

TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
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Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

September 29, 2023

Jay D. Hartz, Director
Legislative Research Commission
Kentucky State Capitol
700 Capitol Avenue
Frankfort, KY 40601

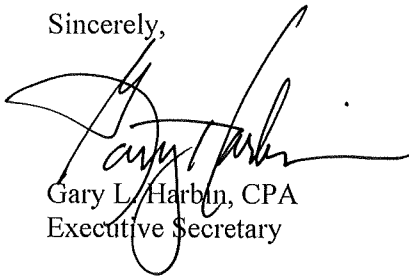
Dear Mr. Hartz:

KRS 161.430 requires that TRS annually report to the Legislative Research Commission its progress in making in-state investments. TRS actively seeks investments that support the economic welfare of the Commonwealth wherever consistent with the fiduciary duty that assets be managed "solely in the interests of the active contributing members and annuitants..." As of June 30, 2023, TRS had in-state investments of approximately \$312.1 million, consisting primarily of commercial real estate; single-family and multi-family mortgages in the Commonwealth; bonds of corporations headquartered in Kentucky; and debt obligations of state and local government entities.

Outlined below are the investments TRS made in the Commonwealth in fiscal year 2023:

1. TRS acquired \$10,500 par value of a Federal National Mortgage bond. The bond provides mortgage financing for a multifamily property in Southgate Kentucky. The bond has a coupon interest rate of 4.52% and matures on October 1, 2032. The bond was purchased at 100.85 of par to yield 4.49% to maturity and is rated AA+ by Standard & Poor's.
2. TRS acquired \$5,000,000 par value of a Brown-Forman corporation senior unsecured debenture. The note has a coupon interest rate of 3.5% and matures on April 15, 2025. The bond was purchased at 97.47% of par to yield 4.62% to maturity and is rated A1 by Moody's.
3. TRS acquired \$500,000 par value of a Papa Johns' International senior unsecured debenture. The note has a coupon interest rate of 3.875% and matures on September 15, 2029. The bond was purchased at 83.295% of par to yield 7.0% to maturity and is rated B1 by Moody's.

Sincerely,



Gary L. Harbin, CPA
Executive Secretary

Enclosure

GLH/moh

Teachers' Retirement System - Kentucky

KY Investments

As of June 30, 2023

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value	
CMO											
KY	CMO	CMO	44128	FN BL5028	Shelbyville KY	2.34	12/01/2029	11/01/2019	3,270,030.50	2,884,919.01	
KY	CMO	CMO	44129	FN BL5028	Shelbyville KY	2.34	12/01/2029	11/01/2019	3,737,177.84	3,297,050.41	
KY	CMO	CMO	44130	FN BL5028	Shelbyville KY	2.34	12/01/2029	11/01/2019	5,605,766.76	4,945,575.61	
KY	CMO	CMO	44131	FN BL5028	Shelbyville KY	2.34	12/01/2029	11/01/2019	934,294.46	824,262.60	
Subtotal:						CMO					11,951,807.63

13,547,269.56 **11,951,807.63**

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value	
Corp											
KY	Corp	Industri	40058	Brown Forman Corp	Louisville	3.75	01/15/2043	04/21/2017	2,100,000.00	1,681,155.00	
KY	Corp	Utility	36726	Kentucky Utilities Co	Various	3.30	10/01/2025	09/21/2015	3,000,000.00	2,829,300.00	
KY	Corp	Utility	33275	Kentucky Utilities	Fayette Co	4.65	11/15/2043	11/06/2013	1,900,000.00	1,646,654.00	
KY	Corp	Utility	30180	PPL Electric Utilities	Various	5.20	07/15/2041	07/12/2011	500,000.00	467,170.00	
KY	Corp	Industri	42359	Churchill Downs Inc	Louisville KY	4.75	01/15/2028	09/12/2018	1,695,000.00	1,571,739.60	
KY	Corp	Industri	45293	Churchill Downs Inc	Louisville KY	4.75	01/15/2028	06/12/2020	2,693,000.00	2,497,165.04	
KY	Corp	Industri	36304	Brown-Forman Corp.	Louisville	4.50	07/15/2045	06/24/2015	1,000,000.00	926,920.00	
KY	Corp	Industri	36303	Brown-Forman Corp.	Louisville	4.50	07/15/2045	06/24/2015	2,000,000.00	1,853,840.00	
KY	Corp	Industri	47275	Papa John's Intl Inc	Louisville	3.88	09/15/2029	09/08/2021	5,100,000.00	4,317,150.00	
KY	Corp	Industri	50325	Brown-Forman Corp	Louisville	3.50	04/15/2025	11/18/2022	5,000,000.00	4,844,400.00	
KY	Corp	Industri	42361	Churchill Downs Inc	Louisville KY	4.75	01/15/2028	09/12/2018	381,000.00	353,293.68	
Subtotal:						Corp					22,988,787.32

