with the Governmental Accounting Standards Board (GASB) Statements No. 67, 68, 74, and 75. The information provided herein was prepared for the purpose of assisting the Kentucky Judicial Form Retirement System (JFRS) and the Commonwealth of Kentucky in compliance with the financial reporting and disclosure requirements of GASB. This information can be used by the Commonwealth of Kentucky for fiscal years ending between (and including) June 30, 2026 and June 30, 2027, for the financial reporting and disclosure requirements of GASB Statement No. 68 and No. 75.

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

The total pension liability, net pension liability, total OPEB liability, net OPEB liability and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total pension/OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

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Actuarial Assumptions and Plan Provisions

There have been no actuarial assumption or plan provision changes that would materially impact the total pension/OPEB liability since June 30, 2025.

Additional Disclosures

This report is based upon information furnished by JFRS, which includes benefit provisions, membership information, and financial data. We did not audit this data and information, but we did apply a number of tests and concluded that it was reasonable and consistent. GRS is not responsible for the accuracy or completeness of the information provided by JFRS. This report complements the "Actuarial Valuation Report as of July 1, 2025", which was prepared for plan funding purposes. Together, these reports should be considered as a complete report for the measurement period that ended June 30, 2026. Please see the actuarial valuation report for information regarding the nature of actuarial calculations, participant data, economic and demographic assumptions, and benefit provisions.

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

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

Respectfully submitted,
Gabriel, Roeder, Smith & Company

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

Janie Shaw, ASA, EA, MAAA
Senior Consultant and Actuary

Krysti Kiesel, ASA, EA, MAAA
Consultant and Actuary

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SECTION 1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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Statement of Changes in Fiduciary Net Position

	June 30, 2026 (1) Retirement	June 30, 2026 (2) Retiree Medical	June 30, 2026 (3) Pension + Retiree Medical
1. Market Value of assets at beginning of year	$ 558,137,109	$ 188,999,584	$ 747,136,693
2. Revenue for the year			
a. Contributions			
i. Member contributions	$ 1,425,879	$ 105,499	$ 1,531,378
ii. Employer contributions	703,000	0	703,000
iii. Other contributions	0	0	0
iv. Total	$ 2,128,879	$ 105,499	$ 2,234,378
b. Transfer In Payments	$ 0	$ 0	$ 0
c. Investment Income	$ 78,985,547	$ 27,533,249	$ 106,518,796
d. Total revenue	$ 81,114,426	$ 27,638,748	$ 108,753,174
3. Expenditures for the year			
a. Disbursements			
i. Benefit Payments / Refunds	$ 27,535,541	$ 3,402,749	$ 30,938,290
ii. Administrative Expenses	285,893	99,658	385,551
iii. Other	0	0	0
v. Total	$ 27,821,434	$ 3,502,407	$ 31,323,841
4. Increase in net assets (Item 2. - Item 3.)	$ 53,292,992	$ 24,136,341	$ 77,429,333
5. Market Value of assets at end of year (Item 1. + Item 4.)	$ 611,430,101	$ 213,135,925	$ 824,566,026

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

1. State and member contributions are allocated based on the Actuarially Determined Contribution for the fiscal year;
2. Benefits paid reflect actual benefits paid relative to retirement and insurance benefits;
3. Preliminary assets are determined by adjusting the beginning asset value by contributions and benefit payments;
4. Net investment return and administrative expenses are allocated relative to the preliminary asset value determined in item #3;
5. The fiduciary net position as of the end of the year is the sum of item #3 and item #4, which totals to actual net plan assets as of June 30, 2026.

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SECTION 2

GASB 67/68 – EXECUTIVE SUMMARY

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Executive Summary

Summary of Principal Results

Actuarial Valuation Date		June 30, 2025
Measurement Date		June 30, 2026
Membership Information		
Number of		
- Inactive employees or beneficiaries currently receiving benefits		407
- Inactive employees entitled to but not yet receiving benefits		15
- Active employees		192
- Total		614
Covered Payroll	$	31,265,083
Net Pension Liability/(Asset)		
Total Pension Liability	$	392,774,888
Plan Fiduciary Net Position		611,430,101
Net Pension Liability/(Asset)	$	(218,655,213)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		155.67%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll		-699.36%
Pension Expense and Deferred Outflows/(Inflows) of Resources		
GASB 68 Pension Expense	$	(29,291,814)
Deferred Outflows of Resources		2,184,322
Deferred Inflow of Resources		102,437,888
Employer Contributions for Fiscal Year Ending June 30, 2026		
Actuarially Determined Contribution	$	702,523
Actual Contribution		703,000
Contribution Deficiency / (Excess)	$	(477)
Actual Contribution as a Percentage of Covered Payroll		2.25%
Development of the Single Discount Rate		
Single Discount Rate		6.50%
Long-Term Expected Rate of Return		6.50%
Long-Term Municipal Bond Rate		N/A

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Summary of Change in Net Pension Liability/(Asset)

	Total Pension Liability (1)	Plan Fiduciary Net Position (2)	Net Pension Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2025	$ 390,744,852	$ 558,137,109	$ (167,392,257)
Adjustment to prior year			
1. Service cost	4,902,728		4,902,728
2. Interest	24,662,849		24,662,849
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	-		-
6. Employer contributions		703,000	(703,000)
7. Member contributions		1,425,879	(1,425,879)
8. Net investment income		78,985,547	(78,985,547)
9. Benefit payments	(27,535,541)	(27,535,541)	-
10. Administrative expense		(285,893)	285,893
11. Other changes	-	-	-
12. Net changes	$ 2,030,036	$ 53,292,992	$ (51,262,956)
Balance at June 30, 2026	$ 392,774,888	$ 611,430,101	$ (218,655,213)

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Report Purpose and Scope

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

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

Financial Reporting Overview

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

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

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

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Timing of the Valuation

For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total pension liability, net pension liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

Single Discount Rate

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

A single discount rate of 6.50% was used to measure the total pension liability for the fiscal year ending June 30, 2026. This single discount rate was based on the expected rate of return on pension plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.

