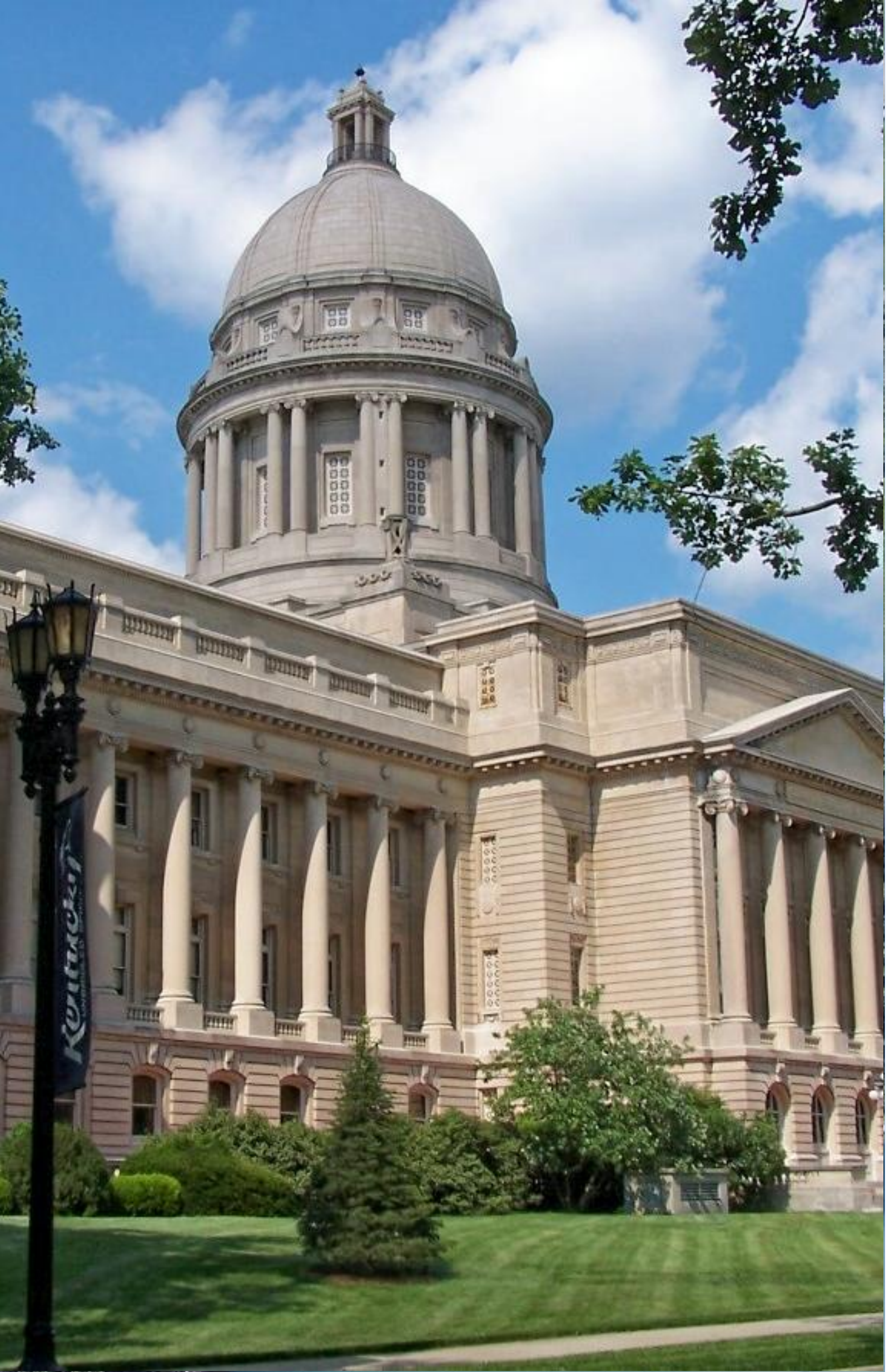


JUDICIAL FORM RETIREMENT SYSTEM

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%

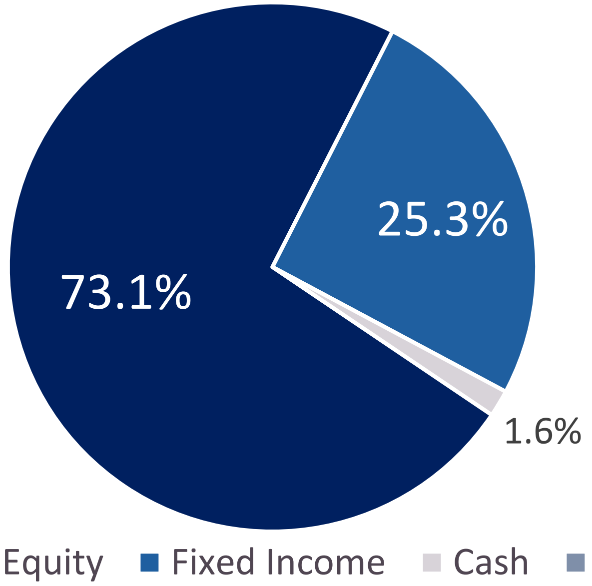
Returns are Net of Fees with exception of 20-year and 30-Year. Cash Balance portfolios inception date is June 1, 2015