25,369,000.00 **22,988,787.32**

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value
MBS										
KY	MBS	MPT	6314	FHLMC (Gold) Pool # A47480	Various	5.00	11/01/2035	10/14/2005	34,392.81	34,047.51
KY	MBS	DUS	45740	Amerson Orchard Gtwn KY	Georgetown	1.39	09/01/2033	07/23/2020	5,000,000.00	3,794,550.00
KY	MBS	MPT	10554	FNMA Pool # 944608	Various	6.00	08/01/2037	08/13/2007	56,089.98	56,607.13
KY	MBS	MPT	10532	FNMA Pool # 942887	Various	6.00	08/01/2037	08/10/2007	61,960.65	62,530.69
KY	MBS	MPT	7287	FHLMC (Gold) Pool # A42105	Various	5.50	01/01/2036	01/05/2006	42,856.36	42,723.51
KY	MBS	DUS	45737	Amerson Orchard Gtwn KY	Georgetown	1.39	09/01/2033	07/23/2020	2,581,300.00	1,958,974.38
KY	MBS	DUS	43396	Townley Park Lex Ky	Lexington KY	3.22	07/01/2049	07/01/2019	1,225,000.00	1,092,798.00
KY	MBS	DUS	50229	FN BS6908	Various	4.52	10/01/2032	10/01/2022	5,000,000.00	5,003,100.00
KY	MBS	DUS	39757	FN AN3706	Bowling Green	2.92	11/01/2036	02/27/2017	6,972,439.51	6,035,413.36

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value
KY	MBS	DUS	45742	Amerson Orchard Gtwn KY	Georgetown	1.39	09/01/2033	07/23/2020	3,000,000.00	2,276,730.00
KY	MBS	DUS	43394	Townley Park Lex Ky	Lexington KY	3.22	07/01/2049	07/01/2019	3,000,000.00	2,676,240.00
KY	MBS	DUS	46356	Cove Lake Village Apartments	Lexington	1.79	01/01/2036	01/01/2021	10,500,000.00	7,862,715.00
KY	MBS	DUS	45741	Amerson Orchard Gtwn KY	Georgetown	1.39	09/01/2033	07/23/2020	10,000,000.00	7,589,100.00
KY	MBS	DUS	43395	Townley Park Lex Ky	Lexington KY	3.22	07/01/2049	07/01/2019	7,000,000.00	6,244,560.00
KY	MBS	DUS	50227	FN BS6908	Various	4.52	10/01/2032	10/01/2022	5,500,000.00	5,503,410.00
KY	MBS	MPT	9089	FNMA Pool # 902823	Various	5.50	11/01/2036	11/08/2006	70,733.01	70,430.27
KY	MBS	DUS	43393	Townley Park Lex Ky	Lexington KY	3.22	07/01/2049	07/01/2019	10,000,000.00	8,920,800.00
Subtotal: MBS									70,044,772.32	59,224,729.85