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Summary of Population Statistics

The total pension liability described in this report is based on the plan membership as of June 30, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	407
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	15
Active Plan Members	192
Total Plan Members	614

Rollforward Disclosure

The actuarial valuation was performed as of June 30, 2025. Update procedures were used to roll forward the total pension liability to June 30, 2026.

Recognition of Deferred Outflows and Inflows of Resources

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

At the beginning of the 2026 measurement period, the expected remaining service lives of all employees was 1,619 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2026 measurement period was 2.64 years (1,619 total expected remaining service period divided by 614 plan members).

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

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

As of June 30, 2026, the Net Pension Liability/(Asset) is $(218,655,213). Below is a table providing the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net Pension Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
$ (183,335,980)	$ (218,655,213)	$ (249,156,966)

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SECTION 4

GASB 67/68 – ACCOUNTING EXHIBITS

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Exhibit 1

Schedule of Pension Expense as of June 30, 2026

1. Total Service Cost	$	4,902,728
2. Interest on the Total Pension Liability		24,662,849
3. Current-Period Benefit Changes		0
4. Member Contributions		(1,425,879)
5. Projected Earnings on Plan Investments		(35,443,904)
6. Administrative Expense		285,893
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		2,695,535
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(24,969,036)
10. Total Pension Expense	**$**	**(29,291,814)**

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Exhibit 2

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

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	$ 1,982,355	$ -
2. Changes in assumptions	201,967	3,314
3. Differenced between projected and actual earnings on plan investments	-	102,434,574
4. Employer contributions subsequent to the measurement date	-	
5. Total	$ 2,184,322	$ 102,437,888

Paragraph 34 of GASB No. 68 indicates that employer contributions made subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The deferred outflow of $0 is based on the actuarially determined contribution for fiscal year ending 2027.

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Exhibit 3

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

Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ 76,877	$ 23,337	14.36	$ 5,354	$ 5,354	$ 5,354	$ 5,354	$ 5,354	$ 1,921	$ -
2018-2019	225,765	98,373	14.18	15,924	15,924	15,924	15,924	15,924	15,924	18,753
2023-2024	1,503,610	-	2.94	480,746	-	-	-	-	-	-
2024-2025	5,819,469	1,860,645	2.94	1,979,412	1,860,645	-	-	-	-	-
2025-2026	-	-	2.64	-	-	-	-	-	-	-
		$ 1,982,355		$ 2,481,436	$ 1,881,923	$ 21,278	$ 21,278	$ 21,278	$ 17,845	$ 18,753

Differences Between Projected and Actual Earnings on Pension Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on Pension Plan Investments						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2021-2022	$ 70,588,410	$ -	5.00	$ 14,117,682	$ -	$ -	$ -	$ -	$ -	$ -
2022-2023	(31,893,844)	(6,378,768)	5.00	(6,378,769)	(6,378,768)	-	-	-	-	-
2023-2024	(53,881,829)	(21,552,731)	5.00	(10,776,366)	(10,776,366)	(10,776,365)	-	-	-	-
2024-2025	(66,116,269)	(39,669,761)	5.00	(13,223,254)	(13,223,254)	(13,223,254)	(13,223,253)	-	-	-
2025-2026	(43,541,643)	(34,833,314)	5.00	(8,708,329)	(8,708,329)	(8,708,329)	(8,708,329)	(8,708,327)	-	-
		$ (102,434,574)		$ (24,969,036)	$ (39,086,717)	$ (32,707,948)	$ (21,931,582)	$ (8,708,327)	$ -	$ -

Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ (10,924)	$ (3,314)	14.36	$ (761)	$ (761)	$ (761)	$ (761)	$ (761)	$ (270)	$ -
2024-2025	$ 631,687	$ 201,967	2.94	$ 214,860	$ 201,967	$ -	$ -	$ -	$ -	$ -
2025-2026	-	-	2.64	-	-	-	-	-	-	-
		$ 198,653		$ 214,099	$ 201,206	$ (761)	$ (761)	$ (761)	$ (270)	$ -

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Exhibit 4

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

	Period		Amount
	(1)		(2)
1.	Fiscal Year + 1	$	(37,003,588)
2.	Fiscal Year + 2		(32,687,431)
3.	Fiscal Year + 3		(21,911,065)
4.	Fiscal Year + 4		(8,687,810)
5.	Fiscal Year + 5		17,575
6.	Thereafter		18,753
7.	**Total**	**$**	**(100,253,566)**

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Exhibit 5

Schedule of Changes in the Employers' Net Pension Liability/(Asset)

($ in millions)

