



**County Employees Retirement System
Finance Committee - Regular Meeting
February 20, 2023 at 2:00 PM ET
Live Video Conference/Facebook Live**

AGENDA

- | | |
|--|---------------------------------|
| 1. Call to Order | Bill O'Mara |
| 2. Legal Public Statement | Office of Legal Services |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes* - November 30, 2022 | Bill O'Mara |
| 6. Fiscal Year Financial Reports | Rebecca Adkins |
| a. Fiscal Year Financial Spreadsheet | Mike Lamb |
| b. Administrative Expense to Budget | |
| c. Contribution Report | |
| d. Outstanding Invoice Report | |
| e. Penalty Waiver Report | |
| 7. Hazardous Duty Requests* | D'Juan Surratt |
| 8. Other Financial Updates | Steve Willer |
| a. Investment Expenses | |
| 9. Adjourn | Bill O'Mara |

****Committee Action May be Taken***

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
FINANCE COMMITTEE MEETING
NOVEMBER 30, 2022 AT 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the County Employees Retirement System Finance Committee held on November 30, 2022, the following members were present: William O'Mara (Chair) and George Cheatham. Staff members present were David Eager, Michael Board, Victoria Hale, Steve Willer, Jared Crawford, Elizabeth Smith, Connie Davis, D'Juan Surratt, Ann Case, Ashley Gabbard, Phillip Cook, and Sherry Rankin. Others present included CERS CEO Ed Owens, III, and CERS Trustee Betty Pendergrass.

Mr. O'Mara called the meeting to order.

Mr. Board read the Legal Public Statement.

Ms. Rankin called roll.

Ms. Rankin stated that one *Public Comment* was submitted and read the comment from Steven Howard aloud to the Committee: Why has it been so long since RETIREES have received a COLA?

Mr. O'Mara thanked Mr. Howard for his comment and stated that a written response would be forwarded to him on behalf of the CERS Finance Committee.

Mr. O'Mara introduced agenda item *Approval of Minutes – August 23, 2022*. A motion was made by Mr. Cheatham and seconded by Mr. O'Mara to approve the minutes as presented. The motion passed unanimously.

Mr. O'Mara introduced agenda item *Fiscal Year Financial Reports*. Ms. Connie Davis presented the Combining Statement of Fiduciary Net Position of the Pension Funds for the period June 30, 2022 through September 30, 2022. She advised the Committee that a variance explanation for any percent change greater than 10% was listed at the bottom of the statement. She reported that the

pension funds had decreased 10.46% since the same period ending September 30, 2021. The CERS Non-hazardous plan declined 3.43% and the CERS Hazardous plan declined 2.51%. Next, Ms. Davis briefly reviewed the Combining Statement of Changes in Fiduciary Net Position of the Pension Funds for the three-month period ending September 30, 2022, Combining Statement of Fiduciary Net Position of Insurance Funds as of September 30, 2022, and the Combining Statement of Changes in Fiduciary Net Position of Insurance Funds for the three-month period ending September 30, 2022 with the Committee. There were no questions; therefore, Ms. Davis went on to present the Pension and Insurance Funds Contribution Reports for three-month period ending September 30, 2022. She reported that the bottom rows for net contributions, cash flow as a % of assets, net investment income, and yield as % of assets were added to these reports as requested by the Kentucky Public Pension Oversight Board (PPOB). Ms. Davis reviewed the Pension Fund Contribution Report and stated that CERS Hazardous was positive in net contributions and that CERS Non-hazardous was negative in net contributions. Mr. Eager added that the cash flow as a percentage of assets line item was requested by PPOB and is becoming increasingly more common. Ms. Davis reviewed the Insurance Fund Contribution Report and stated that net contributions were positive in CERS Non-hazardous and negative in CERS Hazardous. Further, Ms. Davis stated that employer contributions had decreased, and that investment return was also negative. Lastly, Ms. Davis briefly presented the KPPA Administrative Budget FY 2022-2023 for the three-month period ending September 30, 2022, CERS Outstanding Invoices by Type and Employer, and Penalty Invoices Report.

Mr. O'Mara introduced agenda item *Hazardous Duty Requests*. Mr. D'Juan Surratt presented 25 positions requesting hazardous duty coverage. He reported that the Division of Employer Reporting, Compliance and Education has been performing audits on various agencies to ensure that members are being reported correctly; therefore, there may be an increase in the number of hazardous duty requests in the coming months to make corrections. Mr. Surratt advised that the 25 positions were reviewed by KPPA and meet the statutory guidelines; Staff requests that the CERS Finance Committee approve these requests to be ratified by the CERS Board of Trustees. A motion was made by Mr. Cheatham and seconded by Mr. O'Mara to approve the hazardous duty requests as presented. The motion passed unanimously.

Mr. O'Mara introduced the agenda item *Participation of CERS Agency*. Mr. D'Juan Surratt reported that the City of London Tourism wishes to join as a participating agency within CERS.

The agency submitted copies of minutes, resolution to participate and agency budget, said Mr. Surratt. Further, a Contract for Health insurance has also been received from the agency. Mr. Surratt requested that the CERS Finance Committee approve the request to be ratified by the CERS Board of Trustees. A motion was made by Mr. Cheatham and seconded by Mr. O'Mara to approve the participation of the City of London Tourism as a participating agency in CERS as presented. The motion passed unanimously.

Mr. O'Mara introduced the agenda item *External Audit Update*. Ms. Connie Davis stated that the external auditors presented the audit report to the Joint Audit Committee on November 28, 2022. She reported that the Joint Audit Committee approved the report as presented and advised that the report will be presented to the KPPA Board of Trustees, the CERS Board of Trustees, and the KRS Board of Trustees. Mr. O'Mara advised that there was discussion regarding the format of the audit report; the topic will be added to the agenda for the February 2023 Joint Audit Committee meeting for further discussion.

Mr. O'Mara introduced the agenda item *PPOB Administrative and Investment Expenses Report*. Ms. Connie Davis briefly reviewed the FY2022 KPPA Administrative Expenses and FY2022 KPPA Trust/Investment Expenses which were provided to the Kentucky Public Pension Oversight Board (PPOB). She advised that these documents have been presented to the KPPA Board of Trustees, the CERS Board of Trustees, and the KRS Board of Trustees. Next, Ms. Davis presented the FY21 and FY22 Board Separation Expenditures. This data was also provided to the PPOB. Mr. O'Mara advised that CERS and KRS Investment Committees receive KPPA Administrative Expenses and KPPA Trust/Investment Expenses reports quarterly. Mr. Eager added that Staff conscious of spending is searching for opportunities to get more value for less money. Ms. Pendergrass suggested that the KPPA Trust Expenses report be renamed, KPPA Investment Expenses.