Muni

KY	Muni	Muni	9388	Fort Knox Military Housing	Fort Knox	5.82	02/15/2052	01/25/2007	4,967,094.82	4,575,638.08
KY	Muni	Muni	21827	Kentucky Ppty & Bldgs Comm Rev	Various	6.57	08/01/2029	06/24/2009	1,500,000.00	1,549,545.00
KY	Muni	Muni	28303	Kentucky Turnpike Authority	Various	5.24	07/01/2025	06/17/2010	1,653,750.00	1,648,193.40
KY	Muni	Muni	28307	Kentucky Turnpike Authority	Various	5.24	07/01/2025	06/17/2010	551,250.00	549,397.80
KY	Muni	Muni	29044	KY State Property & Bldg Comm.	Various	5.92	11/01/2030	10/26/2010	6,000,000.00	6,097,260.00
KY	Muni	Muni	21826	Kentucky Ppty & Bldgs Comm Rev	Various	6.57	08/01/2029	06/24/2009	3,000,000.00	3,099,090.00
KY	Muni	Muni	29922	Grayson Co KY SDFC	Paducah	4.90	06/01/2026	05/12/2011	1,920,000.00	1,897,555.20
KY	Muni	Muni	47154	Fayette Co. Ky Sch Dist Fin Corp	Fayette County	2.00	08/01/2032	08/04/2021	9,000,000.00	7,528,320.00
KY	Muni	Muni	30041	Paducah KY ISD 6/1/27	Paducah	4.80	06/01/2027	06/07/2011	3,950,000.00	3,902,205.00
KY	Muni	Muni	29122	Louisville & Jeff Co KY MSD	Louisville	6.25	05/15/2043	11/17/2010	10,000,000.00	11,460,200.00
KY	Muni	Muni	48217	Kentucky Student Loan Corp	Various	3.86	06/01/2025	05/25/2022	2,000,000.00	1,947,140.00
KY	Muni	Muni	47316	Kentucky Transportation Toll Rev	Various	1.15	07/01/2027	09/20/2021	6,165,000.00	5,369,221.80
KY	Muni	Muni	46825	Simpson Co. GO	Franklin	1.40	06/01/2030	05/07/2021	2,555,000.00	2,238,486.60
KY	Muni	Muni	40087	University of Kentucky Gen Recpt	Lexington	3.07	04/01/2027	04/24/2017	1,795,000.00	1,687,641.05
KY	Muni	Muni	47134	Barren County KY GO	Barren County	2.00	06/01/2036	07/27/2021	2,455,000.00	1,948,017.95
KY	Muni	Muni	47133	Barren County KY GO	Barren County	1.00	06/01/2029	07/27/2021	1,285,000.00	1,121,201.05
KY	Muni	Muni	47132	Barren County KY GO	Barren County	0.75	06/01/2025	07/27/2021	630,000.00	583,228.80
KY	Muni	Muni	46824	Simpson Co. GO	Franklin	2.00	06/01/2036	05/07/2021	2,445,000.00	1,849,911.45
KY	Muni	Muni	45803	Lexington Fayette County	Lexington	1.25	11/01/2033	09/21/2020	1,685,000.00	1,294,231.65
KY	Muni	Muni	30552	Clark Co KY SDFC	Winchester	5.00	12/01/2030	12/08/2011	2,000,000.00	1,948,200.00
KY	Muni	Muni	30530	Beechwood KY ISD	Fort Mitchell	5.00	12/01/2030	12/01/2011	2,000,000.00	1,996,420.00
KY	Muni	Muni	45801	Lexington Fayette County	Lexington	1.00	11/01/2027	09/21/2020	4,410,000.00	3,981,215.70
KY	Muni	Muni	34136	Bellevue	Campbell Co	4.00	12/01/2032	04/22/2014	515,000.00	496,563.00
KY	Muni	Muni	30346	Carlisle Co KY SD Fin Corp	Bardwell	4.60	10/01/2029	09/29/2011	1,840,000.00	1,794,257.60
KY	Muni	Muni	34392	Louisville KY Regional ARPT SYS	Jefferson Co	3.83	07/01/2025	06/10/2014	1,500,000.00	1,450,530.00
KY	Muni	Muni	30151	Jackson Co KY SD	Mckee	5.00	06/01/2027	07/05/2011	2,480,000.00	2,471,667.20
KY	Muni	Muni	31610	Kentucky State Rural Wtr Fin Cor	Various	3.70	02/01/2043	11/14/2012	2,195,000.00	1,994,596.50
KY	Muni	Muni	47155	Fayette Co. Ky Sch Dist Fin Corp	Fayette County	2.00	08/01/2032	08/04/2021	1,290,000.00	1,079,059.20