Fiscal year ending June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability										
Service Cost	$ 4.9	$ 3.9	$ 3.9	$ 4.3	$ 4.3	$ 3.6	$ 3.5	$ 4.1	$ 4.1	$ 4.9
Interest on the Total Pension Liability	24.7	24.2	24.1	23.9	23.8	23.7	23.4	22.9	22.7	23.8
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience	0.0	5.8	1.5	4.4	0.0	(5.3)	0.0	(0.1)	0.0	(8.8)
Assumption Changes	0.0	0.6	0.0	0.0	(5.9)	9.1	0.0	(7.7)	0.0	(2.1)
Benefit Payments and Refunds	(27.5)	(27.7)	(28.1)	(26.8)	(25.0)	(24.4)	(24.4)	(24.2)	(23.2)	(23.0)
Net Change in Total Pension Liability	$ 2.0	$ 6.8	$ 1.4	$ 5.8	$ (2.8)	$ 6.7	$ 2.5	$ (5.0)	$ 3.7	$ (5.3)
Total Pension Liability - Beginning	390.7	383.9	382.5	376.7	379.5	372.7	370.3	375.2	371.5	376.8
Total Pension Liability - Ending (a)	$ 392.8	$ 390.7	$ 383.9	$ 382.5	$ 376.7	$ 379.5	$ 372.7	$ 370.3	$ 375.2	$ 371.5
Plan Fiduciary Net Position										
Employer Contributions	$ 0.7	$ 0.7	$ 5.3	$ 5.0	$ 7.1	$ 6.8	$ 8.7	$ 8.7	$ 12.0	$ 12.0
Member Contributions	1.4	1.5	1.4	2.0	2.4	1.9	1.7	1.5	2.0	1.6
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Pension Plan Net Investment Income	79.0	96.9	81.0	56.5	(42.0)	122.8	19.5	38.6	27.1	34.6
Benefit Payments and Refunds	(27.5)	(27.7)	(28.1)	(26.8)	(25.0)	(24.4)	(24.4)	(24.2)	(23.2)	(23.0)
Pension Plan Administrative Expense	(0.3)	(0.2)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Plan Fiduciary Net Position	$ 53.3	$ 71.1	$ 59.4	$ 36.7	$ (57.5)	$ 107.1	$ 5.6	$ 24.6	$ 18.4	$ 25.2
Plan Fiduciary Net Position - Beginning	558.1	487.0	427.6	390.9	448.4	341.3	335.7	311.1	292.7	267.5
Prior Period Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan Fiduciary Net Position - Ending (b)	$ 611.4	$ 558.1	$ 487.0	$ 427.6	$ 390.9	$ 448.4	$ 341.3	$ 335.7	$ 311.1	$ 292.7
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (218.7)	$ (167.4)	$ (103.1)	$ (45.1)	$ (14.2)	$ (68.9)	$ 31.4	$ 34.6	$ 64.1	$ 78.8
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	155.7 %	142.8 %	126.9 %	111.8 %	103.8 %	118.2 %	91.6 %	90.7 %	82.9 %	78.8 %
Covered Employee Payroll	$ 31.3	$ 30.2	$ 27.8	$ 27.7	$ 29.8	$ 29.5	$ 30.9	$ 30.6	$ 30.6	$ 30.3
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	(699.4)%	(554.1)%	(370.4)%	(162.8)%	(47.7)%	(233.6)%	101.6 %	113.1 %	209.5 %	260.1 %

*** Exhibit may not add due to rounding**

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Exhibit 6

Schedule of the Employers' Contributions

($ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$ 12.0	$ 12.0	$ 0.0	$ 30.3	39.6 %
2018	12.0	12.0	0.0	30.6	39.2 %
2019	9.3	8.7	0.6	30.6	28.4 %
2020	9.9	8.7	1.2	30.9	28.2 %
2021	6.7	6.8	(0.1)	29.5	23.1 %
2022	7.9	7.1	0.8	29.8	23.8 %
2023	5.0	5.0	0.0	27.7	18.1 %
2024	5.3	5.3	0.0	27.8	19.1 %
2025	0.7	0.7	0.0	30.2	2.2 %
2026	0.7	0.7	0.0	31.3	2.2 %

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Notes to Schedule of Employers' Contributions for FYE 2026

Valuation Date:	July 1, 2023
Notes	The actuarially determined contribution effective for fiscal year ending 2026 that is documented in the schedule on the previous page was calculated as of July 1, 2023.

Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2026:

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

Other Information:

Notes	The Board adopted new assumptions effective with the July 1, 2025 valaution.

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SECTION 5

GASB 74/75 – EXECUTIVE SUMMARY

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Executive Summary

Summary of Principal Results

Actuarial Valuation Date		June 30, 2025
Measurement Date		June 30, 2026
Membership Information		
Number of		
- Inactive employees or beneficiaries currently receiving benefits		310
- Inactive employees entitled to but not yet receiving benefits		4
- Active employees		192
- Total		506
Covered Payroll	$	31,265,083
Net OPEB Liability/(Asset)		
Total OPEB Liability	$	77,038,178
Plan Fiduciary Net Position		213,135,925
Net OPEB Liability/(Asset)	$	(136,097,747)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		276.66%
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll		-435.30%
OPEB Expense and Deferred Outflows/(Inflows) of Resources		
GASB 75 OPEB Expense	$	(8,573,324)
Deferred Outflows of Resources		8,522,935
Deferred Inflow of Resources		34,971,966
Employer Contributions for Fiscal Year Ending June 30, 2026		
Actuarially Determined Contribution	$	-
Actual Contribution		-
Contribution Deficiency / (Excess)	$	-
Actual Contribution as a Percentage of Covered Payroll		0.00%
Development of the Single Discount Rate		
Single Discount Rate		6.50%
Long-Term Expected Rate of Return		6.50%
Long-Term Municipal Bond Rate		N/A