Mr. O'Mara opened the floor for a motion to adjourn the meeting. A motion was made by Mr. Cheatham and seconded by Mr. O'Mara to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the CERS Finance Committee meeting held November 30, 2022 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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 KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

I, William O'Mara, the Chair of the County Employees Retirement System Finance Committee, do certify that the Minutes of Meeting held on November 30, 2022 were approved on February 20, 2023.

Chair of the CERS Finance Committee

I have reviewed the Minutes of the November 30, 2022 CERS Finance Committee Meeting for content, form, and legality.

Executive Director
Office of Legal Services



Combining Statement of Fiduciary Net Position - Pension Funds

As of December 31, 2022, with Comparative Totals as of December 31, 2021 (\$ in Thousands) (Unaudited)

ASSETS	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2023	FY 2022		
CASH AND SHORT-TERM INVESTMENTS						
Cash Deposits	\$258	\$184	\$442	\$243	81.91%	1
Short-term Investments	193,160	73,916	267,076	500,957	(46.69)%	2
Total Cash and Short-term Investments	193,418	74,100	267,518	501,200	(46.62)%	
RECEIVABLES						
Accounts Receivable	113,664	37,640	151,303	97,243	55.59%	3
Accounts Receivable - Investments	86,416	29,493	115,909	122,520	(5.40)%	4
Total Receivables	200,080	67,132	267,212	219,763	21.59%	
INVESTMENTS, AT FAIR VALUE						
Core Fixed Income	780,009	290,115	1,070,123	1,406,598	(23.92)%	5
Public Equities	3,913,992	1,339,460	5,253,453	5,564,036	(5.58)%	
Private Equities	676,460	225,693	902,153	975,325	(7.50)%	
Specialty Credit	1,693,864	581,851	2,275,715	1,976,862	15.12%	6
Derivatives	(677)	(260)	(937)	(1,032)	(9.17)%	
Real Return	256,221	84,857	341,078	715,842	(52.35)%	7
Opportunistic	-	-	-	339,821	(100.00)%	8
Real Estate	509,001	162,024	671,025	578,178	16.06%	9
Total Investments, at Fair Value	7,828,871	2,683,740	10,512,610	11,555,631	(9.03)%	
Securities Lending Collateral Invested	205,188	70,386	275,574	350,632	(21.41)%	10
CAPITAL/INTANGIBLE ASSETS						
Capital Assets	1,701	153	1,854	1,854	0.00%	
Intangible Assets	9,961	827	10,788	10,788	0.00%	
Accumulated Depreciation	(1,701)	(153)	(1,854)	(1,854)	0.00%	
Accumulated Amortization	(9,885)	(825)	(10,710)	(10,524)	1.77%	
Total Capital Assets	76	2	78	264	(70.59)%	
Total Assets	8,427,632	2,895,360	11,322,992	12,627,490	(10.33)%	
LIABILITIES						
Accounts Payable	4,573	872	5,444	4,244	28.28%	11
Investment Accounts Payable	50,717	18,074	68,791	227,547	(69.77)%	12
Securities Lending Collateral	205,188	70,386	275,574	350,632	(21.41)%	13
Total Liabilities	260,477	89,332	349,810	582,423	(39.94)%	
Total Fiduciary Net Position Restricted for Pension Benefits	\$8,167,155	\$2,806,027	\$10,973,182	\$12,045,067	(8.90)%	

NOTE - Variance Explanation *Differences due to rounding*

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2) Short Term Investments are primarily comprised of the cash on hand at the custodial bank. The variance is driven by the cash flows of each system.
- 3) The increase in Accounts Receivable is due to the ERCON Pension/Insurance split correction.
- 4) The variance in Investment Accounts Receivable is due to pending trades.
- 5) The decrease in Core Fixed Income is due to a rebalance of the portfolio as a result of the revised IPS and a decline in market value of the assets.
- 6) The increase in Specialty Credit is due to the merging of the Specialty Credit asset class and the Opportunistic asset class.
- 7) The decrease in Real Return is a result of the redemption of Putnam and continued liquidation of hedge funds.
- 8) The decrease in Opportunistic is due to the merging of the Opportunistic asset class with the Specialty Credit asset class.
- 9) The increase in Real Estate is due to additional funding and increasing market values for current managers.
- 10) The variance is a result of the demand of the Securities Lending Program.
- 11) The variance in Accounts Payable is due to an Increase in outstanding employer credit invoices.
- 12) The variance in Investment Accounts Payable is due to pending trades.
- 13) The variance is a result of the demand of the Securities Lending Program.



Combining Statement of Changes In Fiduciary Net Position - Pension Funds

For the six month period ending December 31, 2022, with Comparative Totals for the six month period ending December 31, 2021 (\$ in Thousands) (Unaudited)

	CERS		Total	Percentage	Note	
	Nonhazardous	Hazardous	FY 2023	FY 2022		of Change
ADDITIONS						
Member Contributions	\$91,938	\$36,633	\$128,571	\$123,851	3.81%	
Employer Contributions	300,672	132,597	433,269	377,206	14.86%	1
Actuarially Accrued Liability Contributions (AALC)	-	-	-	-		
Pension Spiking Contributions	28	35	63	62	1.20%	
Health Insurance Contributions (HB1)	(10)	(11)	(21)	-	(100.00)%	2
Employer Cessation Contributions	-	-	-	-		
Total Contributions	392,628	169,254	561,882	501,120	12.13%	
INVESTMENT INCOME						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments						
Interest/Dividends	92,123	31,246	123,369	450,178	(72.60)%	3
Total Investing Activities Income	110,258	38,214	148,471	166,671	(10.92)%	4
Less: Investment Expense	202,381	69,460	271,841	616,848		
Less: Performance Fees	23,843	7,974	31,817	29,937	6.28%	
Less: Performance Fees	632	(58)	574	46,762	(98.77)%	5
Net Income from Investing Activities	177,906	61,544	239,450	540,149		
From Securities Lending Activities						
Securities Lending Income	3,693	1,290	4,983	370		
Less: Securities Lending Borrower Rebates (Income)/Expense	3,143	1,099	4,242	(642)		
Less: Securities Lending Agent Fees	82	29	111	152		
Net Income from Securities Lending	468	163	630	860	(26.72)%	6
Net Investment Income	178,374	61,706	240,080	541,009	(55.62)%	
Total Additions	571,002	230,960	801,962	1,042,129	(23.05)%	
DEDUCTIONS						
Benefit Payments	442,622	158,110	600,732	577,642	4.00%	
Refunds	12,175	2,747	14,922	12,333	21.00%	7
Administrative Expenses	11,396	1,003	12,399	12,175	1.84%	
Total Deductions	466,193	161,861	628,053	602,150	4.30%	
Net Increase (Decrease) in Fiduciary Net Position Restricted for Pension Benefits						
	104,809	69,100	173,909	439,979		
Total Fiduciary Net Position Restricted for Pension Benefits						
Beginning of Period	8,062,346	2,736,928	10,799,273	11,605,088	(6.94)%	
End of Period	\$8,167,155	\$2,806,027	\$10,973,182	\$12,045,067	(8.90)%	

