

**Kentucky Retirement Systems Board of Trustees  
Quarterly Board Meeting  
June 17, 2025, 10:00 a.m. ET  
Live Video Conference/Facebook Live  
AGENDA**

- |  |  |
|--|--|
| <b>1. Call to Order</b>  | <b>Lynn Hampton</b>                                  |
| <b>2. Legal Public Statement</b>                                   | <b>Office of Legal Services</b>                      |
| <b>3. Roll Call/Public Comment</b>                                 | <b>Sherry Rankin</b>                                 |
| <b>4. Approval of Minutes – April 17, 2025 and April 29, 2025*</b> | <b>Lynn Hampton</b>                                  |
| <b>5. Review and Approve Actuarial Assumptions*</b>                | <b>Danny White<br/>Janie Shaw</b>                    |
| <b>6. External Auditor RFP Update</b>                              | <b>Michael Lamb</b>                                  |
| <b>7. Hybrid Percentage and KRS Allocation*</b>                    | <b>Michael Lamb</b>                                  |
| <b>8. FY 2026 Draft Administrative Budget</b>                      | <b>Michael Lamb</b>                                  |
| <b>9. Quarterly Financial Reports</b>                              | <b>Michael Lamb</b>                                  |
| <b>10. Hazardous Duty Requests*</b>                                | <b>D’Juan Surratt</b>                                |
| <b>11. Investment Committee Report</b>                             | <b>Prewitt Lane<br/>Steve Willer<br/>Carrie Bass</b> |
| <b>12. Joint Retiree Health Plan Committee Report</b>              | <b>Dr. Crystal Miller<br/>Connie Pettyjohn</b>       |
| <b>13. CEO Report</b>  | <b>John Chilton</b>                                  |
| <b>14. KPPA Update</b>   | <b>Ryan Barrow</b>                                   |
| <b>15. New Business</b>  | <b>Lynn Hampton</b>                                  |
| <b>16. Closed Session** - Litigation</b>                           | <b>Lynn Hampton</b>                                  |
| <b>17. Adjourn</b>   | <b>Lynn Hampton</b>                                  |

*\*Board Action Required*

*\*\*Board Action May Be Required*

**MINUTES OF MEETING  
KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES ANNUAL MEETING  
APRIL 17, 2025, AT 10:00 AM, E.T.  
VIA LIVE VIDEO TELECONFERENCE**

At the Annual Meeting of the Kentucky Retirement Systems Board of Trustees held on April 17, 2025, the following members were present: Lynn Hampton (Chair), David Adkins, Ramsey Bova, Mary Eaves, Prewitt Lane, Dr. Crystal Miller, Keith Percy, William Summers V, and Pamela Thompson. Staff members present were KRS CEO John Chilton, Rebecca Adkins, Erin Surratt, Michael Board, Lori Casey, Vicki Hale, Mike Lamb, Connie Davis, Brian Caldwell, Steve Willer, Anthony Chiu, Ashley Gabbard, Phillip Cook, Sandy Hardin, and Sherry Rankin.

1. Ms. Hampton called the meeting to order.
2. Mr. Board read the Legal Public Statement.
3. Ms. Rankin called roll.

Ms. Rankin noted no ***Public Comments*** were submitted.

4. Ms. Hampton introduced agenda item ***Approval of Minutes – March 12, 2025*** (Video 00:06:20 to 00:07:04). A motion was made by Ms. Bova to approve the meeting minutes of March 12, 2025, as presented. Ms. Eaves seconded the motion. The motion passed unanimously.
5. Ms. Hampton introduced agenda item ***Election of KRS Board of Trustee Officers*** (Video 00:07:04 to 00:09:31). Mr. Chilton led the discussion on the election of KRS Board of Trustee Officers for the upcoming year. Mr. Lane made a motion to approve Ms. Lynn Hampton as Chair of KRS for the next year. Mr. Summers V seconded the motion. The motion passed unanimously.

Ms. Hampton expressed gratitude to the Board for their support and mentioned that the next year will mark the completion of a fourth year in this role, after which she will not seek reelection.

After a brief discussion, Mr. Adkins made a motion to approve Mr. Prewitt Lane as Vice Chair of KRS for the next year. Ms. Bova seconded the motion. The motion passed unanimously.

6. Ms. Hampton introduced agenda item ***Assignments to KPPA Board, Investment Committee Chair, and Committees*** (Video 00:09:31 to 00:09:56). Ms. Hampton led the discussion on assignments to the KPPA Board, Investment Committee Chair, and other committees. This item did not require a vote, as Ms. Hampton holds the authority to appoint members. She requested and received acceptance from Mr. Lane to continue as Chair of the Investment Committee. Responsibility for appointing the Vice Chair and Actuarial Committee will also fall under Mr. Lane's purview.
7. Ms. Hampton introduced agenda item ***PPW Board of Directors Election*** (Video 00:09:56 to 00:14:57). Mr. Willer explained the need to nominate representatives from both KERS and SPRS, as well as someone to vote the PPW proxy for KRS, in accordance with the KRS Investment Proxy Voting Policy. During the discussion, it was clarified that the PPW Bylaws require representation from SPRS and KERS on the Board. Historically, Mr. Peercy has served as the SPRS representative and was commended for his valuable contributions. Ms. Hampton was identified as a highly suitable nominee due to her extensive experience and strong ability to effectively represent KERS.

Following discussion, Mr. Adkins made a motion to submit the name of Ms. Lynn Hampton and Keith Peercy as the KERS and SPRS Representatives for the upcoming PPW Board of Directions' election. Mr. Summers V seconded the motion. The motion passed unanimously.

Next, Mr. Adkins made a motion to authorize Steve Willer as CIO to vote the PPW proxy for KRS as authorized in the KRS Investment Policy Statement and as set forth in the KRS

Investment Proxy Voting Policy. Mr. Summers V seconded that motion. The motion passed unanimously.

8. Ms. Hampton introduced agenda item ***Contract Renewals*** (Video 00:14:57 to 00:30:13). The first contract addressed was for outside general counsel services with Denton Bingham Greenebaum LLP.

Mr. Lane made a motion to renew the contract as presented. Ms. Bova seconded the motion. Ms. Mary Eaves abstained from voting. The motion passed unanimously.

The Board members discussed the renewal of Mr. John Chilton's contract as CEO of the KRS Board. Mr. Board reviewed key points of the contract regarding compensation. Adjustments to his salary were proposed to ensure alignment with past pay increases for state employees. At the recommendation of Mr. Adkins, the Board decided to calculate all past due increases, apply them to Mr. Chilton's salary in a compounded manner, and set the updated salary to take effect on July 1, 2025. The Board also considered amending the contract language to simplify future salary adjustments, ensuring any general pay increases for state employees authorized by the legislature would automatically apply to Mr. Chilton's compensation.

Mr. Adkins made a motion to renew the CEO services contract with John Chilton as discussed. Mr. Summers V seconded the motion. The motion passed unanimously.

9. Ms. Hampton introduced agenda item ***KPPA Update*** (Video 00:30:13 to 00:46:33). Ms. Rebecca Adkins, in the absence of Mr. Ryan Barrow, presented the KPPA Update. Ms. Adkins began by providing the legislative overview. KPPA requested two bills this session. House Bill 30, addressing Public Employee Benefits and Pension Spiking, was signed into law by the Governor. House Bill 71, focusing on KPPA reorganization, progressed further in the process this session but ultimately failed to pass due to timing constraints in a crowded Senate agenda. Other bills directly impacting KPPA include

Senate Bill 10 (CERS Retiree Insurance), Senate Bill 176 (Statutory Committee Membership), and Senate Bill 183 (Fiduciary Duties).

Four active teams continue work on the Strategic Plan, addressing areas such as quality assurance, survey evaluation, member presentations, and exploring AI options for the call center. A Request for Proposal (RFP) has been issued for a technology assessment scheduled for FY 2026, aimed at prioritizing modernization efforts. Additionally, the KPPA Leadership Academy launched in February, with fourteen participants engaging in monthly training sessions and mentoring through December 2025.

Research and budgeting are underway to plan the Board retreat, which will focus on meaningful programming and fostering connections among members. Updates will be shared as plans progress.

KPPA is submitting a \$75M tentative Capital Project plan to modernize or replace the Pension Administration System (PAS), known as START, as part of the LRC biennium budget process.

Ms. Adkins provided an update on the progress of securing office space for the Investment Team. While the process has been cooperative, it remains slow due to delays. Approval is still pending, which once granted, with a projected completion by late summer or early fall.

10. Ms. Hampton introduced agenda item **KRS Update** (*Video 00:46:33 to 00:52:15*). Mr. Chilton provided updates on several key topics. He noted the Proxy Voting Policy might require amendments or clarification. He also mentioned a meeting scheduled with Mr. Barrow to discuss details regarding the upcoming Board retreat. As a related initiative, the Trustee Education Policy is being reviewed, with KPPA staff working on amendments aimed at standardizing anniversary dates across calendar system. Mr. Chilton reported on the Unpaid Invoice Task Force, which held a meeting earlier in the day to advance comprehensive documentation for revising the invoice process, ensuring better coordination between the KERS and CERS systems. Additionally, he highlighted that the budget process is progressing, and initial steps are being taken for a new capital project.

During the update, Mr. Chilton addressed a proposal regarding the documentation of external training sessions, which included the submission of written materials received during these trainings. Concerns were raised about the practicality of such a requirement, particularly due to the volume of materials and potential copyright limitations. The Board discussed the matter and agreed to revisit the policy to refine it, ensuring clarity and minimizing unnecessary administrative burdens.

11. Ms. Hampton introduced agenda item ***Closed Session*** (*Video 00:52:15 to 00:52:30*). The Board and Legal Team confirmed that there were no legal issues necessitating a closed session discussion. As such, the Board did not convene in closed session for this meeting.
12. There being no further business, Ms. Hampton ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held April 17, 2025, except documents provided during a closed session conducted pursuant to the Open Meetings Act and exempt under the Open Records Act.

*The remainder of this page left blank intentionally.*

## **CERTIFICATION**

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

---

Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on April 17, 2025, were approved on June 17, 2025.

---

Chair of the Board of Trustees

I have reviewed the Minutes of the April 17, 2025, Board of Trustees Meeting for content, form, and legality.

---

Executive Director  
Office of Legal Services

**MINUTES OF MEETING  
KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES SPECIAL-CALLED MEETING  
APRIL 29, 2025, AT 11:00 AM, E.T.  
VIA LIVE VIDEO TELECONFERENCE**

At the April 29, 2025, Special-Called Meeting of the Kentucky Retirement Systems Board of Trustees the following Members were present: Lynn Hampton (Chair), David Adkins, Ramsey Bova, Mary Eaves, Prewitt Lane, Keith Percy, and William Summers V. Staff members present: Ryan Barrow, Rebecca Adkins, Erin Surratt, Nathan Goodrich, Steve Willer, Anthony Chiu, Brian Caldwell, Phillip Cook, Ashley Gabbard, Sandy Hardin, and Sherry Rankin. Other members present: KRS CEO John Chilton

1. Ms. Hampton called the meeting to order.
2. Mr. Board read the Legal Public Statement.
3. Ms. Rankin called roll.

Ms. Rankin reported that no public comments were received.

4. Ms. Hampton introduced agenda item ***Real Return Investment Recommendation***. (*Video 00:07:54 to 00:23:10*) Mr. Lane introduced the real return investment recommendation, noting that the investment committee had unanimously approved it earlier that day. He highlighted the longstanding relationship with Kayne Anderson and the thorough vetting process, including references from trusted investment professionals. Mr. Willer then provided details on the strategy, emphasizing its strong risk-adjusted return potential and alignment with the real return portfolio. He explained the due diligence process, the strategy's differentiated nature, and the benefits of shorter capital deployment timelines. The investment would help align portfolio allocations with targets and facilitate the winding down of proxy assets initially used to maintain exposure while transitioning investments. Mr. Chiu provided an overview of the approved investment in Kayne Anderson's continuation vehicle,



highlighting the strategy's attractiveness and its alignment with the real assets portfolio. He noted the fund's visibility, recent successful exits, and strong hedging practices to mitigate commodity price risks. He also listed several public pension plans involved in the investment.

Ms. Hampton inquired about the total percentage of this asset type in the portfolio and policy limits on investments in a single company. It was clarified that the investment would represent approximately 11% of the real return allocation and that diversification requirements exist to manage exposure. She also asked about protections in case of personnel changes, with assurances given that key person clauses in partnership agreements allow action if triggered.

Mr. Lane made a motion to ratify the Investment Committee's recommendation to invest up to \$100 million into the Kayne Private Energy Income Fund III, subject to successful contract negotiations. Mr. Adkins seconded the motion. The motion passed unanimously.

5. There being no further business, Ms. Hampton *adjourned* the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held April 29, 2025, except documents provided during a closed session conducted pursuant to the Open Meetings Act and exempt under the Open Records Act.

*The remainder of this page left blank intentionally.*

## **CERTIFICATION**

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on the various items considered by it at this meeting. Further, I certify that all requirements of KRS61.805-61.850 were met in conjunction with this meeting.

---

Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on April 29, 2025, were approved on June 17, 2025.

---

Chair of the Board of  
Trustees

I have reviewed the Minutes of the April 29, 2025, Board of Trustees Meeting for content, form, and legality.

---

Executive Director, Office of Legal Services



May 15, 2025

Board of Trustees  
Kentucky Retirement Systems  
Perimeter Park West  
1260 Louisville Road  
Frankfort, KY 40601

**Re: Economic Assumptions for Use in the Upcoming June 30, 2025 Actuarial Valuation**

Dear Trustees of the Board:

Kentucky Statute §61.670(1)(c)(1) requires the Board to investigate the principal economic assumptions (i.e. price inflation, investment return assumption, and payroll growth) for use in the actuarial valuation at least once every two years. The purpose of this letter and information is for the Board to satisfy that requirement for the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS).

Economic assumptions used in an actuarial valuation should be representative of the System's expected long-term experience. These assumptions are not intended to consistently model short-term (e.g. the next two to five years) experience, but are supposed to be representative of expected long-term trends. As a result, short-term experience may differ significantly from the long-term assumption used in an actuarial valuation.

The three primary economic assumptions used in an actuarial valuation include the price inflation, investment return, and payroll growth assumption. The following analysis and exhibits provide our recommended assumptions to be adopted by the Board for use in the June 30, 2025 actuarial valuation and rationale for each recommendation.

Assumption	June 30, 2024 Valuation Adopted Assumption	June 30, 2025 Valuation Recommended Assumption
Price Inflation	2.50%	2.50%
Investment Return		
- KERS Non-Hazardous	5.25%	5.25%
- KERS Hazardous	6.25%	6.25%
- SPRS	5.25%	5.25%
- All Insurance Funds	6.50%	6.50%
Payroll Growth		
- KERS Non-Hazardous	N/A	N/A
- KERS Hazardous & SPRS	0.00%	0.00%

KRS Board of Trustees  
May 15, 2025  
Page 2

### **Price Inflation Assumption**

Benefits provided to members in KERS and SPRS are not explicitly impacted by the actual change in price inflation. The current price inflation assumption is 2.50% and was increased from 2.30% in the last experience study conducted in 2022. We reviewed several sources that provide various perspectives of forward-looking inflation expectations and recommend the continued use of a 2.50% inflation assumption in the 2025 actuarial valuation.

We recognized that actual inflation as measured by CPI has been higher than the current 2.50% assumption during the last 48 months. Additionally, many investment professionals and economists expect that inflation volatility and risk have the potential to remain elevated above historical levels for the next 12 to 24 months. However, given the long-time horizon of an actuarial valuation, the Federal Reserve's conviction to return to a 2.00% target inflation, and the relative immateriality of this assumption in the actuarial valuation, we believe a 2.50% inflation assumption continues to be reasonable for this purpose. Please see Exhibit 1 for more information on the comparison of future inflation expectations.

### **Investment Return Assumption**

The investment return assumption is perhaps the most important and most subjective assumption used in an actuarial valuation. It represents the expected long-term return on plan assets and is used to discount future expected benefit payments to the valuation date in order to determine the liabilities of the plan. The investment return assumption for the KERS Non-Hazardous and SPRS pension funds is 5.25%, while the return assumption for the KERS Hazardous pension fund is 6.25%. The investment return assumption for all three insurance funds was increased from 6.25% to 6.50% as of the June 30, 2023 actuarial valuation and remained at 6.50% for the June 30, 2024 actuarial valuation.

We believe the most appropriate approach in identifying a reasonable investment return assumption is to understand forward-looking expectations developed by professional investment consulting firms. To do this, we have analyzed the investment policy for each fund to capital market assumptions from eight nationally recognized investment consultants, including Wilshire Advisors which is KRS's investment consultant. The asset allocation used in this analysis is based on the target asset allocation outlined in the February 21, 2025 investment committee material.

Also, since investment consultants update their assumptions on at least an annual basis, we also compared their expectations developed in 2025, to their prior two-year assumptions using the same target asset allocation to identify and isolate the change in return expectations due to changes in capital market expectations. Attached is Exhibit 2 (i.e. Exhibits 2a, 2b, and 2c) that provides this comparison for each investment consulting firm for 2023, 2024, and 2025.



KRS Board of Trustees  
May 15, 2025  
Page 3

Based on the information reviewed, it is our recommendation that the Board adopt the continued use of the June 30, 2024 investment return assumptions for use in the June 30, 2025 actuarial valuation.

### **Payroll Growth Assumption**

The payroll growth assumption is only used in the development of the amortization cost component of the contribution rate. When emerging membership payroll changes are consistent with the payroll growth assumption, the amortization cost will remain relatively constant as a percentage of payroll (assuming there are no other gains or losses). However, if the future change in payroll is consistently less (more) than assumed, then the amortization cost will gradually increase (decrease) as a percentage of membership payroll. Note, due to the actuarial backloading in the amortization payments, there is greater financial risk to having a payroll growth assumption that is too high versus too low.

The current payroll growth assumption used for the KERS Hazardous and SPRS funds (pension and insurance) is 0.00%. In other words, the actuarial valuation assumes that total payroll will remain relatively unchanged each future year. In the event that total membership payroll increases, then the amortization cost as a percentage of payroll will decrease.

HB 8 enacted during the 2021 legislative session changed the method for the KERS Non-Hazardous fund (pension and insurance) to collect contributions from participating employers such that the System now “invoices” each employer their amortization cost and the only payroll-based contribution is the normal cost rate. In the context of the KERS Non-Hazardous fund, the payroll growth assumption determines whether the aggregate amortization that is proportioned amongst the participation employers is assumed to remain flat (i.e. a 0.00% payroll growth assumption) or is assumed to increase each year (i.e. a payroll growth assumption greater than 0.00%).

Exhibit 3. provides a ten-year historical experience of the change in membership headcount and membership payroll for each fund. However, as we also consider the relatively low funded status of these pension funds, we recommend the continued use of a 0.00% payroll growth assumption for the KERS Hazardous, and SPRS funds for use in the June 30, 2025 actuarial valuation. In addition, we believe a 0.00% payroll growth assumption remains appropriate for determining the aggregate amortization cost for the KERS Non-Hazardous fund (pension and insurance) as this assumption results in a level-dollar amortization cost for the participating employers for this fund.



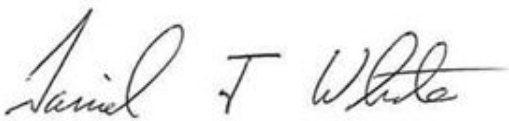
KRS Board of Trustees  
May 15, 2025  
Page 4

### Closing Comments

This analysis was conducted in accordance with generally accepted actuarial principles and practices. We believe these recommended assumptions comply with Actuarial Standard of Practice No. 27, Selection of Economic Assumptions for Measuring Pension Obligations.

All of the undersigned are members of the American Academy of Actuaries and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. In addition, all of the undersigned are experienced in performing valuations for large public retirement systems.

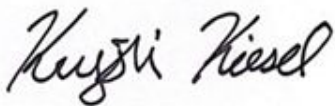
Sincerely,



Daniel J. White, FSA, EA, MAAA  
Senior Consultant



Janie Shaw, ASA, EA, MAAA  
Consultant

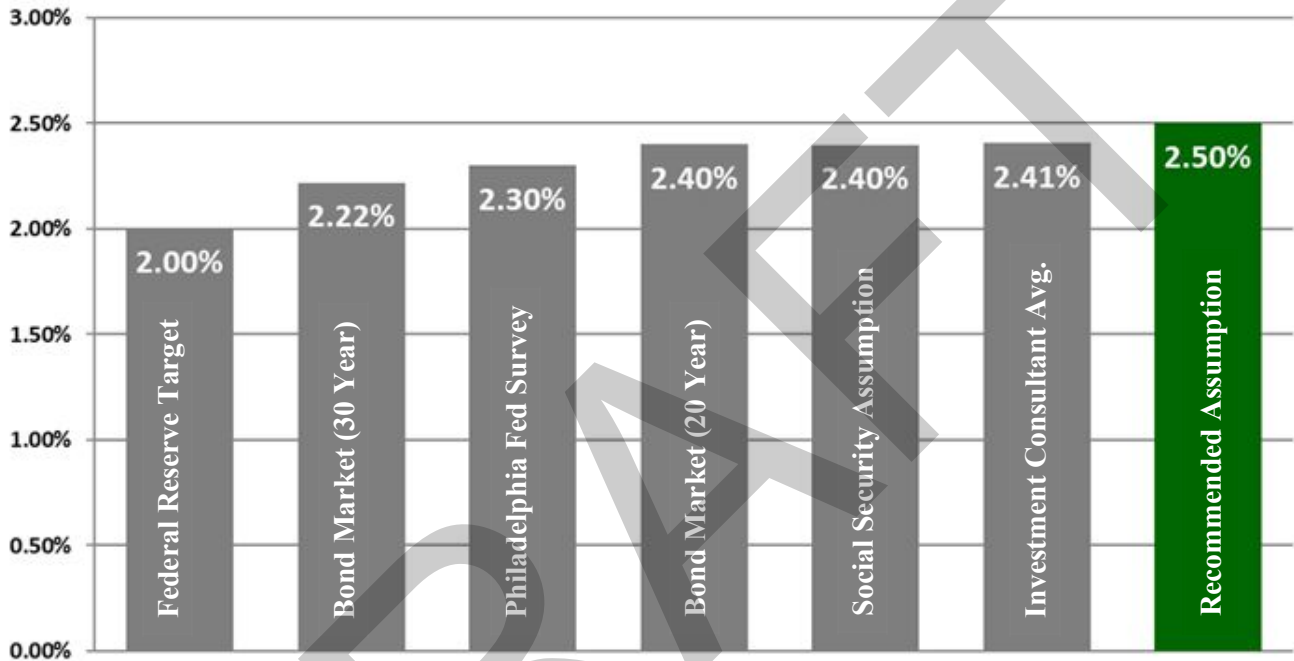


Krysti Kiesel, ASA MAAA  
Consultant

Enclosure



**Exhibit 1.**  
**Comparison of Price Inflation Assumption to**  
**Sources of Forward-Looking Expectations**



## Exhibit 2.a.

### KERS Non-Hazardous and SPRS Pension Funds

	Investment Consultant	50th Percentile Expected Return (Geometric)			Probability of Exceeding 5.25%		
		2025	2024	2023	2025	2024	2023
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>7 to 10 Year Expectations</b>	1	6.0%	6.3%	6.9%	59%	63%	69%
	2	6.2%	6.6%	6.5%	62%	66%	66%
	3	6.3%	5.8%	6.2%	63%	56%	62%
	4	6.6%	6.3%	5.9%	69%	64%	59%
	5	6.7%	7.0%	7.0%	68%	69%	69%
	6	6.7%	7.0%	6.5%	68%	71%	65%
	7	6.9%	6.9%	7.2%	68%	70%	73%
	8	7.1%	6.7%	7.0%	73%	69%	72%
<b>20 to 30 Year Expectations</b>	1	5.9%	5.8%	6.0%	59%	58%	60%
	2	7.1%	6.9%	7.1%	73%	71%	72%
	3	7.1%	7.0%	7.0%	71%	71%	71%
	4	7.2%	7.2%	7.3%	74%	71%	72%
	5	7.2%	6.9%	6.9%	73%	69%	70%
7-10 Year Expectation Avg:		6.6%	6.6%	6.7%	66%	66%	67%
20-30 Year Expectation Avg:		6.9%	6.8%	6.9%	70%	68%	69%

The asset allocation used in this analysis is based on the target asset allocation outlined in the February 21, 2025 investment committee material. The primary purpose of performing this analysis using multiple investment consulting firms is to quantify the possible difference in forward looking return expectations within the professional investment community. We have provided this analysis based on information from the following investment consulting firms:

- Aon
- Mercer
- BNY Mellon
- NEPC
- Callan
- RVK
- Cambridge
- Wilshire Associates





## Exhibit 2.b.

### KERS Hazardous Pension Fund

	Investment Consultant	50th Percentile Expected Return (Geometric)			Probability of Exceeding 6.25%		
		2025	2024	2023	2025	2024	2023
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>7 to 10 Year Expectations</b>	1	6.0%	6.5%	7.3%	48%	53%	60%
	2	6.4%	5.9%	6.4%	52%	46%	52%
	3	6.6%	6.9%	7.1%	53%	57%	59%
	4	6.9%	7.1%	7.2%	57%	59%	60%
	5	7.1%	6.7%	6.3%	59%	55%	51%
	6	7.1%	7.2%	7.6%	58%	60%	64%
	7	7.2%	7.4%	7.0%	59%	62%	57%
	8	7.4%	7.1%	7.5%	62%	59%	63%
<b>20 to 30 Year Expectations</b>	1	6.2%	6.2%	6.3%	49%	49%	51%
	2	7.5%	7.5%	7.7%	63%	63%	64%
	3	7.5%	7.4%	7.7%	64%	62%	64%
	4	7.6%	7.5%	7.5%	62%	63%	63%
	5	7.6%	7.2%	7.3%	63%	60%	61%
7-10 Year Expectation Avg:		6.8%	6.9%	7.1%	56%	56%	58%
20-30 Year Expectation Avg:		7.3%	7.2%	7.3%	60%	59%	61%

The asset allocation used in this analysis is based on the target asset allocation outlined in the February 21, 2025 investment committee material. The primary purpose of performing this analysis using multiple investment consulting firms is to quantify the possible difference in forward looking return expectations within the professional investment community. We have provided this analysis based on information from the following investment consulting firms:

- Aon
- BNY Mellon
- Callan
- Cambridge
- Mercer
- NEPC
- RVK
- Wilshire Associates



## Exhibit 2.c.

### KERS and SPRS Insurance Funds

	Investment Consultant	50th Percentile Expected Return (Geometric)			Probability of Exceeding 6.50%		
		2025	2024	2023	2025	2024	2023
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>7 to 10 Year Expectations</b>	1	6.2%	6.5%	7.3%	45%	50%	58%
	2	6.4%	5.9%	6.4%	49%	44%	49%
	3	6.6%	6.9%	7.1%	51%	54%	56%
	4	6.9%	7.1%	7.2%	54%	56%	57%
	5	7.1%	6.7%	6.3%	56%	52%	48%
	6	7.1%	7.2%	7.6%	56%	57%	61%
	7	7.2%	7.4%	7.0%	57%	59%	55%
	8	7.4%	7.1%	7.5%	59%	56%	60%
<b>20 to 30 Year Expectations</b>	1	6.2%	6.2%	6.3%	47%	47%	48%
	2	7.5%	7.5%	7.7%	61%	60%	62%
	3	7.5%	7.4%	7.7%	62%	59%	61%
	4	7.6%	7.5%	7.5%	60%	60%	60%
	5	7.6%	7.2%	7.3%	61%	57%	58%
7-10 Year Expectation Avg:		6.9%	6.9%	7.1%	53%	54%	56%
20-30 Year Expectation Avg:		7.3%	7.2%	7.3%	58%	57%	58%

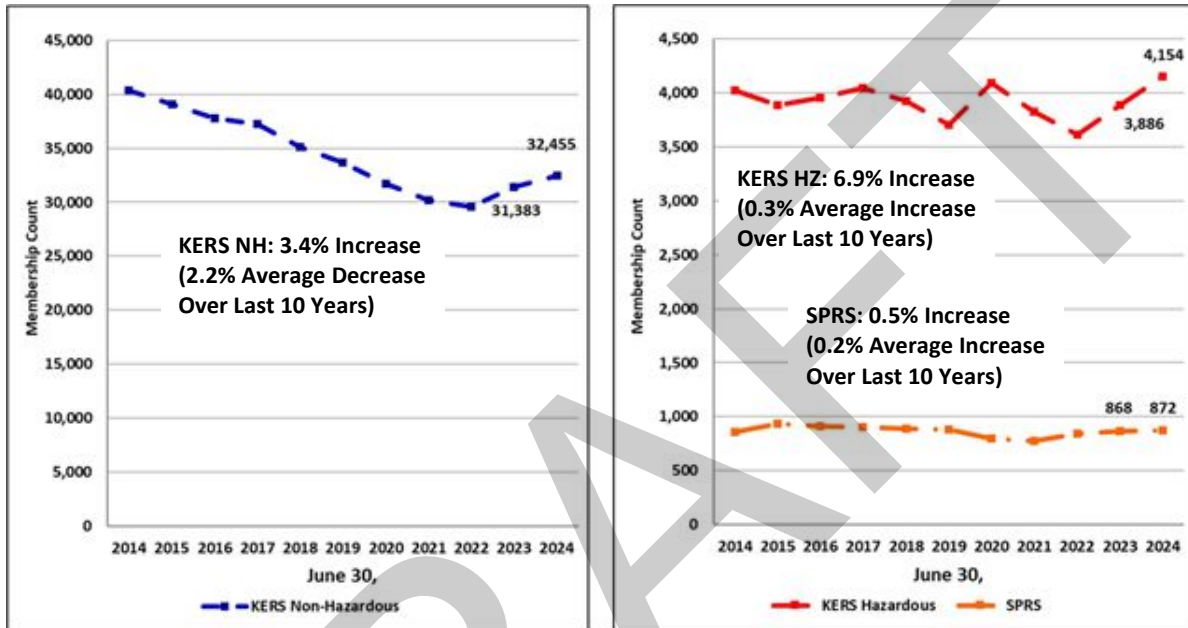
The asset allocation used in this analysis is based on the target asset allocation outlined in the February 21, 2025 investment committee material. The primary purpose of performing this analysis using multiple investment consulting firms is to quantify the possible difference in forward looking return expectations within the professional investment community. We have provided this analysis based on information from the following investment consulting firms:

- Aon
- BNY Mellon
- Callan
- Cambridge
- Mercer
- NEPC
- RVK
- Wilshire Associates

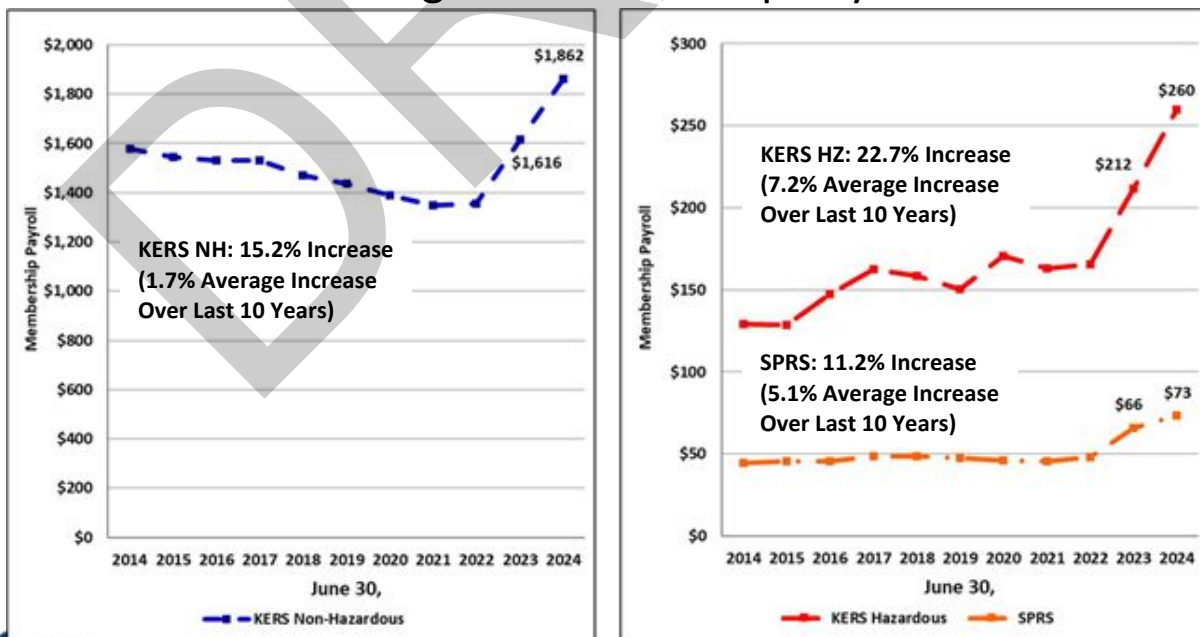


### Exhibit 3. Review of Historical Change in Active Membership Headcount and Payroll

#### Change in Active Membership Headcount



#### Change in Membership Payroll





# KENTUCKY PUBLIC PENSIONS AUTHORITY

**Ryan Barrow, Executive Director**

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Kentucky Retirement Systems Board of Trustees  
From: Michael Lamb, KPPA, CFO  
Date: June 17, 2025  
Subject: FY 2026-Allocation of Administrative Expenses-KRS Systems and Plans

## PURPOSE:

The purpose of this memo is to ask the KRS Board of Trustees to approve the FY 2026 allocation of the KRS hybrid % between the KERS Nonhazardous, KERS Hazardous, and the SPRS plan, based on membership (as was done in the past).

During the April 23, 2025 KPPA Board meeting, the KPPA Board did approve the FY 2026 Hybrid % for administrative expenses for KRS and CERS is as follows:

KRS 35.65% and CERS 64.35%

For Reference: the PY (FY 2025) Hybrid % was: KRS 35.84% and CERS 64.16%.

Based on membership, the recommended allocation of the FY 2026 CERS hybrid % (of 64.35%) among the applicable plans is as follows:

<b>KRS</b>	Membership as of 6/30/2024	% of Membership	% of Admin Expenses
KERS Nonhazardous	128,724	87.72%	31.266%
KERS Hazardous	15,152	10.33%	3.688%
SPRS	2,867	1.95%	0.696%
<b>KERS Total</b>	<b>146,743</b>	<b>100%</b>	<b>35.650%</b>

For informational Purposes the breakdown for the FY 2025 Hybrid % was

<b>KRS</b>	Membership as of 6/30/2023	% of Membership	% of Admin Expenses
KERS Nonhazardous	126,830	87.93%	31.514%
KERS Hazardous	14,556	10.09%	3.617%
SPRS	2,852	1.98%	0.709%
<b>CERS Total</b>	<b>144,238</b>	<b>100%</b>	<b>35.840%</b>

**BACKGROUND:**

In accordance with KRS 61.505 11(a), the Kentucky Public Pensions Authority (KPPA) Board has the responsibility of determining how to prorate, assign or allocate to County Employees Retirement System and to Kentucky Retirement Systems all expenses incurred by or on behalf of the KPPA.

The KPPA Board approves the Hybrid % for the CERS and the KRS but leaves the allocation among the individual plans of each system up to the Board of each system.

**DRAFT**

<b>ADMINISTRATIVE EXPENSES</b>	<b>FY 2025 Admin Budget</b>	<b>FY 2025 PROJECTED ACTUAL</b>	<b>FY 2026 DRAFT ADMIN BUDGET</b>	<b>Budget to Budget Difference Year to Year</b>	<b>% Change Budget vs Budget</b>	<b>FY 2026 DRAFT Budget to FY 2025 PROJECTED ACTUAL Difference</b>	<b>% Change FY2025 A to FY2026 B</b>
<b>PERSONNEL</b>							
Subtotal	\$ 36,798,000	\$ 34,918,924	\$ 37,718,000	\$ 920,000	2.50%	\$ 2,799,076	8.02%
<b>LEGAL CONTRACTS</b>							
Subtotal	\$ 2,030,000	\$ 1,314,940	\$ 1,820,000	\$ (210,000)	-10.34%	\$ 505,060	38.41%
<b>AUDITING</b>							
Subtotal	\$ 300,000	\$ 220,196	\$ 250,000	\$ (50,000)	-16.67%	\$ 29,804	13.54%
<b>ACTUARIAL SERVICES</b>							
Subtotal	\$ 525,000	\$ 275,780	\$ 550,000	\$ 25,000	4.76%	\$ 274,220	99.43%
<b>MEDICAL EXAMINERS / HEARING OFFICERS</b>							
Subtotal	\$ 1,800,000	\$ 1,085,727	\$ 1,800,000	\$ -	0.00%	\$ 714,273	65.79%
<b>OTHER PERSONNEL</b>							
Subtotal	\$ 510,000	\$ 281,988	\$ 1,085,000	\$ 575,000	112.75%	\$ 803,012	284.77%
<b>PERSONNEL TOTAL</b>	<b>\$ 41,963,000</b>	<b>\$ 38,097,555</b>	<b>\$ 43,223,000</b>	<b>\$ 1,260,000</b>	<b>3.00%</b>	<b>\$ 5,125,445</b>	<b>13.45%</b>
<b>OPERATIONAL</b>							
<b>RENTALS - BUILDING &amp; EQUIPMENT</b>							
Subtotal	\$ 1,175,000	\$ 1,084,922	\$ 1,210,000	\$ 35,000	2.98%	\$ 125,078	11.53%
<b>INFORMATION TECHNOLOGY</b>							
Subtotal	\$ 4,230,000	\$ 3,400,325	\$ 3,940,000	\$ (290,000)	-6.86%	\$ 539,675	15.87%
<b>OTHER OPERATIONAL</b>							
Subtotal	\$ 1,397,500	\$ 1,222,059	\$ 1,509,000	\$ 111,500	7.98%	\$ 286,941	23.48%
<b>OPERATIONAL TOTAL</b>	<b>\$ 6,802,501</b>	<b>\$ 5,707,306</b>	<b>\$ 6,659,000</b>	<b>\$ (143,501)</b>	<b>-2.11%</b>	<b>\$ 951,694</b>	<b>16.68%</b>
<b>ADMINISTRATIVE BUDGET SUBTOTAL</b>	<b>\$ 48,765,501</b>	<b>\$ 43,804,862</b>	<b>\$ 49,882,000</b>	<b>\$ 1,116,499</b>	<b>2.29%</b>	<b>\$ 6,077,138</b>	<b>13.87%</b>
<b>Unallocated Reserve</b>	216,000		87,700	(128,300)	-59.40%	\$ 87,700	#DIV/0!
<b>ADMINISTRATIVE BUDGE AMOUNT</b>	<b>\$ 48,981,501</b>	<b>\$ 43,804,862</b>	<b>\$ 49,969,700</b>	<b>\$ 988,199</b>	<b>2.02%</b>	<b>\$ 6,164,838</b>	<b>14.07%</b>

**DRAFT**

### Combining Statement of Fiduciary Net Position

For the nine month period ending March 31, 2025, with Comparative Totals for the nine month period ending March 31, 2024 (\$ in Thousands) (Unaudited)

ASSETS	Pension			Insurance			KRS Total		
	KERS	KERS	SPRS	KERS	KERS	SPRS			
	Nonhazardous	Hazardous		Nonhazardous	Hazardous		2025	2024	
CASH AND SHORT-TERM INVESTMENTS									
Cash Deposits	\$271	\$26	\$25	\$101	\$18	\$14	\$454	\$500	(9.08)%
Short-term Investments	212,750	53,045	35,911	71,501	23,055	7,799	404,061	502,638	(19.61)%
Total Cash and Short-term Investments	213,021	53,071	35,936	71,602	23,073	7,813	404,516	503,138	1
RECEIVABLES									
Accounts Receivable	89,339	4,169	3,012	5,559	450	333	102,862	107,161	(4.01)%
Accounts Receivable - Investments	81,775	14,808	12,032	24,365	8,598	3,502	145,080	50,692	186.20%
Total Receivables	171,114	18,977	15,044	29,924	9,048	3,834	247,942	157,853	2
INVESTMENTS, AT FAIR VALUE									
Core Fixed Income	1,285,082	116,095	190,378	192,978	74,567	28,590	1,887,691	1,582,389	19.29%
Public Equities	1,405,669	427,551	206,646	690,692	272,647	110,004	3,113,209	3,091,834	0.69%
Private Equities	198,166	65,240	27,426	108,546	46,434	20,803	466,614	488,921	(4.56)%
Specialty Credit	954,129	272,263	138,925	439,370	174,480	70,859	2,050,025	1,677,563	22.20%
Derivatives	2	1	-	1	(5)	1	-	(16)	(100.00)%
Real Return	460,484	84,870	67,773	135,960	53,176	21,335	823,598	591,620	39.21%
Real Estate	229,663	62,159	34,858	100,899	44,412	16,959	488,951	463,119	5.58%
Total Investments, at Fair Value	4,533,195	1,028,180	666,006	1,668,446	665,713	268,551	8,830,088	7,895,429	11.84%
Securities Lending Collateral Invested	130,345	30,161	19,402	42,591	16,842	6,765	246,106	146,833	67.61%
CAPITAL/INTANGIBLE ASSETS									
Capital Assets	929	91	11	-	-	-	1,031	1,031	(0.00)%
Intangible Assets	5,920	494	100	-	-	-	6,513	6,513	0.00%
Accumulated Depreciation	(929)	(91)	(11)	-	-	-	(1,031)	(1,031)	(0.00)%
Accumulated Amortization	(5,920)	(494)	(100)	-	-	-	(6,513)	(6,513)	0.00%
Total Capital Assets	-	-	-	-	-	-	-	-	
Total Assets	5,047,674	1,130,389	736,387	1,812,563	714,676	286,964	9,728,652	8,703,253	

**Combining Statement of Fiduciary Net Position Continued**

For the nine month period ending March 31, 2025, with Comparative Totals for the nine month period ending March 31, 2024 (\$ in Thousands) (Unaudited)

	Pension			Insurance			KRS Total		
	KERS	KERS	SPRS	KERS	KERS	SPRS	2025	2024	
	Nonhazardous	Hazardous		Nonhazardous	Hazardous				
LIABILITIES									
Accounts Payable	3,869	1,146	178	45	4	-	5,242	4,351	20.47%
Investment Accounts Payable	117,547	18,883	17,259	31,158	10,518	4,351	199,716	138,365	44.34% 7
Securities Lending Collateral	130,345	30,161	19,402	42,591	16,842	6,765	246,106	146,833	67.61% 8
Total Liabilities	251,761	50,190	36,839	73,794	27,364	11,116	451,064	289,549	
Total Fiduciary Net Position Restricted for Pension Benefits									
	\$4,795,913	\$1,080,199	\$699,548	\$1,738,769	\$687,313	\$275,848	\$9,277,589	\$8,413,705	

**NOTE - Variance Explanation for changes greater than 10% and more than \$1 million.****Differences due to rounding**

- 1) Short term investments are primarily comprised of cash on hand at the custodial bank, the variance in the balance is a result of the cash flows of each plan.
- 2) The variance in Investment Accounts Receivable is due to pending trades.
- 3) The increase in Core Fixed Income is a result of additional funding.
- 4) The increase in Specialty Credit is a result of additional funding.
- 5) The increase in Real Return is a result of additional funding of new managers and favorable market conditions.
- 6) The variance is a result of the demand of the Securities Lending Program.
- 7) The variance in Investment Accounts Payable is due to pending trades.
- 8) The variance is a result of the demand of the Securities Lending Program.