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Summary of Change in Net OPEB Liability/(Asset)

	Total OPEB Liability (1)	Plan Fiduciary Net Position (2)	Net OPEB Liability/(Asset) (1) - (2) (3)
Balance at June 30, 2025	$ 74,528,217	$ 188,999,584	$ (114,471,367)
Adjustment to prior year			
1. Service cost	1,141,855		1,141,855
2. Interest	4,770,855		4,770,855
3. Benefit changes	-		-
4. Assumption changes	-		-
5. Difference between expected and actual experience	-		-
6. Employer contributions		-	-
7. Member contributions		105,499	(105,499)
8. Net investment income		27,533,249	(27,533,249)
9. Benefit payments	(3,402,749)	(3,402,749)	-
10. Administrative expense		(99,658)	99,658
11. Other changes	-	-	-
12. Net changes	$ 2,509,961	$ 24,136,341	$ (21,626,380)
Balance at June 30, 2026	$ 77,038,178	$ 213,135,925	$ (136,097,747)

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Report Purpose and Scope

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

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

Financial Reporting Overview

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

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

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

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Timing of the Valuation

For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total OPEB liability, net OPEB liability, and sensitivity information shown in this report are based on an actuarial valuation date of June 30, 2025. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2026 using generally accepted actuarial principles. The exhibits provided in this report include the applicable information for historical years that were calculated in accordance with this accounting standard. Information disclosed for years prior to June 30, 2024 were prepared by the prior actuary.

Single Discount Rate

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

A single discount rate of 6.50% was used to measure the total OPEB liability for the fiscal year ending June 30, 2026. This single discount rate was based on the expected rate of return on OPEB plan investments. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the OPEB plan's fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability. Future contributions are projected assuming that the actuarially determined employer contribution is contributed each future year calculated in accordance with the current funding policy.

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Summary of Population Statistics

The total OPEB liability described in this report is based on the plan membership as of June 30, 2025:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	310
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	192
Total Plan Members	506

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

Rollforward Disclosure

The actuarial valuation was performed as of June 30, 2025. Update procedures were used to roll forward the total OPEB liability to June 30, 2026.

Recognition of Deferred Outflows and Inflows of Resources

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

At the beginning of the 2026 measurement period, the expected remaining service lives of all employees was 1,618 years and the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the 2026 measurement period was 3.20 years (1,618 total expected remaining service period divided by 506 plan members).

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

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

As of June 30, 2026, the Net OPEB Liability/(Asset) is $(136,097,747). Below is a table providing the sensitivity of the Net OPEB Liability/(Asset) to changes in the discount rate. In particular, the table shows the plan's Net OPEB Liability/(Asset) if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate:

1% Decrease 5.50%	Current Discount Rate Assumption 6.50%	1% Increase 7.50%
$ (127,186,974)	$ (136,097,747)	$ (143,586,865)

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ (144,080,763)	$ (136,097,747)	$ (126,663,929)

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SECTION 6

GASB 74/75 – ACCOUNTING EXHIBITS

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Exhibit 1

Schedule of OPEB Expense as of June 30, 2026

1. Total Service Cost	$	1,141,855
2. Interest on the Total OPEB Liability		4,770,855
3. Current-Period Benefit Changes		0
4. Member Contributions		(105,499)
5. Projected Earnings on Plan Investments		(12,174,573)
6. Administrative Expense		99,658
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Deferred Outflow (Inflow) of Resources due to Liabilities		6,559,046
9. Recognition of Deferred Outflow (Inflow) of Resources due to Assets		(8,864,666)
10. Total OPEB Expense	**$**	**(8,573,324)**

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Exhibit 2

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

	Deferred Outflow of Resources (1)	Deferred Inflow of Resources (2)
1. Differences between expected and actual liability experience	$ 5,868,967	$ -
2. Changes in assumptions	2,653,968	-
3. Differenced between projected and actual earnings on plan investments	-	34,971,966
4. Employer contributions subsequent to the measurement date	-	
5. Total	$ 8,522,935	$ 34,971,966

GASB No. 75 indicates that employer contributions made subsequent to the measurement date of the Net OPEB Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources. The deferred outflow of $0 is based on the actuarially determined contribution for fiscal year ending 2027.

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Exhibit 3

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

Differences Between Expected and Actual Liability Experience

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Expected and Actual Liability Experience						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2016-2017	$ 4,815	$ 1,465	14.36	$ 335	$ 335	$ 335	$ 335	$ 335	$ 125	$ -
2018-2019	15,449	6,729	14.18	1,090	1,090	1,090	1,090	1,090	1,090	1,279
2023-2024	2,727,871	334,999	3.42	797,624	334,999	-	-	-	-	-
2024-2025	13,308,556	5,525,774	3.42	3,891,391	3,891,391	1,634,383	-	-	-	-
2025-2026	-	-	3.20	-	-	-	-	-	-	-
		$ 5,868,967		$ 4,690,440	$ 4,227,815	$ 1,635,808	$ 1,425	$ 1,425	$ 1,215	$ 1,279