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value
KY	Muni	Muni	45804	Lexington Fayette County	Lexington	1.25	11/01/2033	09/21/2020	1,000,000.00	768,090.00
KY	Muni	Muni	40712	Lexington-Fayette	Lexington	2.75	06/01/2027	09/18/2017	1,615,000.00	1,482,376.20
KY	Muni	Muni	47315	Kentucky Public Toll Revenue	Various	1.70	07/01/2033	09/20/2021	6,080,000.00	4,626,150.40
KY	Muni	Muni	47153	Fayette Co. Ky Sch Dist Fin Corp	Fayette County	2.00	08/01/2032	08/04/2021	10,000,000.00	8,364,800.00
KY	Muni	Muni	45802	Lexington Fayette County	Lexington	1.25	11/01/2033	09/21/2020	4,000,000.00	3,072,360.00
KY	Muni	Muni	42769	Louisville Regional Airport	Louisville	3.68	07/01/2024	12/18/2018	5,550,000.00	5,433,061.50
KY	Muni	Muni	40690	Lexington-Fayette Urban County	Lexington	2.85	06/01/2030	09/12/2017	7,580,000.00	6,750,520.60
KY	Muni	Muni	38021	River City Inc Parking Auth	Louisville	3.00	06/01/2028	05/11/2016	730,000.00	674,235.30
KY	Muni	Muni	32986	McCracken Cnty Kentucky	McCracken Co	5.00	09/01/2033	09/11/2013	765,000.00	761,175.00
KY	Muni	Muni	38020	River City Parking Auth	Louisville	3.00	06/01/2026	05/11/2016	685,000.00	647,509.95
KY	Muni	Muni	30411	Fleming Co., KY SDFC	Flemingsburg	4.65	10/01/2030	10/12/2011	5,000,000.00	4,856,700.00
KY	Muni	Muni	32987	McCracken Cnty Kentucky	McCracken Co	3.00	09/01/2023	09/11/2013	255,000.00	253,814.25
KY	Muni	Muni	34610	City Of Paducah KY	Paducah	2.55	11/01/2025	07/09/2014	1,080,000.00	1,048,852.80
KY	Muni	Muni	34879	Danville KY	Danville	3.88	12/01/2036	09/12/2014	755,000.00	701,055.25
KY	Muni	Muni	34880	Danville KY	Danville	2.50	12/01/2024	09/12/2014	100,000.00	97,362.00
KY	Muni	Muni	35272	City of Owensboro KY	Owensboro	3.25	07/01/2024	12/12/2014	1,315,000.00	1,283,979.15
KY	Muni	Muni	35702	Kentucky Rural Water Finance	Bowling Green	4.00	02/01/2041	02/27/2015	765,000.00	659,361.15
KY	Muni	Muni	35704	Kentucky Rural Water Finance	Bowling Green	2.75	02/01/2025	02/27/2015	535,000.00	519,399.40
KY	Muni	Muni	35738	Kentucky Rural Water Finance	Bowling Green	3.60	02/01/2035	03/04/2015	2,170,000.00	2,012,175.90
KY	Muni	Muni	35225	Lexington - Fayette County	Lexington-Fayette	3.25	06/01/2027	12/05/2014	2,795,000.00	2,690,690.60
KY	Muni	Muni	38019	River City Inc Parking Auth	Louisville	3.00	06/01/2027	05/11/2016	710,000.00	663,885.50
Subtotal: Muni										
									135,272,094.82	124,926,548.98