NOTE - Variance Explanation *Differences due to rounding*

- 1) Employer Contributions increased due to an increase in covered payroll for CERS Nonhazardous as well as an increase in the Employer Contribution rates.
- 2) Health Insurance Contributions continue to fluctuate in the Pension accounts due to Tier 2 and Tier 3 retiree health insurance system costs as well as corrections being processed to previous fiscal years.
- 3) The decrease in Net Appreciation in Fair Value of Investments is due to unfavorable market conditions resulting in realized and/or unrealized losses across all asset classes.
- 4) The decline in income is the result of lower partnership income in Private Equity, of which CERS plans hold a larger allocation.
- 5)7) The drop in performance fees is the result in less than favorable market conditions causing returns to drop, impacting those fees directly related to performance.
- 6) The variance is a result of the demand of the Securities Lending Program.
- 7) The increase in Refunds was due to an increase in refunds taken by CERS and CERH members who terminated employment and were not eligible for a retirement benefit.



Combining Statement of Fiduciary Net Position - Insurance Funds

As of December 31, 2022, with Comparative Totals as of December 31, 2021 (\$ in Thousands) (Unaudited)

ASSETS	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2023	FY 2022		
CASH AND SHORT-TERM INVESTMENTS						
Cash Deposits	\$61	\$41	\$102	\$105	(2.80)%	
Short-term Investments	80,808	38,087	118,895	367,129	(67.61)%	1
Total Cash and Short-term Investments	80,869	38,128	118,997	367,234	(67.60)%	
RECEIVABLES						
Accounts Receivable	12,111	4,063	16,174	26,451	(38.85)%	2
Investment Accounts Receivable	36,628	17,262	53,890	50,202	7.35%	
Total Receivables	48,739	21,325	70,064	76,653	(8.60)%	
INVESTMENTS, AT FAIR VALUE						
Core Fixed Income	328,191	143,627	471,818	566,377	(16.70)%	3
Public Equities	1,484,573	723,997	2,208,570	2,156,181	2.43%	
Private Equities	263,422	148,193	411,616	439,823	(6.41)%	
Specialty Credit	647,261	323,385	970,646	823,824	17.82%	4
Derivatives	(235)	(115)	(350)	(308)	13.85%	5
Real Return	77,094	41,299	118,393	277,977	(57.41)%	6
Opportunistic	-	-	-	159,302	(100.00)%	7
Real Estate	176,269	96,628	272,897	234,584	16.33%	8
Total Investments, at Fair Value	2,976,575	1,477,015	4,453,589	4,657,760	(4.38)%	
Securities Lending Collateral Invested	67,088	33,314	100,402	133,234	(24.64)%	9
Total Assets	3,173,271	1,569,782	4,743,053	5,234,880	(9.40)%	
LIABILITIES						
Accounts Payable	45,716	11,623	57,339	289	19,750.13%	10
Investment Accounts Payable	19,538	8,739	28,278	91,833	(69.21)%	11
Securities Lending Collateral	67,088	33,314	100,402	133,234	(24.64)%	12
Total Liabilities	132,342	53,677	186,019	225,356	(17.46)%	
Total Fiduciary Net Position Restricted for OPEB	\$3,040,929	\$1,516,105	\$4,557,034	\$5,009,524	(9.03)%	

NOTE - Variance Explanation Differences due to rounding

- 1) Short term investments are primarily comprised of cash on hand at the custodial bank, the balance decline is the result of excess cash being invested.
- 2) The decrease in Accounts Receivable is due to a decrease in the member/employer month-end accrual due to the decreased insurance transfer rate.
- 3) The decrease in Core Fixed Income is due to a rebalance of the portfolio as a result of the revised IPS and a decline in market value of the assets due to the unfavorable market conditions.
- 4) The increase in Specialty Credit is due to the merging of the Specialty Credit asset class and the Opportunistic asset class.
- 5) Variance is a result of hedging and arbitration of risk within the portfolios.
- 6) The decrease in Real Return is a result of the redemption of Putnam and continued liquidation of hedge funds.
- 7) The decrease in Opportunistic is a result of the merging of the Opportunistic asset class with the Specialty Credit asset class.
- 8) The increase in Real Estate is due to additional funding and increasing market values for current managers.
- 9) Variance is a result of the demands of the Securities Lending Program.
- 10) The increase in Accounts Payable is due to the ERCON Pension/Insurance split correction in CERS and CERH.
- 11) The variance in Investment Accounts Payable is due to pending trades.
- 12) Variance is a result of the demands of the Securities Lending Program.



