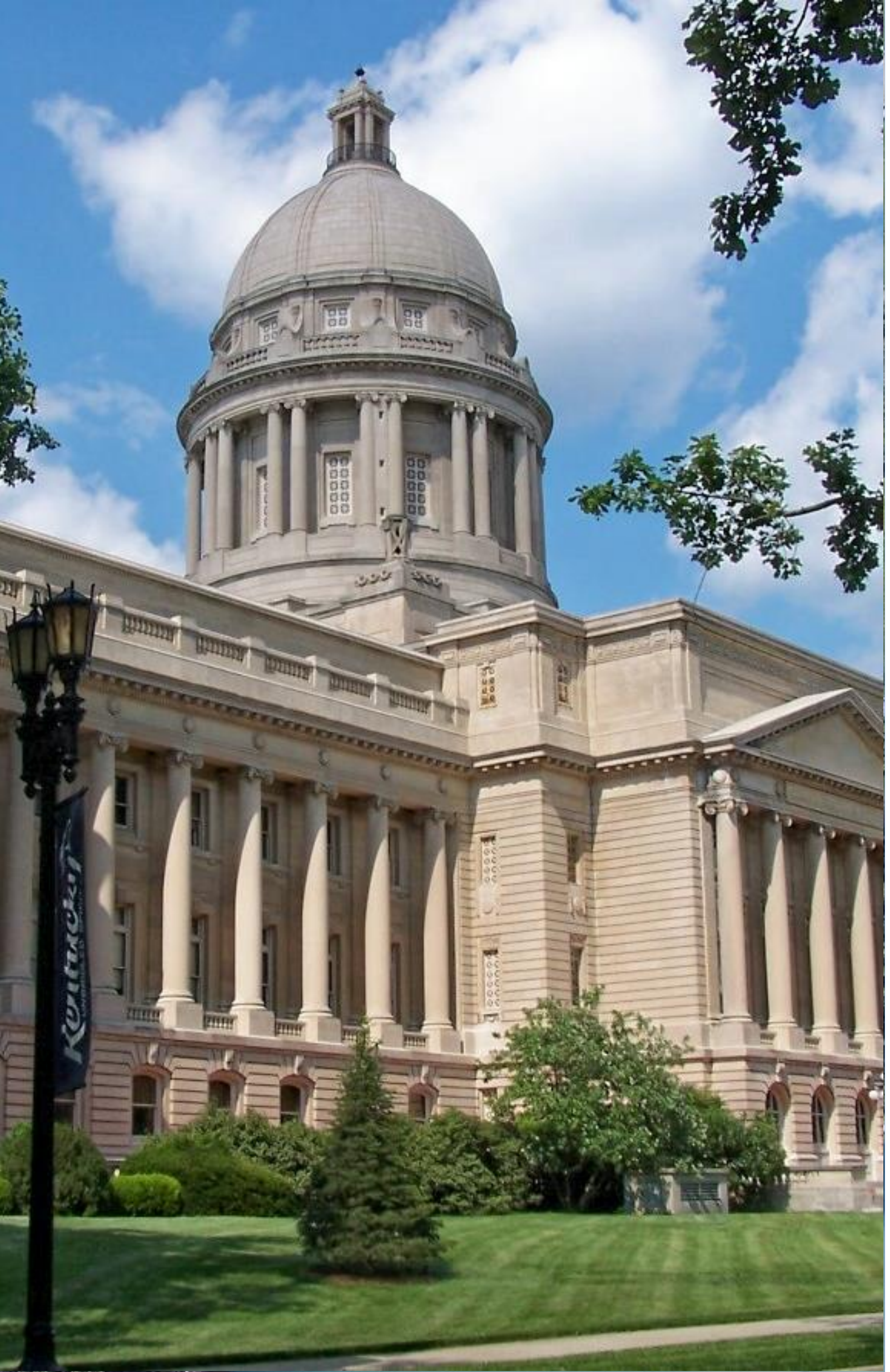


JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY UPDATE

PUBLIC PENSION OVERSIGHT BOARD – AUGUST 26, 2025

DANIEL VENTERS, CHAIR
BOARD OF TRUSTEES

BEN ALLISON, CHAIR
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

W. BRAD MONTELL, CHAIR
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

BO CRACRAFT
EXECUTIVE DIRECTOR

INVESTMENT PERFORMANCE

As of June 30, 2025

Investment Performance *As of June 30, 2025*									
		MV	FY25	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
JRP	Defined Benefit	$726.7M	20.9%	20.9%	18.6%	15.6%	12.1%	10.1%	9.6%
	Cash Balance	$7.3M	20.5%	20.5%	18.6%	14.0%	11.3%	-	-