**Combining Statement of Changes In Fiduciary Net Position**

For the nine month period ending March 31, 2025, with Comparative Totals for the nine month period ending March 31, 2024 (\$ in Thousands) (Unaudited)

	Pension			Insurance			KRS Total		
	KERS	KERS	SPRS	KERS	KERS	SPRS	2025	2024	
	Nonhazardous	Hazardous		Nonhazardous	Hazardous				
ADDITIONS									
Member Contributions	\$78,393	\$16,521	\$4,490	\$-	\$-	\$-	\$99,404	\$91,960	8.10%
Employer Contributions	113,189	52,768	38,624	22,467	1	1,422	228,471	267,722	(14.66)%
Actuarially Accrued Liability Contributions	648,073	-	-	1,360	-	-	649,432	739,399	(12.17)%
General Fund Appropriations	224,999	-	18,750	-	-	-	243,749	180,000	35.42%
Pension Spiking Contributions	11	-	-	-	-	-	11	19	(39.46)%
Health Insurance Contributions (HB1)	(27)	(19)	(8)	9,046	1,659	335	10,986	9,651	13.82%
Humana Gain Share Payment	-	-	-	-	-	-	-	9,481	
Medicare Drug Reimbursement	-	-	-	3	-	-	3	3	0.00%
Insurance Premiums	-	-	-	34	(46)	(25)	(38)	40	196.53%
Retired Reemployed Healthcare	-	-	-	6,381	1,599	24	8,004	6,779	18.07%
Total Contributions	1,064,639	69,269	61,856	39,290	3,212	1,755	1,240,022	1,305,052	
INVESTMENT INCOME									
From Investing Activities									
Net Appreciation (Depreciation) in FV of Investments	147,983	32,784	20,365	51,710	20,333	8,135	281,311	517,407	45.63%
Interest/Dividends	116,313	27,408	17,530	45,092	17,108	6,925	230,376	198,240	16.21%
Total Investing Activities Income (loss)	264,297	60,192	37,896	96,802	37,441	15,060	511,687	715,647	
Less: Investment Expense	17,725	4,910	2,501	7,645	3,557	1,418	37,755	30,752	22.77%
Less: Performance Fees	7,584	1,805	887	2,895	1,509	560	15,239	9,858	54.59%
Net Income (loss) from Investing Activities	238,988	53,478	34,507	86,262	32,374	13,083	458,692	675,037	
From Securities Lending Activities									
Securities Lending Income	4,984	1,215	829	1,865	560	253	9,707	5,727	
Less: Securities Lending Borrower Rebates (Income)/Expense	4,419	1,082	736	1,661	497	225	8,620	4,946	
Less: Securities Lending Agent Fees	85	20	14	31	9	4	164	117	
Net Income from Securities Lending	480	113	79	174	54	24	924	664	39.17%
Net Investment Income (loss)	239,468	53,591	34,587	86,436	32,428	13,106	459,615	675,700	
Total Additions	1,304,106	122,860	96,443	125,726	35,640	14,862	1,699,637	1,980,753	(14.19)%

### Combining Statement of Changes In Fiduciary Net Position Continued

For the nine month period ending March 31, 2025, with Comparative Totals for the nine month period ending March 31, 2024 (\$ in Thousands) (Unaudited)

	Pension			Insurance			KRS Total		
	KERS	KERS	SPRS	KERS	KERS	SPRS	2025	2024	
	Nonhazardous	Hazardous		Nonhazardous	Hazardous				
DEDUCTIONS									
Benefit Payments	786,902	66,545	49,593	-	-	-	903,040	880,670	2.54%
Refunds	8,521	4,848	284	-	-	-	13,653	10,955	24.62% 11
Administrative Expenses	10,341	1,188	233	518	87	54	12,421	12,384	0.31%
Healthcare Premiums Subsidies	-	-	-	77,037	16,095	11,031	104,163	92,986	12.02% 12
Self Funded Healthcare	-	-	-	1,496	63	19	1,578	1,257	25.55%
Excise Tax	-	-	-	-	-	-	-	3	
Total Deductions	805,764	72,581	50,110	79,051	16,245	11,104	1,034,856	998,256	
Net Increase (Decrease) in Fiduciary Net Position Restricted for Pension Benefits	498,342	50,278	46,333	46,675	19,395	3,757	664,781	982,497	
Total Fiduciary Net Position Restricted for Pension Benefits									
Beginning of Period	4,297,571	1,029,921	653,216	1,692,094	667,917	272,090	8,612,809	7,431,208	
End of Period	\$4,795,913	\$1,080,199	\$699,549	\$1,738,769	\$687,312	\$275,848	\$9,277,590	\$8,413,705	10.27%
NOTE - Variance Explanation for changes greater than 10% and more than \$1 million.				Differences due to rounding.					

1) The decrease in Employer Contributions is due to a decrease in the employer contribution rates across all plans.

2) The decrease in AALC is due to the improved funding status of KERS Nonhazardous causing a decrease in required Actuarially Accrued Liability Contributions.

3) General Fund Appropriations will vary year to year based on legislated funding.

4) Health Insurance Contributions will continue to increase as Tier 2 and Tier 3 members increase.

5) The Humana Gain Share payment will fluctuate year to year based on claims paid.

6) Retired Reemployed Healthcare contributions increased due to an increase in retired reemployed members across all plans.

7) The decrease in Net Appreciation in Fair Value of Investments is the result of less than favorable market conditions largely from Public Equities and Specialty Credit.

8) The increase in Interest/Dividends is a result of increase in income from Core Fixed Income, Real Estate and Specialty Credit.

9) The increase in investment expense is from Specialty Credit.



10) The increase in performance fees is a result of gains from the Private Equity, Real Estate and Real Return asset classes.



11) Refunds increased due to an increase in active member termination refunds across all plans.

12) Self Funded Healthcare Costs increased due to an increase in reimbursements for claims on self funded retirees.

**KRS Contribution Report**

For the nine month period ending March 31, 2025, with comparative totals for the nine month period ending March 31, 2024 (\$ in Millions)

 Kentucky Employees Retirement System   State Police Retirement System	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Pension					
	FY25	FY24	FY25	FY24	FY25	FY24
Member Contributions	\$78.3	\$71.6	\$16.5	\$16.0	\$4.5	\$4.2
Employer Contributions	113.2	115.8	52.8	67.1	38.6	46.5
AALC	648.1	673.7	-	-	-	-
General Fund Appropriations	225.0	180.0	-	-	18.8	-
Net Investment Income	91.5	80.3	20.8	18.6	14.2	13.7
Total Inflows	1,156.1	1,121.4	90.1	101.7	76.1	64.4
Benefit Payments/Refund	795.4	781.2	71.4	62.8	49.9	47.7
Administrative Expenses	10.3	10.3	1.2	1.1	0.2	0.2
Total Outflows	805.7	791.5	72.6	63.9	50.1	47.9
NET Contributions	350.4	329.9	17.5	37.8	26.0	16.5
Realized Gain/(Loss)	100.9	(11.0)	31.0	7.5	15.3	0.1
Unrealized Gain/(Loss)	47.0	237.9	1.8	63.5	5.0	36.5
Change in Net Position	498.3	556.8	50.3	108.8	46.3	53.1
Beginning of Period	4,297.6	3,607.2	1,029.9	902.6	653.2	592.8
End of Period	\$4,795.9	\$4,164.0	\$1,080.2	\$1,011.4	\$699.5	\$645.9
Net Contributions less Net Investment Income	\$258.9	\$249.6	\$(3.3)	\$19.2	\$11.8	\$2.8
Cash Flow as % of Net Assets	5.40%	5.99%	(0.31)%	1.90%	1.69%	0.43%
Net Investment Income	\$91.5	\$80.3	\$20.8	\$18.6	\$14.2	\$13.7
Yield as % of Net Assets	1.91%	1.93%	1.93%	1.84%	2.03%	2.12%

 Kentucky Employees Retirement System   State Police Retirement System	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Insurance					
	FY25	FY24	FY25	FY24	FY25	FY24
Employer Contributions	\$22.5	\$30.7	\$0.0	\$-	\$1.4	\$7.6
AALC	1.4	65.7	-	-	-	-
Insurance Premiums	-	0.1	-	-	-	-
Humana Gain Share	-	8.5	-	0.6	-	0.4
Retired Reemployed Healthcare	6.4	5.4	1.5	1.4	-	-
Health Insurance Contributions	9.0	7.8	1.7	1.6	0.3	0.3
Net Investment Income	34.7	29.9	12.1	11.2	5.0	4.7
<b>Total Inflows</b>	<b>74.0</b>	<b>148.1</b>	<b>15.3</b>	<b>14.8</b>	<b>6.7</b>	<b>13.0</b>
Healthcare Premioums	78.5	68.9	16.1	14.8	11.1	10.5
Administrative Expenses	0.6	0.5	0.1	0.1	0.1	0.1
<b>Total Outflows</b>	<b>79.1</b>	<b>69.4</b>	<b>16.2</b>	<b>14.9</b>	<b>11.2</b>	<b>10.6</b>
<b>NET Contributions</b>	<b>(5.1)</b>	<b>78.7</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(4.5)</b>	<b>2.4</b>
Realized Gain/(Loss)	55.3	14.4	22.9	8.1	9.3	3.5
Unrealized Gain/(Loss)	(3.6)	102.2	(2.6)	39.4	(1.1)	15.3
<b>Change in Net Position</b>	<b>46.6</b>	<b>195.3</b>	<b>19.4</b>	<b>47.4</b>	<b>3.7</b>	<b>21.2</b>
<b>Beginning of Period</b>	<b>1,692.1</b>	<b>1,465.5</b>	<b>667.9</b>	<b>616.3</b>	<b>272.1</b>	<b>246.8</b>
<b>End of Period</b>	<b>\$1,738.7</b>	<b>\$1,660.8</b>	<b>\$687.3</b>	<b>\$663.7</b>	<b>\$275.8</b>	<b>\$268.0</b>
Net Contributions less Net Investment Income	\$(39.8)	\$48.8	\$(13.0)	\$(11.3)	\$(9.5)	\$(2.3)
Cash Flow as % of Net Assets	(2.29)%	2.94%	(1.89)%	(1.70)%	(3.44)%	(0.86)%
Net Investment Income	\$34.7	\$29.9	\$12.1	\$11.2	\$5.0	\$4.7
Yield as % of Net Assets	2.00%	1.80%	1.76%	1.69%	1.90%	1.75%



## KRS Outstanding Invoices by Type and Employer

Invoice Type	3/31/2025	12/31/2024	Change H/(L)
Actuarially Accrued Liability Contribution	\$5,605,710	\$5,232,518	7%
Employer Free Military and Decompression Service	2,604	48,608	(95)%
Member Pension Spiking Refund	(9,393)	(17,732)	(47)%
Monthly Reporting Invoice	(106,555)	(153,003)	(30)%
Penalty – Monthly Reporting	10,000	7,000	43%
Reinstatement	8,380	14,170	-41%
Other Invoices**	(40,637)	(143,350)	(72)%
<b>Total</b>	<b>5,470,109</b>	<b>4,988,211</b>	
Health Insurance Reimbursement	228,690	864,159	(74)%
Omitted Employer	124,626	17,794	600%
Employer Pension Spiking*	185,459	183,808	1%
Standard Sick Leave	179,116	597,012	(70)%
USERRA Protected Military	-	35,030	(100)%
<b>Total</b>	<b>717,892</b>	<b>1,697,803</b>	<b>-58%</b>
<b>Grand Total</b>	<b>\$6,188,000</b>	<b>\$6,686,014</b>	<b>(7)%</b>

\*Pension Spiking invoices on this report are Employer Pension Spiking. By statute these invoices are due 12 months from the invoice date. Employer Pension Spiking is in effect only for retirements prior to July 1, 2018, therefore, unless there has been a recently created invoice for a backdated retirement, all of these invoices are greater than 12 months old.

\*\*Other Invoices include Expired Post Pending; IPS Employer Refund; Omitted Employer PPEND; Personnel Adjustment; and, Refunded Member Contributions Due.

Employer Name (Top Ten)	3/31/2025	12/31/2024	Change H/(L)
Kentucky River Community Care Inc.***	\$5,439,806	\$5,077,030	7%
Seven County Services, Inc.***	156,017	153,150	2%
Municipal Electric Power Association of Kentucky***	128,547	108,672	18%
Unified Prosecutorial System	99,183	98,082	1%
Kentucky State Police	90,815	235,770	(61)%
Purchase District Health Department	79,273	2,059	3750%
Department of Highways	75,339	165,148	(54)%
Department for Community Based Services	46,744	157,973	(70)%
Department of Parks	21,475	67,103	(68)%
Morgan County Attorney	\$20,667	\$20,667	0%

\*\*\*Indicates invoices turned over to Legal for further action

	Total Unpaid Balance	Invoice Count
KERS	6,113,290	493
KERH	76,224	13
SPRS	(1,513)	5
<b>Grand Total:</b>	<b>\$6,188,000</b>	<b>511</b>

**KRS****Past Due Invoice as of March 31, 2025**

	Past Due Buckets							Total Past Due	Count
	0-90 days	91-180 days	181-360 days	1-2 years	2-3 years	3-5 years	over 5 years		
<b>KRS TOTAL</b>	<b>\$1,963,026</b>	<b>\$389,001</b>	<b>\$706,798</b>	<b>\$1,576,334</b>	<b>\$1,544,536</b>	<b>\$980,924</b>	<b>\$206,670</b>	<b>\$7,367,289</b>	<b>559</b>
<b>KENTUCKY RIVER COMMUNITY CARE INC. ***</b>	<b>\$362,703</b>	<b>\$362,469</b>	<b>\$725,140</b>	<b>\$1,451,004</b>	<b>\$1,450,812</b>	<b>\$968,327</b>	<b>\$(1,568)</b>	<b>\$5,318,887</b>	<b>68</b>
Actuarially Accrued Liability Contribution	362,703	362,703	725,406	1,450,812	1,450,812	967,208	-	5,319,644	44
Standard Sick Leave	-	-	-	711	-	-	-	711	1
Pension Spiking	-	-	-	-	-	-	(228)	(228)	3
Monthly Reporting Invoice	-	(234)	(266)	(520)	-	1,119	(1,339)	(1,240)	20
<b>WESTERN KENTUCKY UNIVERSITY</b>	<b>\$686,007</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$686,007</b>	<b>1</b>
Actuarially Accrued Liability Contribution	686,007	-	-	-	-	-	-	686,007	1
Penalty – Monthly Reporting	-	-	-	-	-	-	-	-	-
<b>KENTUCKY STATE POLICE</b>	<b>\$400,124</b>	<b>\$(1,391)</b>	<b>\$(1,040)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$397,693</b>	<b>22</b>
Employer free military and decompression service	214,604	-	-	-	-	-	-	214,604	3
Standard Sick Leave	119,849	-	-	-	-	-	-	119,849	3
Health Insurance Reimbursement	67,792	-	-	-	-	-	-	67,792	4
Reinstatement	695	-	-	-	-	-	-	695	1
Member Pension Spiking Refund	(629)	(1,290)	(263)	-	-	-	-	(2,183)	5
Personnel Adjustment	(2,186)	(101)	(777)	-	-	-	-	(3,064)	6
<b>KENTUCKY STATE UNIVERSITY</b>	<b>\$168,437</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$168,437</b>	<b>1</b>
Actuarially Accrued Liability Contribution	168,437	-	-	-	-	-	-	168,437	1
Health Insurance Reimbursement	-	-	-	-	-	-	-	-	-
<b>SEVEN COUNTY SERVICES INC ***</b>	<b>\$5,132</b>	<b>\$(657)</b>	<b>\$(1,326)</b>	<b>\$(2,656)</b>	<b>\$(635)</b>	<b>\$652</b>	<b>\$154,559</b>	<b>\$155,071</b>	<b>101</b>
Pension Spiking	5,489	-	-	-	-	1,394	126,008	132,891	35
Standard Sick Leave	-	-	-	-	-	-	36,798	36,798	12
Omitted Employer	-	-	-	-	-	160	7,398	7,558	11
Monthly Reporting Invoice	(357)	(657)	(1,326)	(2,656)	(635)	(902)	(15,645)	(22,176)	43
<b>MUNICIPAL ELECTRIC POWER ASSOCIATION OF KENTUCKY ***</b>	<b>\$19,875</b>	<b>\$19,875</b>	<b>\$43,882</b>	<b>\$38,290</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$121,922</b>	<b>17</b>
Actuarially Accrued Liability Contribution	19,875	19,875	43,882	38,290	-	-	-	121,922	17
<b>UNIFIED PROSECUTORIAL SYSTEM</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(141)</b>	<b>\$38,489</b>	<b>\$11,256</b>	<b>\$10,282</b>	<b>\$39,021</b>	<b>\$98,905</b>	<b>98</b>
Standard Sick Leave	-	-	-	37,807	10,474	10,104	5,013	63,398	11
Pension Spiking	-	-	-	2,101	-	1,019	41,364	44,484	12

**KRS****Past Due Invoice as of March 31, 2025 (cont.)**

	Past Due Buckets							Total Past Due	Count
	0-90 days	91-180 days	181-360 days	1-2 years	2-3 years	3-5 years	over 5 years		
Monthly Reporting Invoice	-	-	-	-	-	621	273	895	4
Omitted Employer	-	-	-	-	-	-	466	466	1
Health Insurance Reimbursement	-	-	-	-	-	-	-	-	-
Expired Post Pending Invoice	-	-	-	-	-	(710)	(57)	(767)	24
Member Pension Spiking Refund	-	-	(141)	(1,125)	(1,091)	(753)	(464)	(3,573)	15
Personnel Adjustment	-	-	-	(294)	1,872	0	(7,575)	(5,997)	31
<b>DEPT FOR BEHAVIORAL HEALTH DEVELOPMENTAL INTELLECTUAL DISABILITIES</b>	<b>\$361</b>	<b>\$(1,703)</b>	<b>\$(2,972)</b>	<b>\$7,500</b>	<b>\$76,482</b>	<b>\$-</b>	<b>\$-</b>	<b>\$79,668</b>	<b>24</b>
Employer free military and decompression service	-	-	-	-	41,461	-	-	41,461	1
USERRA Protected Military	-	-	-	-	35,030	-	-	35,030	1
Health Insurance Reimbursement	-	-	-	9,088	-	-	-	9,088	1
Standard Sick Leave	361	-	-	-	-	-	-	361	1
Personnel Adjustment	-	(3)	(155)	(24)	(9)	-	-	(191)	9
Member Pension Spiking Refund	-	(1,701)	(2,817)	(1,563)	-	-	-	(6,081)	11
<b>DEPARTMENT FOR PUBLIC ADVOCACY</b>	<b>\$72,870</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$72,870</b>	<b>3</b>
Standard Sick Leave	63,497	-	-	-	-	-	-	63,497	2
Health Insurance Reimbursement	9,374	-	-	-	-	-	-	9,374	1
<b>JUDICIAL DEPARTMENT ADMINISTRATIVE OFFICE OF THE COURTS</b>	<b>\$67,881</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$67,881</b>	<b>3</b>
Health Insurance Reimbursement	46,851	-	-	-	-	-	-	46,851	1
Master Commissioner Employer (ANOC)	21,040	-	-	-	-	-	-	21,040	1
Personnel Adjustment	(9)	-	-	-	-	-	-	(9)	1
<b>DEPARTMENT FOR COMMUNITY BASED SERVICES</b>	<b>\$41,146</b>	<b>\$(1,156)</b>	<b>\$1,261</b>	<b>\$12,809</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$54,060</b>	<b>20</b>
Standard Sick Leave	44,585	-	-	12,891	-	-	-	57,476	4
Omitted Employer	21,752	-	-	-	-	-	-	21,752	1
Reinstatement	-	-	1,261	-	-	-	-	1,261	1
Health Insurance Reimbursement	-	-	-	-	-	-	-	-	-
Personnel Adjustment	(1,068)	-	-	1	-	-	-	(1,067)	7
Member Pension Spiking Refund	(319)	(1,156)	-	(83)	-	-	-	(1,558)	6
Expired Post Pending Invoice	(23,804)	-	-	-	-	-	-	(23,804)	1

**KRS****Past Due Invoice as of March 31, 2025 (cont.)**

	Past Due Buckets							Total Past Due	Count
	0-90 days	91-180 days	181-360 days	1-2 years	2-3 years	3-5 years	over 5 years		
<b>DEPARTMENT OF VEHICLE REGULATION</b>	<b>\$20,587</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,146</b>	<b>\$21,734</b>	<b>6</b>
Health Insurance Reimbursement	20,587	-	-	-	-	-	1,276	21,864	3
Personnel Adjustment	-	-	-	-	-	-	26	26	1
Expired Post Pending Invoice	-	-	-	-	-	-	(156)	(156)	2
<b>DEPARTMENT OF PARKS</b>	<b>\$9,809</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$11,597</b>	<b>\$21,406</b>	<b>3</b>
Pension Spiking	-	-	-	-	-	-	11,597	11,597	2
Omitted Employer	9,809	-	-	-	-	-	-	9,809	1
Personnel Adjustment	-	-	-	-	-	-	-	-	-
Health Insurance Reimbursement	-	-	-	-	-	-	-	-	-
<b>MORGAN COUNTY ATTORNEY</b>	<b>\$20,667</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$20,667</b>	<b>3</b>
Actuarially Accrued Liability Contribution	20,667	-	-	-	-	-	-	20,667	3
<b>KENTUCKY EDUCATIONAL TELEVISION FOUNDATION</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(72,857)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(72,857)</b>	<b>1</b>
Actuarially Accrued Liability Contribution	-	-	-	-	-	-	-	-	-
Monthly Reporting Invoice	-	-	(72,857)	-	-	-	-	(72,857)	1
<b>ALL OTHER KRS EMPLOYERS</b>	<b>\$87,425</b>	<b>\$11,564</b>	<b>\$14,850</b>	<b>\$30,898</b>	<b>\$6,620</b>	<b>\$1,664</b>	<b>\$1,914</b>	<b>\$154,935</b>	<b>188</b>
Health Insurance Reimbursement	50,825	5,676	7,592	4,421	750	-	640	69,904	33
Standard Sick Leave	28,405	6,359	6,248	16,441	6,328	-	(2,152)	61,630	16
Actuarially Accrued Liability Contribution	12,085	9	1,014	-	-	-	-	13,108	7
Penalty – Monthly Reporting	2,000	-	-	7,000	-	-	-	9,000	9
Reinstatement	-	-	431	-	-	-	6,687	7,118	2
Omitted Employer	-	-	-	5,768	-	-	-	5,768	1
Pension Spiking	-	-	-	-	-	-	3,888	3,888	2
Employer free military and decompression service	-	-	-	-	-	2,604	-	2,604	1
Expired Post Pending Invoice	-	-	-	-	-	-	23	23	7
Refunded Member Contributions Due	-	-	-	-	-	-	3	3	1
IPS Employer Refund	-	-	(445)	-	-	-	(133)	(579)	3
Personnel Adjustment	(89)	(342)	354	(491)	(31)	-	(980)	(1,577)	18
Omitted Employer PPEND	-	-	-	-	-	-	(2,303)	(2,303)	1
Member Pension Spiking Refund	(1,457)	-	(141)	(516)	(23)	(521)	-	(2,658)	20
Monthly Reporting Invoice	(4,345)	(139)	(204)	(1,726)	(404)	(419)	(3,760)	(10,995)	67



# KENTUCKY PUBLIC PENSIONS AUTHORITY

## Penalty Invoices Report From: 1/1/2025 To: 3/31/2025

Note: Delinquent Interest amounts are included in the totals for the invoice

Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
<b>Total</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>		CANC		
\$1,000	\$1,000	\$-	1/10/2025	2/9/2025	CRTD	County Attorneys	
1,000	1,000	-	3/12/2025	4/11/2025	CRTD	County Attorneys	
1,000	1,000	-	3/31/2025	4/30/2025	CRTD	Non-P1 State Agencies	
<b>Total</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>\$-</b>				
\$1,000	\$-	\$-	1/10/2025	1/17/2025	PAID	Universities	
1,000	-	-	1/10/2025	1/17/2025	PAID	Universities	
1,000	-	-	2/10/2025	2/15/2025	PAID	Health Departments	
1,000	-	-	3/27/2025	2/16/2025	PAID	Universities	
1,000	-	-	2/7/2025	2/16/2025	PAID	Regional Mental Health Units	
1,000	-	-	3/4/2025	2/28/2025	PAID	Non-P1 State Agencies	
1,000	-	-	3/4/2025	3/2/2025	PAID	Non-P1 State Agencies	
1,000	-	-	2/26/2025	3/22/2025	PAID	Health Departments	
1,000	-	-	3/18/2025	3/28/2025	PAID	Non-P1 State Agencies	
1,000	-	-	3/18/2025	3/28/2025	PAID	Non-P1 State Agencies	
<b>Total</b>	<b>\$10,000</b>	<b>\$-</b>	<b>\$-</b>				

### Notes:

#### Invoice Status:

CANC - Cancelled

CRTD - Created

PAID - Paid



<b>KPPA ADMINISTRATIVE BUDGET FY 2024-2025</b> <b>BUDGET-TO-ACTUAL SUMMARY ANALYSIS</b> <b>FOR THE NINE MONTHS ENDING MARCH 31, 2025, WITH COMPARATIVE TOTALS FOR THE NINE MONTHS ENDING MARCH 31, 2024</b>						
CATEGORY	BUDGETED	FY 2025 EXPENSE	REMAINING	PERCENT REMAINING	FY 2024 EXPENSE	PERCENT DIFFERENCE
PERSONNEL	\$36,798,000	\$26,147,479	\$10,650,521	28.94%	\$25,858,602	1.12%
LEGAL CONTRACTS	2,030,000	1,069,482	960,518	47.32%	779,621	37.18%
AUDITING	300,000	201,847	98,153	32.72%	214,821	(6.04)%
ACTUARIAL SERVICES	525,000	233,965	291,035	55.44%	321,537	(27.24)%
MEDICAL REVIEWERS	1,800,000	833,310	966,690	53.71%	1,010,185	(17.51)%
OTHER PERSONNEL	510,000	229,389	280,611	55.02%	184,905	24.06%
<b>PERSONNEL TOTAL</b>	<b>\$41,963,000</b>	<b>\$28,715,472</b>	<b>\$13,247,529</b>	<b>31.57%</b>	<b>\$28,369,671</b>	<b>1.22%</b>
RENTALS - BUILDING & EQUIPMENT	1,175,000	764,786	410,214	34.91%	787,588	(2.90)%
INFORMATION TECHNOLOGY	4,230,000	2,523,824	1,706,176	40.34%	2,160,976	16.79%
OTHER OPERATIONAL	1,397,500	944,429	453,071	32.42%	862,753	9.47%
<b>OPERATIONAL TOTAL</b>	<b>\$6,802,500</b>	<b>\$4,233,039</b>	<b>\$2,569,461</b>	<b>37.77%</b>	<b>\$3,811,317</b>	<b>11.06%</b>
RESERVE	216,000	-	216,000	100.00%	-	0.00%
<b>ADMINISTRATIVE BUDGETED AMOUNT</b>	<b>\$48,981,500</b>	<b>\$32,948,510</b>	<b>\$16,032,990</b>	<b>32.73%</b>	<b>\$32,180,988</b>	<b>2.39%</b>

### Administrative Budget Summary Notes

Through the 3rd Quarter KPPA has spent just over \$26.1 million which is just over 70% of the budget (leaving nearly 29%) to spend in the 4th Quarter and keeping us on track to be under budget for this overall category at year end.

Within this category one line item is at risk of being over budget. The employer paid health insurance has a budget of \$2.875 million, and we have spent \$2.3 million (or 80% of the budget) as of March 31. I anticipate this line item being about \$225k over budget at year-end, attributed to increased premiums.

Furthermore, for the salaries line item, the Personnel cabinet did significantly adjust the salaries for some IT related positions during the 4th quarter of FY 2025. In addition, they are continuing to evaluate other IT related positions with more increases to follow in FY 2026. The OSBD did add an additional \$110k in the 4th quarter to help offset these costs in this line item, which will allow KPPA to stay under budget for the year.

#### PERSONNEL (Staffing):

We have spent nearly 53% of the legal admin budget and have 47% remaining for the final quarter. This overall category will remain underbudget for the year.

The budget for Dentons was \$50k and we have spent \$90k through March, so that specific line item will be over budget, but within the entire legal category, we have significant capacity to absorb and stay under budget.

#### LEGAL CONTRACTS:

#### AUDITING:

This will be underbudget for the fiscal year.

#### ACTUARIAL, MEDICAL, AND OTHER PERSONNEL:

All are below budget and will finish under budget for the fiscal year.

Overall Operational total is also under budget and will remain overall underbudget for the fiscal year.

#### OPERATIONAL TOTAL:

A few line items in this category will likely be overbudget including equipment maintenance (climate control in the server room); MISC. (JPM bank fees from FYE 2024, were not paid until FY 2025).

KPPA ADMINISTRATIVE BUDGET FY 2024-2025						
BUDGET-TO-ACTUAL ANALYSIS						
FOR THE NINE MONTHS ENDING MARCH 31, 2025, WITH COMPARATIVE TOTALS FOR THE NINE MONTHS ENDING MARCH 31, 2024						
Account Name	Budgeted	FY 2025 Expense	Remaining	Percent Remaining	FY 2024 Expense	Percent Difference
<b>PERSONNEL</b>						
<b>Staff</b>						
Salaries/Wages	\$21,138,000	\$15,132,976	\$6,005,024	28.41%	\$13,638,615	10.96%
Wages (Overtime)	310,000	142,865	167,135	53.91%	196,292	(27.22)%
Emp Paid FICA	1,641,000	1,095,995	545,005	33.21%	991,048	10.59%
Emp Paid Retirement	10,511,000	7,352,647	3,158,353	30.05%	8,930,095	(17.66)%
Emp Paid Health Ins	2,875,000	2,316,423	558,577	19.43%	2,038,424	13.64%
Emp Paid Sick Leave	250,000	81,740	168,260	67.30%	40,221	103.23%
Adoption Assistance Benefit	10,000	-	10,000	100.00%	-	0.00%
Escrow for Admin Fees	-	-	-	100.00%	-	0.00%
Workers Compensation	15,000	12,485	2,515	16.76%	11,116	12.32%
Unemployment	10,000	2,007	7,993	79.93%	3,339	100.00%
Emp Paid Life Ins	3,000	2,315	685	22.83%	2,261	2.39%
Employee Training	25,000	8,027	16,973	67.89%	8,191	(2.00)%
Tuition Assistance	10,000	-	10,000	100.00%	-	0.00%
Bonds	-	-	-	0.00%	-	0.00%
<b>Staff Subtotal</b>	<b>36,798,000</b>	<b>26,147,479</b>	<b>10,650,521</b>	<b>28.94%</b>	<b>25,859,602</b>	<b>1.11%</b>
<b>LEGAL &amp; AUDITING SERVICES</b>						
Legal Hearing Officers	270,000	127,773	142,227	52.68%	182,706	(30.07)%
Legal (Stoll, Keenon)	250,000	-	250,000	100.00%	8,201	(100.00)%
Frost Brown	1,000,000	459,094	540,906	54.09%	364,810	25.84%
Reinhart	50,000	-	50,000	100.00%	-	0.00%
Ice Miller	300,000	210,966	89,034	29.68%	164,670	28.11%
Johnson, Bowman, Branco LLC	100,000	89,891	10,109	10.11%	55,788	61.13%
Dentons Bingham & Greenbaum	50,000	85,523	(35,523)	(71.05)%	3,445	0.00%
Legal Expense	10,000	96,235	(86,235)	(862.35)%	-	100.00%
Auditing	300,000	201,847	98,153	32.72%	214,821	100.00%
<b>Total Legal &amp; Auditing Services</b>	<b>2,330,000</b>	<b>1,271,329</b>	<b>1,058,671</b>	<b>45.44%</b>	<b>994,440</b>	<b>27.84%</b>
<b>CONSULTING SERVICES</b>						
Medical Reviewers	1,800,000	833,310	966,690	53.71%	1,010,185	(17.51)%
Escrow for Actuary Fees	-	-	-	0.00%	(500)	0.00%
<b>Total Consulting Services</b>	<b>1,800,000</b>	<b>833,310</b>	<b>966,690</b>	<b>53.71%</b>	<b>1,009,685</b>	<b>(17.47)%</b>
<b>CONTRACTUAL SERVICES</b>						
Miscellaneous Contracts	425,000	188,477	236,523	55.65%	157,870	19.39%
Human Resources Consulting	10,000	-	10,000	100.00%	-	0.00%
Actuarial Services	525,000	233,965	291,035	55.44%	321,537	0.00%
Facility Security Charges	75,000	40,912	34,088	45.45%	27,536	48.58%
<b>Contractual Subtotal</b>	<b>1,035,000</b>	<b>463,354</b>	<b>571,646</b>	<b>55.23%</b>	<b>506,942</b>	<b>(8.60)%</b>
<b>PERSONNEL SUBTOTAL</b>	<b>\$41,963,000</b>	<b>\$28,715,471</b>	<b>\$13,247,528</b>	<b>31.57%</b>	<b>\$28,369,671</b>	<b>1.22%</b>
<b>OPERATIONAL</b>						
Natural Gas	45,000	25,889	19,111	42.47%	21,555	20.11%
Electric	130,000	89,379	40,621	31.25%	83,797	6.66%
Rent-Non State Building	80,000	-	80,000	100.00%	-	0.00%
Building Rental - PPW	1,000,000	721,476	278,524	27.85%	721,477	(0.00)%
Copier Rental	90,000	38,747	51,253	56.95%	62,701	(38.20)%
Rental Carpool	5,000	4,563	437	8.74%	3,409	33.85%
Vehicle/Equip. Maint.	1,300	21,048	(19,748)	(1519.05)%	-	0.00%

KPPA ADMINISTRATIVE BUDGET 2024-25						
BUDGET-TO-ACTUAL ANALYSIS						
FOR THE NINE MONTHS ENDING MARCH 31, 2025, WITH COMPARATIVE TOTALS FOR THE NINE MONTHS ENDING MARCH 31, 2024						
Account Name	Budgeted	FY 2025 Expense	Remaining	Percent Remaining	FY 2024 Expense	Percent Difference
Postage	450,000	277,435	172,565	38.35%	450,123	(38.36)%
Freight	200	-	200	100.00%	-	0.00%
Printing (State)	15,000	50	14,950	99.67%	200	100.00%
Printing (non-state)	85,000	78,291	6,709	7.89%	26,523	0.00%
Insurance	7,500	12,692	(5,192)	(69.23)%	5,090	149.35%
Garbage Collection	7,000	4,939	2,061	29.44%	5,037	(1.95)%
Conference Expense	45,000	32,975	12,025	26.72%	25,851	27.56%
Conference Exp. Investment	2,000	-	2,000	100.00%	-	0.00%
Conference Exp. Audit	3,000	644	2,356	78.53%	-	0.00%
MARS Usage	50,000	44,033	5,967	11.93%	20,325	116.64%
COVID-19 Expenses	-	-	-	0.00%	-	0.00%
Office Supplies	90,000	37,562	52,438	58.26%	29,719	26.39%
Furniture & Office Equipment	30,000	2,474	27,526	91.75%	-	100.00%
Travel (In-State)	15,500	7,056	8,444	54.48%	9,380	(24.78)%
Travel (In-State) Investment	-	-	-	0.00%	-	0.00%
Travel (In-State) Audit	1,000	-	1,000	100.00%	-	0.00%
Travel (Out of State)	77,000	44,976	32,024	41.59%	32,019	40.47%
Travel (Out of State) Investment	135,000	9,160	125,840	93.22%	14,535	(36.98)%
Travel (Out of State) Audit	3,000	-	3,000	100.00%	-	0.00%
Dues & Subscriptions	69,000	56,201	12,799	18.55%	44,857	25.29%
Dues & Subscriptions Invest	15,000	6,360	8,640	57.60%	14,321	(55.59)%
Dues & Subscriptions Audit	1,000	805	195	19.50%	380	0.00%
Miscellaneous	55,000	71,670	(16,670)	(30.31)%	17,571	307.89%
Miscellaneous Investment	-	-	-	0.00%	90	0.00%
Miscellaneous Audit	-	-	-	0.00%	-	0.00%
COT Charges	40,000	12,852	27,148	67.87%	12,195	5.39%
Telephone - Wireless	10,000	5,733	4,267	42.67%	6,308	(9.12)%
Telephone - Other	90,000	156,170	(66,170)	(73.52)%	68,150	129.16%
Telephone - Video Conference	15,000	2,921	12,079	80.52%	7,249	100.00%
Computer Equip./Software	4,120,000	2,466,939	1,653,061	40.12%	2,128,456	15.90%
Comp. Equip./Software Invest	-	-	-	0.00%	-	0.00%
Comp. Equip./Software Audit	20,000	-	20,000	100.00%	-	0.00%
<b>OPERATIONAL SUBTOTAL</b>	<b>\$6,802,500</b>	<b>\$4,233,039</b>	<b>\$2,569,461</b>	<b>37.77%</b>	<b>\$3,811,317</b>	<b>11.06%</b>
<b>SUB-TOTAL</b>	<b>\$48,765,500</b>	<b>\$32,948,509</b>	<b>\$15,816,989</b>	<b>32.43%</b>	<b>\$32,180,988</b>	<b>2.39%</b>
<b>Reserve</b>	<b>216,000</b>	<b>-</b>	<b>216,000</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>
<b>TOTAL</b>	<b>\$48,981,500</b>	<b>\$32,948,510</b>	<b>\$16,032,990</b>	<b>32.73%</b>	<b>\$32,180,988</b>	<b>2.39%</b>
<i>Differences due to rounding</i>						

Plan	Budgeted	FY 2025 Expense	% of Total KPPA FY 2025 Expense
CERS Nonhazardous	\$28,899,085	\$19,439,621	59.00%
CERS Hazardous	2,527,445	1,700,143	5.16%
KERS Nonhazardous	15,436,030	10,383,394	31.514%
KERS Hazardous	1,771,661	1,191,748	3.617%
SPRS	347,279	233,605	0.709%
<b>TOTAL</b>	<b>\$48,981,500</b>	<b>\$32,948,510</b>	<b>100.00%</b>

**JP MORGAN CHASE CREDIT EARNINGS AND FEES**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2025**

	<b>Earnings</b>	<b>Fees</b>	<b>Net Earnings</b>
July-24	\$-	\$(7,337)	\$(7,337)
August-24	-	(7,646)	\$(7,646)
September-24	-	(7,733)	\$(7,733)
October-24	-	(6,919)	\$(6,919)
November-24	-	(6,823)	\$(6,823)
December-24	-	(7,572)	\$(7,572)
January-25	-	(6,951)	\$(6,951)
February-25	-	(8,043)	\$(8,043)
March-25	-	(7,814)	\$(7,814)
April-25			\$-
May-25			\$-
June-25			\$-
<b>Total</b>	<b>\$-</b>	<b>\$(66,838)</b>	<b>\$(66,838)</b>

**JP MORGAN CHASE HARD INTEREST EARNED**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2025**

	<b>Clearing Account</b>	<b>CERS</b>	<b>KERS</b>	<b>SPRS</b>	<b>Total</b>
July-24	\$25,823	\$15,119	\$7,930	\$348	\$49,220
August-24	27,262	20,476	10,633	1,081	\$59,451
September-24	34,046	16,441	8,353	262	\$59,101
October-24	15,627	13,684	7,931	330	\$37,572
November-24	14,694	12,366	9,711	249	\$37,021
December-24	20,158	18,973	11,170	655	\$50,957
January-25	10,681	14,775	8,462	202	\$34,120
February-25	27,295	15,519	8,994	599	\$52,407
March-25	27,493	13,787	6,576	227	\$48,083
April-25					\$-
May-25					\$-
June-25					\$-
<b>Total</b>	<b>\$203,079</b>	<b>\$141,140</b>	<b>\$79,761</b>	<b>\$3,952</b>	<b>\$427,931</b>



## KENTUCKY PUBLIC PENSIONS AUTHORITY

**Ryan Barrow, Executive Director**

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Kentucky Retirement Systems Board of Trustees

From: D’Juan Surratt  
Director of Employer Reporting, Compliance and Education

Date: June 17, 2025

Subject: Hazardous Position Classification

AGENCIES ARE REQUESTING HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Department of Military Affairs	Security Force Manager	7/1/2025
Department of Military Affaris	Security Specialist Shift Supervisor	7/1/2025
Department of Military Affaris	Security Specialist	7/1/2025

Kentucky Public Pensions Authority has reviewed the above requests and determined that they meet the statutory guidelines for Hazardous coverage. Position Questionnaires and Job Descriptions are attached.