Combining Statement of Changes In Fiduciary Net Position - Insurance Funds

For the six month period ending December 31, 2022, with Comparative Totals for the six month period ending December 31, 2021 (\$ In Thousands) (Unaudited)

	CERS		TOTAL		Percentage of Change	Note
	Nonhazardous	Hazardous	FY 2023	FY 2022		
ADDITIONS						
Employer Contributions	\$47,120	\$22,783	\$69,903	\$114,242	(38.81)%	1
Actuarially Accrued Liability Contributions (AALC)	-	-	-	-		
Medicare Drug Reimbursement	-	-	-	1	(100.00)%	2
Insurance Premiums	237	(19)	219	272	(19.46)%	3
Humana Gain Share Payment	5,951	914	6,864	10,171	(32.51)%	4
Retired Re-employed Healthcare	2,363	748	3,112	3,120	(0.25)%	
Health Insurance Contributions (HB1)	8,126	1,945	10,071	9,357	7.63%	5
Employer Cessation Contributions	-	-	-	-		
Total Contributions	63,797	26,372	90,169	137,162	(34.26)%	
INVESTMENT INCOME						
From Investing Activities						
Net Appreciation (Depreciation) in FV of Investments	34,620	15,702	50,322	200,933	(74.96)%	6
Interest/Dividends	43,453	21,475	64,928	64,887	0.06%	
Total Investing Activities Income	78,073	37,177	115,250	265,820		
Less: Investment Expense	8,804	4,631	13,434	11,570	16.12%	7
Less: Performance Fees	(425)	(355)	(780)	21,318	(103.66)%	8
Net Income from Investing Activities	69,695	32,901	102,596	232,932		
From Securities Lending Activities						
Securities Lending Income	1,206	581	1,787	144		
Less: Securities Lending Borrower Rebates (Income)/Expense	1,020	490	1,511	(228)		
Less: Securities Lending Agent Fees	28	14	41	56		
Net Income from Securities Lending	158	77	235	316	(25.78)%	9
Net Investment Income	69,852	32,978	102,831	233,248	(55.91)%	
Total Additions	133,650	59,350	193,000	370,410	(47.90)%	
DEDUCTIONS						
Healthcare Premiums Subsidies	71,706	46,862	118,567	107,844	9.94%	
Administrative Expenses	472	260	732	719	1.86%	
Self-Funded Healthcare Costs	1,767	100	1,868	1,913	(2.40)%	
Excise Tax Insurance	-	-	-	6	(100.00)%	10
Total Deductions	73,945	47,222	121,167	110,483	9.67%	
Net Increase (Decrease) in Fiduciary Net Position Restricted for OPEB	59,704	12,128	71,832	259,927		
Total Fiduciary Net Position Restricted for OPEB						
Beginning of Period	2,981,224	1,503,977	4,485,201	4,749,597	(5.57)%	
End of Period	\$3,040,929	\$1,516,105	\$4,557,034	\$5,009,524	(9.03)%	

NOTE - Variance Explanation Differences due to rounding

- 1) Employer Contributions decreased due to a decrease in the employer insurance rate as well as the CERS/CERH correction.
- 2) Medicare Drug Reimbursement payments fluctuate year to year based on claims received.
- 3) Health Insurance Premiums decreased due to refunds processed to hazardous retirees for premiums paid for dependents that should have been covered by KPPA.
- 4) The Humana Gain Share payment will fluctuate year to year based on claims paid.
- 5) Health Insurance Contributions will continue to rise as Tier 2 and Tier 3 members increase.
- 6) The decrease in Net Appreciation in Fair Value of Investments is due to unfavorable market conditions resulting in realized and unrealized losses across all asset classes.
- 7) The increase in Investment Expense is a result of increased market values in the Specialty Credit and Real Estate asset classes which have higher fees. While the over all FV of assets have declined, that decline has largely been in the Public Equity and Core Fixed Income asset classes which have much lower manager fees.
- 8) The drop in performance fees is the result in less than favorable market conditions causing returns to drop, impacting those fees directly related to performance.
- 9) The variance is a result of the demand of the Securities Lending Program.
- 10) The Excise Tax will fluctuate based on the timing of the posting of the payment.

Pension Funds Contribution Report

For the six month period ending December 31, 2022, with Comparative Totals for the six month period ending December 31, 2021
(\$ in Millions)



County Employees Retirement System

	Nonhazardous		Hazardous	
	FY23	FY22	FY23	FY22
Member Contributions	\$91.9	\$88.2	\$36.6	\$35.7
Employer Contributions	300.7	270.1	132.6	107.1
Net Investment Income	86.3	66.7	30.5	24.1
Total Inflows	478.9	425.0	199.7	166.9
Benefit Payments/Refunds	454.8	435.6	160.9	154.3
Administrative Expenses	11.4	11.2	0.9	1.0
Total Outflows	466.2	446.8	161.8	155.3
NET Contributions	12.7	(21.8)	37.9	11.6
Realized Gain/(Loss)	(25.2)	282.7	(10.0)	95.4
Unrealized Gain/(Loss)	117.3	55.6	41.2	16.4
Change in Net Position	104.8	316.5	69.1	123.4
Beginning of Period	8,062.3	8,670.7	2,736.9	2,934.4
End of Period	\$8,167.1	\$8,987.2	\$2,806.0	\$3,057.8

Differences due to rounding.

Net Contributions*	(\$73.6)	(\$88.5)	\$7.4	(\$12.5)
Cash Flow as % of Assets	(0.90)%	(0.98)%	0.27%	(0.41)%
Net Investment Income	\$86.3	\$66.7	\$30.5	\$24.1
Yield as % of Assets	1.06%	0.74%	1.09%	0.79%

**Net Contributions are less Net Investment Income.*

Insurance Fund Contribution Report

For the six month period ending December 31, 2022, with Comparative Totals for the six month period ending December 31, 2021
(\$ in Millions)



County Employees Retirement System

	Nonhazardous		Hazardous	
	FY23	FY22	FY23	FY22
Employer Contributions	\$47.1	\$78.7	\$22.8	\$35.6
Insurance Premiums	0.2	0.3	-	-
Humana Gain Share	6.0	8.9	0.9	1.3
Retired Reemployed Healthcare	2.4	2.4	0.7	0.7
Health Insurance Contributions	8.1	7.5	1.9	1.8
Net Investment Income	35.2	21.6	17.3	10.7
Total Inflows	99.0	119.4	43.6	50.1
Healthcare Premiums	73.5	65.9	47.0	43.9
Administrative Expenses	0.4	0.5	0.2	0.2
Total Outflows	73.9	66.4	47.2	44.1
NET Contributions	25.1	53.0	(3.6)	6.0
Realized Gain/(Loss)	(10.3)	97.7	(4.2)	52.0
Unrealized Gain/(Loss)	44.9	32.6	19.9	18.6
Change in Net Position	59.7	183.3	12.1	76.6
Beginning of Period	2,981.2	3,141.8	1,504.0	1,607.8
End of Period	\$3,040.9	\$3,325.1	\$1,516.1	\$1,684.4

Differences due to rounding.