	Benchmark[1]		12.7%	12.7%	14.9%	11.9%	10.3%	8.6%	8.8%
LRP	Defined Benefit	$213.1M	20.9%	20.9%	18.6%	15.6%	12.1%	10.1%	9.6%
	Cash Balance	$1.9M	20.6%	20.6%	18.5%	13.9%	11.3%	-	-
	Benchmark[1]		12.7%	12.7%	14.9%	11.9%	10.3%	8.6%	8.8%

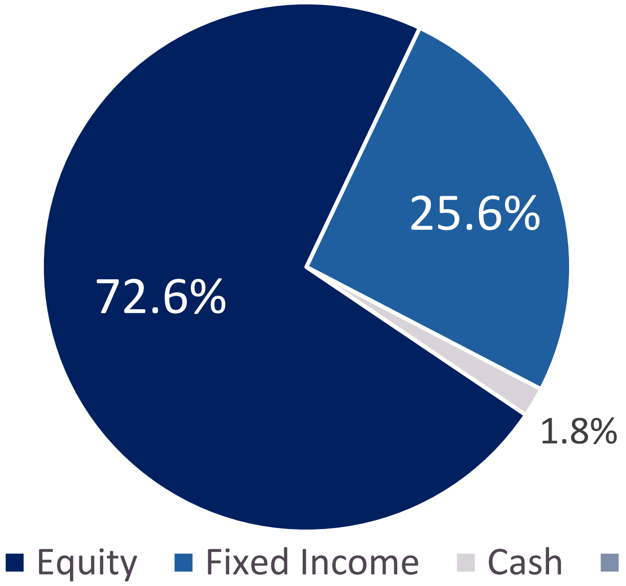
Returns are Net of Fees with exception of 20-year and 30-Year. Cash Balance portfolios inception date is June 1, 2015

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

ASSET ALLOCATION

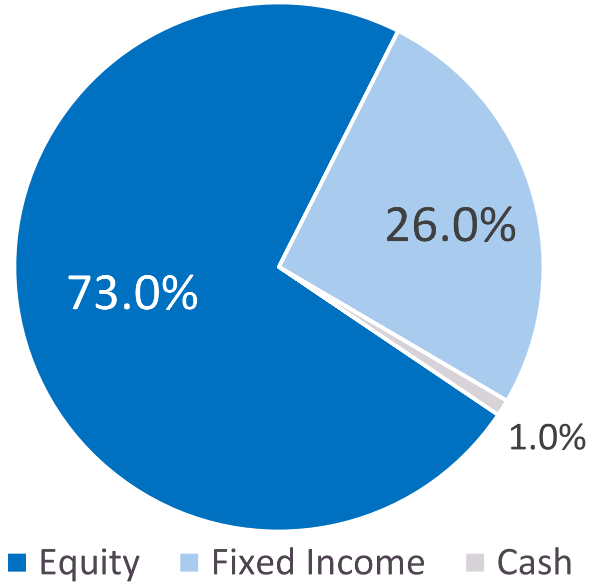
As of June 30, 2025

JUDICIAL RETIREMENT PLAN



JRP			
	Actual	Target	Range
Equity	72.6%	70.0%	60%-80%
Fixed Income	25.6%	30.0%	20%-40%
Cash	1.8%	0.0%	