Differences Between Projected and Actual Earnings on OPEB Plan Investments

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences Between Projected and Actual Earnings on OPEB Plan Investments						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2021-2022	$ 21,550,035	$ -	5.00	$ 4,310,007	$ -	$ -	$ -	$ -	$ -	$ -
2022-2023	(10,180,099)	(2,036,019)	5.00	(2,036,020)	(2,036,019)	-	-	-	-	-
2023-2024	(17,758,681)	(7,103,470)	5.00	(3,551,737)	(3,551,737)	(3,551,733)	-	-	-	-
2024-2025	(22,575,897)	(13,545,537)	5.00	(4,515,180)	(4,515,180)	(4,515,180)	(4,515,177)	-	-	-
2025-2026	(15,358,676)	(12,286,940)	5.00	(3,071,736)	(3,071,736)	(3,071,736)	(3,071,736)	(3,071,732)	-	-
		$ (34,971,966)		$ (8,864,666)	$ (13,174,672)	$ (11,138,649)	$ (7,586,913)	$ (3,071,732)	$ -	$ -

Effects of Changes of Assumptions

Year	Original Outflow/(Inflow)	Deferred Outflow/(Inflow) as of June 30, 2026	Original Recognition Period (Years)	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions						
				2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Thereafter
2018-2019	$ 1,653	$ 717	14.18	$ 117	$ 117	$ 117	$ 117	$ 117	$ 117	$ 132
2024-2025	$ 6,390,229	$ 2,653,251	3.42	$ 1,868,489	$ 1,868,489	$ 784,762	$ -	$ -	$ -	$ -
2025-2026	-	-	3.20	-	-	-	-	-	-	-
		$ 2,653,968		$ 1,868,606	$ 1,868,606	$ 784,879	$ 117	$ 117	$ 117	$ 132

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Exhibit 4

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

	Period		Amount
	(1)		(2)
1.	Fiscal Year + 1	$	(7,078,251)
2.	Fiscal Year + 2		(8,717,962)
3.	Fiscal Year + 3		(7,585,371)
4.	Fiscal Year + 4		(3,070,190)
5.	Fiscal Year + 5		1,332
6.	Thereafter		1,411
7.	**Total**	**$**	**(26,449,031)**

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Exhibit 5

Schedule of Changes in the Employers' Net OPEB Liability/(Asset)

($ in millions)

Fiscal year ending June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability										
Service Cost	$ 1.1	$ 0.9	$ 0.9	$ 0.7	$ 0.7	$ 0.7	$ 0.7	$ 0.9	$ 0.9	$ 1.2
Interest on the Total OPEB Liability	4.8	3.4	3.2	2.5	2.5	3.2	3.0	3.6	3.3	4.6
Benefit Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience	0.0	13.3	2.7	8.5	0.0	(9.3)	0.0	(9.7)	0.0	(22.1)
Assumption Changes	0.0	6.4	0.0	(0.9)	0.0	(2.3)	0.0	0.1	0.0	5.6
Benefit Payments and Refunds	(3.4)	(3.0)	(2.4)	(2.2)	(1.9)	(1.8)	(2.0)	(2.0)	(2.0)	(1.9)
Net Change in Total OPEB Liability	$ 2.5	$ 21.0	$ 4.3	$ 8.6	$ 1.3	$ (9.6)	$ 1.8	$ (7.1)	$ 2.2	$ (12.6)
Total OPEB Liability - Beginning	74.5	53.6	49.3	40.6	39.4	49.0	47.3	54.4	52.1	64.7
Total OPEB Liability - Ending (a)	$ 77.0	$ 74.5	$ 53.6	$ 49.2	$ 40.6	$ 39.4	$ 49.0	$ 47.3	$ 54.4	$ 52.1
Plan Fiduciary Net Position										
Employer Contributions	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.1	$ 0.0	$ 0.0	$ 0.0	$ 1.2	$ 1.2
Member Contributions	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.2	0.1
Transfer in Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
OPEB Plan Net Investment Income	27.5	32.8	26.5	17.9	(12.8)	36.7	5.6	11.0	7.6	9.4
Benefit Payments and Refunds	(3.4)	(3.0)	(2.4)	(2.2)	(1.9)	(1.8)	(2.0)	(2.0)	(2.0)	(1.9)
OPEB Plan Administrative Expense	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Plan Fiduciary Net Position	$ 24.1	$ 29.8	$ 24.0	$ 15.8	$ (14.5)	$ 35.0	$ 3.7	$ 9.1	$ 7.1	$ 8.8
Plan Fiduciary Net Position - Beginning	189.0	159.2	135.1	119.3	133.9	99.0	95.4	86.3	79.2	70.3
Prior Period Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan Fiduciary Net Position - Ending (b)	$ 213.1	$ 189.0	$ 159.2	$ 135.0	$ 119.3	$ 133.9	$ 99.0	$ 95.4	$ 86.3	$ 79.2
Net OPEB Liability/(Asset) - Ending (a) - (b)	$ (136.1)	$ (114.5)	$ (105.6)	$ (85.8)	$ (78.7)	$ (94.5)	$ (50.1)	$ (48.0)	$ (31.9)	$ (27.0)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	276.7 %	253.6 %	297.2 %	274.4 %	293.8 %	339.8 %	202.0 %	201.7 %	158.6 %	152.0 %
Covered Employee Payroll	$ 31.3	$ 30.2	$ 27.8	$ 26.7	$ 29.8	$ 29.5	$ 30.9	$ 30.6	$ 30.6	$ 30.3
Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll	(435.3)%	(378.9)%	(379.4)%	(321.3)%	(264.1)%	(320.3)%	(162.1)%	(156.9)%	(104.2)%	(89.1)%

*** Exhibit may not add due to rounding**

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Exhibit 6

Schedule of the Employers' Contributions

($ in millions)

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$ 1.2	$ 1.2	$ 0.0	$ 30.3	4.0 %
2018	1.2	1.2	0.0	30.6	3.9 %
2019	0.0	0.0	0.0	30.6	0.0 %
2020	0.0	0.0	0.0	30.9	0.0 %
2021	0.0	0.0	0.0	29.5	0.0 %
2022	0.0	0.1	(0.1)	29.8	0.3 %
2023	0.0	0.0	0.0	26.7	0.0 %
2024	0.0	0.0	0.0	27.8	0.0 %
2025	0.0	0.0	0.0	30.2	0.0 %
2026	0.0	0.0	0.0	31.3	0.0 %

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Notes to Schedule of Employers' Contributions for FYE 2026

Valuation Date:	July 1, 2023
Notes	The actuarially determined contribution effective for fiscal year ending 2026 that is documented in the schedule on the previous page was calculated as of July 1, 2023.