Net Contributions*	\$(10.1)	\$31.4	\$(20.9)	\$(4.7)
Cash Flow as % of Assets	(0.33)%	0.94%	(1.37)%	(0.28)%
Net Investment Income	\$35.2	\$21.6	\$17.3	\$10.7
Yield as % of Assets	1.16%	0.65%	1.14%	0.64%

*Net Contributions are less Net Investment Income.

KPPA ADMINISTRATIVE BUDGET FY 2022-2023						
BUDGET-TO-ACTUAL ANALYSIS						
FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2022, WITH COMPARATIVE TOTALS FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2021						
Account Name	Budgeted	FY 2023 Expense	Remaining	Percent Remaining	FY 2022 Expense	Percent Difference
PERSONNEL						
Staff						
Salaries/Wages	\$17,000,000	\$8,154,730	\$8,845,270	52.03%	\$8,048,638	1.32%
Wages (Overtime)	285,000	115,112	169,888	59.61%	107,186	7.39%
Emp Paid Retirement	14,865,100	6,069,879	8,795,221	59.17%	6,422,459	(5.49)%
Emp Paid Health Ins	2,700,000	1,112,428	1,587,572	58.80%	1,296,865	(14.22)%
Emp Paid Sick Leave	115,000	135,844	(20,844)	(18.13)%	800	16,880.50%
Adoption Assistance Benefit	8,000	-	8,000	100.00%	-	0.00%
Workers Compensation	75,000	11,116	63,884	85.18%	75,163	(85.21)%
Unemployment	8,000	5,534	2,466	30.83%	-	100.00%
Other Personnel	1,273,448	576,338	697,110	54.74%	573,531	0.49%
Employee Training	18,000	5,361	12,639	70.22%	4,843	10.70%
Bonds	-	-	-	100.00%	41	(100.00)%
Staff Subtotal	36,347,548	16,186,341	20,161,207	55.47%	16,529,526	(2.08)%
LEGAL & AUDITING SERVICES						
Legal Hearing Officers	100,000	76,516	23,484	23.48%	32,314	136.79%
Legal (Stoll, Keenon)	150,000	51,775	98,225	65.48%	60,445	(14.34)%
Frost Brown (Tax Advisor)	80,000	100,066	(20,066)	(25.08)%	1,464	6,735.11%
Reinhart	25,000	139	24,861	99.44%	-	0.00%
Ice Miller	300,000	81,920	218,080	72.69%	21,533	280.44%
Johnson, Bowman, Branco LLC	150,000	69,895	80,105	53.40%	43,225	61.70%
Dentons Bingham & Greenebaum	150,000	33,291	116,709	77.81%	-	100.00%
Legal Expense	25,000	23	24,977	99.91%	-	100.00%
Auditing	200,000	77,808	122,192	61.10%	85,655	(9.16)%
Total Legal & Auditing Services	1,180,000	491,433	688,567	58.35%	244,636	100.88%
CONSULTING SERVICES						
Medical Reviewers	1,800,000	660,075	1,139,925	63.33%	625,666	5.50%
Escrow for Actuary Fees	-	(28,866)	28,866	0.00%	-	(100.00)%
Total Consulting Services	1,800,000	631,209	1,168,791	64.93%	625,666	0.89%
CONTRACTUAL SERVICES						
Miscellaneous Contracts	100,000	11,700	88,300	88.30%	12,079	(3.14)%
Human Resources Consulting	8,000	-	8,000	100.00%	5,794	(100.00)%
Actuarial Services	500,000	134,300	365,700	73.14%	147,747	(9.10)%
Facility Security Charges	80,000	21,701	58,299	72.87%	38,862	(44.16)%
Tuition Assistance	8,000	-	8,000	100.00%	-	0.00%
Contractual Subtotal	696,000	167,701	528,299	75.91%	204,482	(17.99)%
PERSONNEL SUBTOTAL	\$40,023,548	\$17,476,684	\$22,546,864	56.33%	\$17,604,310	(0.72)%
OPERATIONAL						
Natural Gas	35,000	10,149	24,851	71.00%	7,144	42.06%
Electric	125,000	58,288	66,712	53.37%	55,442	5.13%
Rent-Non State Building	56,000	25,321	30,679	54.78%	25,321	0.00%
Building Rental - PPW	1,000,000	481,016	518,984	51.90%	481,016	0.00%
Copier Rental	67,000	40,745	26,255	39.19%	31,247	30.40%
Rental Carpool	5,500	2,144	3,356	61.02%	1,940	10.52%
Vehicle/Equip. Maint.	1,000	-	1,000	100.00%	249	(100.00)%
Postage	420,000	92,536	327,464	77.97%	150,771	(38.62)%
Freight	200	41	159	79.28%	155	(73.55)%
Printing (State)	12,000	795	11,205	93.38%	4,548	(82.52)%
Printing (non-state)	105,000	24,911	80,089	76.28%	30,002	(16.97)%
Insurance	12,000	5,572	6,428	53.57%	5,422	2.77%
Garbage Collection	6,000	3,161	2,839	47.31%	2,647	19.42%
Conference Expense	35,000	7,415	27,585	78.81%	7,352	0.86%
Conference Exp. Investment	-	64	(64)	0.00%	-	100.00%
Conference Exp. Audit	2,000	639	1,361	68.05%	-	100.00%
MARS Usage	50,000	13,550	36,450	72.90%	13,550	0.00%