**KRS**  
Kentucky Retirement Systems



**SPRS**  
State Police Retirement System

## MEMORANDUM

To: Kentucky Retirement Systems Board of Trustees

From: C. Prewitt Lane, Chair  
Investment Committee

Date: June 17, 2025

Subject: Summary of Investment Committee Meeting

---

The Kentucky Retirement Systems Investment Committee held a regularly scheduled meeting on May 22, 2025.

1. **No recommendations were made that required approval by the Investment Committee.**
2. **No actions were taken that required ratification by the Kentucky Retirement Systems Board of Trustees.**
3. Investment Staff and Wilshire presented material\* and discussed the following items during the Investment Committee meeting.
  - a. Review of Economic Conditions, Market Activity and Outlook.
  - b. Absolute and Relative Performance and Asset Allocations for the Pension and Insurance Portfolios for the Quarter ending March 31, 2025.

***Quarter Ending March 31, 2025:***

*KERS Pension 1.27%*  
*SPRS Pension 1.03%*  
*Benchmark 0.95%*

*KERSH Pension 0.58%*  
*KERS Insurance 0.35%*  
*KERSH Insurance 0.45%*  
*SPRS Insurance 0.45%*  
*Benchmark 0.43%*

***Fiscal Year To Date:***

*KERS Pension 5.63%*  
*SPRS Pension 5.33%*  
*Benchmark 5.09%*

*KERSH Pension 5.26%*  
*KERS Insurance 5.13%*  
*KERSH Insurance 4.87%*  
*SPRS Insurance 4.85%*  
*Benchmark 5.20%*

- a. Performance Attribution – The largest contributor to outperformance was the strong relative performance in the Specialty Credit portfolio as managers produced positive excess performance across mandates. Relative outperformance in the Real Return, Public Equity and Real Estate portfolios were also positive contributors to overall performance. The overweight to Public Equity, the underweight to Private Equity and the underperformance of the Private Equity portfolio relative to its benchmark were all modest detractors from overall performance.
  - b. Internal Portfolios – An update was provided on the performance of the internally managed passive and proxy portfolios. The portfolios performed in line with expectations and consistent with their mandates. The Public and Private Equity portfolios produced negative performance during the quarter consistent with broader markets and their liquid investments. The Real Return and Real Estate portfolios produced strong performance, outperforming their benchmarks by 340 and 242 basis points respectively. Longer term all proxy portfolios have produced strong relative performance contributing positively to overall portfolio performance.
  - c. Peer Universe – All portfolios have continued to produce top decile risk adjusted performance over 1, 3 and 5-year time periods demonstrating the efficiency of their construction and management.
  - d. Asset Allocations – Staff provided an update on the rebalancing activity and noted that as of the end of the Quarter, all asset classes were within their specified IPS allocation ranges with most asset classes within 1% of their Target Allocations.
4. Staff provided an update on the Investment Budget. As of the end of the third quarter of the Fiscal Year, expenditures totaled 71% of the amount budgeted for the Fiscal Year. During the quarter there was an increase in Legal expenses as activity increased in several ongoing cases. Through the first three quarters of the Fiscal Year Investment Fees and Expenses across the Pension and Insurance Trusts were 29.6MM or 20% more than in the same period last year. The increase has been driven by increase in Administrative Expenses and Performance fees. The total for Investment Advisory fees has increased 27% since FY2021, consistent with the 35% increase in total assets.
5. Investment Compliance Review – The Compliance Officer presented the new Quarterly Investment Compliance report and discussed enhancements to the process and reporting. As of the end of the Quarter there were no compliance violations reported.

\*All material presented is available in Board Books and was reviewed at the Investment Committee meetings.

Kentucky Retirement Systems

# Investment Review and Update

Quarter Ending: March 31, 2025



Kentucky Retirement Systems

# Performance and Asset Allocations

Quarter Ending: March 31, 2025



# KRS Quarterly Performance Update

March 2025


## Pension Portfolios Performance

KERS, KERS-HAZ, & SPRS - PENSION FUND - PLAN NET RETURNS - 03/31/25											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
<b>KERS</b>	<b>4,710,172,722.82</b>	-0.94	1.27	5.63	6.86	5.22	9.33	6.52	6.39	7.61	8.69
KY Ret. KERS Plan IPS Index		-1.34	0.95	5.09	7.11	5.03	9.16	6.36	6.35	7.61	8.74
<b>KERS- H</b>	<b>1,077,150,104.21</b>	-1.42	0.58	5.26	6.56	5.88	10.52	7.15	6.69	7.81	8.84
KY Ret. KERS Haz Plan IPS Index		-1.81	0.43	5.20	7.72	5.82	10.81	7.10	6.73	7.87	8.93
<b>SPRS</b>	<b>696,688,948.33</b>	-1.08	1.03	5.33	6.45	5.52	9.47	6.48	6.36	7.59	8.68
KY Ret. SPRS Plan IPS Index		-1.34	0.95	5.09	7.11	5.03	9.16	6.31	6.33	7.60	8.73
KPPA PENSION FUND UNIT - NET RETURNS - 03/31/25 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
<b>PUBLIC EQUITY</b>		-3.77	-1.30	3.67	5.08	6.34	14.79	8.44	7.46	8.76	10.27
MSCI ACWI		-3.88	-1.61	3.83	6.30	6.31	14.75	8.39	7.32	8.59	10.14
<b>PRIVATE EQUITY</b>		0.86	1.29	4.56	4.28	2.80	11.84	11.48	10.49		11.26
Russell 3000 + 3%(Qtr Lag)		-2.50	2.78	14.43	26.81	11.07	16.91	15.58	13.10		12.91
<b>SPECIALTY CREDIT</b>		0.69	2.02	7.52	10.45	8.18	8.77				6.90
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		-0.67	0.74	5.70	7.29	6.14	8.17				5.00
<b>CORE FIXED INCOME</b>		0.02	2.72	4.83	5.15	2.98	2.81	2.60			2.88
Bloomberg US Aggregate		0.04	2.78	4.81	4.88	0.52	-0.40	1.46			1.92
<b>CASH</b>		0.37	1.08	3.65	5.04	4.18	2.55	2.03	2.01	2.74	3.40
FTSE Treasury Bill-3 Month		0.37	1.10	3.75	5.17	4.42	2.69	1.90	1.65	2.40	3.03
<b>REAL ESTATE</b>		0.85	1.61	2.44	1.32	-1.44	4.79	7.49	6.83	6.00	6.14
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		0.96	0.96	0.32	-2.27	-3.14	1.99	4.94	5.53	6.99	5.86
<b>REAL RETURN</b>		0.22	2.85	13.83	16.75	12.97	14.85	6.96			6.21
US CPI +3%		0.68	1.86	3.83	5.82	6.99	11.17	4.76			4.34

## Insurance Portfolios Performance

KERS INS, KERS-HAZ INS, SPRS INS - INSURANCE FUND - PLAN NET RETURNS - 03/31/25											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
<b>KERS INS</b>	<b>1,733,154,616.84</b>	<b>-1.60</b>	<b>0.35</b>	<b>5.13</b>	<b>6.41</b>	<b>6.06</b>	<b>10.63</b>	<b>6.97</b>	<b>6.25</b>	<b>6.98</b>	<b>7.35</b>
KY Ins. KERS Plan IPS Index		-1.81	0.43	5.20	7.72	5.82	10.69	7.07	6.51	7.39	7.69
<b>KERS - H INS</b>	<b>686,848,777.99</b>	<b>-1.44</b>	<b>0.45</b>	<b>4.87</b>	<b>6.27</b>	<b>5.91</b>	<b>10.46</b>	<b>7.17</b>	<b>6.40</b>	<b>7.08</b>	<b>7.43</b>
KY Ins. KERS Haz Plan IPS Index		-1.81	0.43	5.20	7.72	5.82	10.59	7.05	6.51	7.38	7.69
<b>SPRS INS</b>	<b>275,500,587.74</b>	<b>-1.41</b>	<b>0.45</b>	<b>4.85</b>	<b>6.18</b>	<b>5.89</b>	<b>10.51</b>	<b>7.35</b>	<b>6.49</b>	<b>7.14</b>	<b>7.48</b>
KY Ins. SPRS Plan IPS Index		-1.81	0.43	5.20	7.72	5.82	10.59	7.06	6.51	7.39	7.69
KPPA INSURANCE FUND UNIT - NET RETURNS - 03/31/25 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
<b>PUBLIC EQUITY</b>		<b>-3.75</b>	<b>-1.26</b>	<b>3.56</b>	<b>4.92</b>	<b>6.24</b>	<b>14.75</b>	<b>8.45</b>	<b>7.32</b>		<b>8.73</b>
MSCI ACWI		-3.88	-1.61	3.83	6.30	6.31	14.73	8.38	7.15		8.57
<b>PRIVATE EQUITY</b>		<b>-1.63</b>	<b>-1.53</b>	<b>0.95</b>	<b>1.53</b>	<b>4.20</b>	<b>11.66</b>	<b>12.04</b>	<b>10.47</b>		<b>10.43</b>
Russell 3000 + 3%(Qtr Lag)		-2.50	2.78	14.43	26.81	11.07	16.91	15.58	12.80		12.50
<b>SPECIALTY CREDIT</b>		<b>0.75</b>	<b>2.10</b>	<b>7.61</b>	<b>10.59</b>	<b>8.42</b>	<b>8.80</b>				<b>6.84</b>
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		-0.67	0.74	5.70	7.29	6.14	8.17				5.00
<b>CORE FIXED INCOME</b>		<b>0.02</b>	<b>2.71</b>	<b>4.78</b>	<b>5.08</b>	<b>2.79</b>	<b>2.66</b>	<b>2.50</b>			<b>2.62</b>
Bloomberg US Aggregate		0.04	2.78	4.81	4.88	0.52	-0.40	1.46			1.92
<b>CASH</b>		<b>0.37</b>	<b>1.08</b>	<b>3.65</b>	<b>5.04</b>	<b>4.18</b>	<b>2.54</b>	<b>1.89</b>	<b>1.85</b>		<b>2.60</b>
FTSE Treasury Bill-3 Month		0.37	1.10	3.75	5.17	4.42	2.69	1.90	1.65		2.51
<b>REAL ESTATE</b>		<b>0.88</b>	<b>1.59</b>	<b>2.44</b>	<b>1.05</b>	<b>-1.55</b>	<b>4.65</b>	<b>7.47</b>			<b>7.96</b>
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		0.96	0.96	0.32	-2.27	-3.14	1.99	4.94			4.66
<b>REAL RETURN</b>		<b>0.29</b>	<b>2.43</b>	<b>13.16</b>	<b>15.51</b>	<b>11.75</b>	<b>13.49</b>	<b>6.54</b>			<b>5.81</b>
US CPI +3%		0.68	1.86	3.83	5.82	6.99	10.57	4.79			4.38

# Internal Portfolio Performance

<div>Monthly Internally Managed Portfolio Performance (Net of Fee) As of Date: 3/31/2025</div>												
Structure	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
PUBLIC EQUITY												
S&P 500 INDEX	3,290,869,680.68	16.43	-5.61	-4.24	3.87	8.30	9.15	18.64	12.63	10.46	9.03	2001-07-01
KY Ret. S&P/Russell Blend			-5.63	-4.27	3.80	8.25	9.06	18.59	12.50	10.39		
Internal US Mid Cap	225,295,717.32	1.12	-5.40	-6.03	0.94	-2.36	5.19	17.50	8.94		9.54	2014-08-01
S&P MidCap 400 Index			-5.47	-6.10	0.77	-2.70	4.42	16.91	8.43		9.07	
Scientific Beta	280,958,359.52	1.40	-2.90	1.14	8.60	7.63	6.62	15.87			10.63	2016-07-01
S&P 500 Index			-5.63	-4.27	3.80	8.25	9.06	18.59			13.87	
PRIVATE EQUITY												
INTERNAL PRIVATE EQ	87,113,463.18	0.43	-3.68	-2.54	4.55	7.23					11.67	2023-12-01
CORE FI												
INTERNAL CORE FI	1,045,106,551.94	5.22	-0.02	2.75	4.84	4.91					5.34	2023-09-01
Bloomberg US Aggregate Bond Index			0.04	2.78	4.81	4.88					5.19	
REAL ESTATE												
INTERNAL REAL ESTATE	48,609,713.50	0.24	-2.10	3.38	10.95	8.89					6.95	2023-12-01
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^			0.96	0.96	0.32	-2.27						
REAL RETURN												
INTERNAL REAL RETURN	223,841,713.07	1.12	0.88	5.26	13.05	13.33					13.61	2023-12-01
KRS CPI + 300 bpts			0.68	1.86	3.83	5.82					5.77	
INTERNAL TIPS	145,599.44	0.00	0.37	1.08	3.65	5.02	4.40	2.93	2.43	3.47	4.25	2002-05-01
KR2 Internal US TIPS Blend			0.97	3.93	5.78	6.99	1.86	3.47	2.84	3.63		
CASH ACCOUNT	620,210,911.01	3.10	0.37	1.08	3.65	5.04	4.18	2.55	2.03	2.01	3.40	1988-01-01
FTSE Treasury Bill-3 Month			0.37	1.10	3.75	5.17	4.42	2.69	1.90	1.65	3.03	

## Asset Class Gross Performance - Pension



### Kentucky Retirement Systems Pension Board Asset Class Performance

As of Date: 3/31/2025

Structure	Account Id	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	ITD	Inception Date
KERS	KR2F00010002									
TOTAL GROSS OF FEES	KR2F00010002	4,711,701,760.00	-0.87	1.40	6.00	7.36	5.67	9.85	8.85	4/1/1984
EQUITIES	KR2F00010002	1,493,284,395.90	-3.61	-1.10	3.94	5.50	6.52	15.00	38.10	7/1/2013
FIXED INCOME	KR2F00010002	2,232,892,227.87	0.23	2.44	6.24	7.73	5.59	5.82	88.49	7/1/2013
REAL ESTATE	KR2F00010002	228,656,001.52	0.75	2.01	3.87	2.96	0.65	6.19	46.58	7/1/2013
ALTERNATIVE INVESTMENTS	KR2F00010002	627,466,698.46	0.85	3.42	11.84	13.04	4.82	12.37	86.57	7/1/2013
OTHER	KR2F00010002	3,181,444.45	13.42	-1.44	0.84	-2.08	-5.84	-4.21	55.12	7/1/2013
CASH & TEMPORARY	KR2F00010002	126,220,991.80	0.37	1.08	3.65	5.04	4.18	2.55	13.56	7/1/2013
TOTAL NET OF FEES	KR2F00010002	4,710,172,722.82	-0.94	1.27	5.63	6.86	5.22	9.33	8.69	4/1/1984
KERS- H	KR2F00020002									
TOTAL GROSS OF FEES	KR2F00020002	1,077,558,232.06	-1.34	0.73	5.69	7.13	6.45	11.24	9.04	4/1/1984
EQUITIES	KR2F00020002	445,656,922.37	-3.66	-1.23	3.74	5.13	6.43	14.92	95.46	7/1/2013
FIXED INCOME	KR2F00020002	388,444,987.85	0.34	2.16	6.88	9.00	6.89	7.01	88.79	7/1/2013
REAL ESTATE	KR2F00020002	60,969,306.13	0.44	2.12	4.32	3.14	-0.09	5.38	45.31	7/1/2013
ALTERNATIVE INVESTMENTS	KR2F00020002	144,537,399.64	0.24	2.32	9.53	10.93	7.94	14.40	82.26	7/1/2013
OTHER	KR2F00020002	1,896,268.02	5.57	-1.11	3.42	2.22	0.71	1.39	28.37	7/1/2013
CASH & TEMPORARY	KR2F00020002	36,053,348.05	0.37	1.08	3.65	5.04	4.18	2.55	19.31	7/1/2013
TOTAL NET OF FEES	KR2F00020002	1,077,150,104.21	-1.42	0.58	5.26	6.56	5.88	10.52	8.84	4/1/1984
SPRS	KR2F00050002									
TOTAL GROSS OF FEES	KR2F00050002	696,929,141.82	-1.02	1.15	5.69	6.93	5.93	9.99	8.84	4/1/1984
EQUITIES	KR2F00050002	216,120,238.85	-3.66	-1.32	3.77	5.07	6.35	14.95	62.05	7/1/2013
FIXED INCOME	KR2F00050002	331,752,102.47	0.18	2.38	5.98	7.38	5.41	5.71	88.15	7/1/2013
REAL ESTATE	KR2F00050002	34,561,078.51	0.92	1.69	3.57	2.35	-0.13	5.39	74.80	7/1/2013
ALTERNATIVE INVESTMENTS	KR2F00050002	92,203,189.06	-0.03	2.35	10.45	12.19	7.76	13.75	89.82	7/1/2013
OTHER	KR2F00050002	571,547.91	11.71	-1.80	-0.73	-3.29	-1.41	-1.24	34.83	7/1/2013
CASH & TEMPORARY	KR2F00050002	21,720,985.02	0.37	1.08	3.65	5.04	4.18	2.55	17.11	7/1/2013
TOTAL NET OF FEES	KR2F00050002	696,688,948.33	-1.08	1.03	5.33	6.45	5.52	9.47	8.68	4/1/1984

# Allocations





## Performance Highlights

- The KRS Pension Composite produced a return of 1.13% for the quarter outperforming the blended benchmark return of 0.87%.
- The KRS Insurance Composite produced a return of 0.39% for the quarter versus the benchmark return of 0.43%.

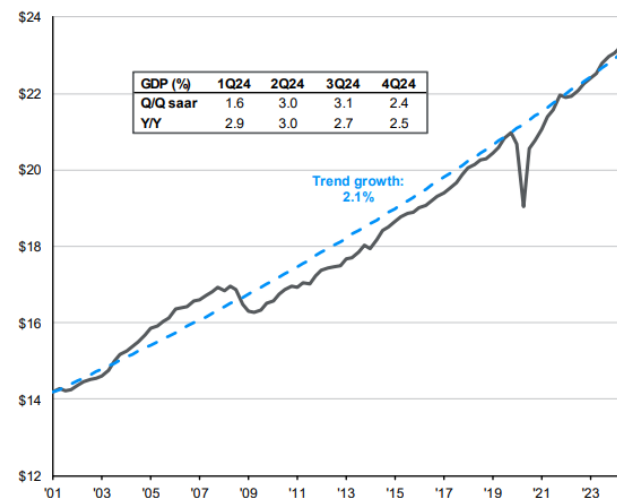
*KERS Pension 1.27%*  
*SPRS Pension 1.03%*  
*Benchmark 0.95%*

*KERSH Pension 0.58%*  
*KERS Insurance 0.35%*  
*KERSH Insurance 0.45%*  
*SPRS Insurance 0.45%*  
*Benchmark 0.43%*

- Across portfolios, the largest contributor to outperformance was the strong outperformance in the Specialty Credit portfolio as managers produced positive excess performance across mandates. Relative outperformance in the Real Return, Public Equity and Real Estate portfolios were also positive contributors to overall performance.
- The overweight to Public Equity, the underweight to Private Equity and the underperformance of the Private Equity portfolio relative to its benchmark were all modest detractors from overall performance.

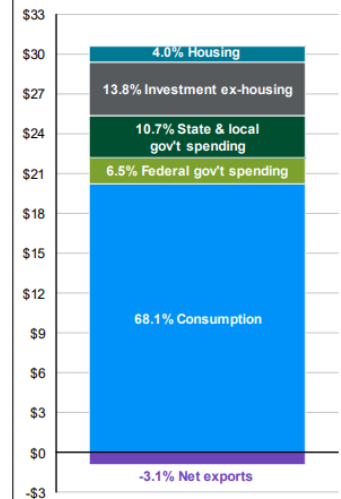
### Real GDP

Trillions of chained (2017) dollars, seasonally adjusted at annual rates



### Components of GDP

4Q24 nominal GDP, USD trillions



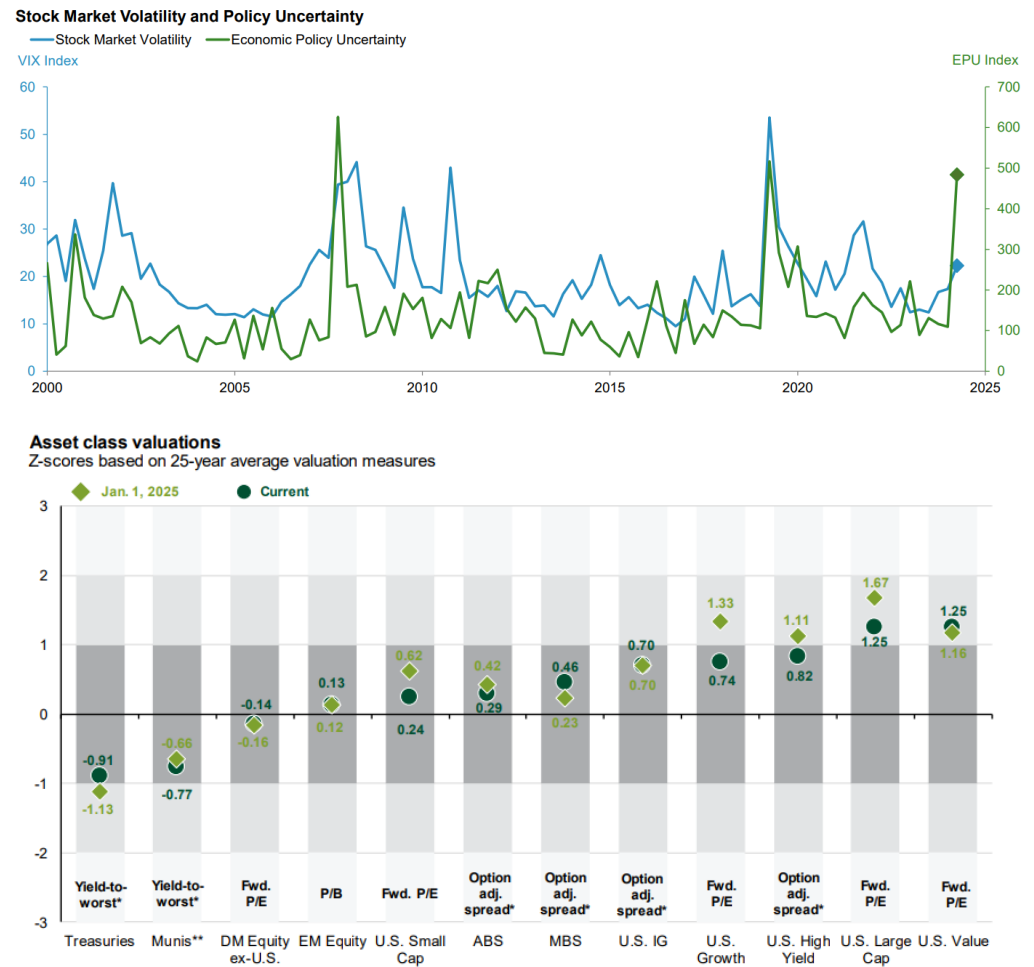
	S&P 500	International	Markets	Small Cap	U.S. Aggregate	Municipal	High Yield	Bank Loan	Commodities
S&P 500	1.00	0.86	0.68	0.86	0.39	0.42	0.80	0.60	0.38
International	0.83	1.00	0.79	0.76	0.43	0.47	0.80	0.60	0.44
Emerging Markets	0.62	0.75	1.00	0.60	0.39	0.44	0.70	0.56	0.49
Small Cap	0.84	0.76	0.58	1.00	0.29	0.34	0.76	0.63	0.36
U.S. Aggregate	0.62	0.69	0.63	0.52	1.00	0.84	0.50	0.15	-0.05
Municipal	0.59	0.67	0.62	0.52	0.86	1.00	0.56	0.29	0.03
High Yield	0.83	0.81	0.65	0.77	0.73	0.72	1.00	0.80	0.49
Bank Loan	0.61	0.58	0.55	0.61	0.36	0.33	0.71	1.00	0.49
Commodities	0.27	0.35	0.33	0.21	0.02	0.04	0.31	0.29	1.00

5 Years ended March 31, 2025    10 Years ended March 31, 2025



## Performance Highlights

- Fiscal year to date, the KRS Pension Composite produced a return of 5.53% outperforming the blended benchmark by 42bps while the KRS Insurance Composite produced a return of 5.03% versus the blended benchmark return of 5.20%.
- Fiscal year to date, strong outperformance in the Real Return and Specialty Credit portfolios have been the most significant drivers of relative performance while underperformance in the Private Equity portfolio has been the largest detractor.
- Uncertainty about the direction of US policy weighed on financial markets during the first quarter, as investors digested news about a flurry of executive actions, including tariff hikes, deregulation announcements, cuts to government staffing and programs, and tighter immigration activities.
- The quarter was a roller coaster for markets as the post-election optimism in the US gave way concerns over concerns that policy uncertainty could tip the economy into a recession which saw the S7P 500 hitting a new record high in mid February only to tumble into a correction in just three weeks.
- The heightening concern around growth and inflation was in contrast to an otherwise solid showing by the US economy: headline consumer price inflation for February rose only modestly while employment data for March exceeded forecasts with the economy adding 228,000 jobs. Despite the robust economic data, forward-looking expectations started to price increased uncertainty around tariffs, their rates, implementation, scope and their potential impact on the U.S. economy.



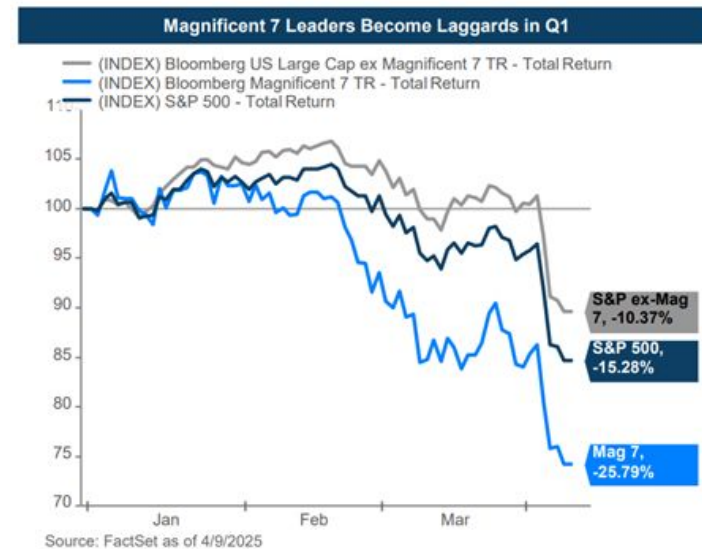
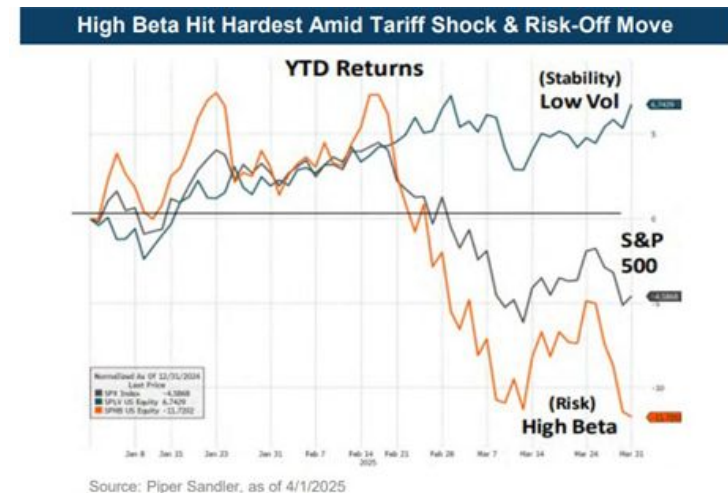
# Performance Highlights

## Public Equities

- Global equity markets had a heterogeneous performance during the fourth quarter as US equity markets reacted positively to President Trump's election in November, driven mostly by a positive sentiment regarding optimism of a lower regulatory burden under his presidency while European equity investors were more bearish on the news due to growing concerns about the region's trade relationships with the US.

### US Markets

- The first quarter of 2025 was a continuation of market cap leadership; however, style leadership experienced a sharp reversal
  - Large caps continued to outperform (SP500: -4.27% vs Midcap: -6.10% vs R2000: -9.48%)
  - Value significantly outperformed Growth by 11.64% (R3000V: 1.64% vs R3000G: -10.00%)
  - Quality and dividend yield outperformed
  - Low volatility outperformed high beta
  - Mag7 equities were punished compared to the rest of the market (valuations were stretched)
- The quarter began with strong momentum resulting in new highs which subsequently gave way to significant drop in response to tariffs and increasing fears of recession
  - All major indices fell as risk was re-priced
  - If tariff policy persists, concerns for more inflation and weaker growth

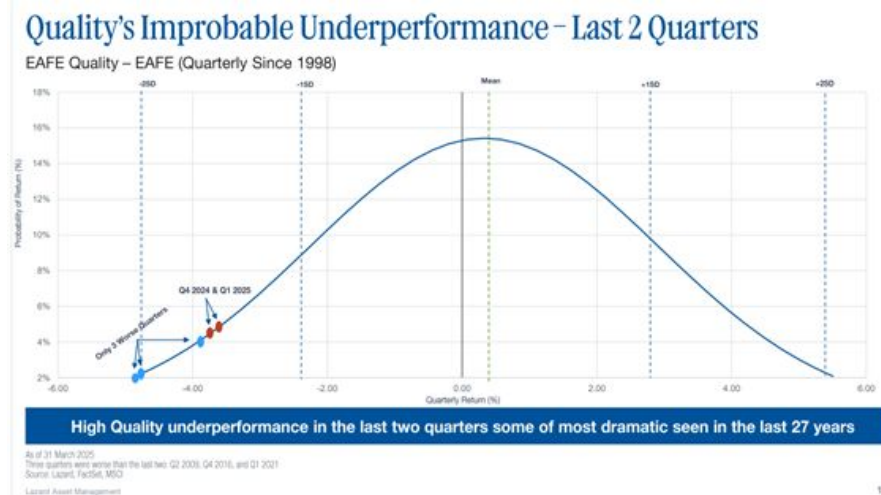
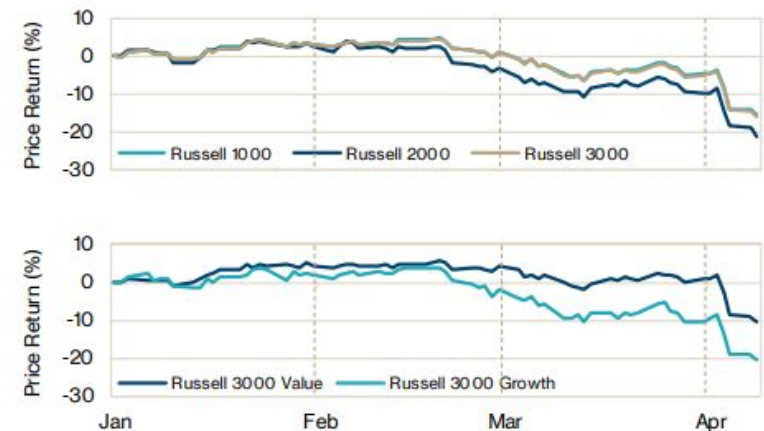


# Performance Highlights

## Public Equities

### International Markets

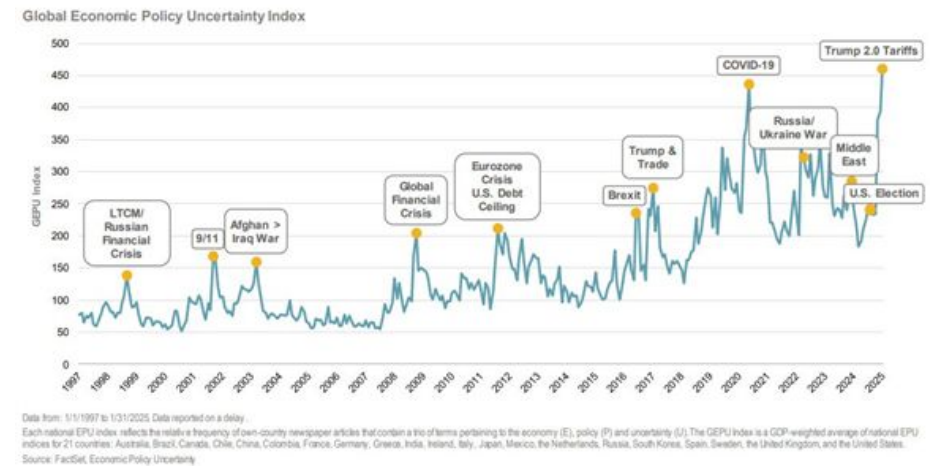
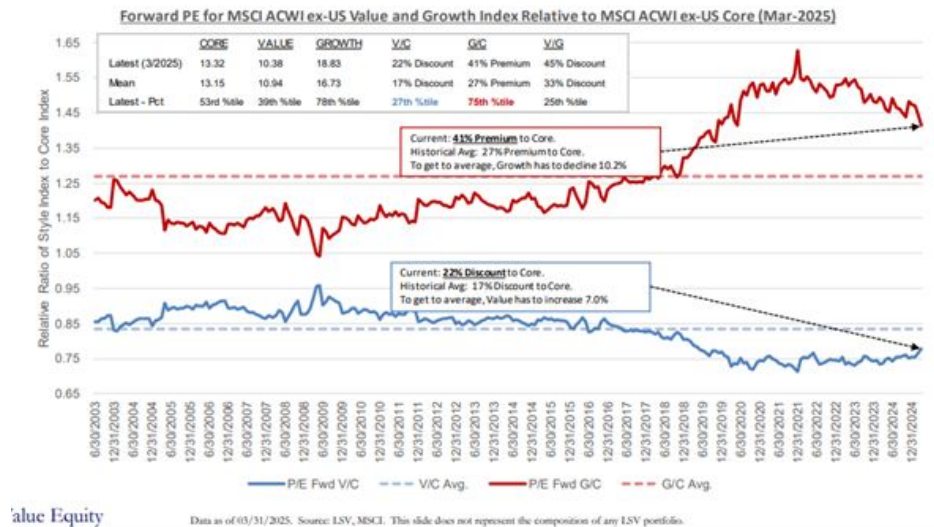
- Increased during the quarter and significantly outperformed the US (greatest in 2 decades)
- Tariffs continue to loom over international markets (inflation concerns)
  - Lower quality (defined by ROE) has outperformed the last two quarters
  - European markets have re-rated
    - Opportunities in the defense sector have emerged in response to US NATO stance
    - German markets responded positively to stimulus package focusing on infrastructure and climate
  - China outperformed as growth began to improve
- Last 2 quarters have been some of the toughest on record for quality (difficult for active management)
- Value and growth valuation discrepancies remain elevated and outside of historical norms



# Performance Highlights

## Public Equities

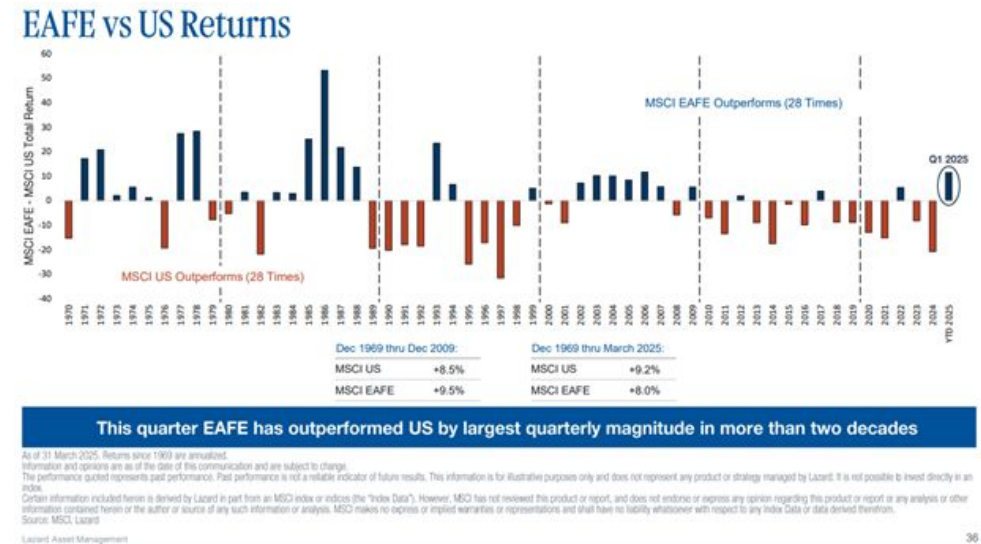
- 1Q25: KPPA Global Equity -1.30% vs MSCI ACWI IMI -1.61%
  - NonUS Equity tilt drove relative outperformance as these markets outpaced the US by over 9.3%
  - US stock selection strength
- 1Q25: KPPA US Equity -4.57% vs Russell 3000 -4.72%
  - Value tilt contributed to relative outperformance, while market cap positioning detracted
  - Solid stock selection: 6 of 7 mandates outperformed
- 1Q25: KPPA NonUS Equity 4.39% vs MSCI ACWI Ex-US IMI 4.59%
  - Individual mandate relative performance was evenly split
    - Stock selection was the primary driver within the context of individual strategies



# Performance Highlights

## Public Equities

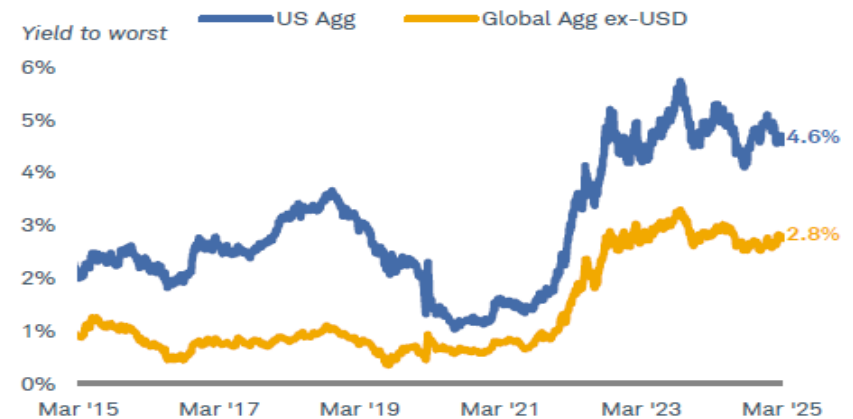
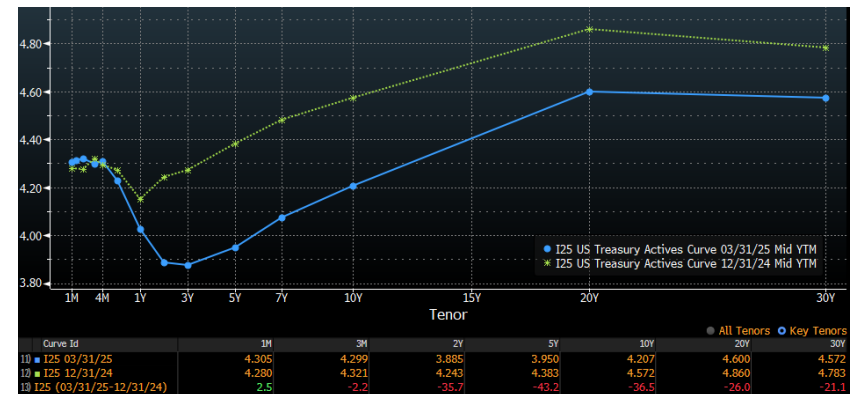
- 12months: KPPA Global Equity 5.08% vs MSCI ACWI IMI 6.30%
  - Allocation driven headwinds
    - U/W US Equity
    - Within regions, investment exposure tilts versus benchmark
- 12months: KPPA US Equity 6.39% vs Russell 3000 7.22%
  - Relative underperformance driven by allocation
    - Value and smaller cap bias have been headwinds
      - R3000V 6.66% vs R3000G 7.18%
      - SP500 8.25% vs Russell Midcap -2.70% vs Russell 2000 -4.01%
    - Partially offset by solid stock selection (5 out of 7 outperformed)
- 12months: KPPA NonUS Equity 3.15% vs MSCI ACWI Ex-US IMI 5.50%
  - Individual strategy performance was mixed; split 50/50
    - Stock selection drove relative performance
    - Left tails were significantly larger than right
    - Value mandates held up better than growth



# Performance Highlights

## Core Fixed Income

- As widely expected, the Federal Reserve at its January and March meetings kept the key borrowing rate unchanged in the range between 4.25% - 4.50% where it has been since December. In addition, the FOMC downgraded its collective outlook for economic growth and increased its inflation projection. Yields ultimately finished lower and the curve bull steepened.
- The 2YR and 5YR US Treasury yields fell 36 basis points and 43 basis points to close at 3.89% and 3.95%, respectively. The 10YR yield was 37 basis points lower to close at 4.21%. The 20YR and 30YR yields were lower 26 basis points and 21 basis points to finish the quarter at 4.60% and 4.57%, respectively.
- During the quarter, the 2-10YR curve remained the same finishing with a spread of 32 basis points.
- The strong correlation between bond returns and starting yields reflects the large contribution of coupon payments over time. As of 3/31/2025, yield-to-worst of the Bloomberg US Aggregate Bond Index was about 4.60%, providing a reasonable estimate of forward-looking annualized returns.