Real Est

KY	Real Est	Real Est	3254	Walgreen's Store Somerset KY	Somerset	7.90	12/30/2028	03/04/2004	3,568,549.00	3,920,001.12
KY	Real Est	Real Est	3191	Lowe's Store Paducah KY	Paducah	9.21	07/31/2025	11/01/1995	7,351,000.00	9,750,000.03
KY	Real Est	Real Est	3194	Lowe's Store Elizabethtown KY	Elizabethtown	8.90	01/31/2026	07/12/1996	8,409,000.00	10,550,000.02
KY	Real Est	Real Est	3197	Winn Dixie Radcliff KY # 1610	Radcliff	9.03	02/29/2024	12/17/1996	3,590,146.00	3,275,002.98
KY	Real Est	Real Est	3198	Walgreen's Store Elizabethtwn KY	Elizabethtown	8.91	02/28/2027	03/24/1997	2,400,000.00	2,910,000.00
KY	Real Est	Real Est	3226	Walgreen's Store Hopkinsville KY	Hopkinsville	8.29	08/30/2020	11/14/2000	4,259,000.00	4,610,001.23
KY	Real Est	Real Est	6501	Walgreen's Store Elizabethtwn KY	Elizabethtown	7.20	10/31/2029	11/30/2005	4,808,000.00	4,815,000.02
KY	Real Est	Real Est	3236	Walgreen's Store Prospect KY	Prospect	8.31	01/31/2021	08/10/2001	4,855,000.00	5,645,000.74
KY	Real Est	Real Est	3183	Winn Dixie Hillview KY # 1669	Hillview	9.27	07/31/2020	01/25/1995	3,013,000.00	2,950,001.18
KY	Real Est	Real Est	3169	Wal-Mart Store Princeton KY	Princeton	9.36	08/31/2022	12/30/1991	2,913,682.00	2,320,001.81
KY	Real Est	Real Est	3234	Walgreen's Store Hillview KY	Hillview	8.61	09/30/2020	03/30/2001	3,630,000.00	4,385,000.07
KY	Real Est	Real Est	3181	Lowe's Store Pikeville KY	Pikeville	9.57	08/31/2024	10/13/1994	5,530,000.00	7,249,999.99
KY	Real Est	Real Est	3176	Winn Dixie Lexington KY # 1632	Lexington	9.26	05/31/2035	08/24/1993	3,407,000.00	3,650,000.87
KY	Real Est	Real Est	3175	Mercantile Warehouse Louisville	Louisville	9.03	06/30/2015	05/07/1993	7,338,745.14	3,500,001.67
KY	Real Est	Real Est	3174	Winn Dixie Leitchfield KY # 1617	Leitchfield	9.50	10/15/2020	06/20/1992	2,145,833.00	2,100,000.15

State	Minor Class	Unit Class	Pos#	Description	Location	Rate	Maturity	First TD	Par Amount	Market Value
KY	Real Est	Real Est	3156	K Mart Store Winchester KY	Winchester	3.40	06/30/2020	09/09/1982	2,715,512.53	2,100,000.88
KY	Real Est	Real Est	3170	Rite Aid Horse Cave KY	Horse Cave	12.43	03/21/2016	03/31/1992	370,000.00	825,000.10
KY	Real Est	Real Est	3167	Wal-Mart Store Hardinsburg KY	Hardinsburg	10.65	01/31/2021	05/15/1985	960,100.00	1,230,000.00
KY	Real Est	Real Est	3161	Sam's Warehouse Paducah KY	Paducah	13.00	01/31/2019	06/24/1983	3,600,000.00	6,199,999.99
KY	Real Est	Real Est	3158	Kroger Revco Owensboro KY	Owensboro	10.50	11/30/2022	12/08/1982	2,232,400.00	1,150,000.77
KY	Real Est	Real Est	3157	Kroger Store Richmond KY	Richmond	10.50	11/30/2037	12/08/1982	2,305,000.00	2,775,000.01
KY	Real Est	Real Est	3171	Winn Dixie St Matthews KY # 1659	St. Matthews	9.50	04/30/2023	06/20/1992	4,348,437.00	5,770,001.93
Subtotal: Real Est										
83,750,404.67										
91,680,015.56										

US Eqty
 KY US Eqty US Eqty 38450 Churchill Downs Inc Louisville KY 0.00 -06/23/2016 9,684.00 1,347,722.28

Subtotal: US Eqty									
9,684.00									
1,347,722.28									
Grand Total:									
327,993,225.37									
312,119,611.62									