LEGISLATORS RETIREMENT PLAN



LRP			
	Actual	Target	Range
Equity	73.0%	70.0%	60%-80%
Fixed Income	26.0%	30.0%	20%-40%
Cash	1.0%	0.0%	

CASH FLOW

Fiscal Year ending June 30, 2025
compared to June 30, 2024

	Judicial Retirement Plan		Legislators Retirement Plan	
12 Months ending June 30	**FY2024**	**FY2025**	**FY2024**	**FY2025**
Member Contributions	$1.61	$1.64	$0.26	$0.34
Employer Contributions/Appropriations	$5.31	$0.66	$0.00	$0.00
Investment Income (Net of Inv. Expense)	$11.53	$17.52	$3.32	$5.05
Total Cash Inflows	**$18.45**	**$19.82**	**$3.58**	**$5.38**
Benefit Payments/Refunds	$30.53	$30.71	$6.48	$6.84
Administrative Expense	$0.36	$0.30	$0.23	$0.20
Total Cash Outflows	**$30.89**	**$31.01**	**$6.72**	**$7.04**
Net Cash Flow - *BEFORE Asset Gain/(Losses)*	**($12.43)**	**($11.19)**	**($3.13)**	**($1.66)**
NCF Ratio (before Asset G/L)	*-2.21%*	*-1.73%*	*-1.92%*	*-0.89%*
Realized & Unrealized Asset Gains/(Losses)	$95.43	$111.96	$27.50	$32.50
Net Cash Flow – *AFTER Asset Gain/(Losses)*	**$83.00**	**$100.76**	**$24.36**	**$30.84**
Beginning of Period	$562.80	$645.80	$163.02	$187.39
End of Period	$645.80	$746.56	$187.39	$218.23

2025 EXPERIENCE STUDY

- **Required Every 5 Years, Most Recently performed in 2020**
- **Minor Changes, Resulting in small increase to UAAL**
  - **Individual Salary Increase Assumption –** Removed a shorter-term, lower growth assumption and adopted a flat 3.5% assumption. Does result in minimal impact on UAAL but expect increase to be partially offset by recognition of asset gains.
  - **Cash Balance Interest Credit Rate –** A recommendation from the PPOB Actuarial Audit conducted by Milliman. Increased the assumed interest crediting (from the 4% guaranteed rate). Results in small increase to accrued liability.
  - **Mortality** – Modest revision, updated to most recent rates which were published in 2025. Results in small increase to liability.
  - **Retirement Rates/Termination Rates** – Very slight revisions to simplify both assumptions. No real impact on total liability.

JFRS BUDGET

- **Current Budget & Projected Employer Costs**

		FY2026 *Current*	FY 2027* *Projected*	FY2028* *Projected*
JRP	Employer Cost	$703,000	$2,050,000	$2,190,000
	% of Payroll	2.5%	7.4%	7.9%
LRP	Employer Cost	-	-	-
	% of Payroll	-	-	-

- **Employer Fund Trend** *(in millions)*

		FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27*	FY28*
JRP	Employer Funds	$8.73	$8.73	$6.57	$7.10	$4.98	$5.31	$0.66	$0.70	$2.05	$2.19
LRP	Employer Funds	$0.31	$0.31	-	-	-	-	-	-	-	-

* 2027-2028 Projected Employer Costs were based upon the demographic and financial data as of June 30, 2023 (most recent funding valuation), while using new actuarial assumptions adopted by the Board of Trustees in August 2025 (in response to the Plan's 2025 Experience Study).

APPENDIX

Baird Trust Co – July 2025 Market Commentary

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

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

In today's dynamic world, adapting to change while upholding our investing principles is key.

This Time It's Different, But Key Lessons Endure

Legendary investor Sir John Templeton famously cautioned years ago that, "The four most dangerous words in investing are, 'This time it's different.'" His point was clear: Investors ignore investment history at their own peril. It can be dangerous to get caught up in new investment trends and believe that the traditional rules of investing no longer apply. Yet markets are constantly evolving, and some aspects of today's investment environment truly differ from the past. Our task is to recognize which rules remain foundational and which must adapt.