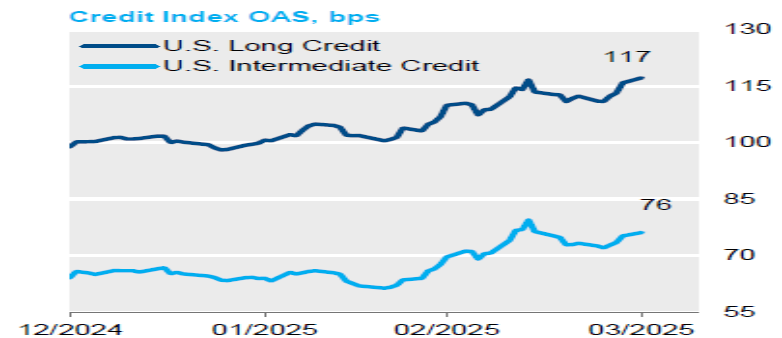




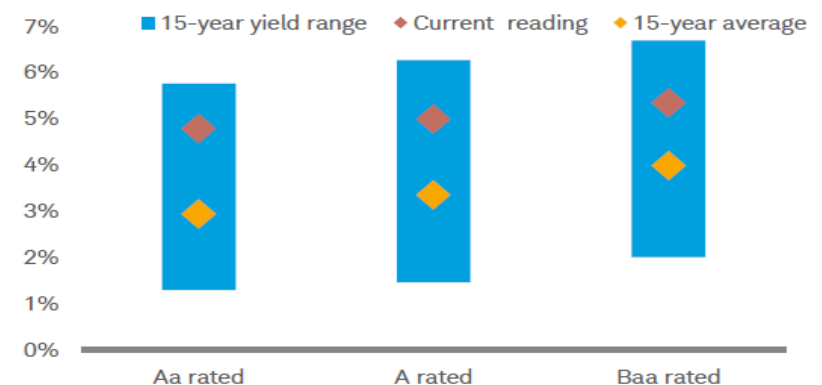
# Performance Highlights

## Core Fixed Income

- The Core Fixed Income Portfolio produced a return of 2.72% for the quarter and 4.83% fiscal year-to-date, slightly underperforming the benchmark by 6 basis points during the quarter but outperforming by 2 basis points fiscal year-to-date.
- For the quarter, the portfolio's relative underperformance was driven by the Corporate Credit allocation as the sector's excess return was -0.85%, as tariff uncertainty rattled markets during March.
- Credit spreads widened amidst the risk-off backdrop and in the face of heavy supply. The credit curve steepened as intermediate and long credit spreads widened 10 and 17 basis points, respectively.
- Average yields for Aa, A and Baa rates corporates are still well above their 15-year averages and at the high end of their 15-year ranges. Growth concerns could result in heightened volatility going forward.



Investment grade corporate bond yields are still well above their 15-year averages

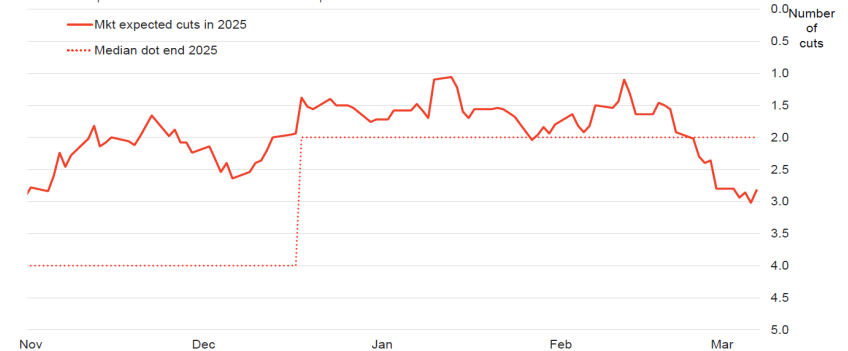


# Performance Highlights

## Liquidity

- The FOMC left policy unchanged during the quarter. The new forecast suggests heightened uncertainty this year, with growth expected to be weaker, but inflation momentarily higher.
- The median fed funds forecast did not change but some FOMC participants believe the rate will have to remain higher for longer.
- The Liquidity portfolio produced a return of 1.08% for the 3-month period ending March 31<sup>st</sup>, slightly underperforming the 3-Month Treasury Bill benchmark which returned 1.10%.
- For fiscal year-to-date, the Liquidity portfolio returned 3.65%, slightly underperforming the benchmark by 10 basis points.
- Near-term inflation expectations jumped to their highest level since 1981. The rise in long-term inflation expectations should catch the Federal Reserve's attention. However, the bond market doesn't believe tariffs will cause persistently higher inflation but consumers are less convinced.
- Chair Powell said the FOMC expects inflation from tariffs to be "transitory."

Market expectation versus FOMC dot-plot median



US: Michigan consumer inflation expectations

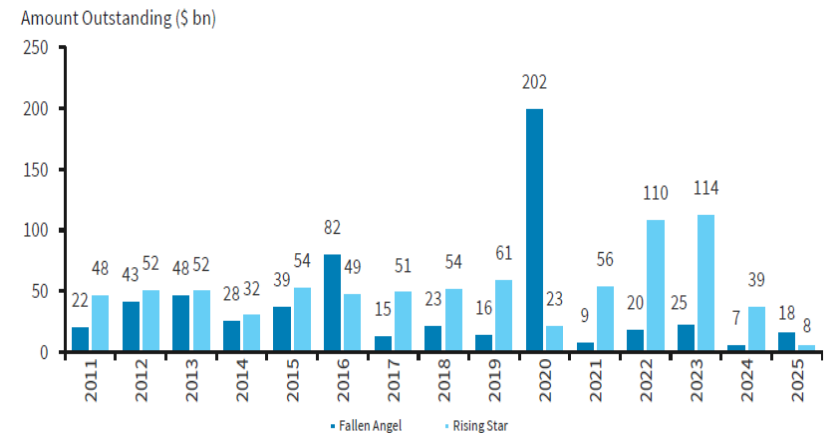
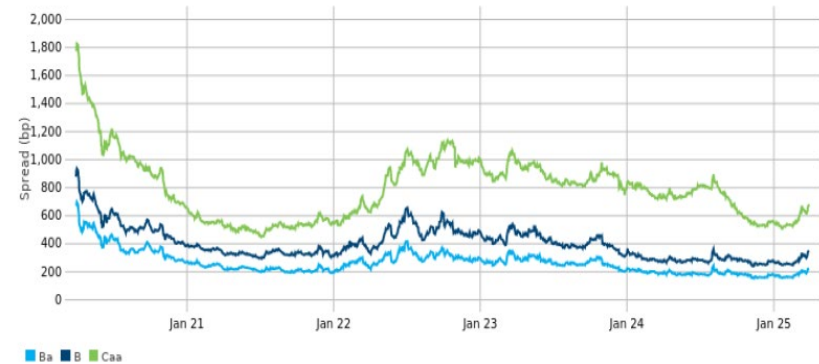




# Performance Highlights

## Specialty Credit Fixed Income

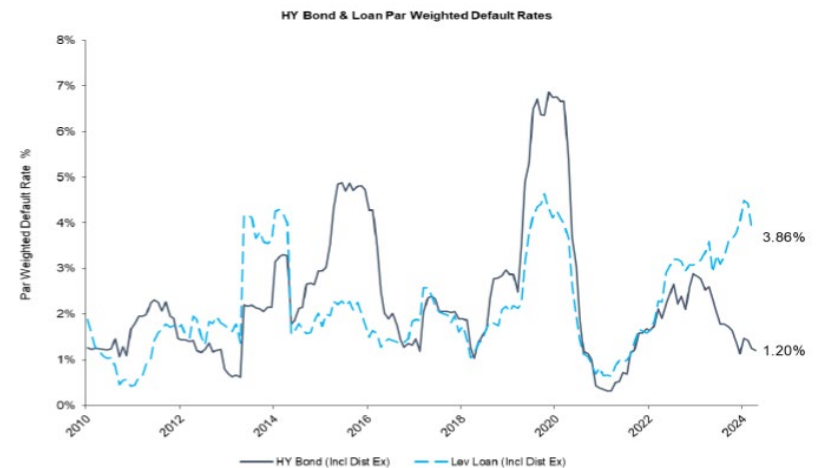
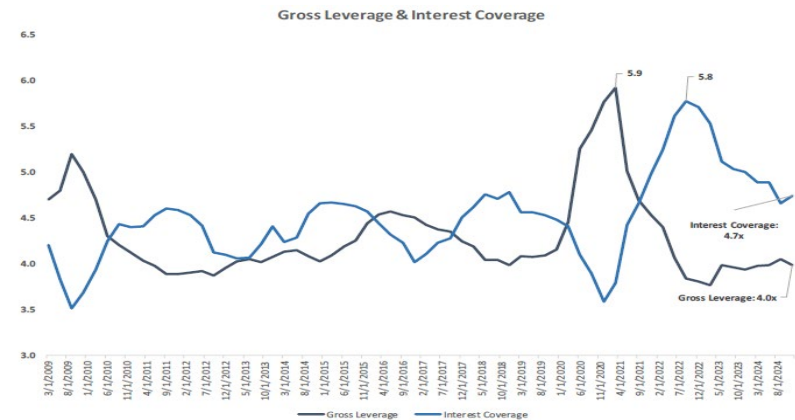
- The Specialty Credit portfolio produced a return of 2.02% for the quarter and 7.52% fiscal year-to-date, outperforming the custom benchmark which returned 0.74% and 5.70%, respectively.
- Over longer periods the portfolio has contributed outperformance, beating the benchmark by 204 and 60 basis points over three- and five-year periods, respectively.
- Softening macroeconomic data and forward earnings guidance along with increasing trade policy uncertainty resulted in modestly wider high yield valuations while total returns remained slightly positive.
- The risk-off tone resulted in decompression with lower-quality issues underperforming with B and CCC returning 0.74% and -0.43%, respectively.
- In a reversal of the multi-year trend, fallen angels outpaced rising stars by a 3:1 ratio. The first quarter of 2025 saw the largest fallen angel volume since second quarter 2020.
- The High Yield option adjusted spread (OAS) widened 60 basis points for the quarter to 347.



# Performance Highlights

## Specialty Credit Fixed Income

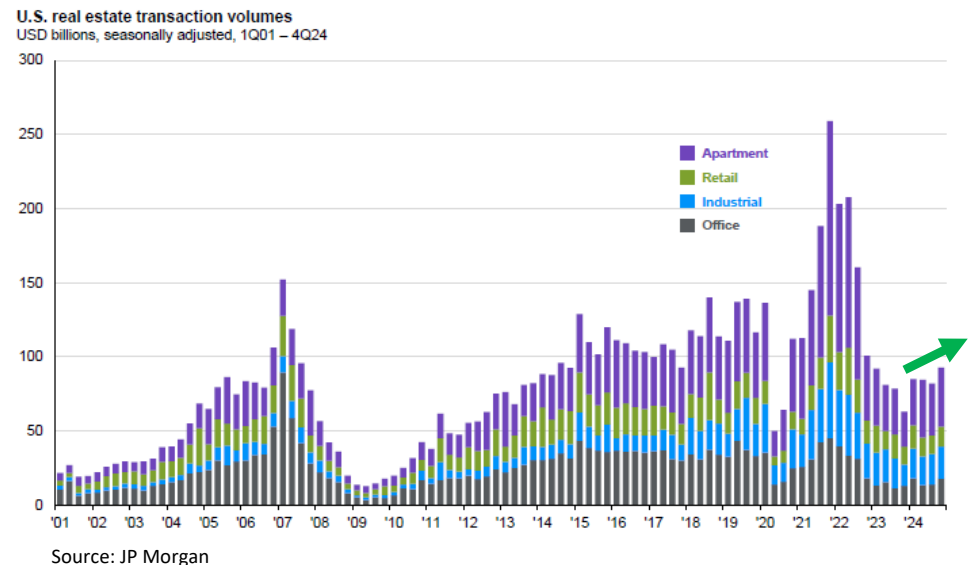
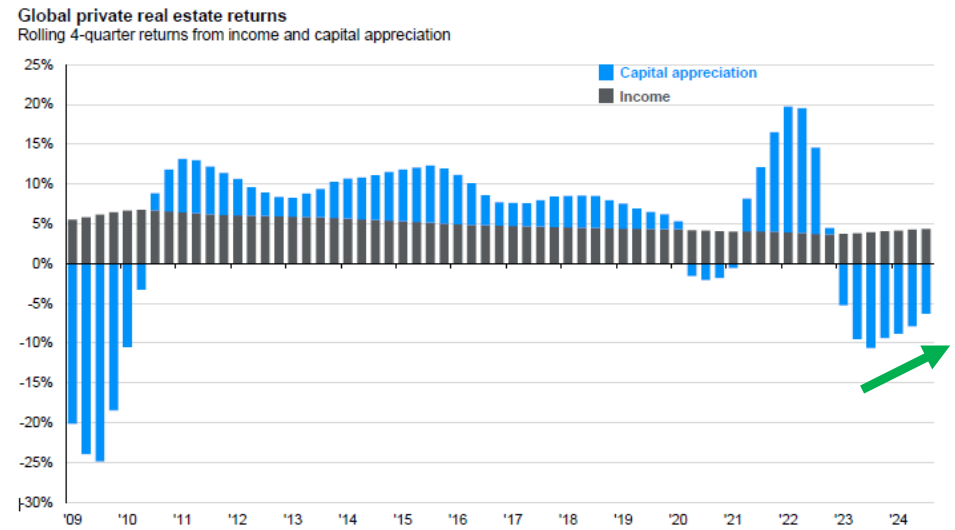
- Earnings reports from high yield issuers maintained the recent trend of generally meeting expectations and are yet to indicate broad, material fundamental improvement or deterioration.
- Modestly positive revenue and EBITDA growth continued while leverage and interest coverage metrics remained stable.
- The high yield bond default and distressed exchange activity remained moderate for the quarter. The LTM par-weighted default rate including distressed exchanges decreased to 1.20%.
- Default and distressed exchange activity remains concentrated in the leveraged loan market, where the par-weighted default rate including distressed exchange decreased to 3.86%.
- The 270 basis point spread between high yield bond and leveraged loan default activity remains near multi-decade highs
- The Morningstar LSTA US Leveraged Loan index declined -0.31% in March, the first monthly decline after 16 consecutive monthly gains. However, the index gained 0.48% for the quarter ending March 31, 2025 and produced a positive 4.86% for the fiscal year-to-date.



# Performance Highlights

## Real Estate (as of 12/31/24 - 1 quarter lag)

- Real Estate markets and sentiment have continued to rebound, with the Open End Diversified Core Equity (NFI-ODCE) index posting a second consecutive positive quarter after two years of declines.
- The Real Estate portfolio's value grew 1.61% during the quarter, outpacing the benchmark's 0.96% return.
- The portfolio's three open-end Core strategies (~2/3 total exposure) all produced positive returns during the fourth quarter. Although some valuation markdowns persist, they were more than offset by the funds' 3.5%+ annual income returns.
- During the second half of 2024, those same three open-end Core funds collectively raised over a billion dollars, largely cleared their redemption queues, and called capital from their contribution queues to start playing offense.
- This increased activity is also reflected in transaction volumes across all sectors, which has started to climb again from the trough reached in late 2023.



Source: JP Morgan

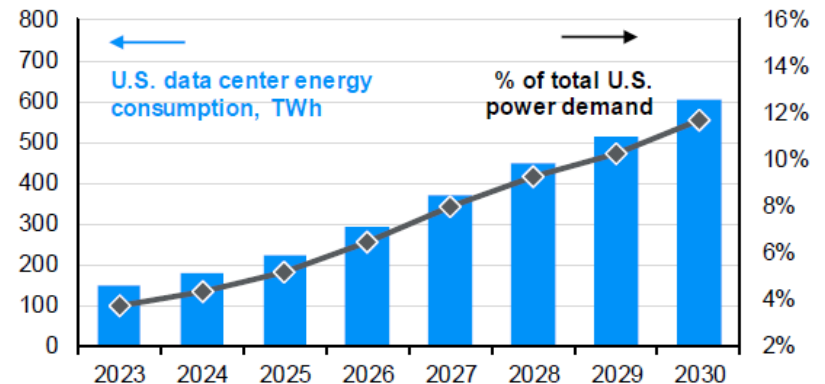
# Performance Highlights

## Real Return

- The Real Return portfolio continued to perform well during the quarter, posting a return of 2.85% that was above its benchmark return of 1.86%.
- The portfolio's MLP exposure gained 6.8% during 1Q 2025 and has returned over 26% annualized over the past three years. Midstream energy companies have continued to grow free cash flow and volumes and are benefiting from the tailwind of data centers' voracious energy demand.
- The portfolio's farmland mandate was funded in 4Q 2024 and returned 3.1% during that quarter.
- The portfolio's inland marine manager returned 1.4% for 4Q 2024 and 8.2% for the full year. The remainder of KPPA's original 2023 commitment plus an incremental \$100 million are scheduled to be deployed at the end of 2Q 2025.
- Over half of the portfolio's railcar leasing allocation was called during 1Q 2025.

### Data center expected growth in electricity demand

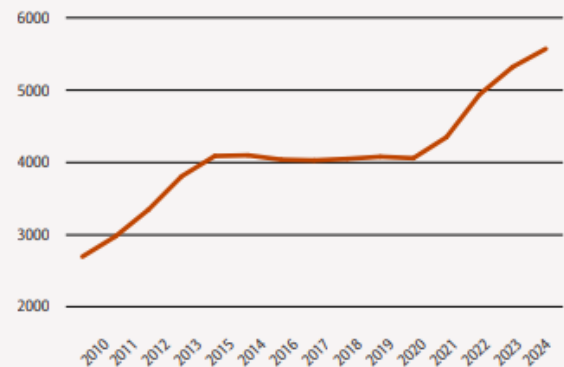
U.S. data center energy consumption, projections through 2030



Source: JP Morgan

### Average cropland value (USD/acre)

United States: 2010–2024

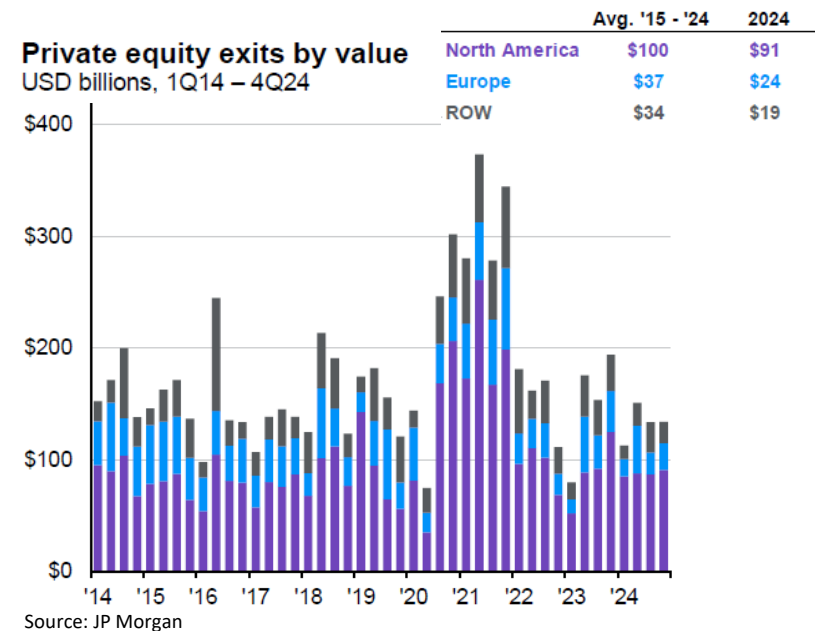


Source: Bank of America, US Department of Agriculture

## Performance Highlights

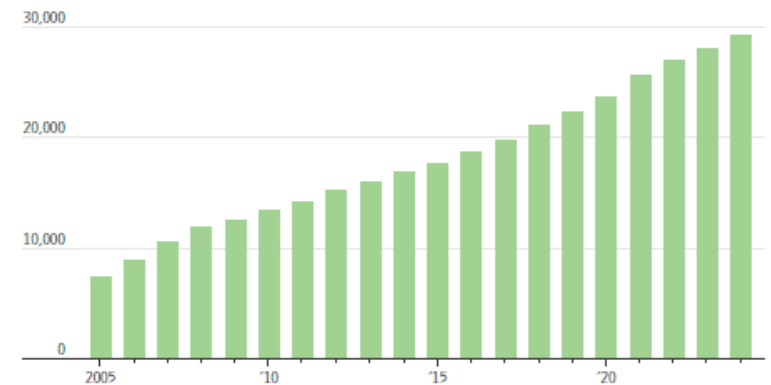
### Private Equity (as of 12/31/24 - 1 quarter lag)

- The Private Equity portfolio produced a return of 1.3% for the quarter, trailing the benchmark's return of 2.8%.
- Performance relative to the benchmark (Russell 3000 + 3%, lagged one quarter) has continued to lag due to a robust equity market that gained ~25% during 2024.
- Transaction activity and exits have picked up in recent quarters but remain well below 2021 levels. Higher interest rates have unfavorably impacted buyout math, and the broader market uncertainty driven by tariffs has not helped.
- As a result, the number of portfolio companies that private equity firms are waiting to sell hit another record high in 2024 near 30,000.



#### Private-equity glut

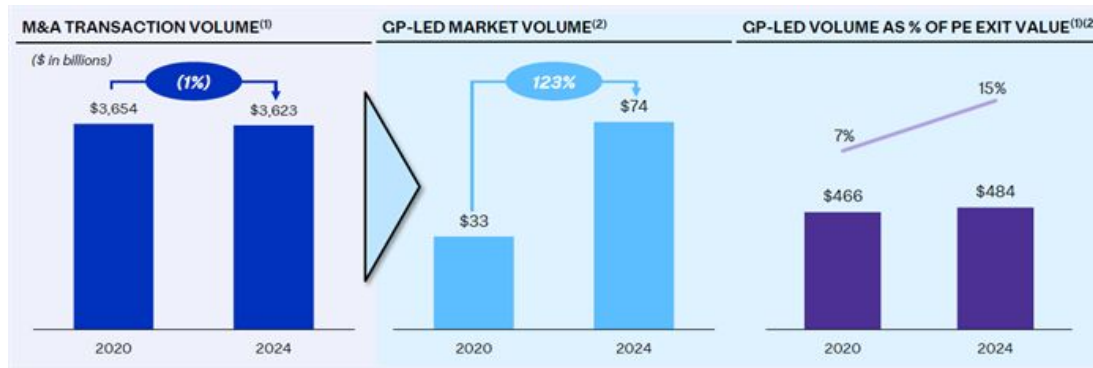
Firms are sitting on a record number of companies globally they're waiting to sell



# Performance Highlights

## Private Equity

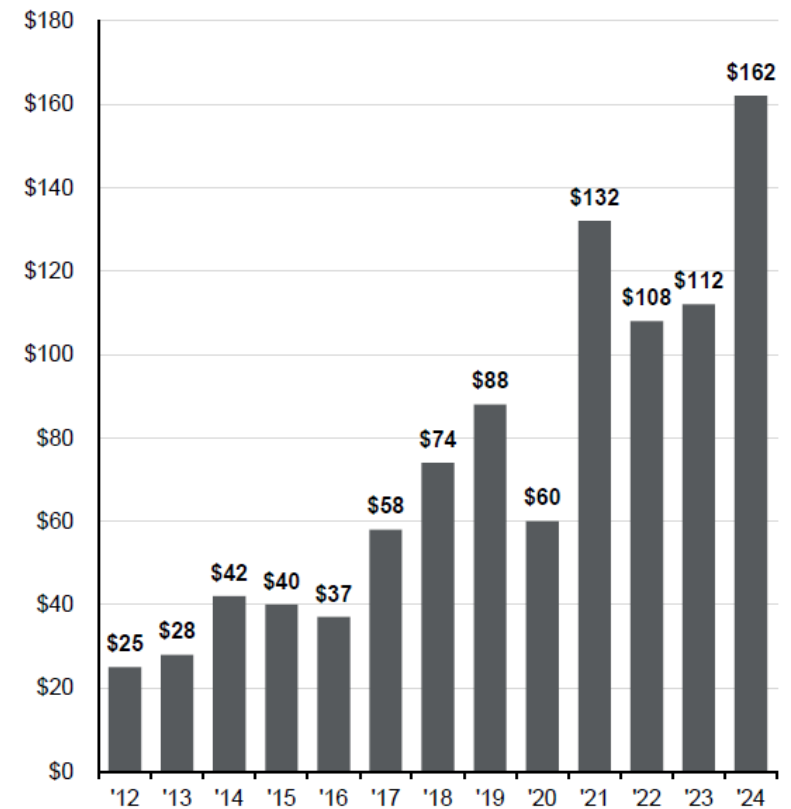
- This glut of unsold companies has helped the secondary market continue to grow. 2024 secondary transaction volume of \$162 billion was a record high and shattered the previous high of \$132 billion in 2021.
- Continuation vehicles (the most prevalent type of GP-led secondaries) have been gaining popularity since they offer LPs liquidity while allowing GPs to continue holding and growing their best assets.
- KPPA invested in two continuation vehicles during 4Q 2024 and received proceeds from three others during the first five months of 2025.



Source: PJT Park Hill

## Secondary market volume

USD billions



Source: JP Morgan

## Asset Class Performance

### Asset Class Returns - Best to Worst

2020	2021	2022	2023	2024	2025 YTD
U.S. Equity 20.8%	REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Commodities 8.9%
Emrg Mrkts 18.7%	Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 7.0%
U.S. TIPS 11.0%	U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. TIPS 4.2%
Developed 8.3%	Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Emrg Mrkts 3.0%
Core Bond 7.5%	U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	Core Bond 2.8%
High Yield 7.1%	High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	T-Bills 1.0%
T-Bills 0.7%	T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	REITs 1.0%
Commodities -3.1%	Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	High Yield 1.0%
REITs -7.9%	Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	U.S. Equity -4.8%

### Annualized 5-Year as of 3/25

U.S. Equity 18.3%
Commodities 14.5%
Developed 12.3%
REITs 11.2%
Emrg Mrkts 8.4%
High Yield 7.3%
T-Bills 2.6%
U.S. TIPS 2.4%
Core Bond -0.4%

Data Sources: Bloomberg

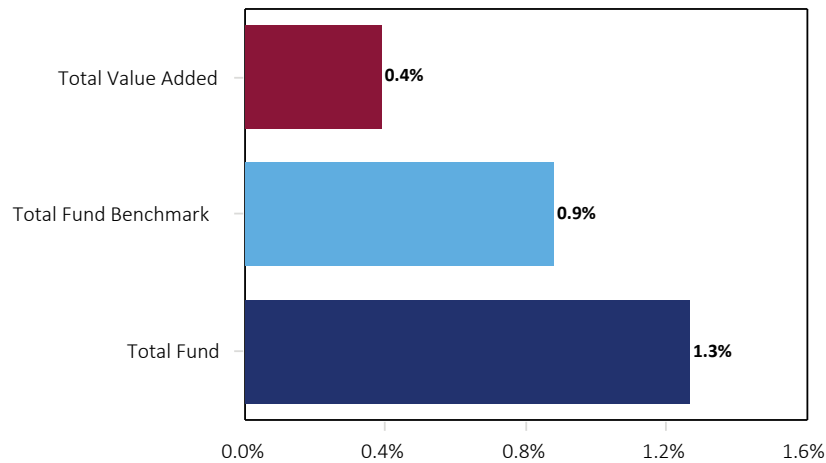
Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

# Total Fund Attribution

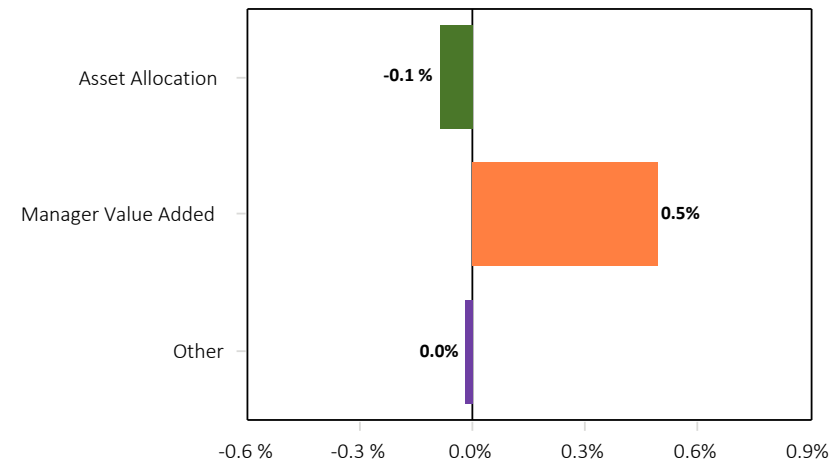
KERS Pension Plan

Periods Ended 1 Quarter Ending March 31, 2025

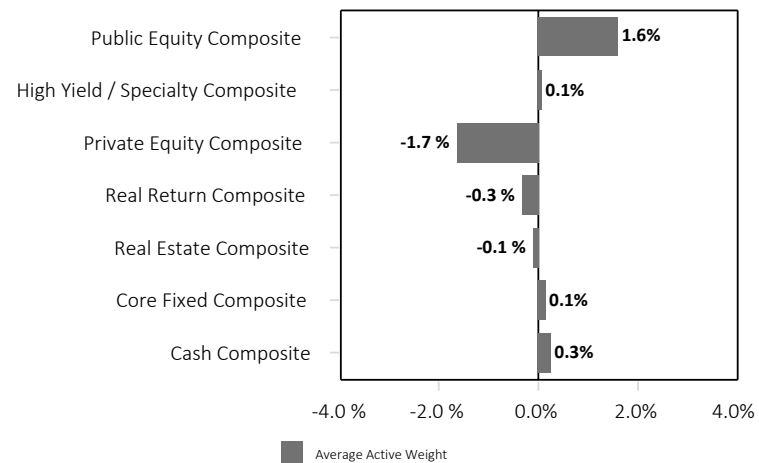
## Total Fund Performance



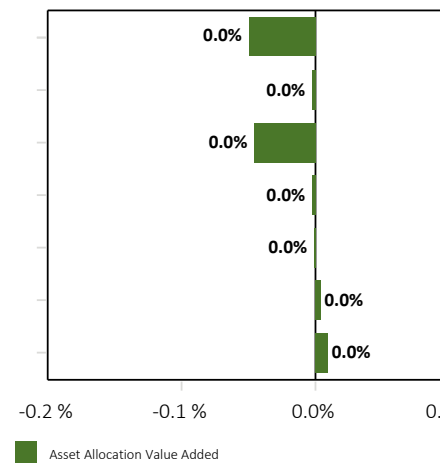
## Total Value Added:0.4%



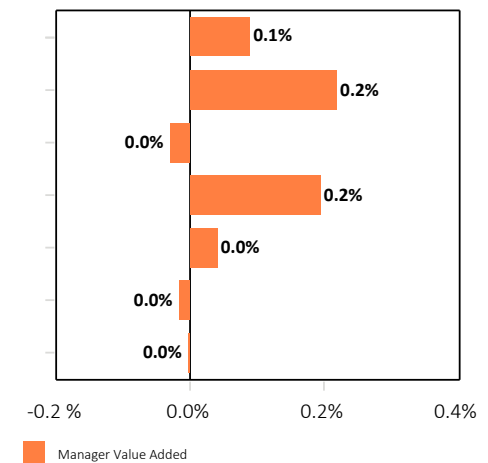
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.5%



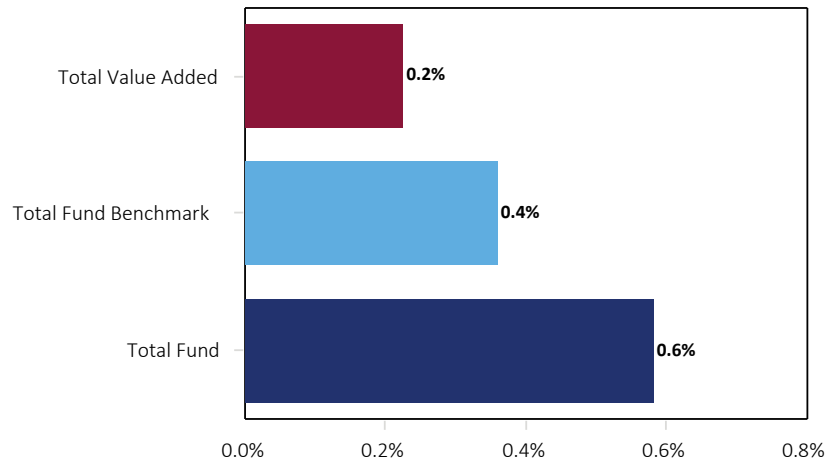


# Total Fund Attribution

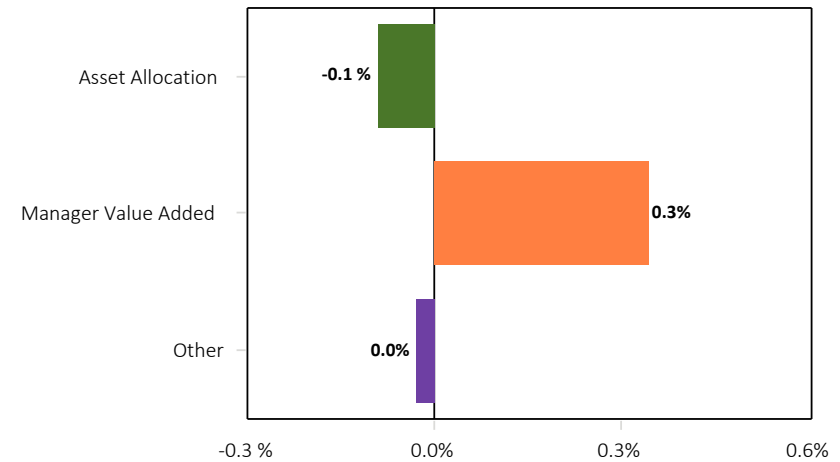
KERS (H) Pension Plan

Periods Ended 1 Quarter Ending March 31, 2025

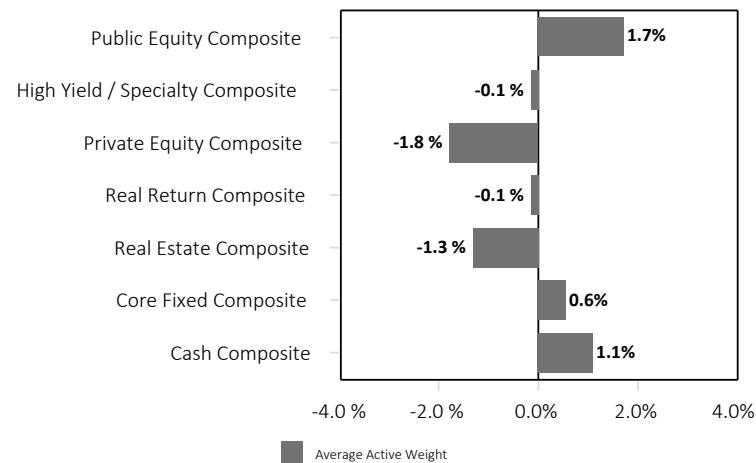
## Total Fund Performance



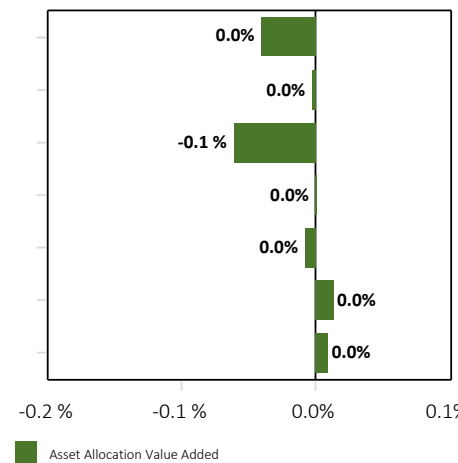
## Total Value Added:0.2%



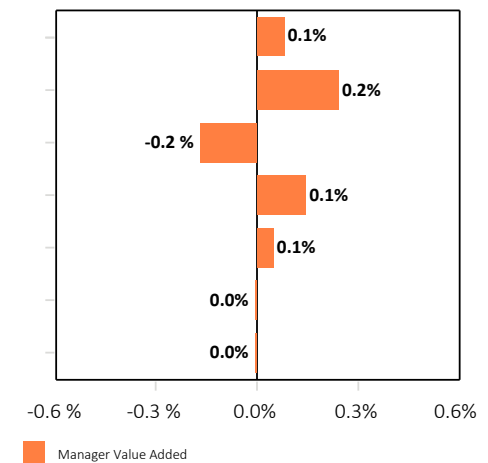
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.3%