Methods and Assumptions for Actuarially Determined Contribution Rate for Fiscal Year 2026:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	1% for the next 5 years and 3.5% thereafter
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates based on age
Mortality	Pub-2010 (above median) Table for General Employees (headcount weighted) with projected mortality improvements under Projection Scale MP-2020
Healthcare Trend Rates (Pre-65)	6.25% grading to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075
Healthcare Trend Rates (Post-65)	6.25% grading to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075
Participation Rates	100% of future eligible retirees are assumed to elect coverage at retirement.

Other Information:

Notes	The Board adopted new assumptions effective with the July 1, 2025 valuation.

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JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY UPDATE

PUBLIC PENSION OVERSIGHT BOARD – AUGUST 18, 2026

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

INVESTMENT PERFORMANCE

As of June 30, 2026

Investment Performance *As of June 30, 2026*									
		MV	FY26	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
JRP	Defined Benefit	$802.5M	14.8%	14.8%	18.4%	11.5%	13.3%	10.6%	9.6%
	Cash Balance	$8.8M	14.4%	14.4%	18.3%	11.4%	12.4%	-	-
	Benchmark[1]		16.4%	16.4%	15.8%	9.8%	11.5%	9.1%	8.7%
LRP	Defined Benefit	$236.3M	14.8%	14.8%	18.4%	11.5%	13.3%	10.6%	9.6%
	Cash Balance	$2.2M	14.5%	14.5%	18.3%	11.3%	12.4%	-	-
	Benchmark[1]		16.4%	16.4%	15.8%	9.8%	11.5%	9.1%	8.7%

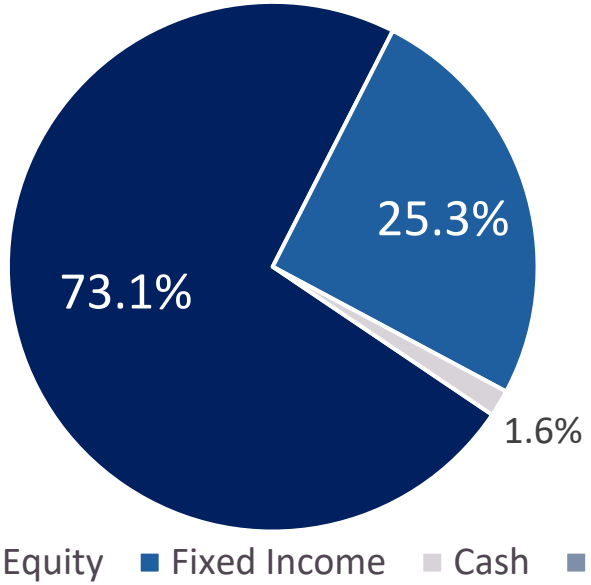
Returns are Net of Fees with exception of 20-year and 30-Year. Cash Balance portfolios inception date is June 1, 2015

[1] Benchmark is 70% S&P 500 Index + 30% Barclays Intermediate Government/Credit Index (compounded monthly)

ASSET ALLOCATION

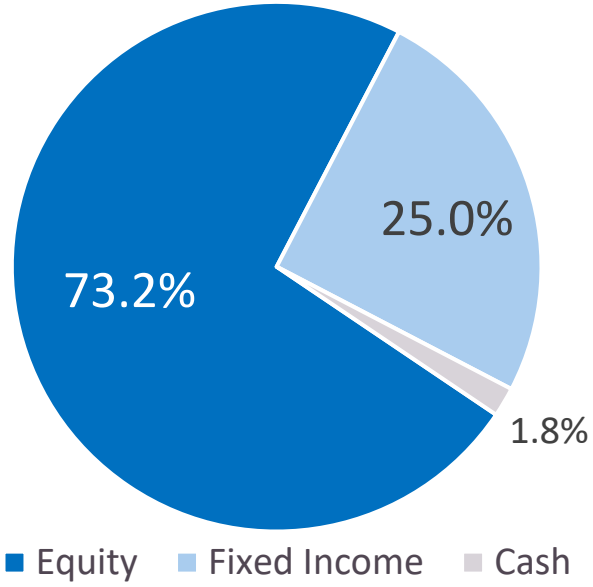
As of June 30, 2026

JUDICIAL RETIREMENT PLAN



JRP			
	Actual	Target	Range
Equity	73.1%	70.0%	60%-80%
Fixed Income	25.3%	30.0%	20%-40%
Cash	1.6%	0.0%	

LEGISLATORS RETIREMENT PLAN



LRP			
	Actual	Target	Range
Equity	73.2%	70.0%	60%-80%
Fixed Income	25.0%	30.0%	20%-40%
Cash	1.8%	0.0%	