KPPA ADMINISTRATIVE BUDGET 2022-23 BUDGET-TO-ACTUAL ANALYSIS						
FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2022, WITH COMPARATIVE TOTALS FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2021						
Account Name	Budgeted	FY 2023 Expense	Remaining	Percent Remaining	FY 2022 Expense	Percent Difference
COVID-19 Expenses	12,000	-	12,000	100.00%	6,171	(100.00)%
Office Supplies	75,000	55,759	19,241	25.66%	25,767	116.40%
Furniture & Office Equipment	20,000	204	19,796	98.98%	-	100.00%
Travel (In-State)	15,000	7,627	7,373	49.15%	3,611	111.22%
Travel (In-State) Investment	1,000	-	1,000	100.00%	-	0.00%
Travel (In-State) Audit	500	-	500	100.00%	-	0.00%
Travel (Out of State)	75,000	16,534	58,466	77.95%	382	4,228.27%
Travel (Out of State) Investment	100,000	10,578	89,422	89.42%	-	100.00%
Travel (Out of State) Audit	500	1,077	(577)	(115.40)%	-	100.00%
Dues & Subscriptions	70,000	35,132	34,868	49.81%	25,176	39.55%
Dues & Subscriptions Invest	17,000	4,177	12,823	75.43%	7,613	(45.13)%
Dues & Subscriptions Audit	1,500	100	1,400	93.33%	50	100.00%
Miscellaneous	70,000	20,399	49,601	70.86%	31,063	(34.33)%
Miscellaneous Investment	-	-	-	0.00%	-	0.00%
Miscellaneous Audit	200	-	200	100.00%	-	0.00%
COT Charges	25,000	9,022	15,978	63.91%	9,850	(8.41)%
Telephone - Wireless	7,000	2,556	4,444	63.48%	2,817	(9.27)%
Telephone - Other	150,000	47,665	102,335	68.22%	62,180	(23.34)%
Telephone - Video Conference	-	4,836	(4,836)	0.00%	-	100.00%
Computer Equip./Software	3,500,000	1,029,994	2,470,006	70.57%	1,397,212	(26.28)%
Comp. Equip./Software Invest	-	-	-	0.00%	-	0.00%
Comp. Equip./Software Audit	3,000	24,407	(21,407)	(713.56)%	-	100.00%
OPERATIONAL SUBTOTAL	\$6,074,400	\$2,036,414	\$4,037,986	66.48%	\$2,390,398	(14.81)%
SUB-TOTAL	\$46,097,948	\$19,513,098	\$26,584,850	57.67%	\$19,994,708	(2.41)%
Reserve	4,086,552	-	4,086,552	100.00%	-	0.00%
TOTAL	\$50,184,500	\$19,513,098	\$30,671,402	61.12%	\$19,994,708	(2.41)%

Differences due to rounding

Plan	Budgeted	FY 2023 Expense	% of Total KPPA FY 2023 Expense
CERS Nonhazardous	\$28,896,235	\$11,235,642	57.58%
CERS Hazardous	2,559,410	995,168	5.10%
KERS Nonhazardous	16,543,320	6,432,493	32.965%
KERS Hazardous	1,824,207	709,301	3.635%
SPRS	361,328	140,494	0.720%
TOTAL	\$50,184,500	\$19,513,098	

JP MORGAN CHASE CREDIT EARNINGS AND FEES FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2022			
	Earnings	Fees	Net Earnings
June-22	5,289	(5,906)	(616)
July-22	8,921	(5,814)	3,107
August-22	17,621	(6,185)	11,436
September-22	17,026	(6,033)	10,993
October-22	24,574	(6,031)	18,543
November-22	59,589	(5,070)	54,519
December-22	10,556	(6,884)	3,673
Total	\$143,576	\$(41,922)	\$101,654



CERS Outstanding Invoices by Type and Employer

Invoice Type	12/31/2022	9/30/2022	Change H/(L)
Averaging Refund to Employer	\$(255,232)	\$(205,245)	24%
Employer Free Military and Decompression Service	70,027	130,946	(47)%
Member Pension Spiking Refund	(18,164)	(13,827)	31%
Monthly Reporting Invoice	12,377	229,680	(95)%
Penalty – Monthly Reporting	204,302	199,435	2%
Reinstatement	171,358	171,358	0%
Total	184,668	512,346	
Health Insurance Reimbursement	532,665	611,562	(13)%
Omitted Employer	1,261,512	1,304,748	(3)%
Employer Pension Spiking*	1,373,411	1,340,685	2%
Standard Sick Leave	288,320	198,555	45%
Total	3,455,908	3,455,550	0%
Grand Total	\$3,640,576	\$3,967,896	(8)%

**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.*

Employer Name (Top Ten)	12/31/2022	9/30/2022	Change H/(L)
Kentucky River Regional Jail	\$893,893	\$893,893	0%
City of Covington	393,864	388,761	1%
Kenton County Airport Board	369,818	361,240	2%
City of Fort Thomas	246,316	239,643	3%
Livingston County Fiscal Court	228,567	228,796	0%
Henry County Fiscal Court	207,652	207,221	0%
TARC Transit Authority of River City	197,460	192,600	3%
City of Jeffersontown	108,966	104,968	4%
Bullitt County Fiscal Court	100,809	100,559	0%
Judicial Dept Admin Office of the Courts	\$91,643	\$94,123	(3)%

	Total Unpaid Balance	Invoice Count
CERS	\$2,105,275	1,564
CERH	1,542,684	236
Grand Total:	\$3,647,959	1,800

CERS Finance Committee Meeting - Fiscal Year Financial Reports



County Employees Retirement System
Penalty Invoices Report

From: 10/1/2022 To: 12/31/2022

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
\$1,000	\$-	\$-	10/26/2022	10/13/2021	CANC	Cities	New Employer Reporting Official
1,000	-	-	10/26/2022	11/7/2021	CANC	Cities	New Employer Reporting Official
1,000	-	-	10/26/2022	11/7/2021	CANC	Cities	New Employer Reporting Official
1,000	-	-	11/15/2022	10/19/2022	CANC	Cities	New Employer Reporting Official
1,000	-	-	11/2/2022	11/23/2022	CANC	Boards of Education	New Employer Reporting Official
1,940	-	-	11/1/2022	11/26/2022	CANC	Boards of Education	Employer in good standing
Total	\$6,940	\$-					
\$1,000	\$1,000	\$-	10/10/2022	11/9/2022	CRTD	Special Districts & Boards	
1,055	1,055	-	10/19/2022	11/18/2022	CRTD	Fiscal Courts	
3,129	3,129	-	11/2/2022	12/2/2022	CRTD	Cities	
1,000	1,000	-	11/2/2022	12/2/2022	CRTD	County Attorneys	
2,638	2,638	-	11/17/2022	12/17/2022	CRTD	Fiscal Courts	
1,000	1,000	-	11/18/2022	12/18/2022	CRTD	Boards of Education	
1,000	1,000	-	11/18/2022	12/18/2022	CRTD	County Attorneys	
1,000	1,000	-	12/5/2022	1/4/2023	CRTD	Fiscal Courts	
1,000	1,000	-	12/6/2022	1/5/2023	CRTD	Cities	
1,000	1,000	-	12/13/2022	1/12/2023	CRTD	Tourist Commissions	
1,000	1,000	-	12/21/2022	1/20/2023	CRTD	County Attorneys	
2,439	2,439	-	12/22/2022	1/21/2023	CRTD	Boards of Education	
1,000	1,000	-	12/27/2022	1/26/2023	CRTD	Fiscal Courts	
1,000	1,000	-	12/28/2022	1/27/2023	CRTD	Fiscal Courts	
1,000	1,000	-	12/28/2022	1/27/2023	CRTD	Fiscal Courts	
Total	\$20,262	\$20,262					
\$1,000	\$-	\$-	11/1/2022	3/31/2018	PAID	Fire Departments	
1,000	-	-	11/1/2022	4/12/2018	PAID	Fire Departments	
1,000	-	-	11/1/2022	11/3/2018	PAID	Fire Departments	
1,000	-	-	10/26/2022	8/22/2020	PAID	Cities	
1,000	-	-	11/10/2022	4/16/2021	PAID	Cities	
1,000	-	-	11/10/2022	4/16/2021	PAID	Cities	
1,000	-	-	12/5/2022	6/22/2022	PAID	Fiscal Courts	
1,000	-	-	12/5/2022	6/22/2022	PAID	Fiscal Courts	
1,000	-	-	12/28/2022	7/16/2022	PAID	Fiscal Courts	
1,000	-	-	10/12/2022	9/15/2022	PAID	Utility Boards	



