



# JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY UPDATE

PUBLIC PENSION OVERSIGHT BOARD – APRIL 24, 2023



**DANIEL VENTERS, CHAIR**  
BOARD OF TRUSTEES

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

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

**BO CRACRAFT**  
EXECUTIVE DIRECTOR



# INVESTMENT PERFORMANCE



Investment Performance									
As of February 28, 2023									
		MV	FYTD 23	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>JRP</b>	Defined Benefit	\$527.1M	7.3%	-5.2%	10.8%	9.6%	10.7%	8.7%	8.7%
	Cash Balance	\$3.6M	7.5%	-5.3%	9.1%	8.2%	-	-	-
	Benchmark <sup>1</sup>		4.0%	-6.9%	8.1%	7.5%	9.0%	8.2%	8.3%
<b>LRP</b>	Defined Benefit	\$150.0M	7.5%	-5.1%	10.9%	9.7%	10.7%	8.7%	8.6%
	Cash Balance	\$0.9M	7.5%	-5.3%	9.1%	8.1%	-	-	-
	Benchmark <sup>1</sup>		4.0%	-6.9%	8.1%	7.5%	9.0%	8.2%	8.3%

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

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



# INVESTMENT PERFORMANCE



Investment Performance									
As of March 31, 2023									
		MV	FYTD 23	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
<b>JRP</b>	Defined Benefit	\$530.6M	8.3%	-4.8%	15.5%	10.3%	10.5%	8.7%	8.7%
	Cash Balance	\$3.6M	8.5%	-5.0%	12.9%	8.8%	-	-	-
	Benchmark <sup>1</sup>		7.4%	-5.6%	12.6%	8.5%	9.1%	8.3%	8.4%
<b>LRP</b>	Defined Benefit	\$151.0M	8.5%	-4.7%	15.6%	10.3%	10.5%	8.7%	8.6%
	Cash Balance	\$0.9M	8.4%	-5.0%	12.9%	8.7%	-	-	-
	Benchmark <sup>1</sup>		7.4%	-5.6%	12.6%	8.5%	9.1%	8.3%	8.4%

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

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

# CASH FLOW

Fiscal Year ending February 28, 2023  
*compared to February 28, 2022*

8 Months ending February 28	Judicial Retirement Plan		Legislators Retirement Plan	
	FY2023	FY2022	FY2023	FY2022
<i>Member Contributions</i>	\$1.556	\$1.822	\$0.127	\$0.170
<i>Employer Contributions/Appropriations</i>	\$4.982	\$7.148	\$0.000	\$0.000
<i>Investment Income (Net of Inv. Expense)</i>	<u>\$10.081</u>	<u>\$6.526</u>	<u>\$2.913</u>	<u>\$1.872</u>
<b>Total Cash Inflows</b>	<b>\$16.619</b>	<b>\$15.495</b>	<b>\$3.040</b>	<b>\$2.043</b>
<i>Benefit Payments/Refunds</i>	\$18.810	\$17.815	\$4.222	\$4.100
<i>Admin. Expense</i>	<u>\$0.261</u>	<u>\$0.305</u>	<u>\$0.171</u>	<u>\$0.193</u>
<b>Total Cash Outflows</b>	<b>\$19.071</b>	<b>\$18.121</b>	<b>\$4.393</b>	<b>\$4.293</b>
<b>NET Cash Flow Before Asset Gain/(Losses)</b>	<b>(\$2.451)</b>	<b>(\$2.626)</b>	<b>(\$1.353)</b>	<b>(\$2.250)</b>
<i>Realized/Unrealized Asset Gains/(Losses)</i>	\$26.532	\$5.431	\$7.438	\$1.925
<b>Change in Net Position</b>	<b>\$24.080</b>	<b>\$2.805</b>	<b>\$6.086</b>	<b>(\$0.326)</b>
<i>Beginning of Period</i>	\$510.256	\$582.394	\$147.893	\$168.992
<i>End of Period</i>	\$534.336	\$585.199	\$153.978	\$168.666



# LEGISLATIVE UPDATE

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- **House Bill 236 -**

- Board of Trustees began process during April 21 quarterly meeting.
- JFRS Board takes fiduciary responsibility very seriously and has always managed assets in the sole interest of LRP and JRP members.
- The Board has partnered with Baird Trust Company, who serves as their sole investment provider. Baird acknowledges fiduciary duty, is a registered Investment Manager, and has long history of providing above benchmark returns for over 30 years.
- Baird currently handles all proxy voting and votes in accordance with their approved policy. The Board will either formally adopt the Baird Proxy Policy or separate guidelines at a future quarterly meeting.



# ACTUARIAL ASSUMPTION REVIEW



- **Board plans to review Economic Assumptions during July 2023 meeting**
  - As required by HB 76, which was adopted during 2022 Regular Session
    - Assumed Rate of Return, which will include a review of assumed inflation and most recent capitol market assumptions.
    - The plan does not adopt a payroll growth assumption for the purposes of amortizing unfunded liabilities given both JRP and LRP utilize a level-dollar amortization method.
- **The Board plans to also discuss recommendations made by Milliman during their recent actuarial audit.**
- **Full funding valuations will be conducted as of July 1, 2023 and results are expected no later than November 15, 2023.**