CASH FLOW

Fiscal Year ending June 30, 2026
compared to June 30, 2025

	Judicial Retirement Plan		Legislators Retirement Plan	
12 Months ending June 30	**FY2025**	**FY2026**	**FY2025**	**FY2026**
Member Contributions	$1.64	$1.60	$0.34	$0.26
Employer Contributions/Appropriations	$0.66	$0.70	$0.00	$0.00
Investment Income (Net of Inv. Expense)	$17.52	$16.78	$5.05	$4.83
Total Cash Inflows	**$19.82**	**$19.08**	**$5.38**	**$5.09**
Benefit Payments/Refunds	$30.71	$30.94	$6.84	$6.97
Administrative Expense	$0.30	$0.39	$0.20	$0.26
Total Cash Outflows	**$31.01**	**$31.32**	**$7.04**	**$7.23**
Net Cash Flow - *BEFORE Asset Gain/(Losses)*	**($11.19)**	**($12.24)**	**($1.66)**	**($2.14)**
NCF Ratio (before Asset G/L)	*-1.73%*	*-1.64%*	*-0.89%*	*-0.98%*
Realized & Unrealized Asset Gains/(Losses)	$111.96	$89.35	$32.50	$26.49
Net Cash Flow – *AFTER Asset Gain/(Losses)*	**$100.76**	**$77.11**	**$30.84**	**$24.35**
Beginning of Period	$646.44	$747.20	$187.60	$218.44
End of Period	$747.20	$824.31	$218.44	$242.79

LEGISLATIVE UPDATE

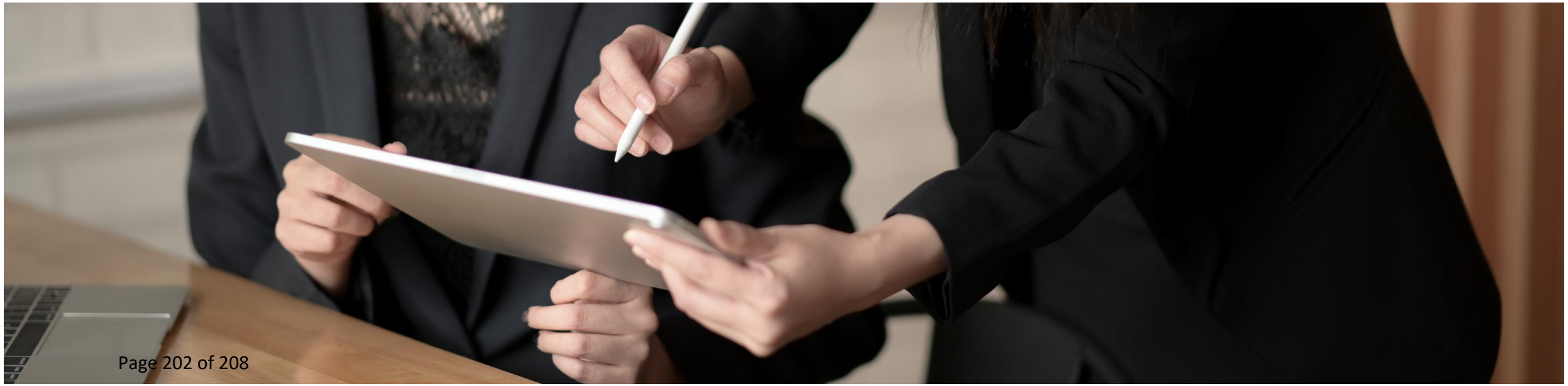
➲ **SB 85 –** AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

- Amended statute to allow for a Special Needs Trust (SNT) to be designated as beneficiary and receive lifetime survivorship benefits on behalf of a surviving spouse or disabled child.

STAFF UPDATE: Plan does have several Disabled Child beneficiaries and has been notified of SNTs. Currently working to update systems and administrative processes.

APPENDIX

Baird Trust Co – July 2026 Market Commentary





Andrew W. Means, CFA®
Managing Director
Director of Equity Investments



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

Opportunity and Risk

Know How Much Risk You're Really Taking

Today's investment environment is dynamic – filled with tremendous opportunity but also pockets of elevated risk. The challenge for investors is to gauge their own comfort with that tradeoff: How much risk are you willing to take to capitalize on the biggest potential opportunities? In other words, knowing who you are as an investor, and staying true to your strategy, matters more today than in most periods of the past.

We believe the most important aspect of any investment strategy is a clear, realistic understanding of how much risk is actually being taken. That is especially true during periods of elevated optimism and exuberance, which are often precisely when risk is most elevated. Strong bull-market returns generate excitement, and investors tend to let their guard down at the very moment they should do the opposite. We think the current period is one of those times and that not much thought is being given to downside risk today.

Investor Exuberance

It is easy to understand the exuberant mood. Over the last three calendar years, the S&P 500 compounded at approximately 23% annually, more than double the long-term average for the stock market. Just this quarter, the S&P 500 soared over 15%, marking its largest quarterly advance in six years. On top of that, the excitement surrounding the rollout of AI as a powerful new technology platform is sending investor expectations soaring, with the Nasdaq Composite up 22% and the PHLX Semiconductor Index up 89% in the second quarter. The massive

gains in semiconductor stocks and the recent nearly $2 trillion IPO of SpaceX reflect the unbridled optimism of many investors. And more AI-related IPOs are likely on the way, with OpenAI and Anthropic expected to command nearly $1 trillion valuations when they reach the public markets. Valuations this high for companies this early in their public lives are largely unprecedented, yet investors seem to be clamoring for more.

Which Game Are You Playing?