**County Employees Retirement System
Penalty Invoices Report
From: 10/1/2022 To: 12/31/2022
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
1,000	-	-	10/7/2022	10/1/2022	PAID	Utility Boards	
1,000	-	-	10/7/2022	10/14/2022	PAID	Housing Authorities	
1,000	-	-	10/10/2022	10/19/2022	PAID	Cities	
1,000	-	-	10/17/2022	10/26/2022	PAID	Cities	
1,000	-	-	11/18/2022	11/18/2022	PAID	Boards of Education	
1,000	-	-	12/7/2022	11/30/2022	PAID	Cities	
1,000	-	-	12/19/2022	12/18/2022	PAID	Fiscal Courts	
1,000	-	-	12/13/2022	12/29/2022	PAID	Fiscal Courts	
1,000	-	-	12/8/2022	1/1/2023	PAID	Housing Authorities	
1,000	-	-	12/28/2022	1/8/2023	PAID	Fiscal Courts	
1,000	-	-	12/28/2022	1/8/2023	PAID	Fiscal Courts	
1,000	-	-	12/30/2022	1/27/2023	PAID	Cities	
Total	\$22,000	\$-					

Notes:
Invoice Status:
 CANC - Cancelled
 PAID - Paid



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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



**Kentucky Public
Pensions Authority**

To: CERS Finance Committee

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

Date: February 20, 2023

Subject: Hazardous Position Classification

AGENCIES ARE REQUESTING HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
City of Alexandria	School Resource Officer	4/1/2023
City of Vine Grove	Fire Chief/ Emergency Manager	11/1/2022
City of Ashland	School Resource Officer- Police	4/1/2023
Scott County Fiscal Court	Battalion Fire Chief	11/1/2021
Owen County Fiscal Court	Sheriff	1/1/2023
Kenton County Airport Board	VP - Public Safety, Security and Compliance	4/1/2023
Kenton County Airport Board	Police Officer- Advanced K-9 Handler/Trainer	1/1/2012
Kenton County Airport Board	Police Sergeant	9/1/2001
Kenton County Airport Board	Police Lieutenant/ Section Commander	1/1/2003
Kenton County Airport Board	Police Corporal	5/1/2002
City of Springfield	Firefighter/ trainer	4/1/2023
City of Richmond	Firefighter III	4/1/2023
City of Richmond	Captain II	4/1/2023
City of Richmond	Fire Marshall	4/1/2023
City of Richmond	Public Education/ Fire Inspector	4/1/2023
Nelson County Fiscal Court	Chief Deputy	12/1/2020
Nelson County Fiscal Court	Captain	1/1/2019
City of Shepherdsville	Fire Chief	4/1/2023
City of Shepherdsville	Deputy Chief	4/1/2023
City of Shepherdsville	1st Assistant Chief/EMT-Paramedic	4/1/2023
City of Shepherdsville	1st Assistant Chief- EMT- Advanced	4/1/2023
City of Shepherdsville	1st Assistant Chief	4/1/2023
City of Shepherdsville	Fire Marshal- Major	4/1/2023
City of Shepherdsville	Captain/ EMT- Paramedic	4/1/2023
City of Shepherdsville	Captain/ EMT Advanced	4/1/2023
City of Shepherdsville	Captain	4/1/2023
City of Shepherdsville	Sergeant/ EMT- Paramedic	4/1/2023
City of Shepherdsville	Sergeant/ EMT- Advanced	4/1/2023
City of Shepherdsville	Sergeant/EMT	4/1/2023
City of Shepherdsville	Firefighter/EMT- Paramedic	4/1/2023

City of Shepherdsville	Firefighter/EMT-Advanced	4/1/2023
City of Shepherdsville	Firefighter/EMT	4/1/2023
City of Shepherdsville	Firefighter Recruit	4/1/2023

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.