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

ASSET ALLOCATION

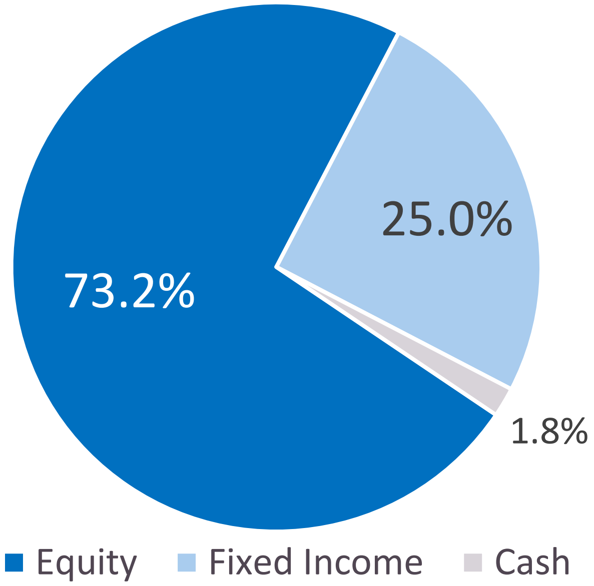
As of June 30, 2026

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

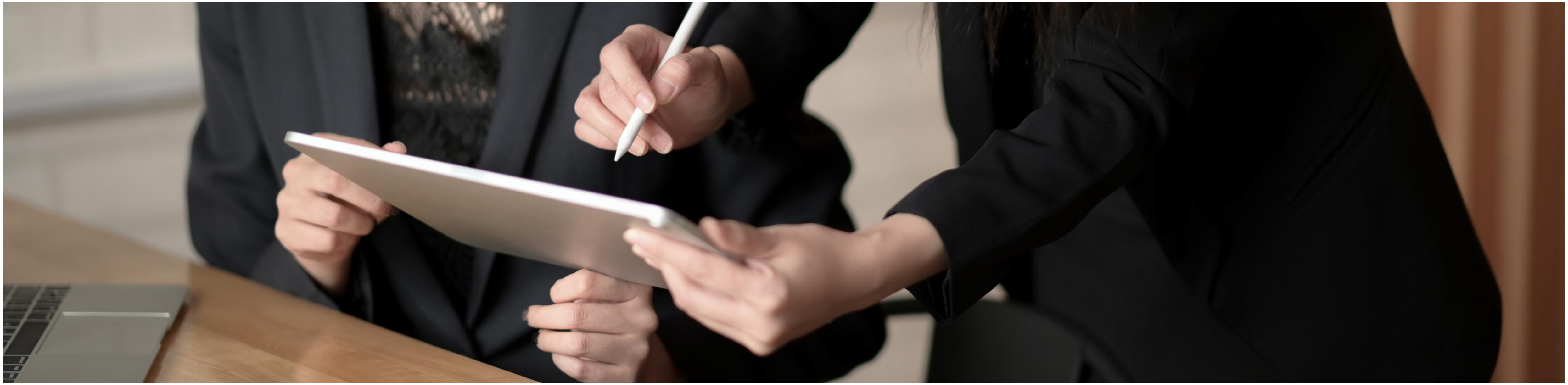
➲ **SB 85 –** AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

- 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

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. Past performance is not a predictor of future success. All investing involves the risk of loss and any security may decline in value. This is not intended as a recommendation to buy any security and views expressed may change without notice. Baird Trust does not provide tax or legal advice. This market commentary is not meant to be advice for all investors. Please consult with your Baird Financial Advisor about your own specific financial situation.

Do you have any questions?

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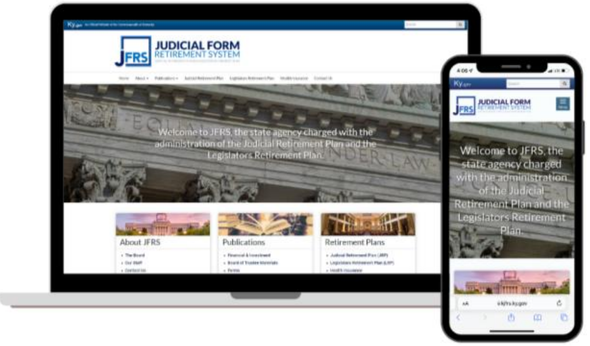

Welcome to JFRS, the state agency charged with the administration of the Judicial Retirement Plan and the Legislators Retirement Plan.