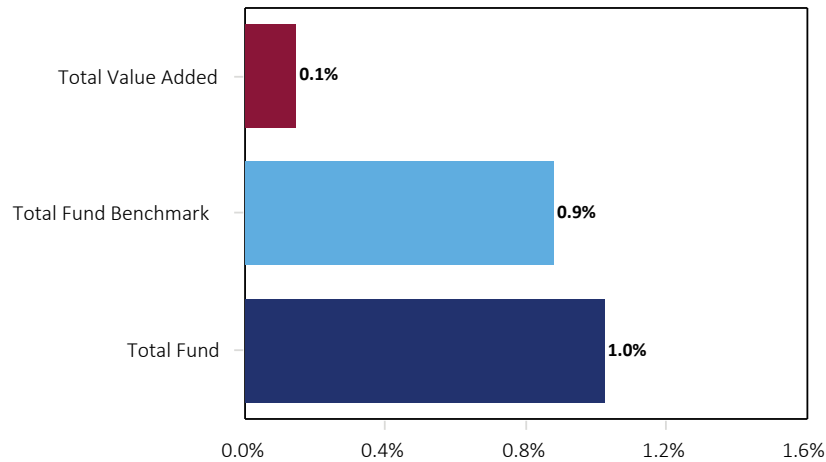


# Total Fund Attribution

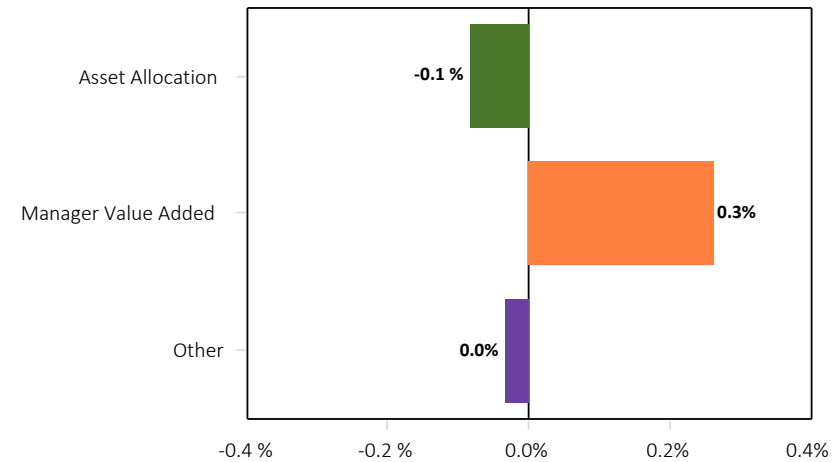
SPRS Pension Plan

Periods Ended 1 Quarter Ending March 31, 2025

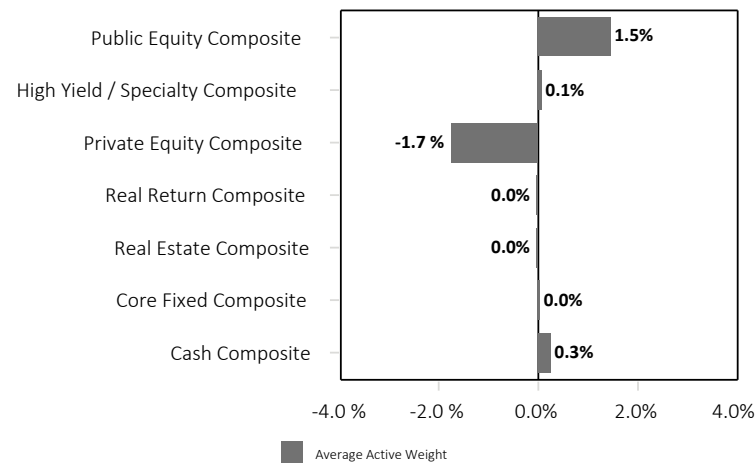
## Total Fund Performance



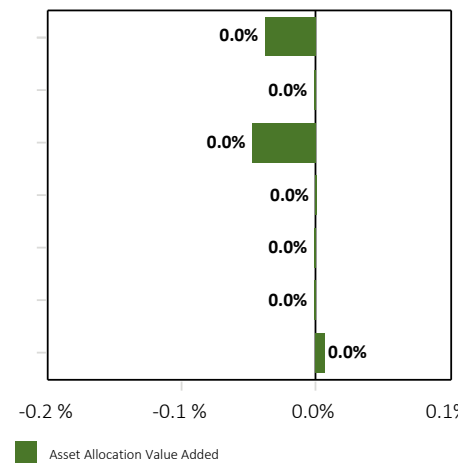
## Total Value Added:0.1%



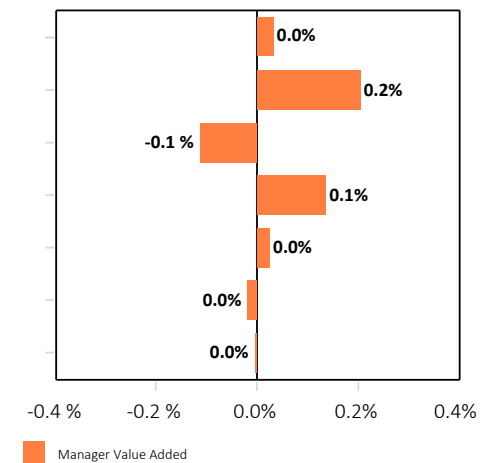
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.3%

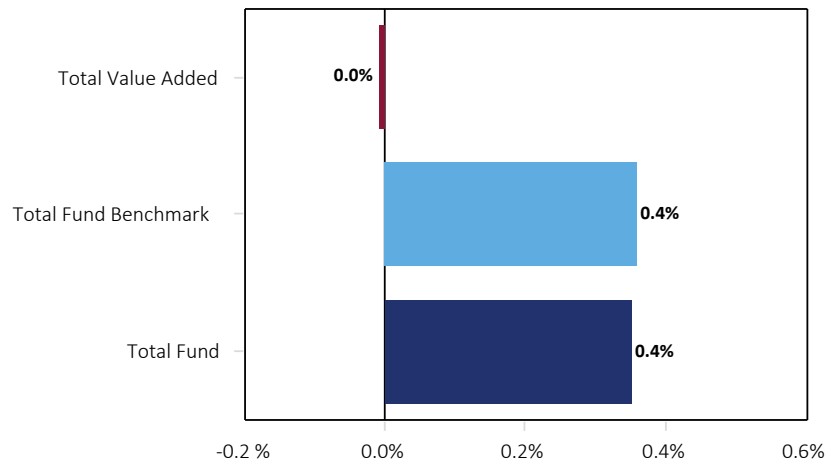


# Total Fund Attribution

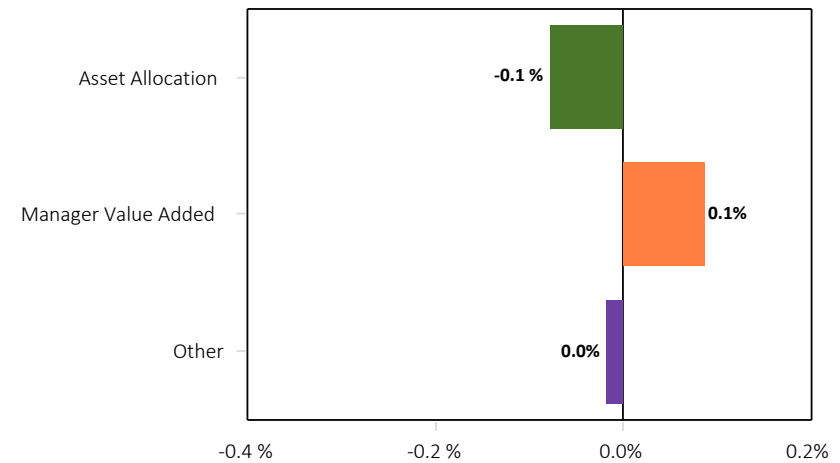
KERS Insurance Plan

Periods Ended 1 Quarter Ending March 31, 2025

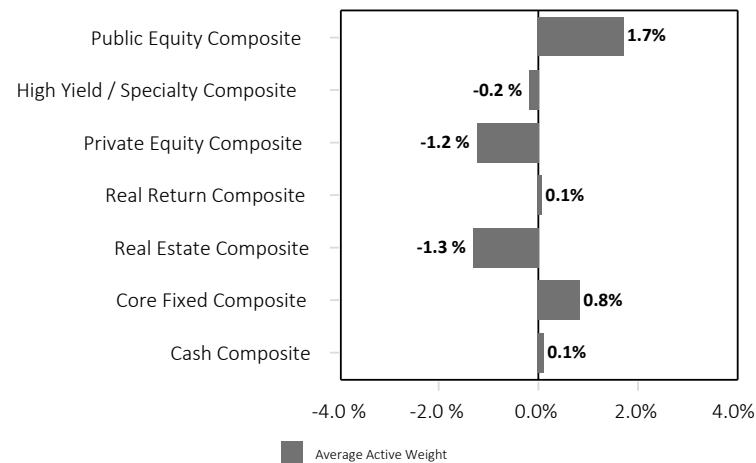
## Total Fund Performance



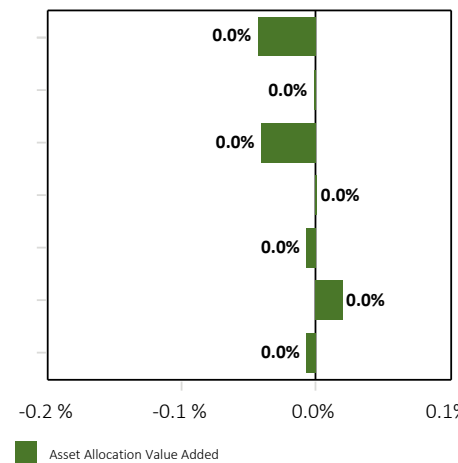
## Total Value Added:0.0%



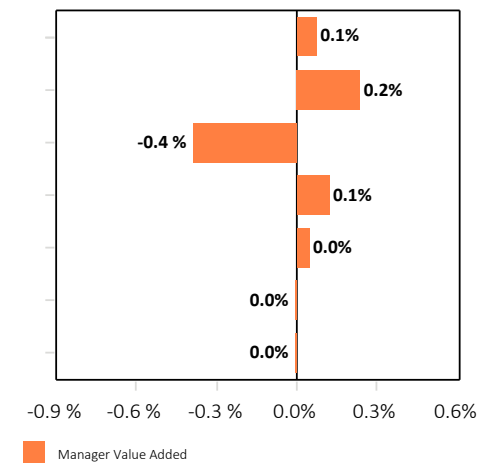
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.1%

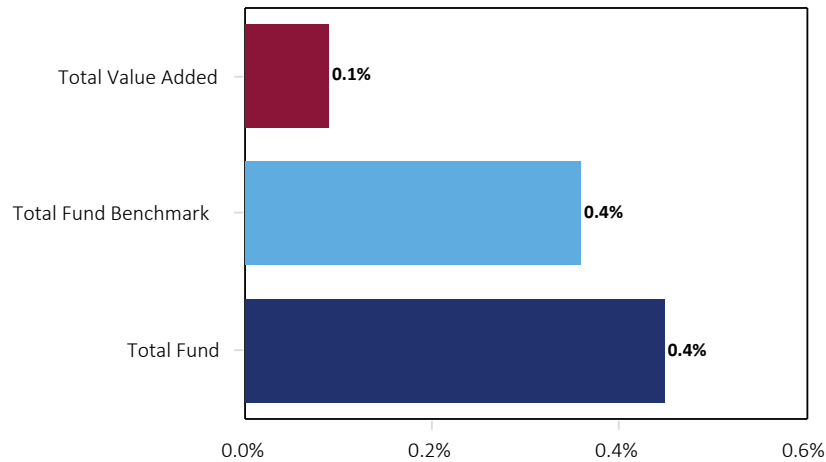


# Total Fund Attribution

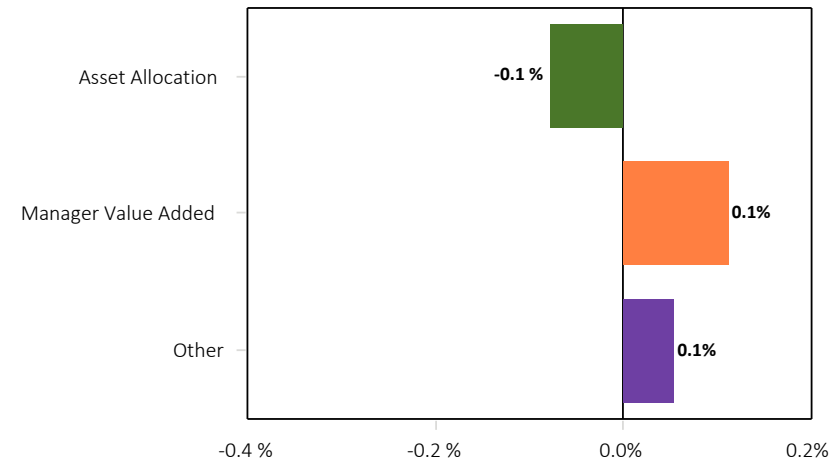
KERS (H) Insurance Plan

Periods Ended 1 Quarter Ending March 31, 2025

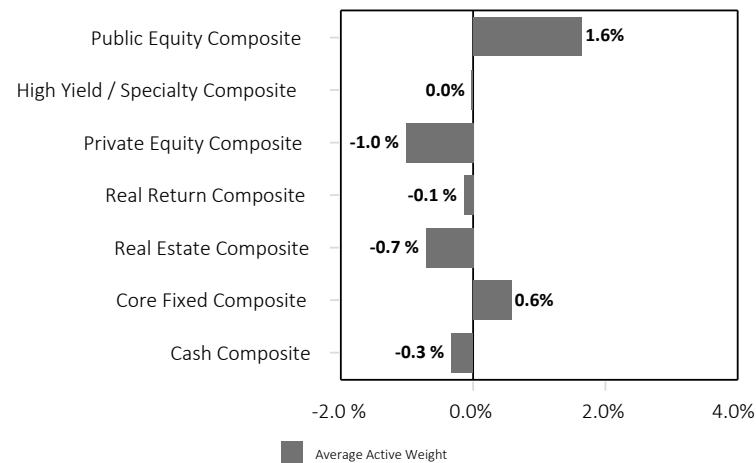
## Total Fund Performance



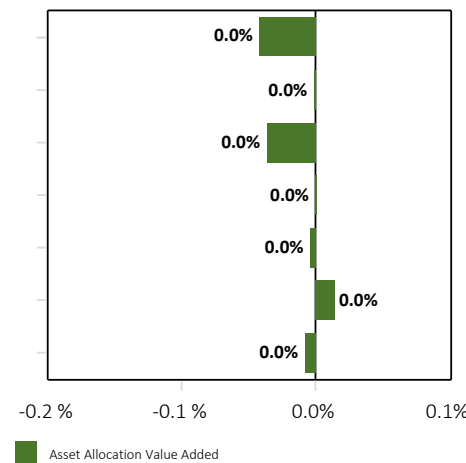
## Total Value Added:0.1%



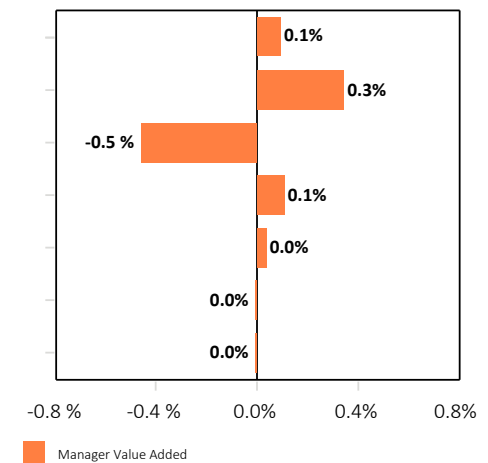
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.1%

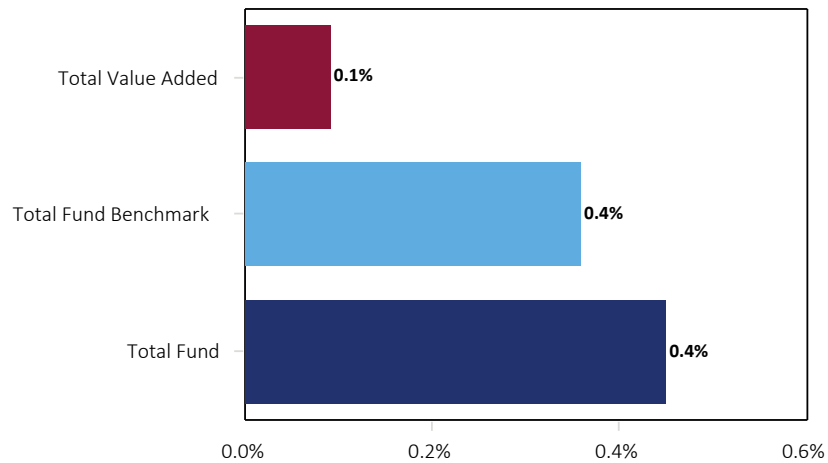


# Total Fund Attribution

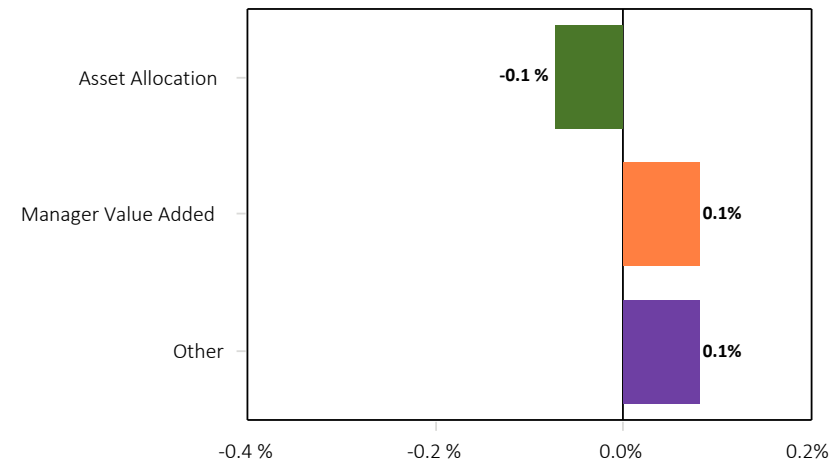
SPRS Insurance Plan

Periods Ended 1 Quarter Ending March 31, 2025

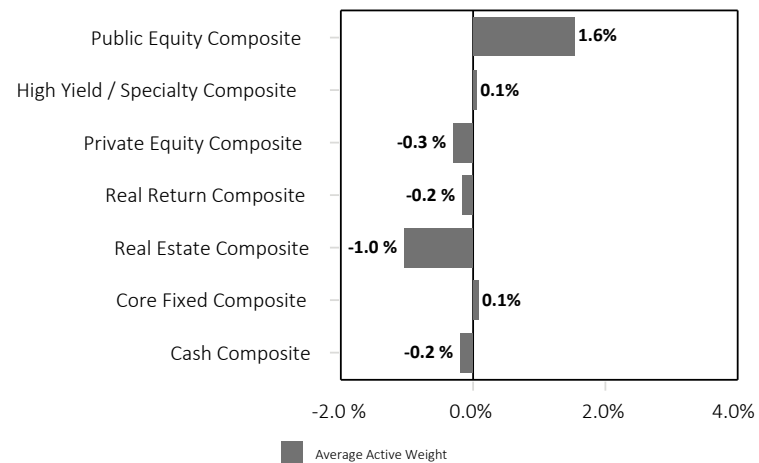
## Total Fund Performance



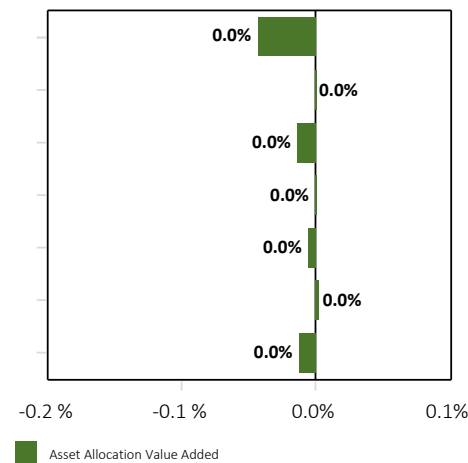
## Total Value Added:0.1%



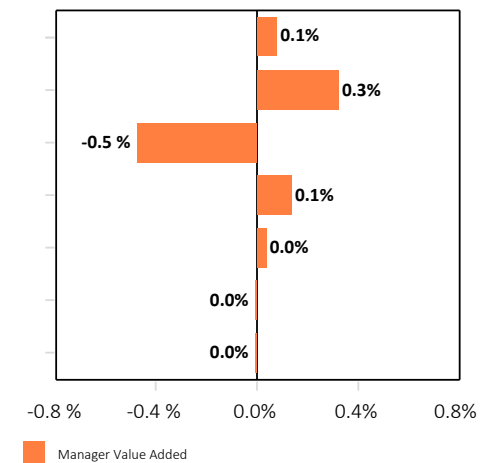
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:0.1%