Reversion-to-the-Mean Investing

We believe the modern investment era should be divided into two distinct periods: pre-internet and post-internet. During the pre-internet era, many successful investors (including Templeton) practiced a strategy we call *reversion-to-the-mean* investing. They bought companies when valuations were near the bottom of their historical ranges and sold when valuations approached the high end in a repeatable cycle. In an economy constrained by geography and limited communications, this disciplined approach worked well. A common refrain was that, "Trees don't grow to the sky." Given the economic realities of this period, this refrain was accurate.

The Internet Era Brings Change

The arrival of the internet introduced a new economic reality, shattering geographic boundaries and expanding total addressable markets for some companies to a global scale. This new reality was hard to comprehend at first – companies able to fully take advantage of this global reach could now grow faster and for longer than even the best businesses of the past. We believe the most successful investment strategy in the internet era is to identify durable, advantaged, high-growth business franchises and then hold them for many years in order to harness the powerful effects of long-term compounding. Trees still don't grow to the sky, but they grow much taller and much faster than before.

Put simply, this time *is* actually different. Investors must recognize the difference and use it to their advantage. Companies that can sustainably grow faster for longer should have higher valuations than their slower growing peers of the past. Investors today need to avoid being too dogmatic about only investing in stocks that are statistically "cheap."

Renowned economist John Maynard Keynes captured the challenge well, saying, "The difficulty lies not so much in developing new ideas as in escaping from old ones." Successful investors today must remain intellectually flexible and open minded, recognizing how technology reshapes competitive dynamics without discarding core disciplines.

Timeless Principles Still Apply

We believe building these new realities into our investment process is essential for success. However, even as circumstances change, certain bedrock investing lessons from the past endure:

- **Price discipline and margin of safety.** The price you pay still matters; valuation should embed a buffer against unforeseen risk.
- **Long-term ownership mindset.** Short-term thinking should be avoided – investors should focus on years, not quarters. It's important to think like a business owner rather than a stock trader.
- **Fundamental financial analysis.** Things like earnings quality, cash-flow durability, profitability and balance sheet strength remain central.
- **Shareholder-oriented management.** The decisions the CEO makes with the firm's capital, along with the culture he or she perpetuates, are critical.
- **Rational temperament.** Emotion should be separate from decision-making when making any investment decisions.

Looking Ahead: Opportunity and Uncertainty

Today is an incredibly interesting and challenging time to be an investor. We are in the early innings of another transformative platform evolution – artificial intelligence. If adoption proceeds as predicted, AI could unleash an enduring productivity boom across nearly every sector of the economy. Productivity growth is a significant tailwind for economic growth. At the same time, investors face heightened geopolitical tensions, historically high sovereign debt loads, substantial budget deficits in the U.S. and deep political polarization. Investors today must weigh the extraordinary promise of AI against the genuine risks that are present. This is not an easy task.

Our Approach

Guided by our time-tested investment philosophy and process, our approach to this conundrum is simple. We strongly believe predicting macroeconomic paths accurately and consistently is futile; building resilient portfolios is not. We therefore:

1. Identify durable, high-quality businesses with clear competitive advantages, long runways for growth and management teams we view as partners.
2. Purchase these businesses at valuations that compensate for risk, preserving a margin of safety.
3. Hold for the long term, allowing the power of compounding to work on our clients' behalf.

This has been our approach for decades. It builds on the underlying timeless principles of investing that do not change, yet allows us the flexibility to remain open-minded and adaptable to the things that do change over time.

Thank you for choosing Baird Trust to help you achieve your investment goals and objectives. We appreciate our relationships with you and pledge our very best efforts on your behalf.

"The difficulty lies not so much in developing new ideas as in escaping from old ones."

—John Maynard Keynes, Economist