Many different strategies are at work in the markets today, spanning a wide spectrum: short- to long-term horizons, growth to value, trading to investing, momentum to fundamentals, active to passive, aggressive to conservative, high quality to low. There are countless ways to slice it, but we believe the most important distinction today is simpler: those who try to reduce downside risk, and those who do not. In an environment of elevated opportunity and risk, knowing where you fall on that spectrum matters more than ever. There is no single "correct" way to invest, but for us, working to reduce downside risk is central to long-term success.

Two Rules of Investing

Warren Buffett famously said, in a 1985 interview on Adam Smith's Money World, that "The first rule of investment is don't lose [money]. And the second rule of investment is don't forget the first rule. And that's all the rules there are." His best-known aphorism is as true today as ever. Buffett is not referring here to the downward volatility of stock prices – the temporary, quotational loss that can occur to any stock on any day the market is open. He is referring to the permanent loss of capital that comes from the destruction of a business's underlying intrinsic value. If your objective is to compound and grow wealth for years into the future, avoiding losses is critical. The simple math of compounding works against an investor who must first make up large losses before even thinking about gains.

Our Strategy Heeds the Two Rules

At Baird Trust, we have followed a strategy for more than 30 years designed to minimize the chance of permanent loss of capital. We aim to reduce risk by investing only in very high-quality businesses with a sustainable competitive advantage we can identify and understand – a durable advantage lowers the business risk of each company we own. We also assess management and corporate culture, because leaders who allocate capital carefully – protecting and growing the company's advantages while fostering a healthy culture – further reduce risk. Finally, we

"Holding this line is most uncomfortable precisely when others appear to be profiting easily."

strive to buy these businesses at a discount to what we believe they are worth, building in a margin of safety at the time of purchase. This time-tested process is designed not only to compound your money at attractive rates over the long term, but also to minimize the chance of permanent loss along the way.

Upside and downside are interrelated, yet today the upside seems to be getting all the attention. Weighing the downside is essential, and in some corners of the market it is nearly absent right now. Because of this posture, we will, from time to time, miss out on apparently easy short-term gains. That has happened many times over our 30-plus-year history, and it is certainly happening in places today. Holding this line is most uncomfortable precisely when others appear to be profiting easily. However, that discomfort is the price of a risk-first mindset, and we believe that mindset is essential to compounding wealth over decades.

Preparing, Not Predicting

This is a moment of genuine opportunity and risk, driven by the innovation and adoption of AI across the economy. Investors are excited and carry high expectations – it is fair to say the animal spirits are alive and well. Because of that enthusiasm – and our belief that the future is unknowable, with a wide range of possible outcomes – we think it is more important than ever to build in some downside protection before reaching for return.

This is not a prediction of any kind about the direction of the market. We have no idea (and never have had any idea) whether stocks are headed higher, lower, or sideways over the near or intermediate term. We are simply observing that some investors appear to be grasping aggressively for high returns with little regard for the risk involved. We don't like that tradeoff.

At Baird Trust, risk mitigation through our disciplined process is our non-negotiable starting point. Helping you grow your wealth through all kinds of market cycles, for many years into the future, is our singular objective. We are grateful for the trust you place in us, and we embrace the responsibility of serving as stewards of your assets as we help you pursue your long-term goals.

Disclosure

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Contact us anytime!

Phone Number

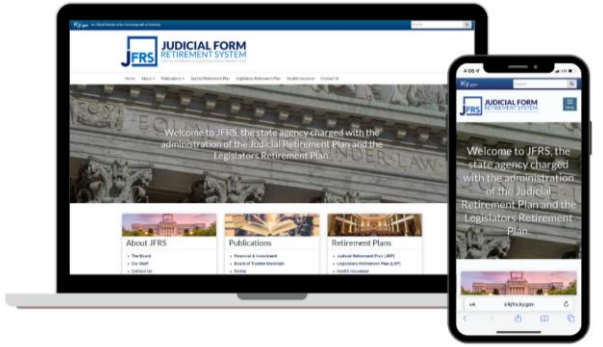
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APPENDIX

- Organization Chart & Service Providers

JUDICIAL FORM RETIREMENT SYSTEM

Organizational Structure

BOARD OF TRUSTEES

BO CRACRAFT
EXECUTIVE DIRECTOR

- **MELISSA GILCHRIST**
  PROGRAMS SPECIALIST III
- **REBECCA STEPHENS (PT)**
  PROGRAMS ADMIN

AOC
Personnel, Accounting, and Technology Support

FINANCE CABINET
Accounting, Retiree Payroll

COT
Phones, Networking Technical Support

PERSONNEL CABINET
Payroll, Health Insurance, Training, Contributions

Service Providers

BANK — J.P.Morgan

CUSTODIAN — STATE STREET

INVESTMENT — BAIRD TRUST

- **DEREK BONIFER**
  PORTFOLIO MANAGER
- **ANDY MEANS**
  DIR OF INVESTMENTS
- **JOHN WATKINS III**
  PORTFOLIO MANAGER

BROKER — LEXINGTON INVESTMENTS

- **STAN KERRICK**
  OWNER

ACTUARIAL — GRS

- **DANNY WHITE**
  REVIWING ACTUARY
- **JANIE SHAW**
  CONSULTING ACTUARY
- **KRYSTI KIESEL**
  CONSULTING ACTUARY

AUDIT — blue

- **ALLEN NORVELL, CPA**
  PARTNER

LEGAL — McBRAYER

- **ALAN D. PAUW, J.D.**
  DIRECTOR