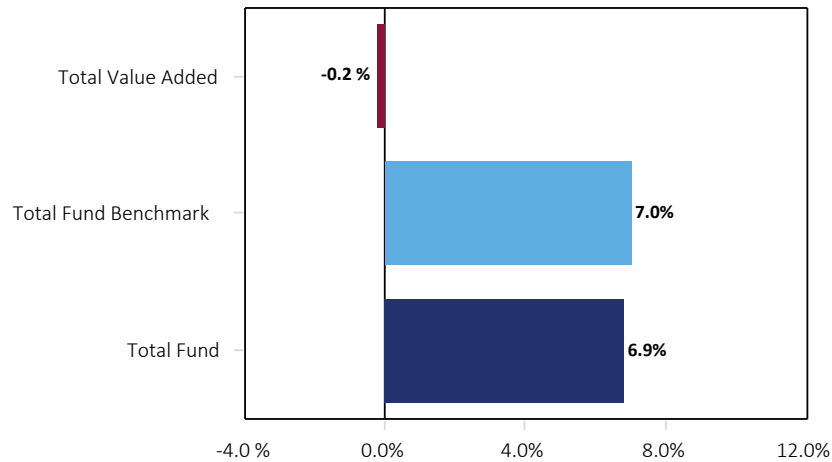


# Total Fund Attribution

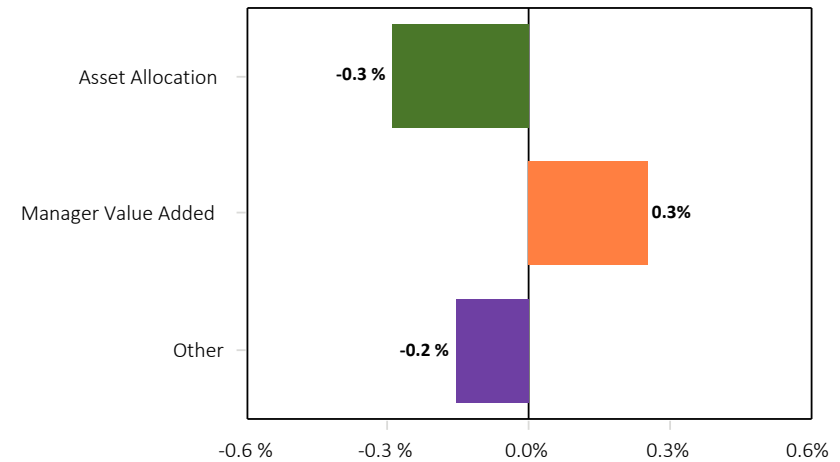
KERS Pension Plan

Periods Ended 1 Year Ending March 31, 2025

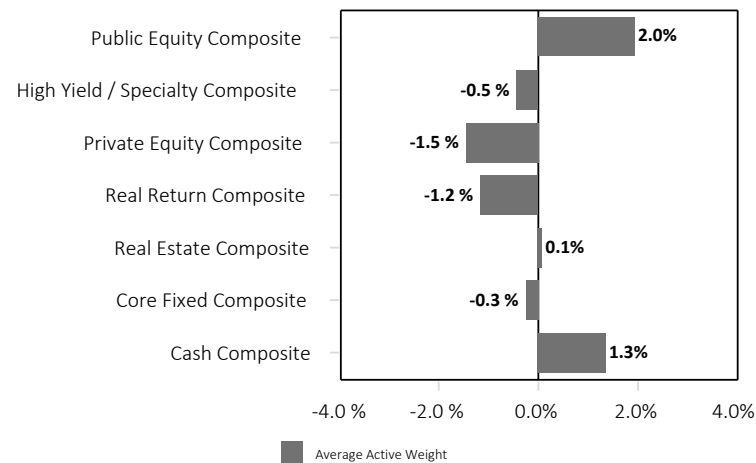
## Total Fund Performance



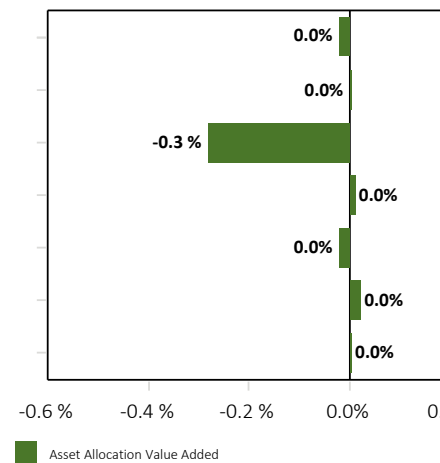
## Total Value Added:-0.2 %



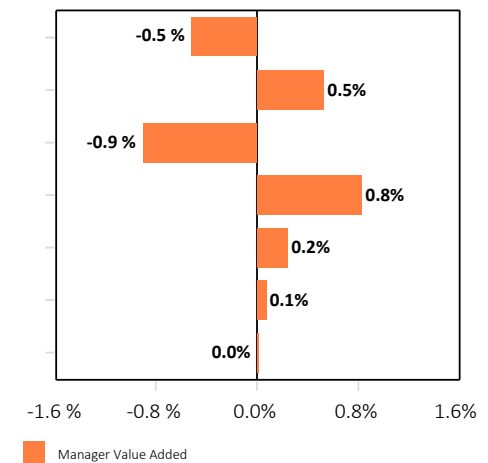
## Total Asset Allocation:-0.3 %



## Asset Allocation Value Added:-0.3 %



## Total Manager Value Added:0.3%

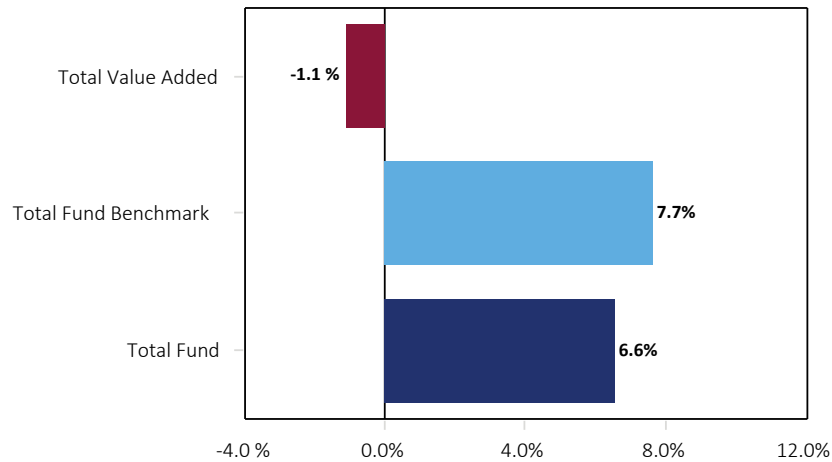


# Total Fund Attribution

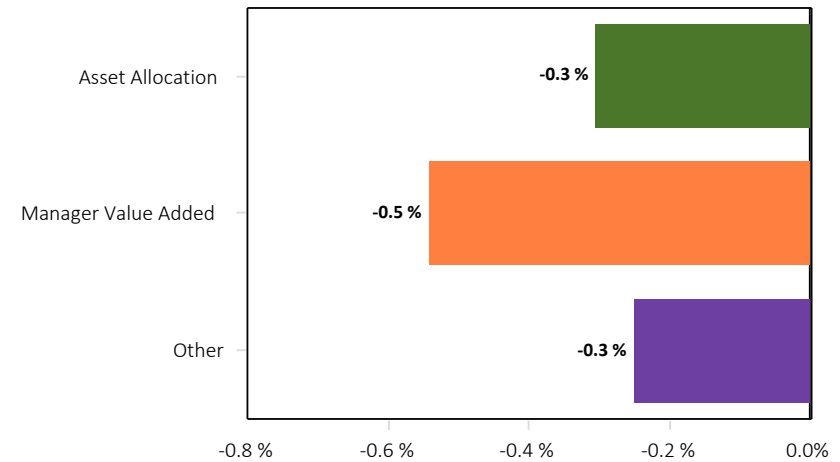
KERS (H) Pension Plan

Periods Ended 1 Year Ending March 31, 2025

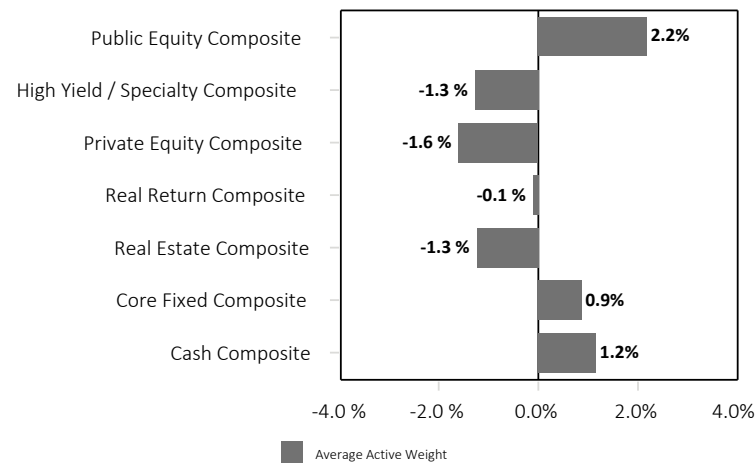
## Total Fund Performance



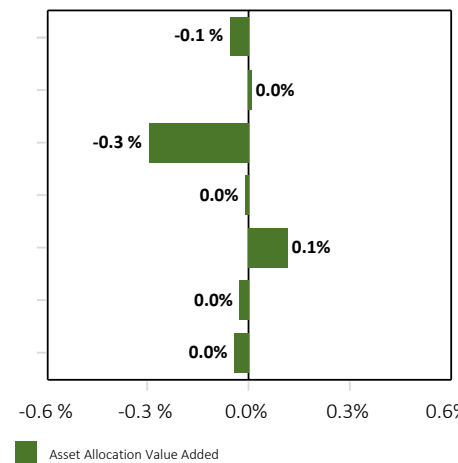
## Total Value Added:-1.1 %



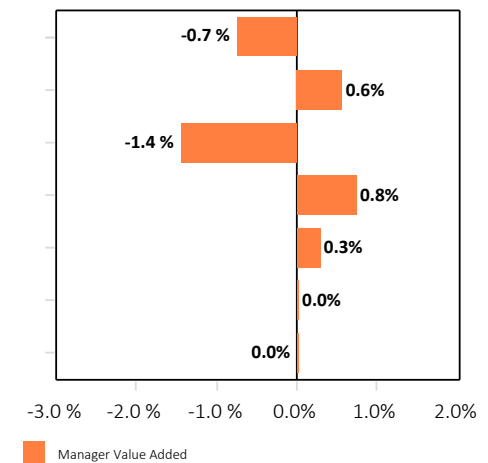
## Total Asset Allocation:-0.3 %



## Asset Allocation Value Added:-0.3 %



## Total Manager Value Added:-0.5 %

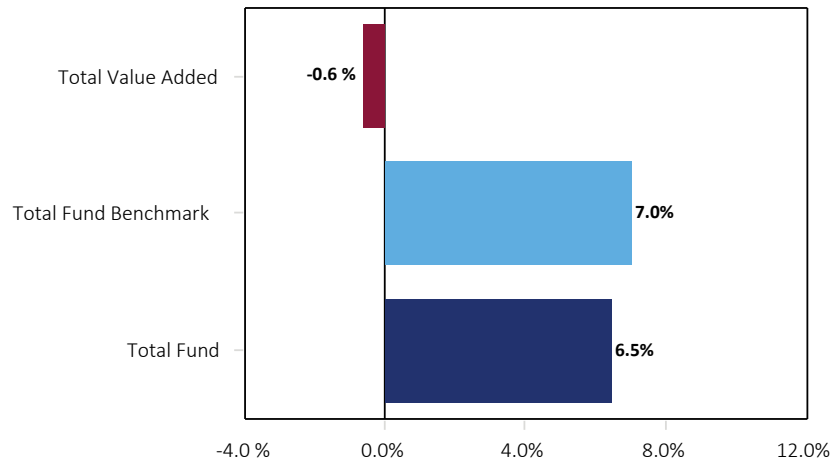


# Total Fund Attribution

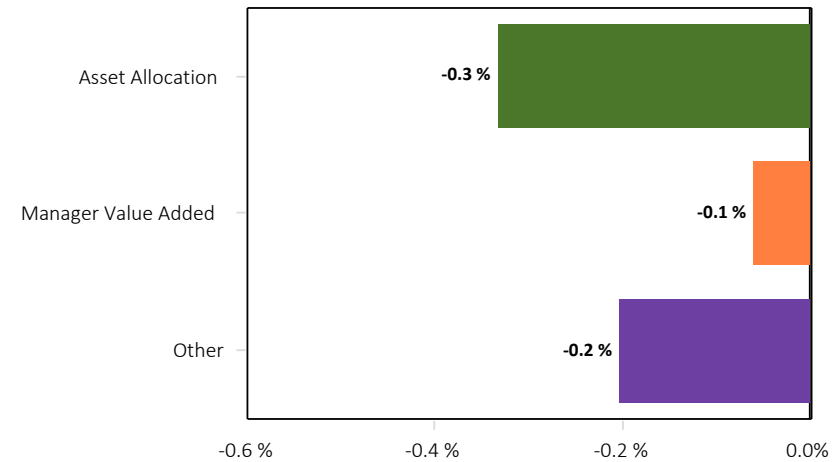
SPRS Pension Plan

Periods Ended 1 Year Ending March 31, 2025

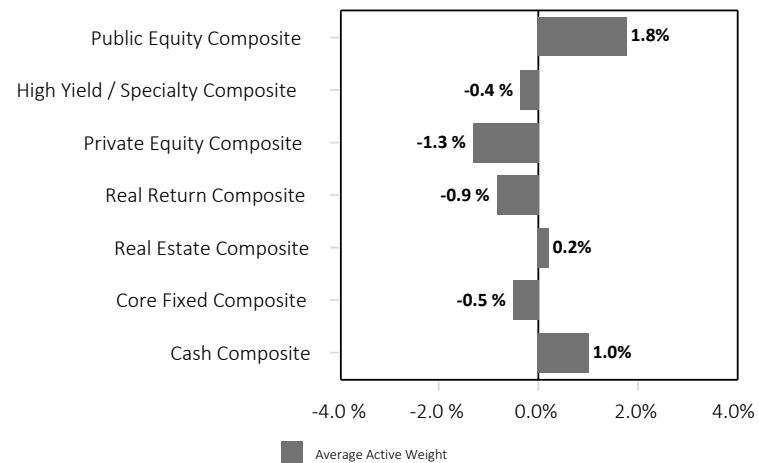
## Total Fund Performance



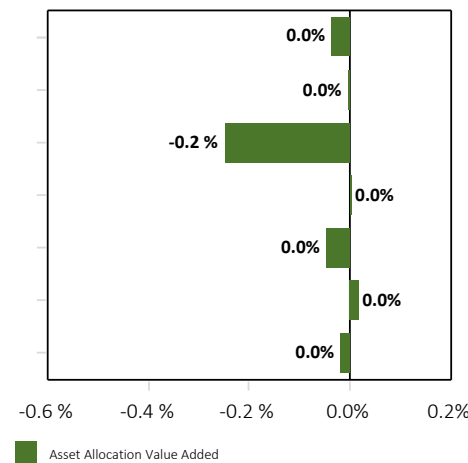
## Total Value Added:-0.6 %



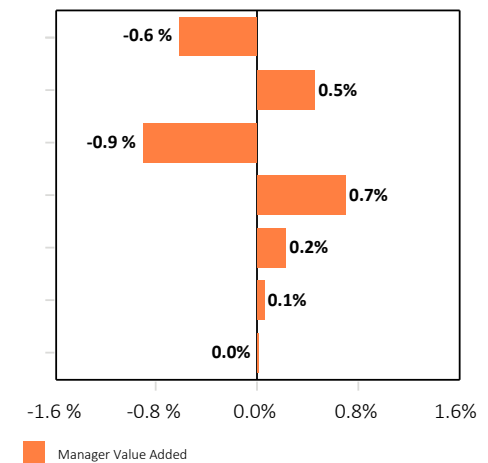
## Total Asset Allocation:-0.3 %



## Asset Allocation Value Added:-0.3 %



## Total Manager Value Added:-0.1 %



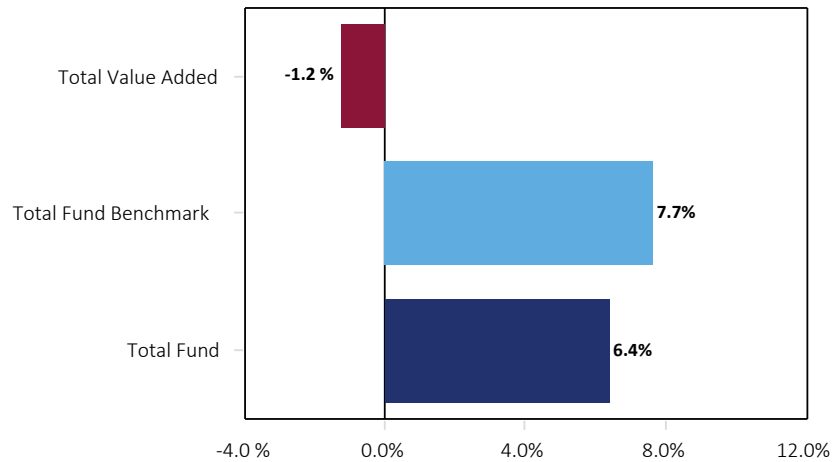


# Total Fund Attribution

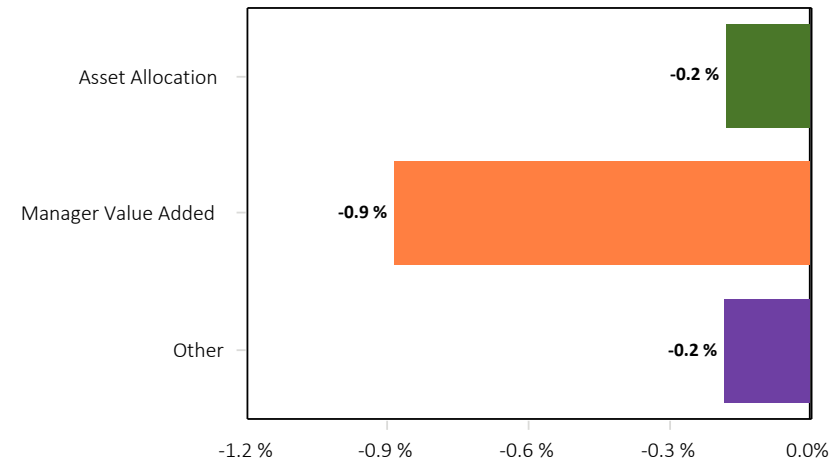
KERS Insurance Plan

Periods Ended 1 Year Ending March 31, 2025

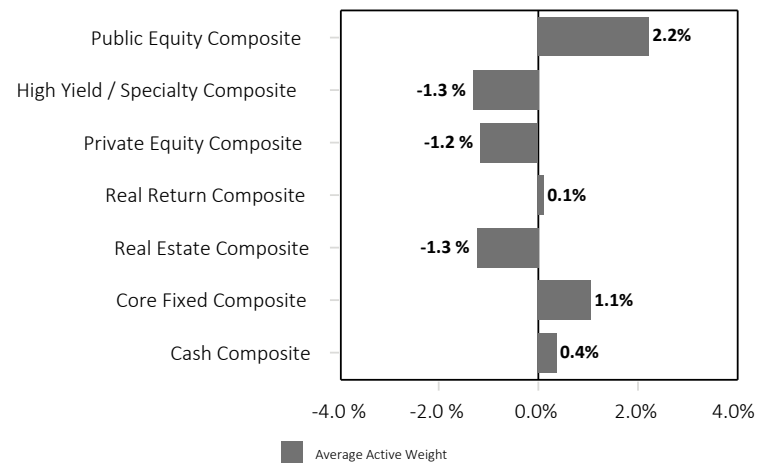
## Total Fund Performance



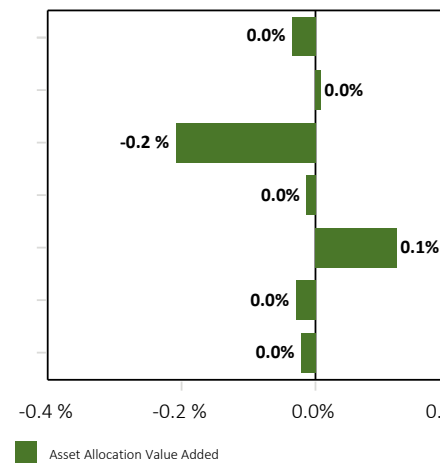
## Total Value Added:-1.2 %



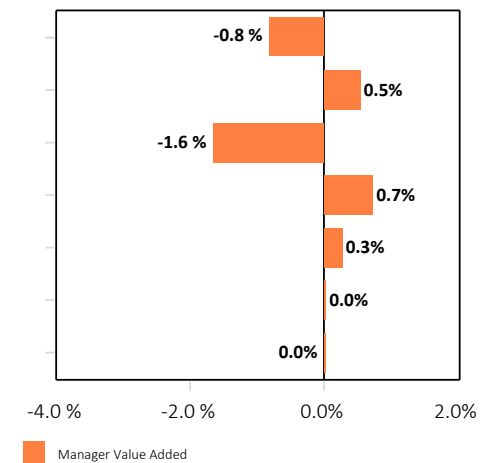
## Total Asset Allocation:-0.2 %



## Asset Allocation Value Added:-0.2 %



## Total Manager Value Added:-0.9 %

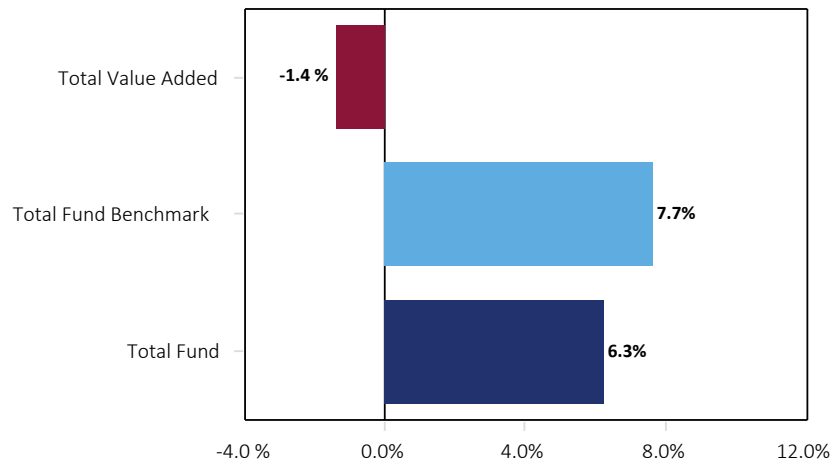


# Total Fund Attribution

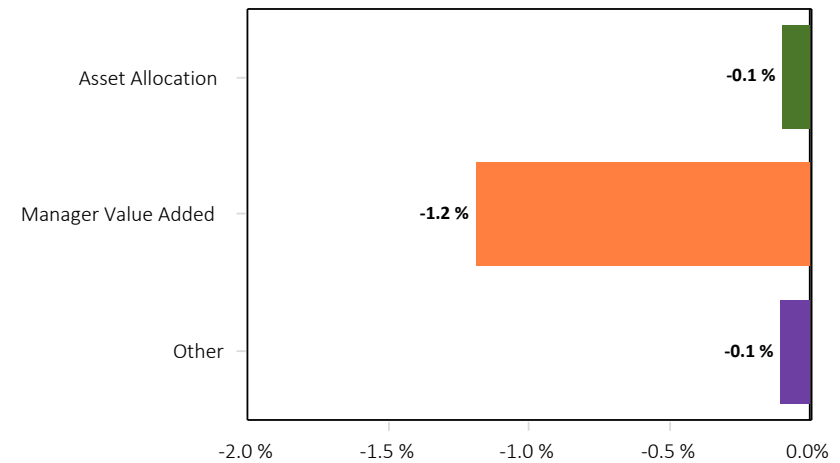
KERS (H) Insurance Plan

Periods Ended 1 Year Ending March 31, 2025

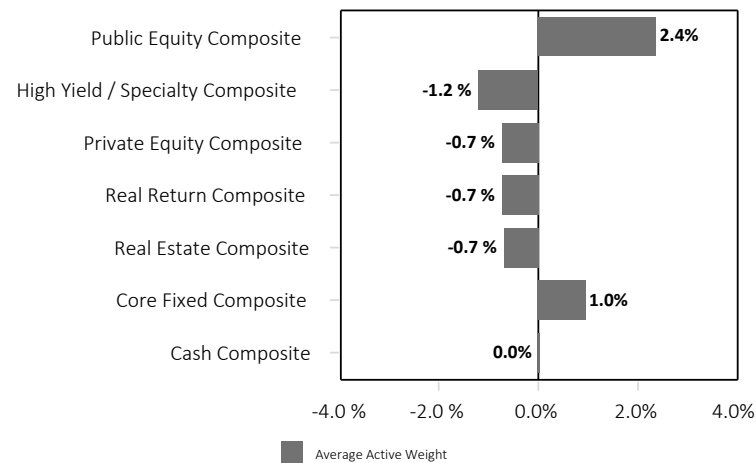
## Total Fund Performance



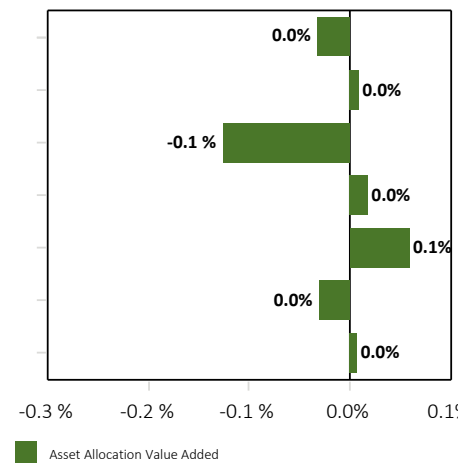
## Total Value Added:-1.4 %



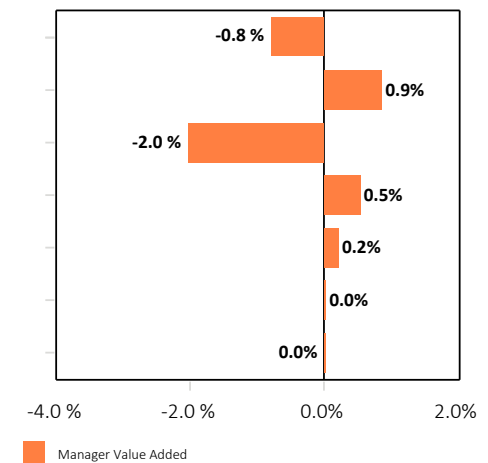
## Total Asset Allocation:-0.1 %



## Asset Allocation Value Added:-0.1 %



## Total Manager Value Added:-1.2 %

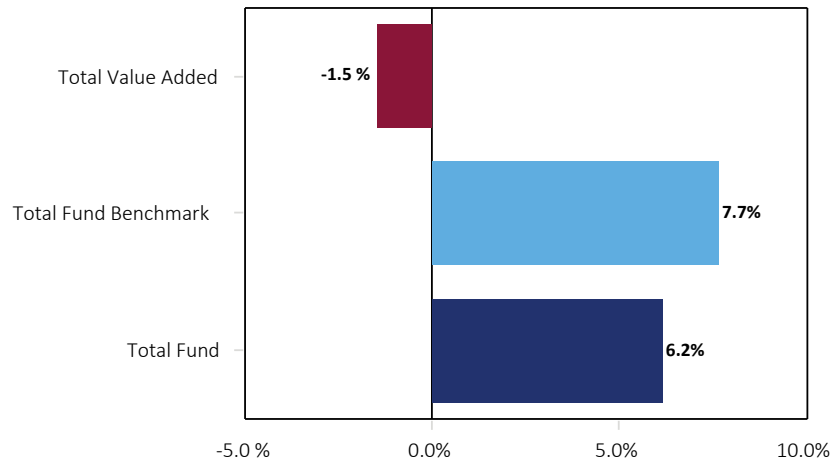


# Total Fund Attribution

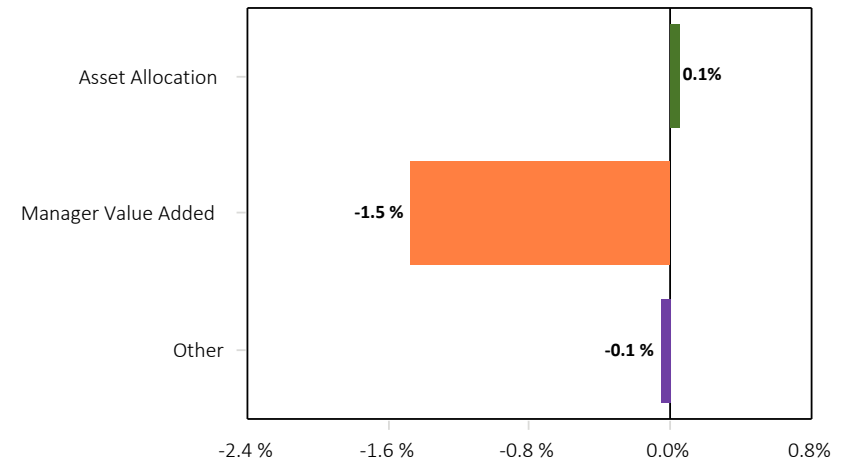
SPRS Insurance Plan

Periods Ended 1 Year Ending March 31, 2025

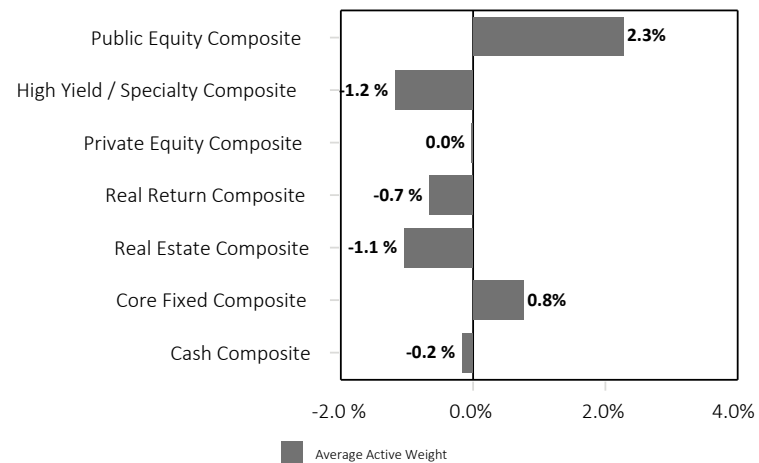
## Total Fund Performance



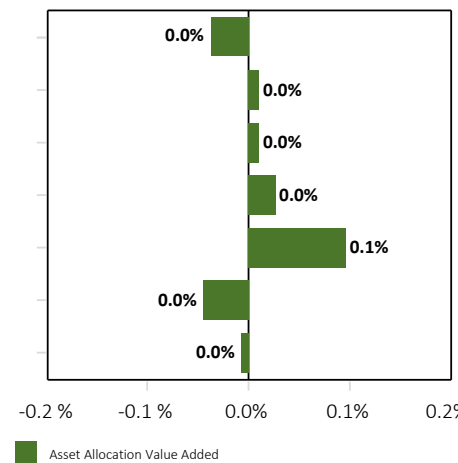
## Total Value Added:-1.5 %



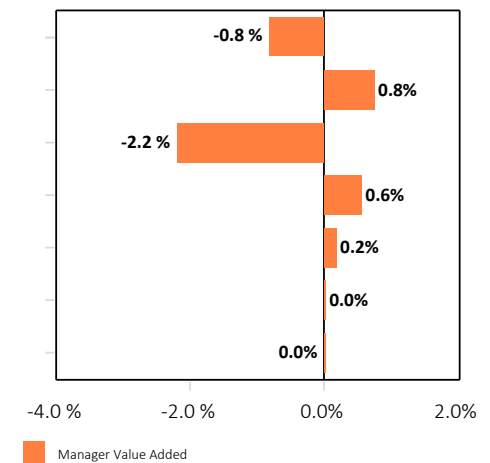
## Total Asset Allocation:0.1%



## Asset Allocation Value Added:0.1%



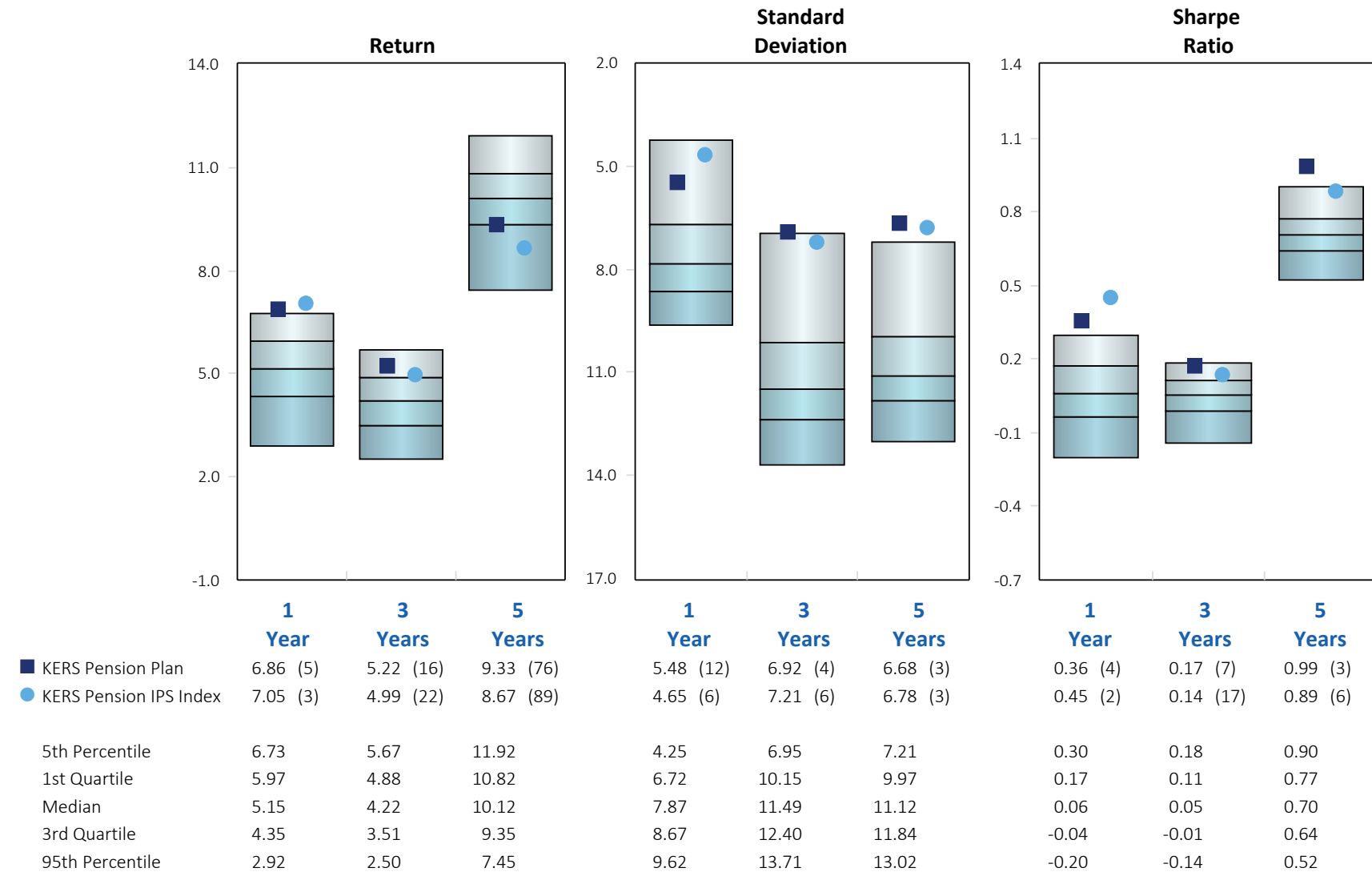
## Total Manager Value Added:-1.5 %



# Plan Sponsor Peer Group Analysis - Multi Statistics

KERS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025

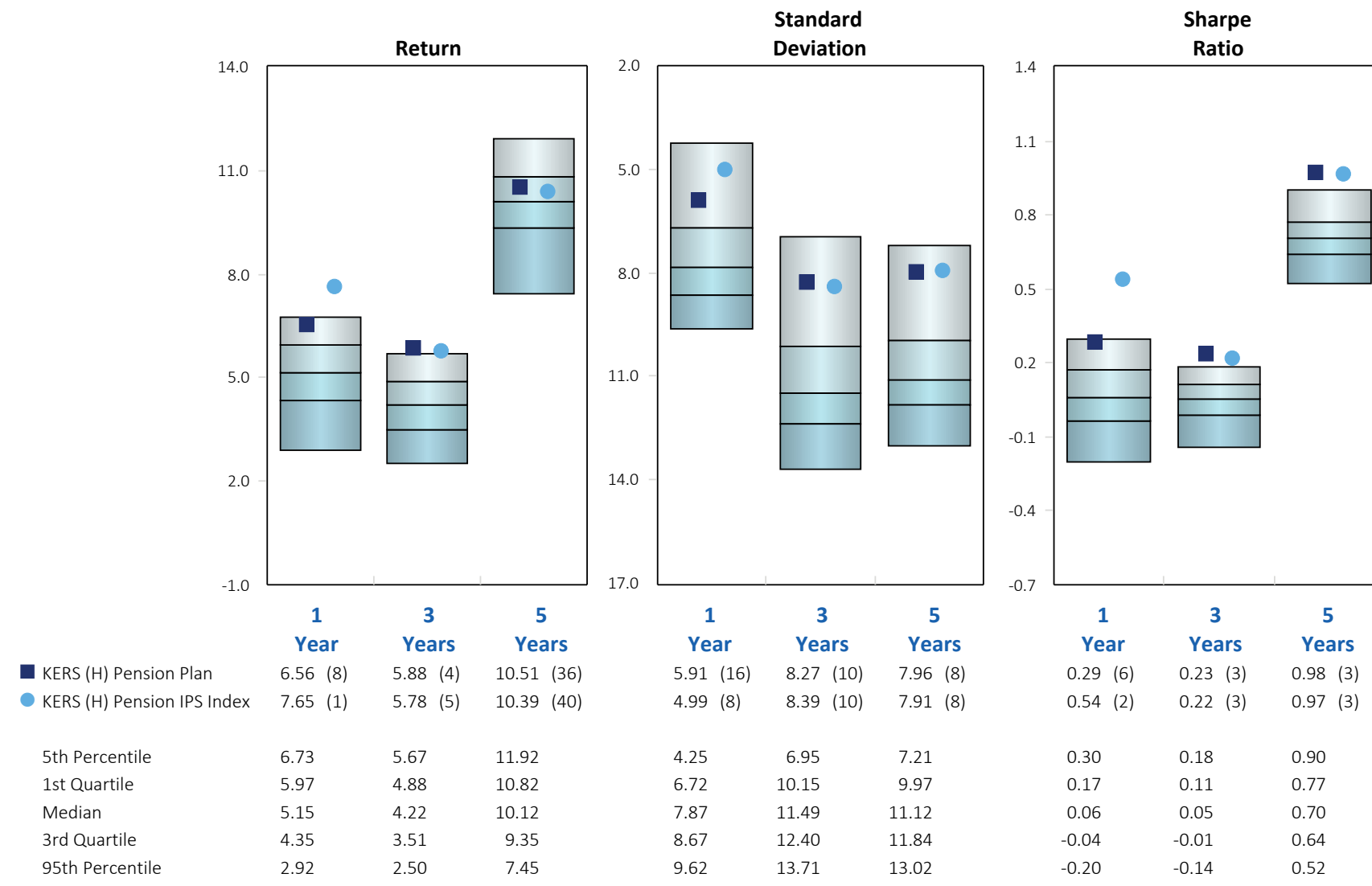


Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

KERS (H) Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025

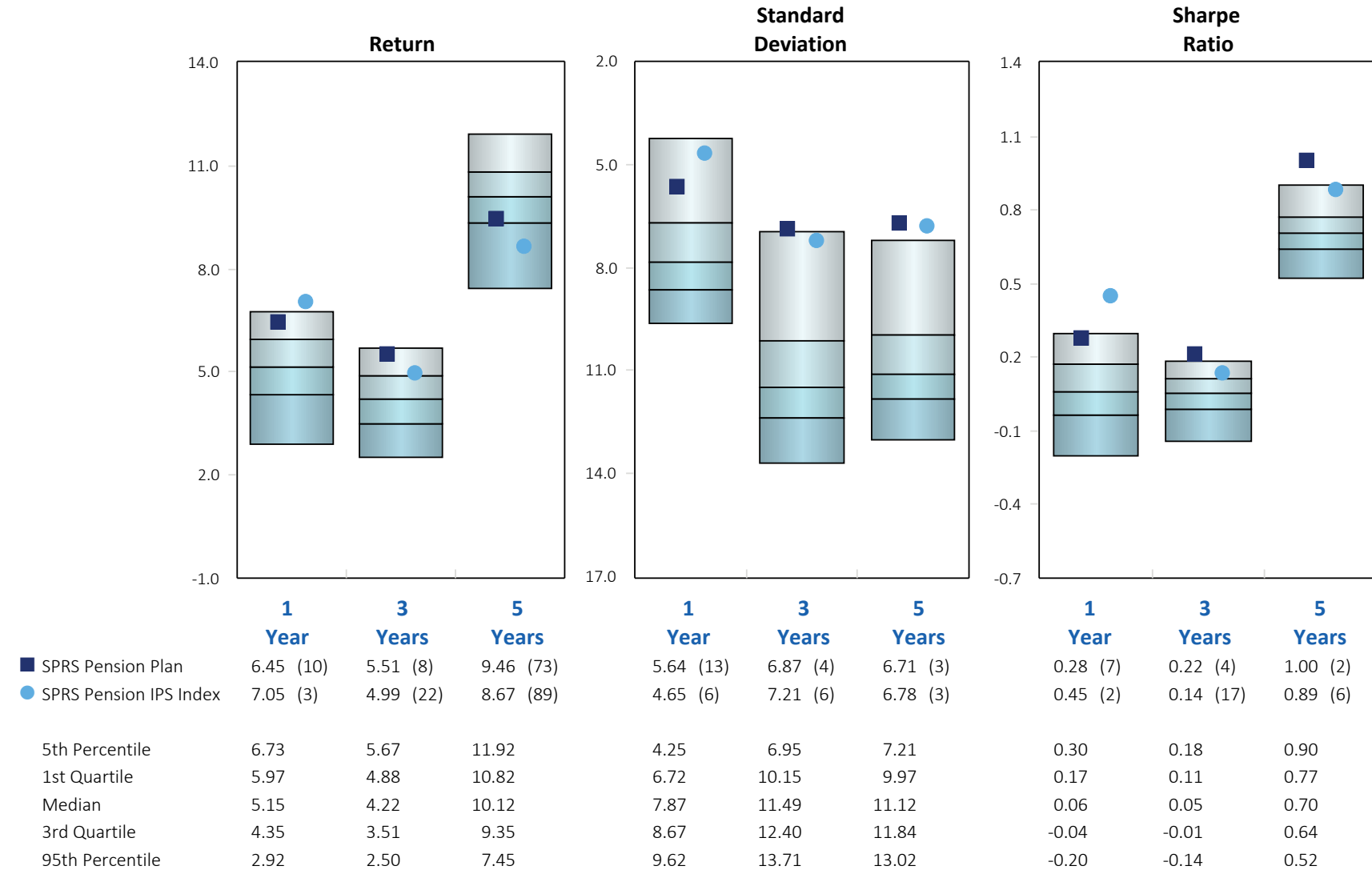


Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

SPRS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025

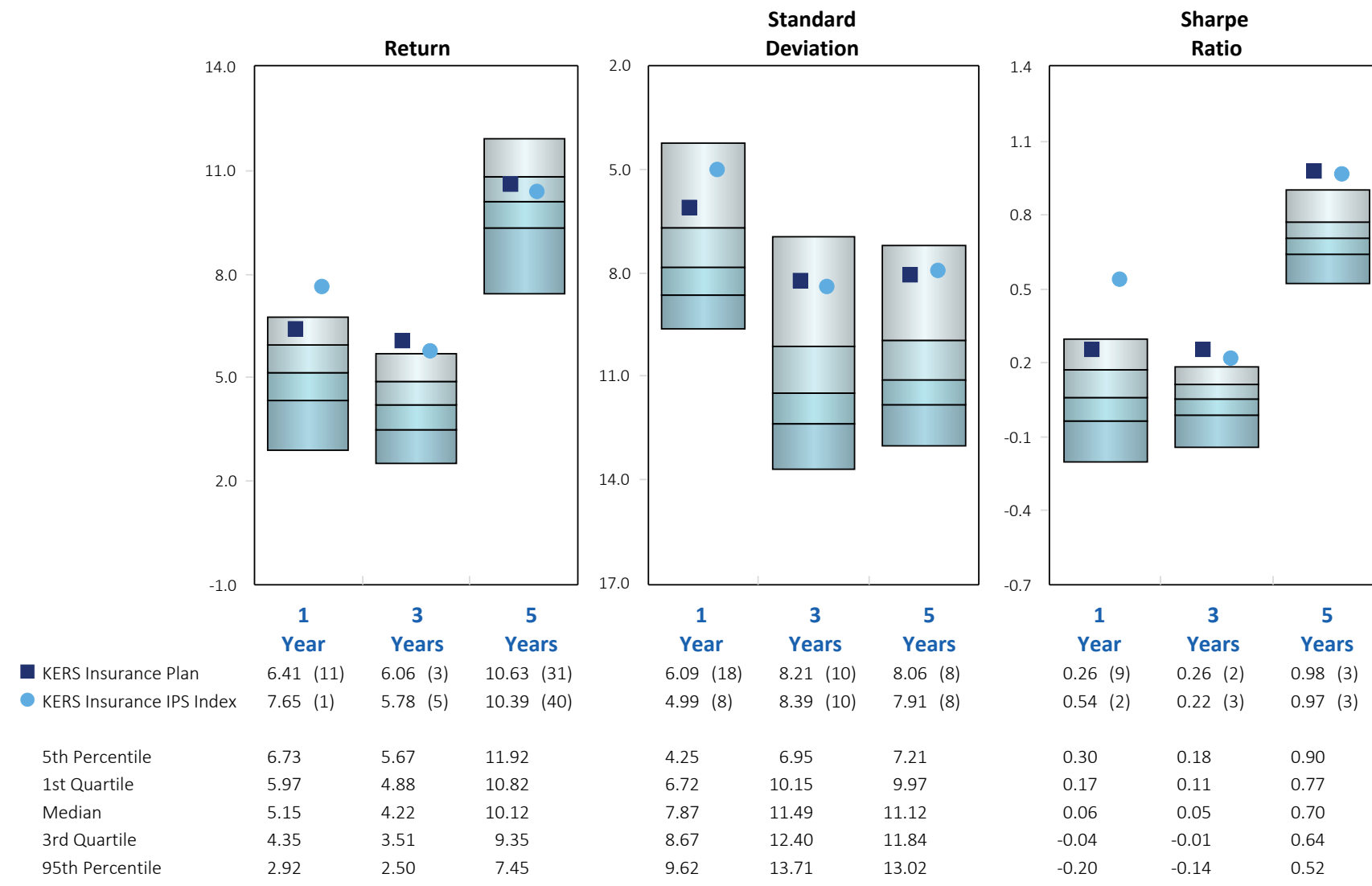


Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

KERS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025

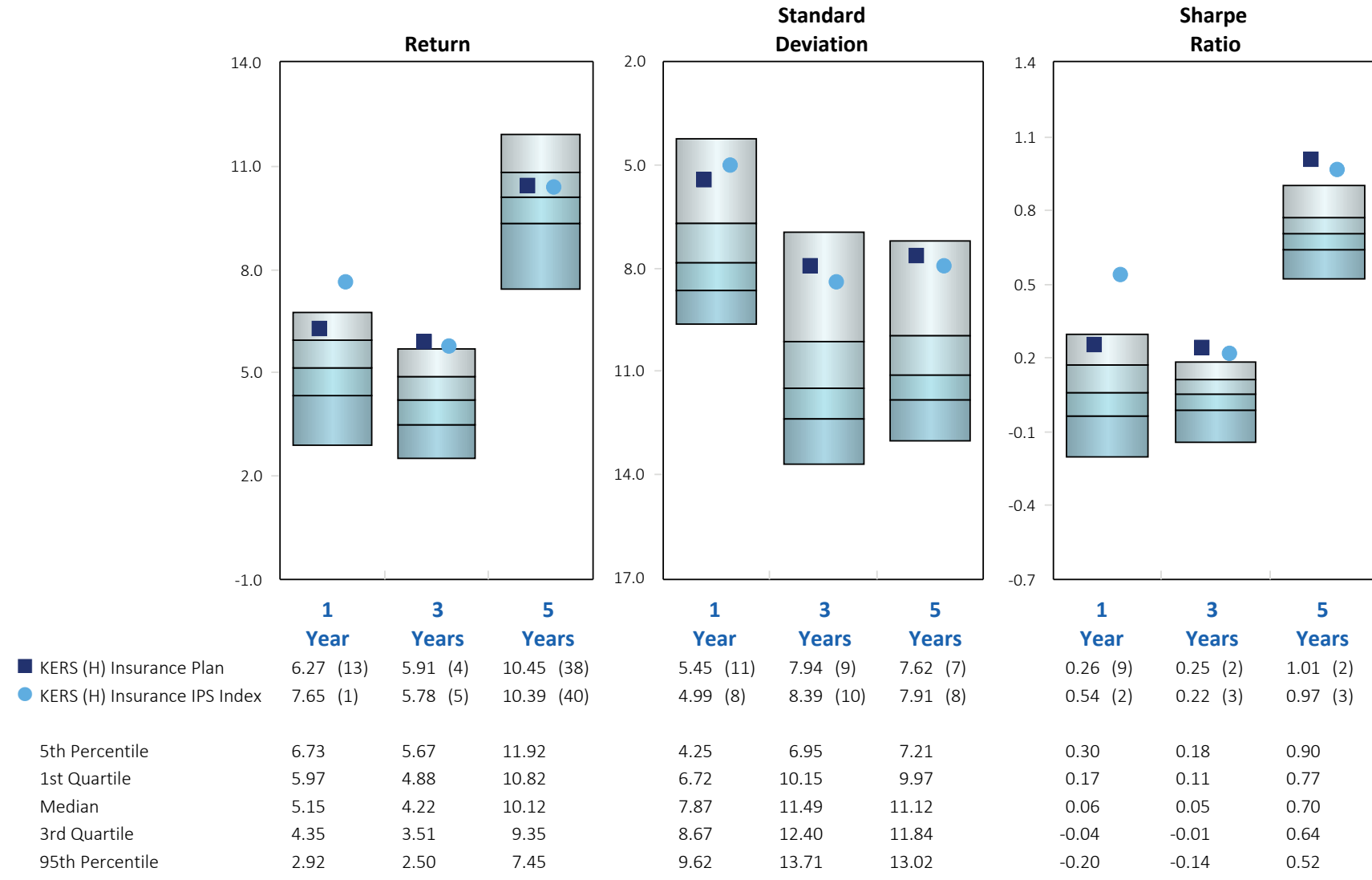


Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

KERS (H) Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



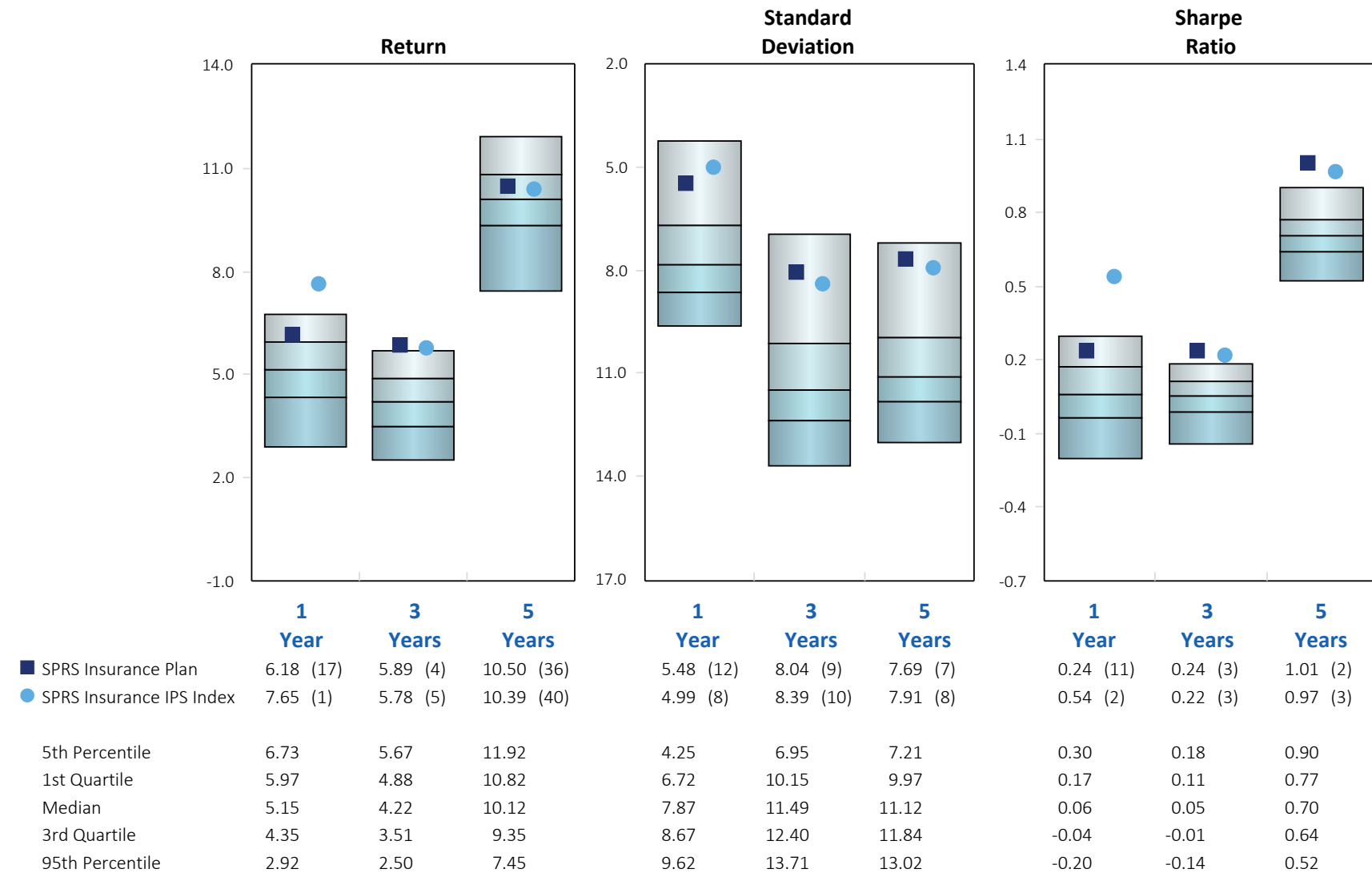
Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



# Plan Sponsor Peer Group Analysis - Multi Statistics

SPRS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025

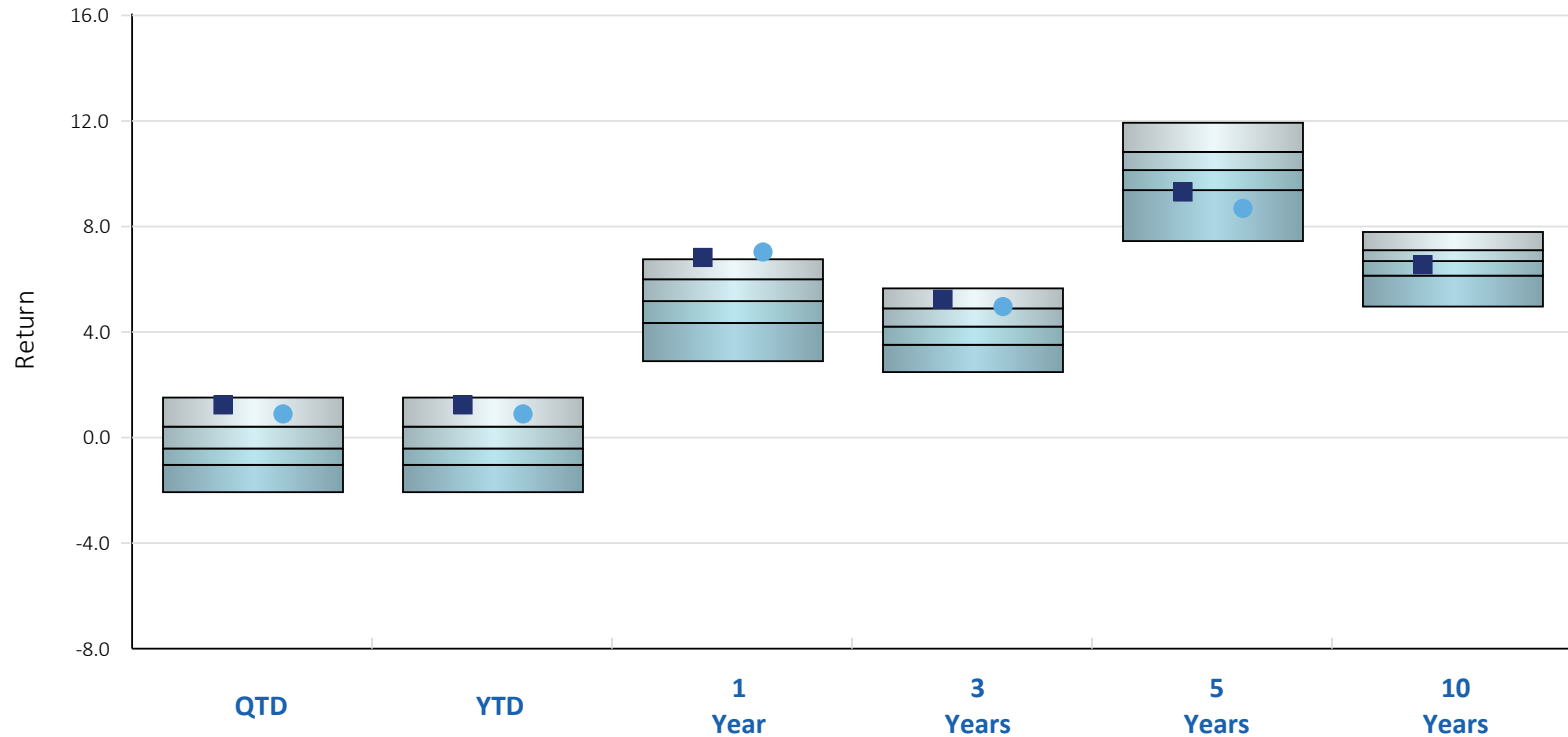


Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis

KERS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



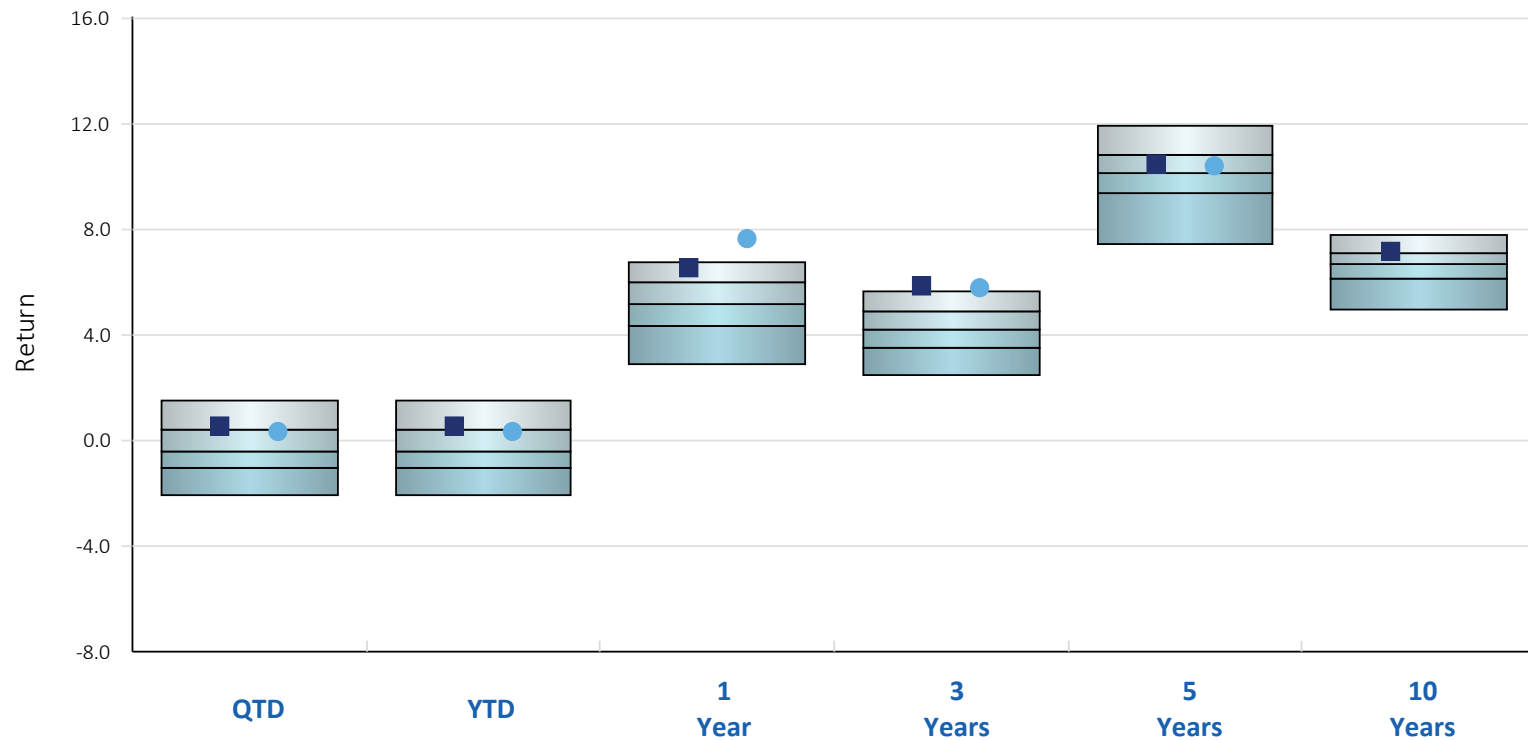
	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KERS Pension Plan	1.27 (8)	1.27 (8)	6.86 (5)	5.22 (16)	9.33 (76)	6.53 (57)
● KERS Pension IPS Index	0.88 (11)	0.88 (11)	7.05 (3)	4.99 (22)	8.67 (89)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis

