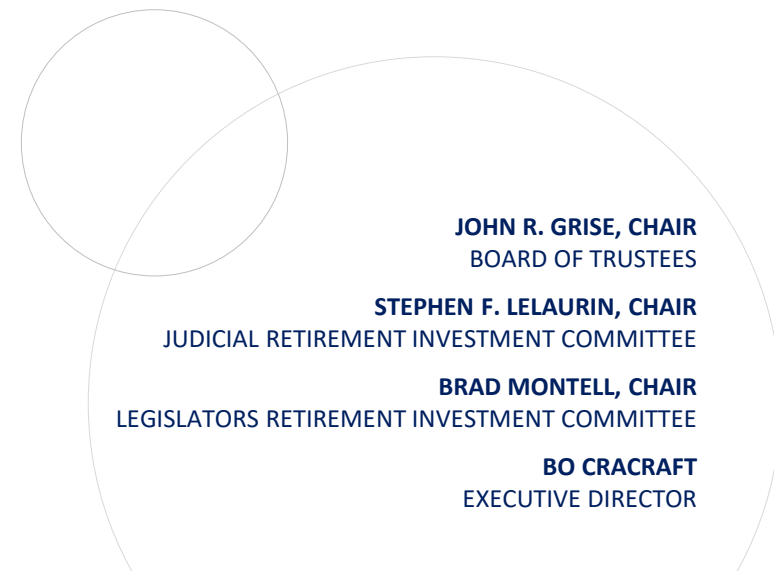




JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY UPDATE

PUBLIC PENSION OVERSIGHT BOARD – APRIL 25, 2022



JOHN R. GRISE, CHAIR
BOARD OF TRUSTEES

STEPHEN F. LELAURIN, CHAIR
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

BRAD MONTELL, CHAIR
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

BO CRACRAFT
EXECUTIVE DIRECTOR



INVESTMENT PERFORMANCE



Investment Performance									
As of March 31, 2022									
		MV	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD ¹
JRP	Defined Benefit	\$573.8M	2.4%	8.5%	16.3%	13.1%	12.4%	8.4%	9.2%
	Cash Balance	\$3.5M	2.5%	9.2%	13.9%	12.0%	-	-	10.4%
	Benchmark ²		3.1%	9.6%	13.8%	11.9%	10.9%	7.8%	-
LRP	Defined Benefit	\$161.3M	2.6%	8.6%	16.4%	13.1%	12.5%	8.4%	9.1%
	Cash Balance	\$0.8M	2.4%	9.0%	13.8%	11.9%	-	-	10.4%
	Benchmark ²		3.1%	9.6%	13.8%	11.9%	10.9%	7.8%	-

Returns are Net of Fees with exception of 20-year and Since Inception

¹ Inception to Date performance: January 1, 1993 (Legacy DB) and June 1, 2015 (Cash Balance)

² Benchmark is 70% S&P 500 Index + 30% Barclays Intermediate Government/Credit Index (compounded monthly)



ESG INVESTING



- **Demand for ESG Investing has increased recently**
- **While not perfect, the Board of Trustees does believe new emphasis is a overall positive development for both business and society**
 - Has increased accountability and forced companies to think more holistically
 - Companies focus on creating value for shareholders has to be balanced with investing in employees, dealing fairly and ethically with suppliers, and supporting the communities in which they operate.
- **JFRS does not currently have Policy, but investment strategy lends itself to**
 - Potential investments are not screened based on criteria with socially conscious focus.
 - BUT, the strategy aims is to find high-quality companies, with competitive advantage and strong management teams that can be held in the portfolio for a VERY long-term period.
 - Result is portfolio of companies that are generally good corporate citizens, respect their employees and customers, and take all stakeholders into consideration.



PROXY VOTING



- **The Board of Trustees Places Importance on Proxy Voting**
 - Share ownership carries rights and responsibilities, including
 - The right to vote shares at annual company meetings and
 - The responsibility to vote proxies diligently in a manner consistent with duty to optimize long-term value of underlying investments.
- **Responsibility of Voting Delegated to External Investment Manager**
 - JFRS has contracted with Baird Trust Company, who manages all JFRS assets across fixed income and equity assets
 - Baird Trust does have approved Proxy Voting Policy and also receives additional proxy research and recommendations from Glass Lewis, who is a industry leader in proxy voting research and execution.