KERS (H) Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



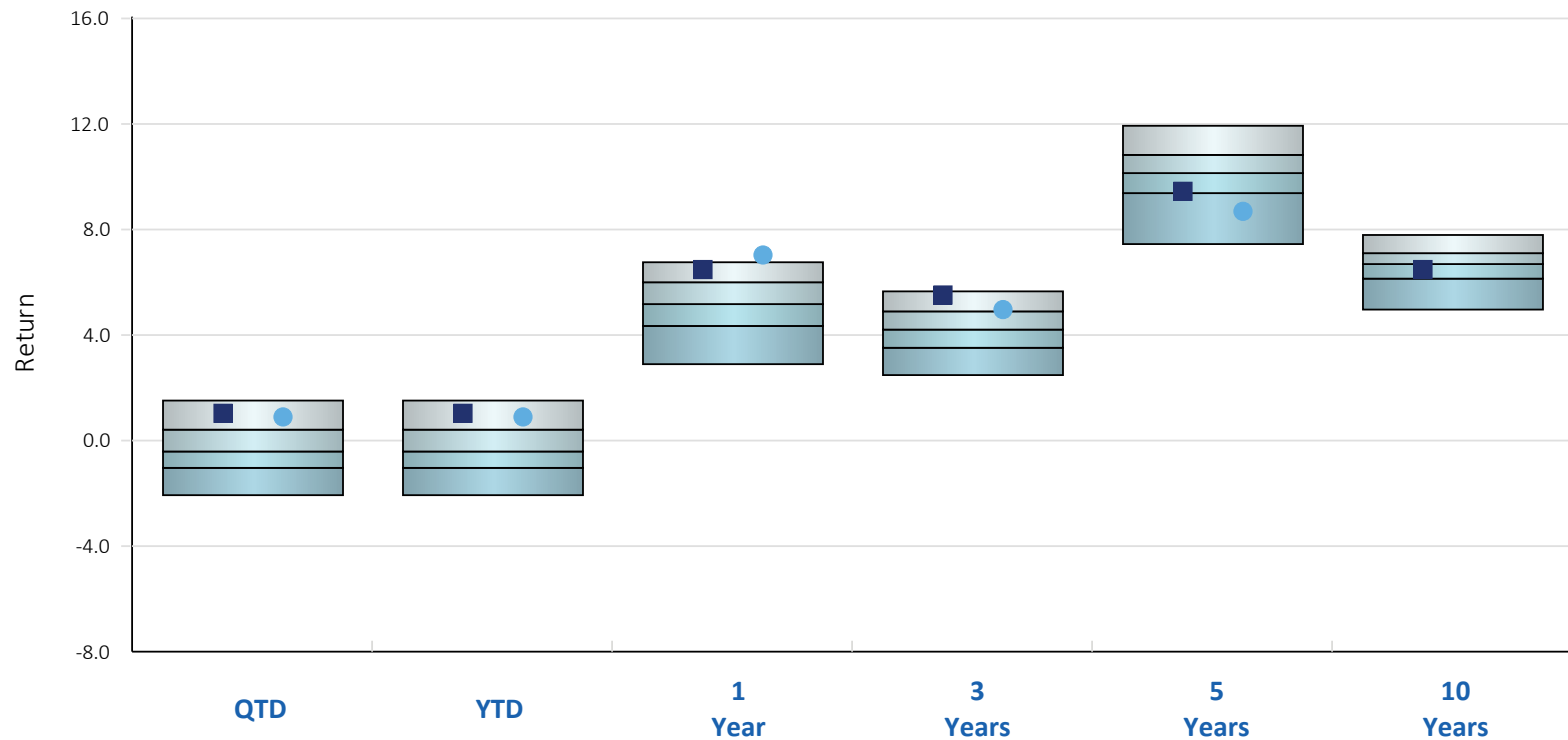
	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KERS (H) Pension Plan	0.58 (19)	0.58 (19)	6.56 (8)	5.88 (4)	10.51 (36)	7.14 (24)
● KERS (H) Pension IPS Index	0.36 (26)	0.36 (26)	7.65 (1)	5.78 (5)	10.39 (40)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

## Plan Sponsor Peer Group Analysis

SPRS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



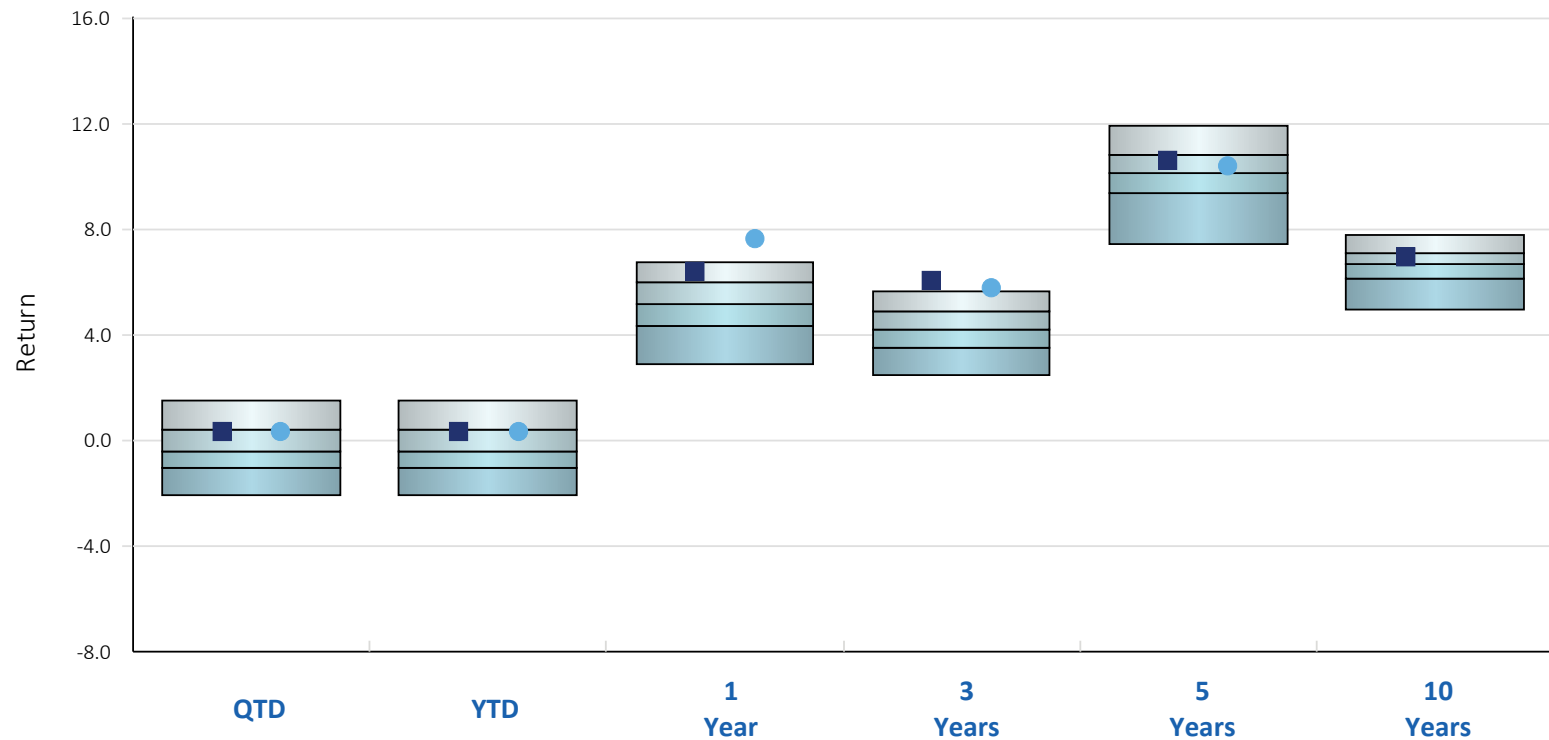
	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ SPRS Pension Plan	1.03 (10)	1.03 (10)	6.45 (10)	5.51 (8)	9.46 (73)	6.48 (60)
● SPRS Pension IPS Index	0.88 (11)	0.88 (11)	7.05 (3)	4.99 (22)	8.67 (89)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis

KERS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



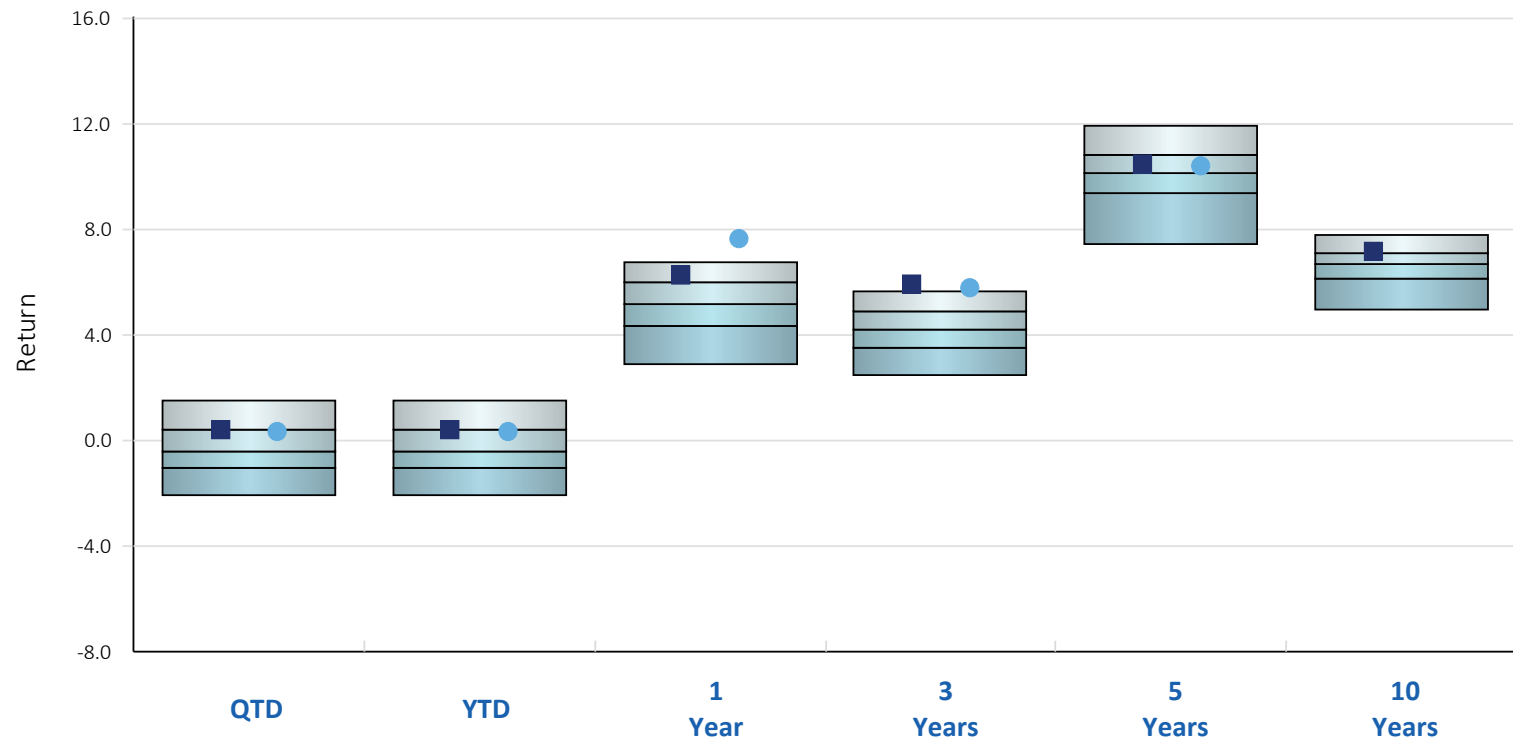
	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
■ KERS Insurance Plan	0.35 (26)	0.35 (26)	6.41 (11)	6.06 (3)	10.63 (31)	6.97 (32)
● KERS Insurance IPS Index	0.36 (26)	0.36 (26)	7.65 (1)	5.78 (5)	10.39 (40)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

## Plan Sponsor Peer Group Analysis

KERS (H) Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



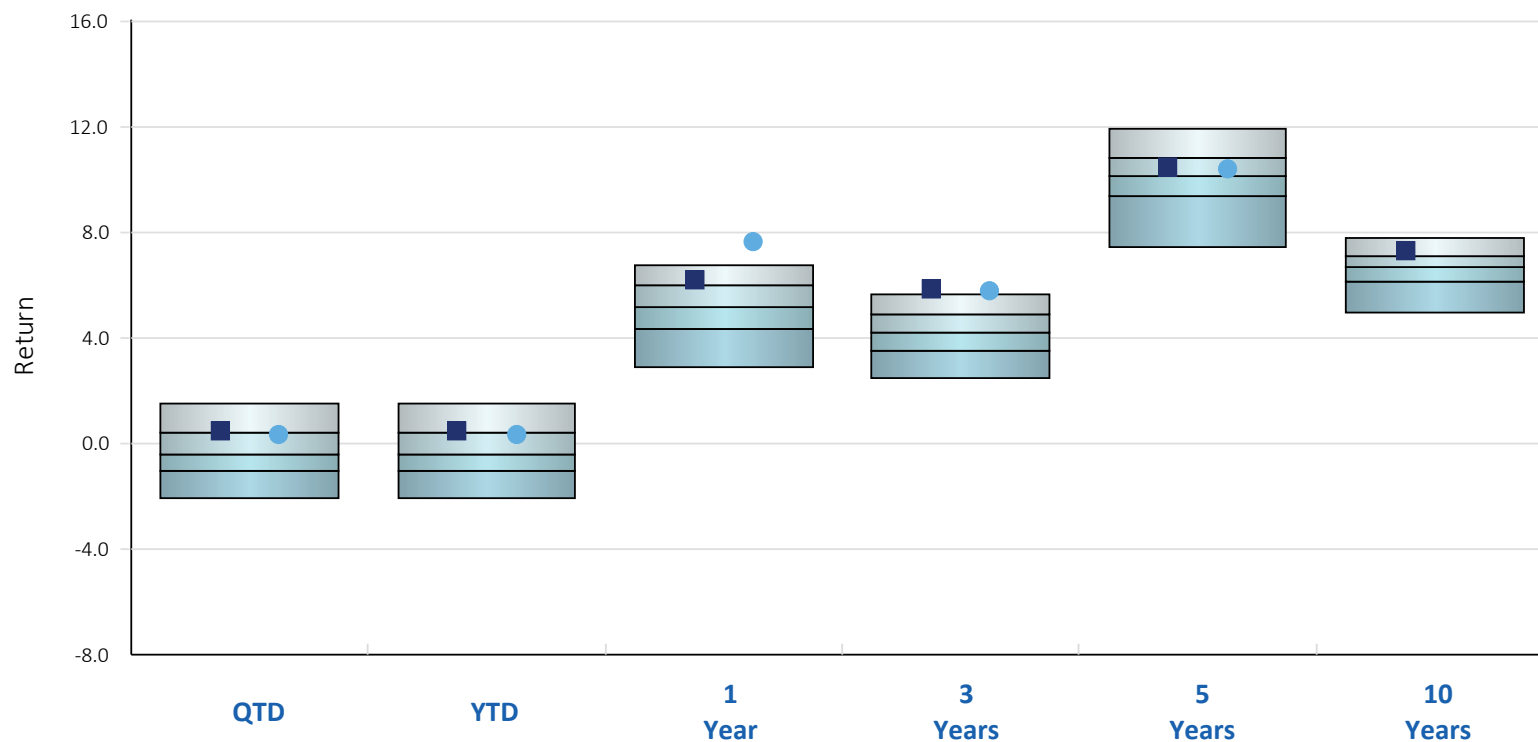
	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KERS (H) Insurance Plan	0.45 (23)	0.45 (23)	6.27 (13)	5.91 (4)	10.45 (38)	7.17 (22)
● KERS (H) Insurance IPS Index	0.36 (26)	0.36 (26)	7.65 (1)	5.78 (5)	10.39 (40)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

## Plan Sponsor Peer Group Analysis

SPRS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2025



	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ SPRS Insurance Plan	0.45 (23)	0.45 (23)	6.18 (17)	5.89 (4)	10.50 (36)	7.34 (15)
● SPRS Insurance IPS Index	0.36 (26)	0.36 (26)	7.65 (1)	5.78 (5)	10.39 (40)	
5th Percentile	1.54	1.54	6.73	5.67	11.92	7.82
1st Quartile	0.38	0.38	5.97	4.88	10.82	7.11
Median	-0.41	-0.41	5.15	4.22	10.12	6.66
3rd Quartile	-1.06	-1.06	4.35	3.51	9.35	6.15
95th Percentile	-2.09	-2.09	2.92	2.50	7.45	4.94
Population	711	711	703	679	655	562

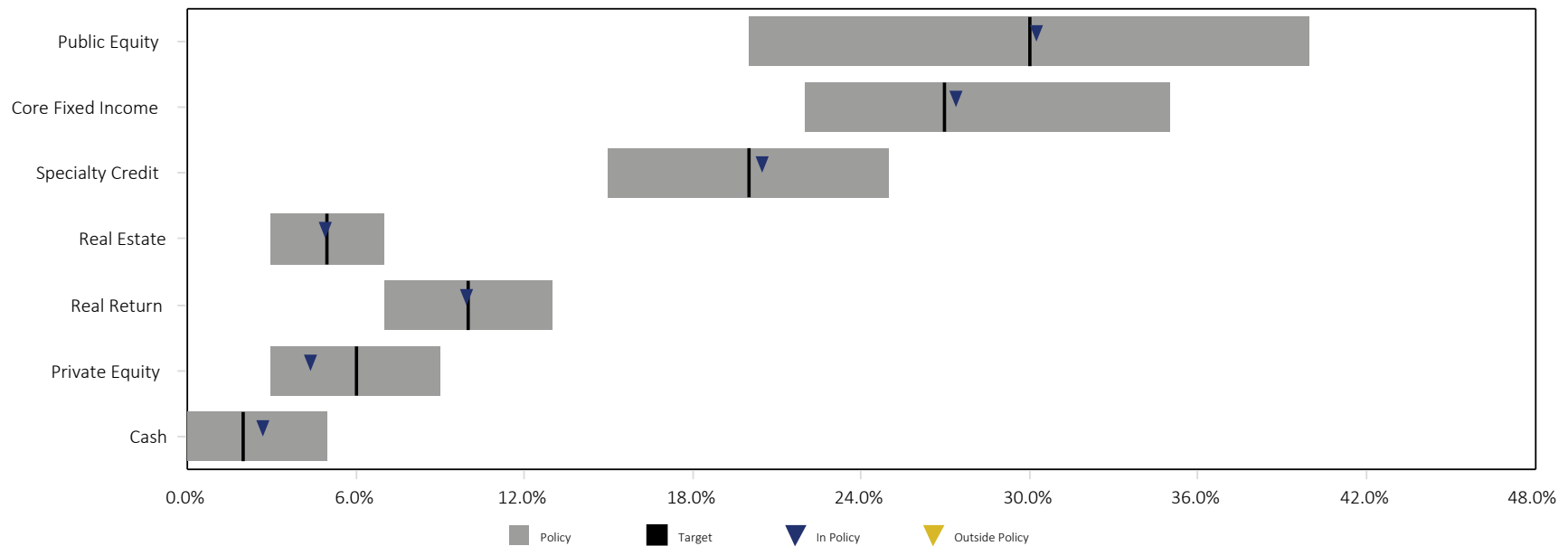
Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

# Asset Allocation Compliance

KERS Pension Plan

Periods Ended As of March 31, 2025

## Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	1,424,150,639	30.24	20.00	40.00	30.00	-11,098,822
Core Fixed Income	1,289,906,648	27.39	22.00	35.00	27.00	-18,160,013
Specialty Credit	964,201,735	20.47	15.00	25.00	20.00	-22,167,190
Real Estate	230,536,006	4.89	3.00	7.00	5.00	4,972,630
Real Return	469,260,111	9.96	7.00	13.00	10.00	1,757,162
Private Equity	206,124,190	4.38	3.00	9.00	6.00	76,486,173
Cash	125,993,394	2.67	0.00	5.00	2.00	-31,789,940
Total Fund	4,710,172,723	100.00			100.00	

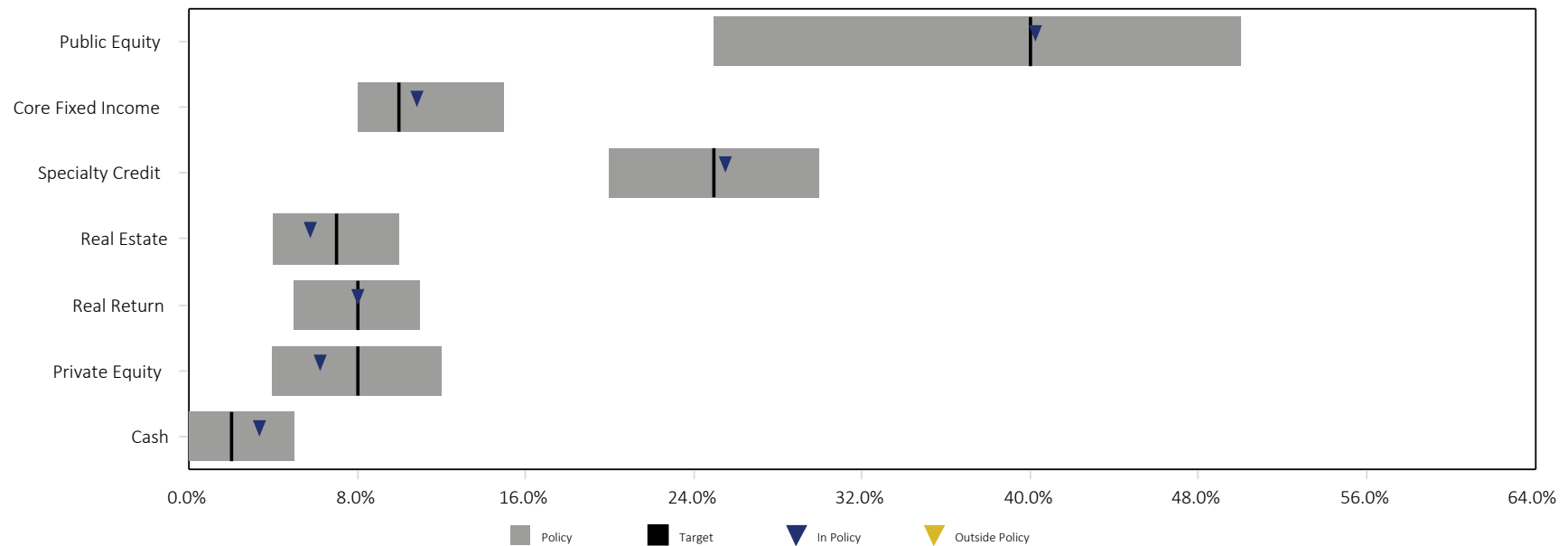


# Asset Allocation Compliance

KERS (H) Pension Plan

Periods Ended As of March 31, 2025

## Executive Summary



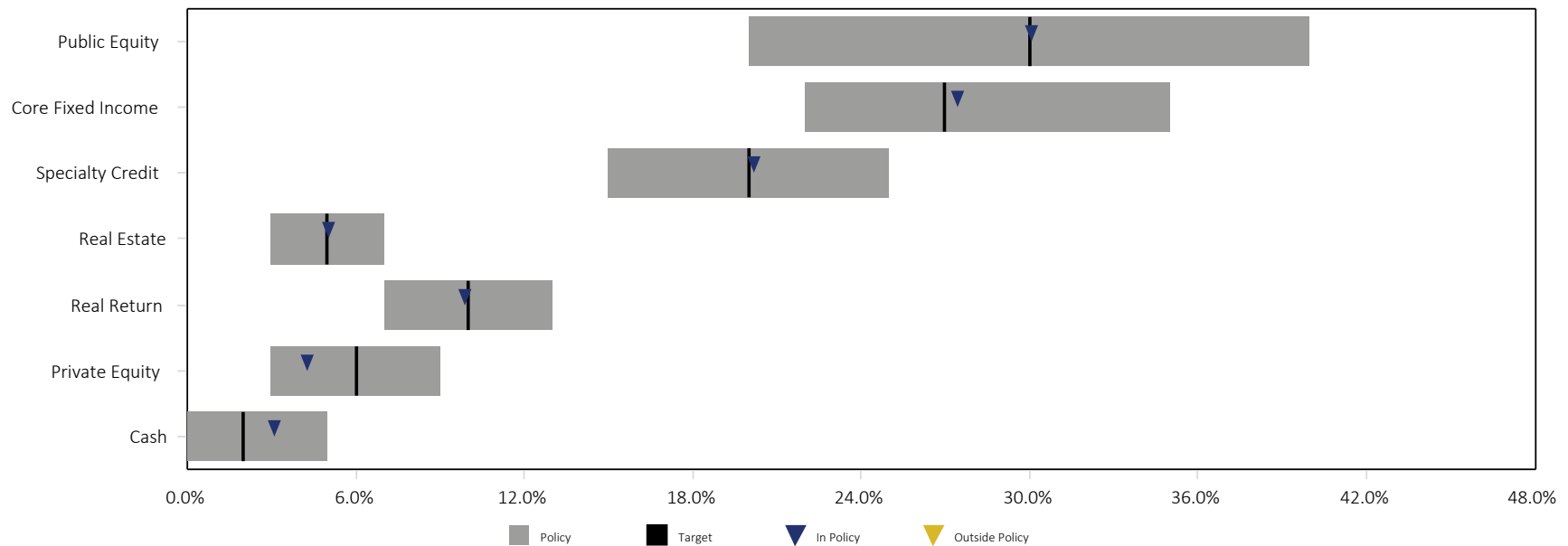
	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	433,540,155	40.25	25.00	50.00	40.00	-2,680,113
Core Fixed Income	116,531,914	10.82	8.00	15.00	10.00	-8,816,904
Specialty Credit	275,280,717	25.56	20.00	30.00	25.00	-5,993,191
Real Estate	62,510,111	5.80	4.00	10.00	7.00	12,890,396
Real Return	86,336,666	8.02	5.00	11.00	8.00	-164,658
Private Equity	66,949,857	6.22	4.00	12.00	8.00	19,222,151
Cash	36,000,683	3.34	0.00	5.00	2.00	-14,457,681
Total Fund	1,077,150,104	100.00			100.00	

# Asset Allocation Compliance

SPRS Pension Plan

Periods Ended As of March 31, 2025

## Executive Summary



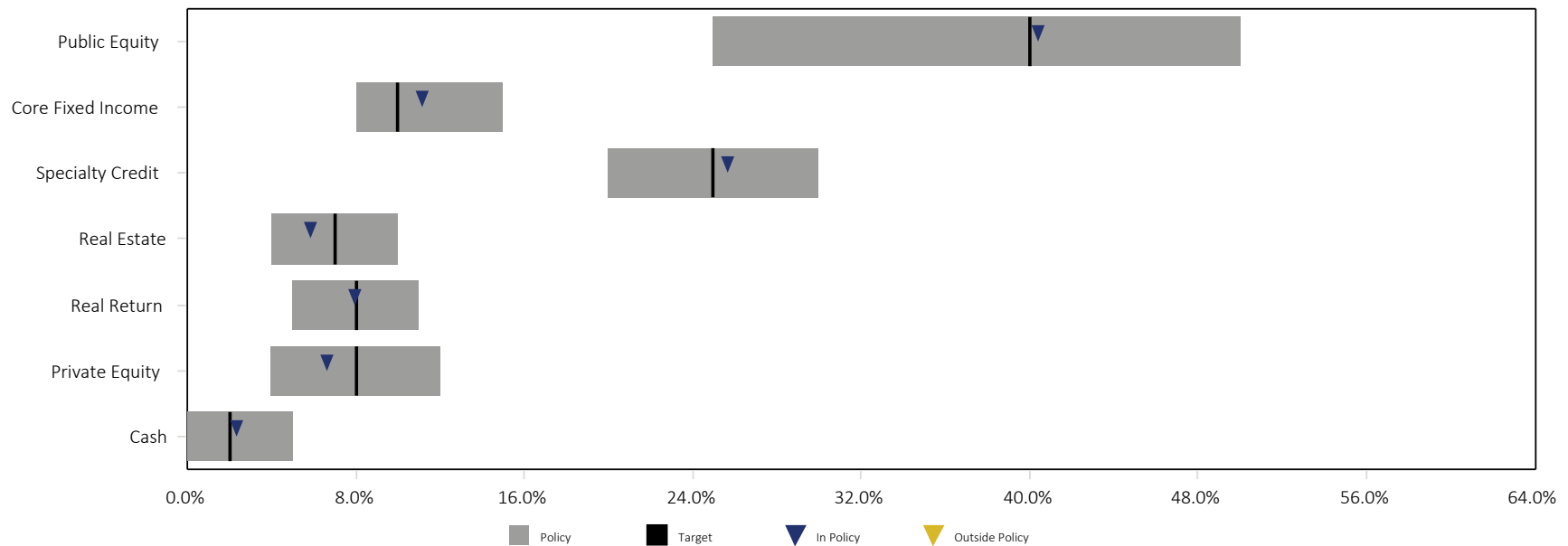
	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	209,723,256	30.10	20.00	40.00	30.00	-716,571
Core Fixed Income	191,092,949	27.43	22.00	35.00	27.00	-2,986,933
Specialty Credit	140,659,153	20.19	15.00	25.00	20.00	-1,321,363
Real Estate	34,926,310	5.01	3.00	7.00	5.00	-91,863
Real Return	68,987,828	9.90	7.00	13.00	10.00	681,067
Private Equity	29,612,344	4.25	3.00	9.00	6.00	12,188,993
Cash	21,687,107	3.11	0.00	5.00	2.00	-7,753,328
Total Fund	696,688,948	100.00			100.00	

# Asset Allocation Compliance

## KERS Insurance Plan

Periods Ended As of March 31, 2025

### Executive Summary



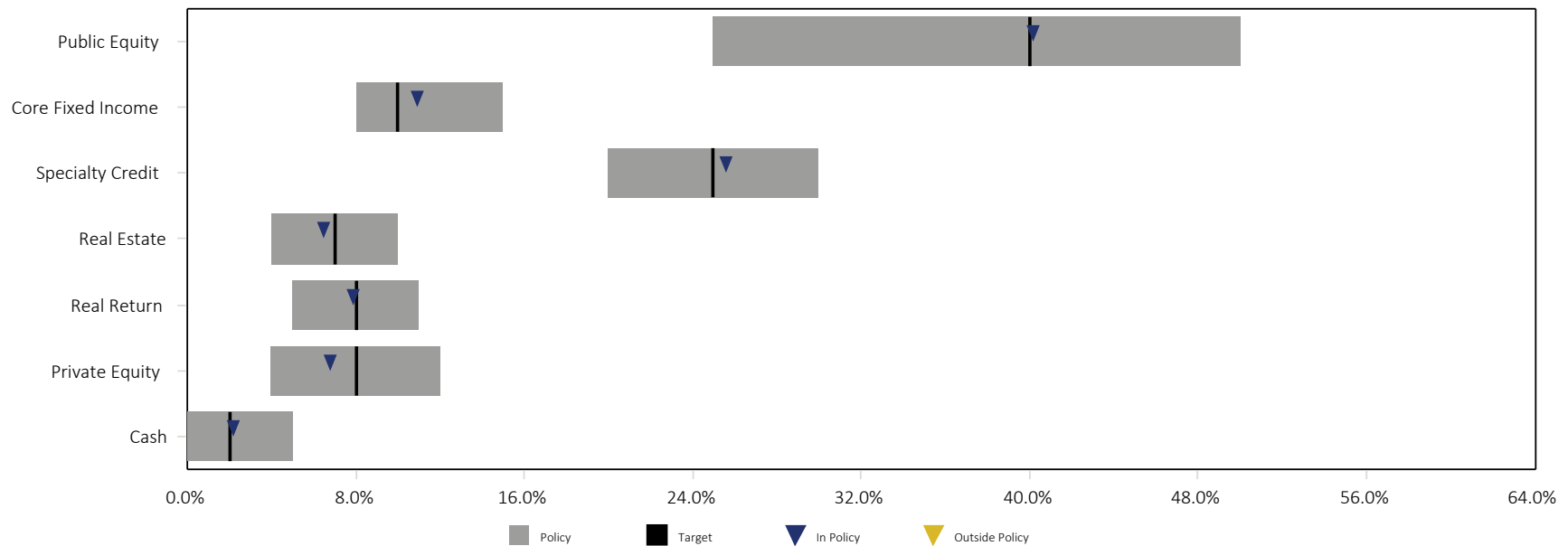
	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	700,053,584	40.39	25.00	50.00	40.00	-6,791,737
Core Fixed Income	193,564,310	11.17	8.00	15.00	10.00	-20,248,849
Specialty Credit	444,746,309	25.66	20.00	30.00	25.00	-11,457,655
Real Estate	101,478,197	5.86	4.00	10.00	7.00	19,842,626
Real Return	137,717,788	7.95	5.00	11.00	8.00	934,581
Private Equity	114,746,077	6.62	4.00	12.00	8.00	23,906,292
Cash	40,848,350	2.36	0.00	5.00	2.00	-6,185,258
Total Fund	1,733,154,617	100.00			100.00	

# Asset Allocation Compliance

KERS (H) Insurance Plan

Periods Ended As of March 31, 2025

## Executive Summary



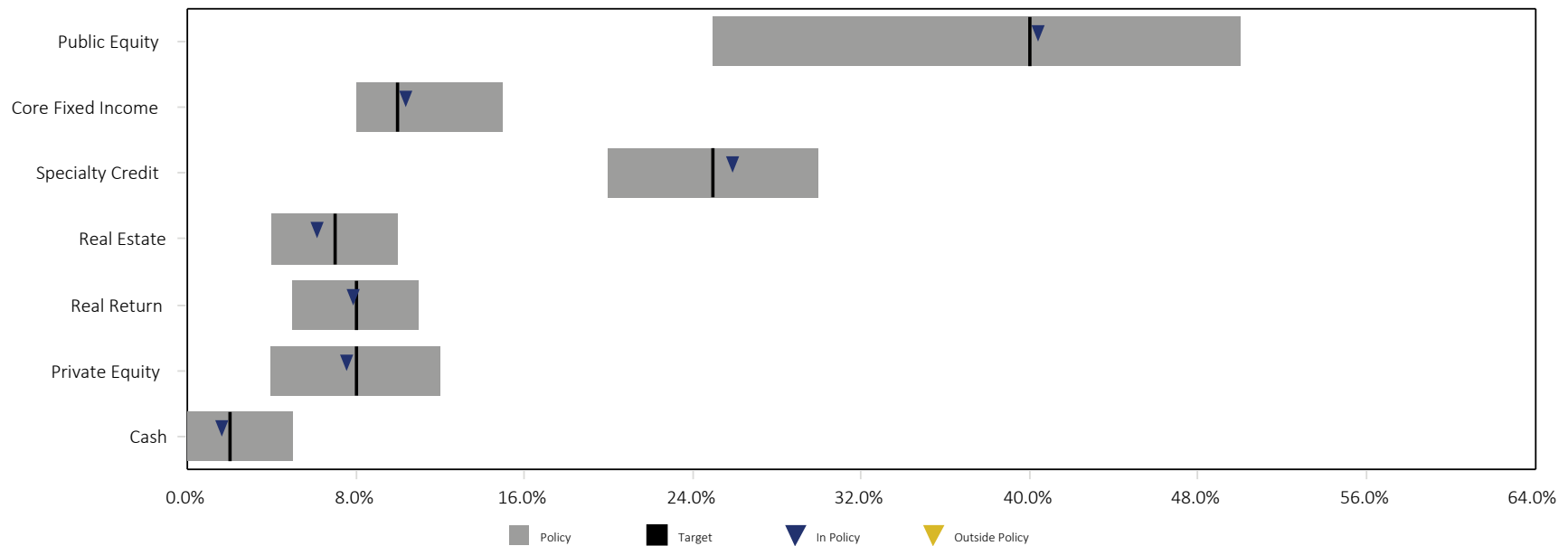
	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	276,230,619	40.22	25.00	50.00	40.00	-1,491,107
Core Fixed Income	74,793,690	10.89	8.00	15.00	10.00	-6,108,812
Specialty Credit	175,769,689	25.59	20.00	30.00	25.00	-4,057,494
Real Estate	44,412,396	6.47	4.00	10.00	7.00	3,667,019
Real Return	53,974,175	7.86	5.00	11.00	8.00	973,727
Private Equity	46,481,236	6.77	4.00	12.00	8.00	8,466,667
Cash	15,186,975	2.21	0.00	5.00	2.00	-1,449,999
Total Fund	686,848,778	100.00			100.00	

# Asset Allocation Compliance

## SPRS Insurance Plan

Periods Ended As of March 31, 2025

### Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
Public Equity	111,479,909	40.46	25.00	50.00	40.00	-1,279,673
Core Fixed Income	28,677,052	10.41	8.00	15.00	10.00	-1,126,993
Specialty Credit	71,474,814	25.94	20.00	30.00	25.00	-2,599,668
Real Estate	16,958,976	6.16	4.00	10.00	7.00	2,326,065
Real Return	21,627,103	7.85	5.00	11.00	8.00	412,944
Private Equity	20,832,162	7.56	4.00	12.00	8.00	1,207,885
Cash	4,450,571	1.62	0.00	5.00	2.00	1,059,441
Total Fund	275,500,588	100.00			100.00	

Kentucky Retirement Systems

# Investment Budget Update

Quarter Ending: March 31, 2025

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Budget</b> <b>For the nine month period ending March 31, 2025</b>										
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Investment Budget FY 2025	FY25 Expenditures	Remaining	Percentage Spent
<b>CONSULTING SERVICES</b>										
Wilshire Associates	\$ 1,021,799	\$ 1,238,170	\$ 1,225,671	\$ 1,021,175	\$ 838,172	\$ 1,130,417	\$ 1,250,000	\$ 871,831	\$ 378,169	70%
Albourne	-	-	-	-	306,750	270,000	275,000	202,500	72,500	74%
MercerInsight	-	-	-	-	153,548	160,000	165,000	80,000	85,000	48%
New Private Markets Consultant	-	-	-	-	153,548	160,000	250,000		250,000	0%
<b>SUBTOTAL</b>	<b>1,021,799</b>	<b>1,238,170</b>	<b>1,225,671</b>	<b>1,021,175</b>	<b>1,452,019</b>	<b>1,720,417</b>	<b>1,940,000</b>	<b>1,154,331</b>	<b>785,669</b>	<b>60%</b>
<b>LEGAL &amp; AUDITING SERVICES</b>										
Faegre Drinker			96,039	202,502	16,428	18,519	375,000	7,320	367,680	2%
Intelligent Management Solutions (IMS)	620,001	202,140	155,700	69,884	81,880	8,061	700,000	1,677,077	(977,077)	240%
McClain/Goldberg			891	-	-	312	25,000		25,000	0%
Reinhart	317,909	671,269	663,689	619,509	109,508	619,420	3,000,000	2,093,087	906,913	70%
Stoll-Keenon-Ogden	10,314	135,353	254,211	463,560	750,438	210,475	875,000	244,899	630,101	28%
Haystack			-	-	120,175	209,490	200,000	180,590	19,410	90%
Umberg Zipser			289,100	498,058	606,701	738,483	750,000	62,128	687,873	8%
Fiduciary Legal Expenses	-	-	-	-	5,288	400,872	850,000	545,746	304,254	64%
Miscellaneous				-	-	3,160	50,000	6,300	43,700	13%
<b>SUBTOTAL</b>	<b>948,225</b>	<b>1,008,762</b>	<b>1,459,630</b>	<b>1,853,513</b>	<b>1,690,417</b>	<b>2,208,791</b>	<b>6,825,000</b>	<b>4,817,146</b>	<b>2,007,854</b>	<b>71%</b>
<b>CONTRACTURAL SERVICES</b>										
Bloomberg	68,722	71,810	98,163	102,243	104,153	110,823	160,000	84,884	75,116	53%
BNYM Custodial Fees	2,056,390	2,088,475	2,379,838	2,565,169	2,333,981	2,752,592	2,700,000	2,354,481	345,519	87%
eVestment (Solovis RMS)			-	30,000	33,800	39,422	35,000		35,000	0%
Solovis (Reporting & Analytics)			-	245,000	266,017	306,319	300,000	319,744	(19,744)	107%
FactSet	222,476	162,295	109,662	140,098	146,411	151,431	150,000	100,755	49,245	67%
Russell Index Subscription	1,075	1,250	1,000	1,000	750	1,000	30,000	8,250	21,750	28%
S&P Global		94,500	26,250	68,250	27,563		47,500	20,672	26,828	44%
TradeWeb			-	6,000	7,700	2,800	-		-	-
State Street/Elkins McSherry	10,000	5,000	15,000	10,000	10,000		10,000		10,000	0%
ISS	32,050	32,050	28,288	35,813	39,875	62,875	60,000	35,688	24,313	59%
MSCI	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,500	(1,500)	250%
KPMG Tax Guarantor Services		7,606	22,050	7,350	-	9,450	10,000	9,450	550	95%
Jayant Ghevaria and CO		10,050	-	52,085	-		55,000		55,000	0%
India Renewal Fee (SEBI)			-	3,000	-	2,950	3,000		3,000	0%
With Intelligence	-	-	-	-	9,520	9,520	10,000	10,150	(150)	-
<b>SUBTOTAL</b>	<b>2,391,713</b>	<b>2,474,036</b>	<b>2,681,251</b>	<b>3,267,008</b>	<b>2,980,769</b>	<b>3,450,182</b>	<b>3,571,500</b>	<b>2,946,573</b>	<b>624,927</b>	<b>83%</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Budget</b> <b>For the nine month period ending March 31, 2025</b>										
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Investment Budget FY 2025	FY25 Expenditures	Remaining	Percentage Spent
<b>MISCELLANEOUS SERVICES</b>										
Miscellaneous Services							250,000		250,000	0%
Morningstar						2,500	2,500	2,500	-	100%
Oxford						19,500	20,000	20,475	(475)	102%
Pension Real Estate Association						330	350	330	20	94%
Reimbursement of Pzena	-	-	-	-	-	12,923			-	
<b>SUBTOTAL</b>	-	-	-	-	-	35,253	272,850	23,305	249,545	9%
<b>INACTIVE CONTRACTURAL SERVICES</b>										
Dean Dorton	9,719		-	-	250	-	-	-	-	
Hirschler		4,794	-	-	-	-	-	-	-	
INFORMA	12,904		-	-	-	-	-	-	-	
Lighthouse Solutions	3,093		-	-	-	-	-	-	-	
London Stock Exchange GBP (GREAT BRITISH POUNDS)	6,467	3,544	-	-	-	-	-	-	-	
Deutsche Bank Trust	3,000		3,000	-	-	-	-	-	-	
Morris James LLP	94,192	20,154	-	-	-	-	-	-	-	
Calcaterra Pollack			1,200,000	-	-	-	-	-	-	
Manatt		90,798	30,757	-	-	-	-	-	-	
ORG	162,344		-	-	-	162,344	-	-	-	
<b>SUBTOTAL</b>	291,718	119,290	1,233,757	-	250	-	-	-	-	
<b>TOTAL</b>	\$ 4,653,455	\$ 4,840,258	\$ 6,600,309	\$ 6,141,696	\$ 6,123,455	\$ 7,414,644	\$ 12,609,350	\$ 8,941,355	\$ 3,667,995	71%



INVESTMENT BUDGET	
CONSULTING SERVICES	
Wilshire Associates	General Investment Consultanting Services, Manager Research and Due Dilligence, Reporting, Asset Allocation
Albourne	Investment Consultant Research database - Private Markets Manager Research, Private Markets Research, Pension Markets Research
MercerInsight	Investment Consultant Research database - Public Markets Manager Research, Public Markets Research, Pension Markets Research
LEGAL & AUDITING SERVICES	
Faegre Drinker	Delaware litigation counsel
Intelligent Management Solutions (IMS)	IMS is an expert witness in the Bay Hills case.
McClain/Goldberg	Blackstone litigation counsel for the Trustees and Officers
Reinhart	Bay Hills counsel and investment counsel for contract negotiations
Stoll-Keenon-Ogden	Mayberry counsel
Haystack	Conduct Mayberry eDiscovery
Umberg Zipser	PAAMCO-Prisma (California litigation)
Frost Brown Todd	Currently has no investment-related cases
Swansburg & Smith	Reimbursement of Fiduciary Legal Expenses (KKR)
Eddins Domine	Reimbursement of Fiduciary Legal Expenses (KKR)
Taft	Reimbursement of Fiduciary Legal Expenses (Calcaterra Pollack)
CONTRACTURAL SERVICES	
Bloomberg	Bloomberg Professional Services, Data Analytics and Tools, Market Information and News, Research Portal
BNYM Custodial Fees	Full Service Custodial Services, Investment Accounting, Investment Operations, Transaction Services, Performance and Attribution, Reporting
eVestment (Solovis RMS)	Research Management Program organizing internal and external research
Solovis (Reporting & Analytics)	Portfolio and Risk Analytics, Performance Measurement and Attribution, Reporting
FactSet	Workstation and Quant/Risk Applications for managing Public Equity Portfolios
Russell Index Subscription	Access to Russell Indexes for Portfolio Management, Reporting and Performance
S&P Global	Data on the S & P US Index / License to 10,000 Identifiers for Portfolio Management, Reporting and Performance
TradeWeb	Electronic Trading Platform for Internal Management
State Street/Elkins McSherry	Public Equity Trade Cost Analysis
ISS	Portfolio Monitoring and Proxy Voting Services
MSCI	International Public Equity Data Package
KPMG Tax Guarantor Services	Tax Accounting Services - Taiwan
Jayant Ghevaria and CO	Tax Accounting Services - India
India Renewal Fee (SEBI)	Registration of India Local Market Accounts
Oxford Economics	Global macroeconomics and markets research
Morningstar	Access to Morningstar Indexes for Portfolio Management, Reporting and Performance
Pension Real Estate Association	Industry Association for News and Research
With Intelligence	Portfolio Management Research provider

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Fees and Expenses</b> <b>For the nine month periods ending March 31</b> <b>Pension</b>										
	2025		2024		2023		2022		2021	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
<b>Core Fixed Income</b>	<b>1,918,123</b>	<b>\$ 3,392,232,197</b>	<b>1,436,262</b>	<b>2,544,276,747</b>	<b>1,961,961</b>	<b>2,021,010,684</b>	<b>2,153,340</b>	<b>2,131,886,569</b>	<b>2,031,618</b>	<b>2,263,311,450</b>
<i>Investment Advisory Fees</i>	<i>1,574,455</i>		<i>1,405,456</i>		<i>1,609,879</i>		<i>1,773,298</i>		<i>1,902,240</i>	
<i>Performance Fee</i>	<i>321,985</i>		<i>-</i>		<i>313,985</i>		<i>327,140</i>		<i>81,121</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>21,683</i>		<i>30,806</i>		<i>38,098</i>		<i>52,902</i>		<i>48,257</i>	
<b>Public Equity</b>	<b>12,302,858</b>	<b>8,272,903,499</b>	<b>10,500,632</b>	<b>8,817,430,444</b>	<b>9,871,250</b>	<b>7,364,652,759</b>	<b>10,884,478</b>	<b>6,939,548,432</b>	<b>9,171,752</b>	<b>6,619,150,686</b>
<i>Investment Advisory Fees</i>	<i>11,308,385</i>		<i>10,324,571</i>		<i>9,712,159</i>		<i>10,658,036</i>		<i>8,995,110</i>	
<i>Performance Fee</i>	<i>834,608</i>									
<i>Miscellaneous Fees and Expenses</i>	<i>159,864</i>		<i>176,062</i>		<i>159,091</i>		<i>226,442</i>		<i>176,642</i>	
<b>Specialty Credit Fixed Income</b>	<b>73,195,386</b>	<b>4,185,956,804</b>	<b>69,354,775</b>	<b>3,648,244,718</b>	<b>41,248,671</b>	<b>3,253,455,667</b>	<b>37,495,009</b>	<b>3,117,337,032</b>	<b>29,274,875</b>	<b>2,921,939,113</b>
<i>Investment Advisory Fees</i>	<i>17,443,126</i>		<i>14,434,211</i>		<i>14,472,381</i>		<i>12,988,501</i>		<i>11,228,203</i>	
<i>Carried Interest</i>	<i>28,389,405</i>		<i>25,547,564</i>		<i>8,869,883</i>		<i>18,829,074</i>		<i>15,246,975</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>27,362,855</i>		<i>29,373,000</i>		<i>17,906,407</i>		<i>5,677,434</i>		<i>2,799,697</i>	
<b>Real Estate</b>	<b>12,278,479</b>	<b>1,028,805,095</b>	<b>4,564,242</b>	<b>968,171,717</b>	<b>4,469,109</b>	<b>929,393,252</b>	<b>25,637,587</b>	<b>844,241,655</b>	<b>5,303,814</b>	<b>589,400,002</b>
<i>Investment Advisory Fees</i>	<i>5,912,002</i>		<i>5,704,259</i>		<i>3,627,098</i>		<i>3,454,869</i>		<i>3,254,551</i>	
<i>Carried Interest</i>	<i>(13,420)</i>		<i>(4,779,365)</i>		<i>42,187</i>		<i>20,336,478</i>		<i>(907,044)</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>6,379,897</i>		<i>3,639,348</i>		<i>799,825</i>		<i>1,846,240</i>		<i>2,956,307</i>	
<b>Real Return</b>	<b>9,414,309</b>	<b>1,392,525,484</b>	<b>2,848,101</b>	<b>924,917,847</b>	<b>3,159,066</b>	<b>460,465,548</b>	<b>3,848,329</b>	<b>568,603,601</b>	<b>6,282,116</b>	<b>1,011,388,853</b>
<i>Investment Advisory Fees</i>	<i>5,141,840</i>		<i>2,781,907</i>		<i>1,799,568</i>		<i>2,738,748</i>		<i>3,527,345</i>	
<i>Carried Interest</i>	<i>2,910,172</i>		<i>(193,100)</i>		<i>473,651</i>		<i>1,049,935</i>		<i>2,329,614</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>1,362,297</i>		<i>259,294</i>		<i>885,848</i>		<i>59,646</i>		<i>425,157</i>	
<b>Private Equity</b>	<b>10,491,962</b>	<b>1,137,240,252</b>	<b>10,552,171</b>	<b>1,168,729,880</b>	<b>1,735,503</b>	<b>1,143,005,497</b>	<b>52,650,593</b>	<b>1,303,761,398</b>	<b>34,414,531</b>	<b>1,155,001,941</b>
<i>Investment Advisory Fees</i>	<i>3,211,368</i>		<i>4,288,725</i>		<i>5,111,920</i>		<i>5,375,037</i>		<i>6,202,846</i>	
<i>Carried Interest</i>	<i>5,079,854</i>		<i>2,729,542</i>		<i>(5,910,958)</i>		<i>44,069,198</i>		<i>26,932,151</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>2,200,740</i>		<i>3,533,904</i>		<i>2,534,541</i>		<i>3,206,358</i>		<i>1,279,534</i>	
<b>Administrative Expense/Cash</b>	<b>6,092,042</b>	<b>619,233,427</b>	<b>3,275,020</b>	<b>534,190,997</b>	<b>2,349,103</b>	<b>980,437,717</b>	<b>3,087,180</b>	<b>1,088,261,843</b>	<b>1,932,601</b>	<b>285,262,649</b>
<b>Total Investment Mgmt Fees</b>	<b>125,693,158</b>	<b>\$ 20,028,896,758</b>	<b>102,531,203</b>	<b>18,605,962,349</b>	<b>64,794,664</b>	<b>16,152,421,124</b>	<b>135,756,516</b>	<b>15,993,640,530</b>	<b>88,411,307</b>	<b>\$ 14,845,454,694</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Fees and Expenses</b> <b>For the nine month periods ending March 31</b> <b>Insurance</b>										
	2025		2024		2023		2022		2021	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
<b>Core Fixed Income</b>	<b>608,715</b>	<b>\$ 1,016,562,758</b>	<b>480,275</b>	<b>784,067,380</b>	<b>737,251</b>	<b>738,513,799</b>	<b>810,054</b>	<b>802,476,521</b>	<b>813,678</b>	<b>864,872,800</b>
<i>Investment Advisory Fees</i>	<i>496,849</i>		<i>469,632</i>		<i>612,135</i>		<i>673,659</i>		<i>766,735</i>	
<i>Performance Fee</i>	<i>104,860</i>		-		<i>112,040</i>		<i>117,337</i>		<i>28,448</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>7,006</i>		<i>10,642</i>		<i>13,075</i>		<i>19,058</i>		<i>18,495</i>	
<b>Public Equity</b>	<b>5,507,573</b>	<b>3,565,255,008</b>	<b>4,806,899</b>	<b>3,941,379,593</b>	<b>4,563,134</b>	<b>3,377,277,074</b>	<b>4,821,293</b>	<b>3,215,837,276</b>	<b>4,102,906</b>	<b>2,988,294,144</b>
<i>Investment Advisory Fees</i>	<i>5,058,688</i>		<i>4,727,899</i>		<i>4,490,997</i>		<i>4,743,902</i>		<i>4,026,883</i>	
<i>Performance Fee</i>	<i>381,519</i>									
<i>Miscellaneous Fees and Expenses</i>	<i>448,885</i>		<i>78,999</i>		<i>72,137</i>		<i>77,391</i>		<i>76,023</i>	
<b>Specialty Credit Fixed Income</b>	<b>32,416,406</b>	<b>1,840,605,004</b>	<b>30,989,778</b>	<b>1,620,501,044</b>	<b>18,849,336</b>	<b>1,464,234,371</b>	<b>16,639,635</b>	<b>1,409,325,113</b>	<b>12,524,624</b>	<b>1,325,409,023</b>
<i>Investment Advisory Fees</i>	<i>7,524,653</i>		<i>6,250,818</i>		<i>6,424,488</i>		<i>5,791,524</i>		<i>5,087,579</i>	
<i>Carried Interest</i>	<i>12,804,647</i>		<i>11,723,264</i>		<i>4,582,063</i>		<i>8,397,118</i>		<i>6,349,014</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>12,087,106</i>		<i>13,015,696</i>		<i>7,842,785</i>		<i>2,450,993</i>		<i>1,088,031</i>	
<b>Real Estate</b>	<b>5,357,216</b>	<b>461,032,026</b>	<b>2,259,264</b>	<b>434,538,136</b>	<b>2,029,870</b>	<b>392,477,821</b>	<b>10,607,357</b>	<b>356,747,650</b>	<b>2,331,407</b>	<b>249,384,483</b>
<i>Investment Advisory Fees</i>	<i>2,686,784</i>		<i>2,591,757</i>		<i>1,515,332</i>		<i>1,501,018</i>		<i>1,408,641</i>	
<i>Carried Interest</i>	<i>(6,622)</i>		<i>(1,892,121)</i>		<i>171,381</i>		<i>8,302,981</i>		<i>(290,973)</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>2,677,054</i>		<i>1,559,628</i>		<i>343,157</i>		<i>803,358</i>		<i>1,213,739</i>	
<b>Real Return</b>	<b>3,916,652</b>	<b>515,069,035</b>	<b>1,292,405</b>	<b>367,246,753</b>	<b>1,402,993</b>	<b>177,947,842</b>	<b>1,672,090</b>	<b>219,995,987</b>	<b>2,465,100</b>	<b>427,472,422</b>
<i>Investment Advisory Fees</i>	<i>1,986,506</i>		<i>1,228,914</i>		<i>801,226</i>		<i>1,221,294</i>		<i>1,508,890</i>	
<i>Carried Interest</i>	<i>1,323,315</i>		<i>(72,537)</i>		<i>196,724</i>		<i>415,727</i>		<i>(139,583)</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>606,831</i>		<i>136,029</i>		<i>405,042</i>		<i>35,069</i>		<i>1,095,793</i>	
<b>Private Equity</b>	<b>4,609,993</b>	<b>551,795,676</b>	<b>7,297,602</b>	<b>597,270,698</b>	<b>2,034,850</b>	<b>584,914,353</b>	<b>32,266,953</b>	<b>621,666,942</b>	<b>22,861,402</b>	<b>561,073,081</b>
<i>Investment Advisory Fees</i>	<i>2,034,898</i>		<i>2,686,334</i>		<i>3,350,796</i>		<i>3,739,853</i>		<i>4,149,597</i>	
<i>Carried Interest</i>	<i>1,470,289</i>		<i>2,417,277</i>		<i>(2,539,096)</i>		<i>27,332,502</i>		<i>18,202,847</i>	
<i>Miscellaneous Fees and Expenses</i>	<i>1,104,806</i>		<i>2,193,991</i>		<i>1,223,150</i>		<i>1,194,598</i>		<i>508,958</i>	
<b>Administrative Expense/Cash</b>	<b>2,849,313</b>	<b>161,208,749</b>	<b>1,683,584</b>	<b>115,745,443</b>	<b>1,225,286</b>	<b>236,662,657</b>	<b>1,564,044</b>	<b>505,485,795</b>	<b>1,219,907</b>	<b>140,405,157</b>
<b>Total Investment Mgmt Fees</b>	<b>\$ 55,265,868</b>	<b>\$ 8,111,528,256</b>	<b>\$ 48,809,807</b>	<b>\$ 7,860,749,046</b>	<b>\$ 30,842,720</b>	<b>\$ 6,972,027,917</b>	<b>\$ 68,381,426</b>	<b>\$ 7,131,535,284</b>	<b>\$ 46,319,024</b>	<b>\$ 6,556,911,110</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Fees and Expenses</b> <b>For the nine month period ending March 31, 2025</b> <b>Pension</b>						
	<b>KERS</b>		<b>KERS Hazardous</b>		<b>SPRS</b>	
	<b>FYTD Fees</b>	<b>Market Value</b>	<b>FYTD Fees</b>	<b>Market Value</b>	<b>FYTD Fees</b>	<b>Market Value</b>
<b>Core Fixed Income</b>	<b>724,826</b>	<b>\$ 1,289,906,645</b>	<b>67,911</b>	<b>\$ 116,531,914</b>	<b>108,938</b>	<b>\$ 191,092,949</b>
<i>Investment Advisory Fees</i>	595,935		55,976		89,522	
<i>Performance Fees</i>	120,759		11,182		18,192	
<i>Miscellaneous Fees and Expenses</i>	8,132		753		1,225	
<b>Public Equity</b>	<b>1,982,497</b>	<b>1,424,150,639</b>	<b>655,743</b>	<b>433,540,155</b>	<b>336,611</b>	<b>209,723,256</b>
<i>Investment Advisory Fees</i>	1,808,007		600,967		308,808	
<i>Performance Fees</i>	147,175		46,523		23,944	
<i>Miscellaneous Fees and Expenses</i>	27,315		8,253		3,860	
<b>Specialty Credit Fixed Income</b>	<b>14,475,790</b>	<b>964,201,735</b>	<b>3,937,791</b>	<b>275,280,717</b>	<b>1,710,361</b>	<b>140,659,153</b>
<i>Investment Advisory Fees</i>	3,692,536		1,046,092		495,787	
<i>Performance Fees</i>	5,615,448		1,415,504		641,594	
<i>Miscellaneous Fees and Expenses</i>	5,167,806		1,476,196		572,980	
<b>Real Estate</b>	<b>2,308,332</b>	<b>230,536,006</b>	<b>618,699</b>	<b>62,510,111</b>	<b>325,946</b>	<b>34,926,311</b>
<i>Investment Advisory Fees</i>	1,156,898		291,609		188,449	
<i>Performance Fees</i>	(6,104)		(518)		(292)	
<i>Miscellaneous Fees and Expenses</i>	1,157,538		327,608		137,789	
<b>Real Return</b>	<b>2,691,362</b>	<b>469,260,111</b>	<b>515,989</b>	<b>86,336,666</b>	<b>500,939</b>	<b>68,987,828</b>
<i>Investment Advisory Fees</i>	1,684,975		336,701		312,849	
<i>Performance Fees</i>	751,827		109,925		136,106	
<i>Miscellaneous Fees and Expenses</i>	254,560		69,362		51,984	
<b>Private Equity</b>	<b>1,731,727</b>	<b>206,124,190</b>	<b>588,515</b>	<b>66,949,857</b>	<b>194,598</b>	<b>29,612,344</b>
<i>Investment Advisory Fees</i>	258,102		183,433		42,814	
<i>Performance Fees</i>	1,222,834		279,734		109,692	
<i>Miscellaneous Fees and Expenses</i>	250,791		125,349		42,092	
<b>Administrative Expenses/Cash</b>	<b>1,394,496</b>	<b>125,993,395</b>	<b>329,669</b>	<b>36,000,683</b>	<b>210,751</b>	<b>21,687,108</b>
<b>Total Investment Mgmt Fees</b>	<b>25,309,030</b>	<b>\$ 4,710,172,721</b>	<b>6,714,317</b>	<b>\$ 1,077,150,104</b>	<b>3,388,145</b>	<b>\$ 696,688,949</b>

<b>KENTUCKY PUBLIC PENSIONS AUTHORITY</b> <b>Investment Fees and Expenses</b> <b>For the nine month period March 31, 2025</b> <b>Insurance</b>						
	<b>KERS</b>		<b>KERS Hazardous</b>		<b>SPRS</b>	
	<b>FYTD Fees</b>	<b>Market Value</b>	<b>FYTD Fees</b>	<b>Market Value</b>	<b>FYTD Fees</b>	<b>Market Value</b>
<b>Core Fixed Income</b>	<b>117,859</b>	<b>\$ 193,564,310</b>	<b>45,980</b>	<b>\$ 74,793,690</b>	<b>18,206</b>	<b>\$ 28,677,052</b>
<i>Investment Advisory Fees</i>	96,566		37,746		15,001	
<i>Performance Fees</i>	19,959		7,718		3,004	
<i>Miscellaneous Fees and Expenses</i>	1,334		516		201	
<b>Public Equity</b>	<b>1,137,810</b>	<b>700,052,886</b>	<b>432,851</b>	<b>276,230,344</b>	<b>179,635</b>	<b>111,479,799</b>
<i>Investment Advisory Fees</i>	1,038,204		395,798		164,305	
<i>Performance Fees</i>	86,280		31,844		13,221	
<i>Miscellaneous Fees and Expenses</i>	13,325		5,210		2,108	
<b>Specialty Credit Fixed Income</b>	<b>6,078,945</b>	<b>444,746,309</b>	<b>3,002,646</b>	<b>175,769,689</b>	<b>1,151,482</b>	<b>71,474,815</b>
<i>Investment Advisory Fees</i>	1,641,069		739,640		281,630	
<i>Performance Fees</i>	2,194,436		1,296,331		467,501	
<i>Miscellaneous Fees and Expenses</i>	2,243,440		966,675		402,352	
<b>Real Estate</b>	<b>855,480</b>	<b>101,478,197</b>	<b>556,644</b>	<b>44,412,396</b>	<b>212,606</b>	<b>16,958,976</b>
<i>Investment Advisory Fees</i>	476,147		272,939		104,164	
<i>Performance Fees</i>	(802)		(598)		(234)	
<i>Miscellaneous Fees and Expenses</i>	380,135		284,303		108,676	
<b>Real Return</b>	<b>1,057,282</b>	<b>137,717,788</b>	<b>369,034</b>	<b>53,974,175</b>	<b>130,813</b>	<b>21,627,103</b>
<i>Investment Advisory Fees</i>	568,834		238,296		75,613	
<i>Performance Fees</i>	362,739		78,472		35,426	
<i>Miscellaneous Fees and Expenses</i>	125,709		52,265		19,774	
<b>Private Equity</b>	<b>683,284</b>	<b>114,746,077</b>	<b>418,951</b>	<b>46,481,236</b>	<b>187,501</b>	<b>20,832,162</b>
<i>Investment Advisory Fees</i>	266,265		193,702		82,575	
<i>Performance Fees</i>	338,251		135,059		57,074	
<i>Miscellaneous Fees and Expenses</i>	78,768		90,189		47,852	
<b>Administrative Expenses/Cash</b>	<b>608,889</b>	<b>40,849,048</b>	<b>240,231</b>	<b>15,187,249</b>	<b>97,069</b>	<b>4,450,681</b>
<b>Total Investment Mgmt Fees</b>	<b>\$ 10,539,549</b>	<b>\$ 1,733,154,616</b>	<b>\$ 5,066,336</b>	<b>\$ 686,848,778</b>	<b>\$ 1,977,311</b>	<b>\$ 275,500,588</b>

# Quarterly Investment Compliance Report

Quarter Ending March 31, 2025



# Investment Guideline Compliance Review

Quarterly Investment Compliance Report Quarter Ending  
3/31/2025

2

19 Guidelines In Compliance

0 Guidelines Not In Compliance



Guideline Category	Guideline	Compliance Status
General	The assets managed by any one active or passive investment manager shall not exceed 15% of the overall assets of the systems.*	In Compliance
	Total assets assigned to a selected manager shall not exceed 25% of the management firm's total assets under management.	In Compliance
	Total assets assigned to a selected manager shall not exceed 25% of the management firm's total assets under management in a commingled product.	In Compliance
	Derivative investments shall not cause the systems' portfolios to be leveraged beyond a 100% invested position.	In Compliance
	The maximum investment in any co-investment vehicle shall not exceed 50% of the total capital committed by all partners at the time of the final closing.	In Compliance
	The maximum investment in any single direct co-investment shall not exceed 20% of the original partnership commitment.	In Compliance
	Total investment in direct co-investments shall not exceed 20% of the asset class portfolio on a cost basis at the time of investment.	In Compliance
	An external investment manager's cash holdings shall not exceed 5% of the manager's allocation, unless such cash holdings are an integral part of a fixed income manager's investment strategy.	In Compliance
	Externally and internally managed portfolio investment guidelines shall be met.	In Compliance
Equity	The amount of stock in the domestic or international equity allocation in any single corporation shall not exceed 5% of the aggregate market value of the assets of the systems.	In Compliance
	The amount of stock held in the domestic or international equity allocation shall not exceed 3% of the outstanding shares of any single corporation.	In Compliance
	Investment in "frontier" markets shall not exceed 5% of the international equity assets of the systems.	In Compliance
	No more than 15% of the systems' total allocation to private equity investments may be committed to any one partnership.	In Compliance
Fixed Income	The duration of the core fixed income portfolios combined shall not vary from that of the systems' Fixed Income Index by more than +/- 25% as measured by effective duration, modified duration, or dollar duration except when the Investment Committee has determined a target duration to be used for an interim basis.	In Compliance
	The amount invested in the debt of a single issuer shall not exceed 5% of the total market value of the systems' fixed income assets, with the exception of U.S. Government issued, guaranteed, or agency obligations and certain derivative securities.	In Compliance
	50% of the core fixed income assets shall have stated liquidity that is trade date plus three (3) days or better.	In Compliance
Real Return	No more than 20% of the total net assets of the systems' Real Return portfolios shall be invested in any single closed-end or open-end limited partnership or other unregistered investment vehicle.	In Compliance
	No more than 50% of the total net assets of the systems' Real Return portfolio shall be invested in any one registered investment vehicle, mutual fund, or separately managed account.	In Compliance
Cash Equivalent Securities	All instruments in the liquidity allocation shall have a maturity at the time of purchase that does not exceed 397 days.	In Compliance

\*Only applies to external managers and not to assets managed by KPPA Investment Staff.

Quarterly Investment Compliance Report Quarter Ending  
3/31/2025

# Exception Report

- None

# Asset Allocation Compliance Review (Exceptions Only)

Quarterly Investment Compliance Report Quarter Ending  
3/31/2025

6

# Exception Report

- None

# Quarterly Proxy Report

Quarterly Investment Compliance Report Quarter Ending  
3/31/2025

8

## Quarterly Proxy Report Compliance Checklist

- ✓ In compliance with KRS 61.650(7)(d), the quarterly proxy report for quarter ending on March 31, 2025 can be found here:

<https://www.kyret.ky.gov/Investments/Investments-Library/Pages/Proxy-Voting-Reports.aspx>

- ✓ Available on KPPA's website as required by KRS 61.645(19)

# Compliance Independence

Quarterly Investment Compliance Report Quarter Ending  
3/31/2025

10

## Compliance Officer/Quarterly Compliance Report Independence Factors

- ✓ Data used for Quarterly Compliance Reports is obtained from a neutral, third-party source (in effect)
- ✓ Compliance Officer duties/Quarterly Compliance Reports subject to audits (in effect)
- ✓ Compliance Officer direct reporting line to Investment Committee (in effect, but short-term goal to codify in written policy)
- ✓ Compliance Officer position to be moved out of the KPPA Office of Investments (medium-term goal)





## KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



**TO: Members of the KRS Board of Trustees**

**FROM: Joint CERS & KRS Retiree Health Plan Committee**

**DATE: June 17, 2025**

**SUBJECT: Joint CERS & KRS Retiree Health Plan Committee Report**

The Joint CERS & KRS Retiree Health Plan Committee met on Wednesday, May 14, 2025. The Committee elected Keith Peercy (KRS) as Chair and Dr. Crystal Miller (KRS) as Vice-Chair. Humana provided a presentation on Plan Performance for 2024, the Centers for Medicare and Medicaid Services (CMS) Final Notice for 2026 plan year, Gain Share, and Performance Guarantees.

The 2024 Plan Performance showed that the Premium Plan medical and pharmacy claims costs increased 5% and 5.2%, respectively. The Essential Plan saw a 5.4% and 20.3% increase in medical and pharmacy claims costs, respectively. The data also showed that member participation increased for Health Alerts, Preventative Services, and Silver Sneakers engagement in 2024. Humana is currently meeting all performance guarantees based on the quarterly reporting.

The CMS Final Notice indicates the CMS net payment will be on average a 5.06% increase. The utilization of the MA plans has increased in 2024 and will likely be reflected as an adjustment (increase) in the premium amount for 2026.

The Committee reviewed a memo regarding the need to appoint a retired member to the Kentucky Group Health Insurance Board (KGHIB). See attached memo. There was no interest from any eligible member of the RHP Committee to serve on this Board; therefore, the memo is being brought to both the CERS and KRS Board of Trustees to seek interest from any eligible trustee from the full Boards. If an eligible trustee is interested, their name will be taken back to the RHP Committee at the September meeting to vote on and send to both Boards for ratification in accordance with the recommendation in the memo.

This memo is presented for informational purposes only.

enclosure



## KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



### MEMORANDUM

TO: Members of the Joint CERS & KRS Retiree Health Plan Committee

FROM: Connie Pettyjohn, Division Director  
Retiree Healthcare

DATE: May 16, 2025

SUBJECT: Kentucky Group Health Insurance Board

---

The Kentucky Group Health Insurance Board (KGHIB) was created by KRS 18A.226 to provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program.

The board is attached to the Personnel Cabinet for administrative purposes only and consists of thirteen (13) members which includes one (1) retired state employee appointed by the Kentucky Retirement Systems (KRS) for a term a two (2) years. The KGHIB meets monthly at an in-person meeting in Frankfort.

KRS 18A.226 was not updated when the three (3) Board governance structure was created by 2020 RS HB 484, i.e. CERS Separation. There has been a Personnel housekeeping bill filed in the last two (2) Regular Sessions that included modifications to this statute, but those bills have not passed.

Mr. Jerry Powell served as the appointed member on the KGHIB since 2018. Connie Pettyjohn has served as the proxy since 2011. With the departure of Mr. Powell from the CERS Board, a new appointment needs to be made. The appointee does not have to be a trustee, but historically has been. The only requirement is that it be a retired member.

**Recommendation:** The CERS & KRS Joint RHP Committee recommend an appointee to the KGHIB to be ratified by both the KRS and CERS Board of Trustees. Ratification by both Boards is consistent with how recommendations from the RHP Committee are currently handled, and will satisfy the statutory requirement under KRS 18A.226.

Enclosure

**18A.226 Group Health Insurance Board -- Members -- Duties.**

- (1) To provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program in order to meet this goal, the Kentucky Group Health Insurance Board is created. The board shall be attached to the Personnel Cabinet for administrative purposes only. The board shall consist of thirteen (13) members as follows:
  - (a) The secretary of the Finance and Administration Cabinet;
  - (b) The secretary of the Personnel Cabinet;
  - (c) The state budget director;
  - (d) The commissioner of education;
  - (e) The chair of the Advisory Committee of State Health Insurance Subscribers;
  - (f) The commissioner of insurance, ex officio;
  - (g) The Auditor of Public Accounts, ex officio;
  - (h) The Director of the Administrative Office of the Courts, or his designee;
  - (i) One (1) retired state employee appointed by the Kentucky Retirement Systems, who shall serve an initial term of one (1) year;
  - (j) One (1) retired teacher appointed by the Teachers' Retirement System, who shall serve an initial term of two (2) years;
  - (k) One (1) active teacher appointed by the organization with the largest number of teacher members on payroll deduction, who shall serve an initial term of one (1) year;
  - (l) One (1) active state employee appointed by the organization with the largest number of state employee members on payroll deduction, who shall serve an initial term of two (2) years; and
  - (m) One (1) active classified education support employee appointed by the organization with the largest number of classified education support employee members on payroll deduction, who shall serve an initial term of one (1) year.

As each appointed member's term expires, the vacancy created shall be filled by the appointing authority for that position for a term of two (2) years. An appointment to fill an unexpired term of an appointed member shall be made by the designated appointing authority for the remainder of the term. Appointed terms shall begin effective October 1.

- (2) The members of the board shall elect from among its members a chair and a vice chair.
- (3) Regular meetings of the board shall be held at least once every month at a place, day, and time determined by the board. Special meetings of the board shall be held when needed as determined by the chair. If seven (7) or more members of the board request in writing that the chair call a special meeting, the chair shall call a special meeting. The meetings shall operate in accordance with the provisions of the Open

Meetings Law under KRS 61.805 to 61.850.

- (4) Members of the board shall receive reimbursement for necessary expenses for attendance at official board meetings or public hearings.
- (5) The Kentucky Group Health Insurance Board shall:
  - (a) Engage in analyses and research to identify the factors and parameters that affect the state group health insurance program;
  - (b) Develop and transmit, by October 1 of each year beginning October 1, 2001, to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, policy recommendations regarding benefit options and management of the state group health insurance program; and
  - (c) Provide in the first report, due by October 1, 2001, the following:
    - 1. Analysis and discussion of methods used by all other states to provide health insurance benefits to their state group; and
    - 2. Analysis and discussion of the cost, enrollment, claims, and utilization data for calendar year 2000 on the Kentucky state group; and
    - 3. Recommendations including but not limited to appropriate structures for the state contribution rate which shall include recommendations on increasing the state contribution to provide support for dependent coverage, possible methods to mitigate adverse selection, competitive plan designs by type and benefit options, the feasibility of a state self-insurance plan, and strategies for evaluating third-party administrators and vendors.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 29, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 158, sec. 1, effective July 15, 2002. -- Created 2000 Ky. Acts ch. 438, sec. 1, effective April 21, 2000.



## KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



**To: KPPA, CERS & KRS Board**  
**From: Ryan Barrow**  
**Date: June 2025**  
**Subject: KPPA Update**

---

### **I. KPPA LEGISLATION IMPLEMENTATION UPDATE:**

Senate Bill 10 (CERS Retiree Insurance), passed during the 2025 General Assembly Regular Session, is advancing through implementation. We are finalizing legal interpretations, transitioning to the IT design phase, and developing training materials for employees and members.

### **II. STAFFING UPDATE:**

KPPA currently employs 264 staff members. The Personnel Cabinet recently completed a job review for the second half of the IT job series, affecting approximately 22 employees:

- Positions are reallocated to job classes as determined by the Personnel Cabinet, effective June 16, 2025.
- The financial impact on personnel costs is significant and under analysis. Detailed findings will be presented to the board(s) during the budget process.
- Investment Staffing Update: We are thrilled to welcome Ian Blaiklock (6/23) as Senior Investment Associate. He brings extensive experience in public and private markets, including his prior role as Senior CMBS/CRE Analyst at Invesco as well as prior state government experience. Ian strengthens our Investment team and will play a pivotal role supporting Portfolio Managers with due diligence, quantitative and qualitative analysis of managers, and portfolio performance evaluation across asset classes.

### **III. STRATEGIC PLAN & IMPLEMENTATION UPDATE:**

The implementation of the Strategic Plan continues with four active teams:

1. **Quality Assurance** is nearing completion on the implementation of

recommendations regarding the account audit process.

2. **Survey Team's** recommendations have been approved, and they are currently evaluating options for upgrading survey software.
3. **Member Presentation** has made recommendations that are under review.
4. **AI** is nearing the recommendation phase.

Other Initiatives:

- The RFP for a technology assessment is in the final stage of contract negotiations and is focused on IT modernization.
- The Directors Lunch and Learn initiative launched in February 2025, continued with a presentation from our partners on valuations and assumptions by GRS.

In June 2024, the KPPA Board approved the 2024-2028 Strategic Plan Summary. To supplement the document, KPPA will provide more details for FY26 that will be presented to the KPPA Board on June 26<sup>th</sup>.

#### IV. **TRUSTEE IMPACT FORUM:**

We are excited to announce the upcoming **Trustee IMPACT Forum** (Investments, Management, Pensions, Advisory, Compliance, and Training) is scheduled for **October 22nd and 23rd**, as those dates have been confirmed as ideal for all Trustees. This session will focus on key areas including fiduciary responsibility, investments, benefits, and legal compliance. We have asked the CEOs and would request that Trustees submit any program ideas or topics they would like to see included to Sherry. We anticipate a meaningful agenda and are open to all input.

#### V. **PPOB PRESENTATION:**

On April 28th, Erin Surratt and I had the opportunity to provide a presentation to the Public Pension Oversight Board (PPOB). Our discussion focused on key areas impacting the system, including investment performance and strategy, current and projected cash flow trends, and a legislative update. The presentation aimed to offer transparency, highlight recent developments, and support informed requests by the Board.

#### VI. **LEADERSHIP ACADEMY:**

Launched in February 2025, the KPPA Leadership Academy includes monthly group training sessions and a mentorship component. Thirteen participants have been paired with members of the KPPA Leadership Team for one-on-one mentoring.

Training topics covered to date include:

- Personality Assessment & Team Building
- Personal Values, Empathy, and Integrity
- Time Management
- Delegation Skills
- Effective Communication

Monthly sessions will continue through October, and in November, participants will attend the Commonwealth's virtual two-day LEAD Conference. The program will conclude with final presentations and a graduation ceremony in December.

## VII. NCPERS CONFERENCE:

Mike Lamb and I completed Modules 1 through 4 of the National Conference on Public Employee Retirement Systems (NCPERS) Accredited Fiduciary (NAF) Program. This training spanned a year and included a full day on each of Governance, Finance, Risk Management, and Human Capital. After the weekend training, we represented KPPA at their Annual Conference and Exhibition (ACE).

## VIII. KPPA KUDOS:

**Public Service Recognition Week** was celebrated May 5th through May 9<sup>th</sup>. During that time, we recognized the incredible staff of KPPA for their dedication, professionalism, and commitment to serving our members. Throughout the week, staff enjoyed a variety of treats and activities as a small token of appreciation, including treats, fresh donuts, healthy bananas and fruit, and a fun "*Find the Golden Pig*" challenge, with winners receiving a free lunch at the onsite food truck. The week wrapped up with our always-popular "*Freebie Friday*" drawing giveaways.

**School Board Reporting team in ERCE**, including Amy Vincent, Anita Smith, Bennie Good, Madison Adams-Cunningham, and Melissa Ping and led by Crystal Hughes. This year, they have successfully processed end-of-year service averaging for all 171 school board agencies well ahead of the fiscal year-end processes, a feat that has never been accomplished before. Their strategic approach and determination to this goal ensure that members working in a classified school board position will have accurate accounting of service credit on their annual statements. Additionally, it will have a positive ripple effect as other areas of KPPA relying on this information can complete their processes more efficiently.

**Compliance Office**, Carrie Bass for successfully reviewing and conceptually developing a new investment compliance plan. That process will have to be adaptive, but improvements and enhancements will strengthen our organization's commitment to transparency, oversight, and regulatory and policy adherence. Key milestones in this endeavor include an enhanced investment compliance process and reporting and the development of a revised Agency Securities Trading Policy, designed to comply with SEC regulations while streamlining requirements for trustees and employees. We look forward to the evolution of the investment compliance process, as well as the initiation of an overall KPPA compliance program from the compliance officer in the months to come.

**Member Outreach** conducted several presentations for public safety officials in the past several months. (City of Richmond Police, KSP & Corrections – Wardens/Directors) and have received many great compliments for their work. In quick summary:

- “Great presenter!”
- “I would recommend this class to all employees.”
- “Your team’s professionalism and unparalleled commitment to customer service continue to elevate the quality of our training programs.”

**Many thanks to everyone involved in maintaining and improving KPPA operations!**