County Employees Retirement System

Investment Budget Update

Quarter Ending: December 31, 2022

KENTUCKY PUBLIC PENSIONS AUTHORITY									
Investment Budget									
For the six month period ending December 31, 2022									
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	Trust Budget FY 2023	Q2 2023	FYTD 2023	Remaining	Percentage Spent
CONSULTING SERVICES									
Wilshire Associates	\$ 1,021,799	\$ 1,238,170	\$ 1,225,671	\$ 1,021,175	\$ 1,190,000		\$ 288,972	\$ 901,028	24%
Albourne	-	-	-	-	270,000	67,500	171,750	98,250	64%
MercerInsight	-	-	-	-	160,000			160,000	0%
SUBTOTAL	1,021,799	1,238,170	1,225,671	1,021,175	1,620,000	67,500	460,722	1,159,278	28%
LEGAL & AUDITING SERVICES									
Faegre Drinker			96,039	202,502	375,000	5,177	8,721	366,279	2%
Intelligent Management Solutions (IMS)	620,001	202,140	155,700	69,884	75,000		73,859	1,141	98%
McClain/Goldberg			891	-	25,000			25,000	0%
Reinhart	317,909	671,269	663,689	619,509	437,500	33,445	57,068	380,432	13%
Stoll-Keenon-Ogden	10,314	135,353	254,211	463,560	250,000	261,025	350,408	(100,408)	140%
Haystack			-	-	140,000			140,000	0%
Umberg Zipser			289,100	498,058	360,000	102,732	147,684	212,316	41%
Frost Brown Todd			-	-	50,000			50,000	0%
Swansburg & Smith	-	-	-	-	-	4,275	4,275	(4,275)	
Eddins Domine	-	-	-	-	-	13,823	13,823	(13,823)	
Taft	-	-	-	-	-	66,916	66,916	(66,916)	
Miscellaneous					200,000			200,000	0%
SUBTOTAL	948,225	1,008,762	1,459,630	1,853,513	1,912,500	487,392	722,754	1,189,746	38%
CONTRACTURAL SERVICES									
Bloomberg	68,722	71,810	98,163	102,243	150,000	25,712	51,425	98,575	34%
BNYM Custodial Fees	2,056,390	2,088,475	2,379,838	2,565,169	4,000,000	561,561	1,130,187	2,869,813	28%
eVestment (Solovis RMS)			-	30,000	35,000		33,800	1,200	97%
Solovis (Reporting & Analytics)			-	245,000	265,000		257,250	7,750	97%
FactSet	222,476	162,295	109,662	140,098	150,000	31,657	62,097	87,903	41%
Russell Index Subscription	1,075	1,250	1,000	1,000	1,500	250	500	1,000	33%
S&P Global		94,500	26,250	68,250	75,000			75,000	0%
TradeWeb			-	6,000	7,500	2,401	3,601	3,899	48%
State Street/Elkins McSherry	10,000	5,000	15,000	10,000	10,000		5,000	5,000	50%
ISS	32,050	32,050	28,288	35,813	37,000	11,775	16,025	20,975	43%
MSCI	1,000	1,000	1,000	1,000	1,000		1,000	-	100%
KPMG Tax Guarantor Services		7,606	22,050	7,350	7,500			7,500	0%
Jayant Ghevaria and CO		10,050	-	52,085	55,000			55,000	0%
India Renewal Fee (SEBI)			-	3,000	3,000			3,000	0%
Miscellaneous & New Services	-	-	-	-	250,000		9,520	240,480	4%
SUBTOTAL	2,391,713	2,474,036	2,681,251	3,267,008	5,047,500	633,356	1,570,405	3,477,095	31%

KENTUCKY PUBLIC PENSIONS AUTHORITY									
Investment Budget									
For the six month period ending December 31, 2022									
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	Trust Budget FY 2023	Q2 2023	FYTD 2023	Remaining	Percentage Spent
INACTIVE CONTRACTURAL SERVICES									
Dean Dorton	9,719		-	-	-		250	(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		-	-	-				
SUBTOTAL	291,718	119,290	1,233,757	-	-	-	250	(250)	
TOTAL	\$ 4,653,455	\$ 4,840,258	\$ 6,600,309	\$ 6,141,696	\$ 8,580,000	\$ 1,188,248	\$ 2,754,131	\$ 5,825,869	32%

INVESTMENT BUDGET

CONSULTING SERVICES	
Wilshire Associates	General Investment Consulting 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, Perfomance 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

KENTUCKY PUBLIC PENSIONS AUTHORITY Investment Fees and Expenses For the six month period ending December 31, 2022 Pension								
	2023		2022		2021			
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value		
Absolute Return					262,462	142,519,762		
<i>Investment Advisory Fees</i>	<i>Absolute Return was absorbed by Real Return in December 2020</i>				262,462			
<i>Carried Interest</i>								
<i>Miscellaneous Fees and Expenses</i>								
Core Fixed Income	1,412,142	1,982,992,065	1,591,391	2,344,396,966	1,401,242	2,282,848,163		
<i>Investment Advisory Fees</i>	1,073,446		1,558,075		1,375,451			
<i>Carried Interest</i>	313,985				-			
<i>Miscellaneous Fees and Expenses</i>	24,711		33,316		25,791			
Opportunistic					1,132,942	370,905,924		
<i>Investment Advisory Fees</i>	<i>Opportunistic was absorbed by Specialty Credit in December 2021</i>				-			
<i>Carried Interest</i>							1,132,942	
<i>Miscellaneous Fees and Expenses</i>							-	
Public Equity	6,326,122	6,860,008,005	7,390,244	7,258,279,054	5,850,569	6,295,655,905		
<i>Investment Advisory Fees</i>	6,216,244		7,204,226		5,712,166			
<i>Miscellaneous Fees and Expenses</i>	109,877		186,018		138,403			
Specialty Credit Fixed Income	26,763,395	3,169,416,226	25,775,685	3,159,992,882	17,264,718	2,435,764,675		
<i>Investment Advisory Fees</i>	8,272,318		8,375,883		7,320,545			
<i>Carried Interest</i>	7,246,973		12,762,781		8,459,198			
<i>Miscellaneous Fees and Expenses</i>	11,244,103		4,637,021		1,484,975			
Real Estate	5,120,746	980,167,711	16,451,186	780,082,609	980,198	584,165,093		
<i>Investment Advisory Fees</i>	4,590,896		2,401,864		2,324,269			
<i>Carried Interest</i>	(380,882)		12,653,860		(2,070,445)			
<i>Miscellaneous Fees and Expenses</i>	910,732		1,395,462		726,374			
Real Return	2,108,571	451,152,401	2,632,576	1,021,821,360	3,216,441	847,105,839		
<i>Investment Advisory Fees</i>	1,176,185		2,001,915		1,985,069			
<i>Carried Interest</i>	493,101		679,897		1,259,862			
<i>Miscellaneous Fees and Expenses</i>	439,285		(49,236)		(28,490)			
Private Equity	(1,217,614)	1,143,362,622	39,968,415	1,262,539,645	24,365,092	1,139,236,934		
<i>Investment Advisory Fees</i>	3,652,032		3,928,841		4,294,168			
<i>Carried Interest</i>	(6,838,180)		33,350,556		17,523,541			
<i>Miscellaneous Fees and Expenses</i>	1,968,535		2,689,018		2,547,383			
Administrative Expense/Cash	1,574,490	813,973,145	1,878,932	612,903,688	1,435,169	266,674,138		
Total Investment Mgmt Fees	42,087,852	15,401,072,174	95,688,429	16,440,016,204	54,513,429	13,851,450,747		

KENTUCKY PUBLIC PENSIONS AUTHORITY Investment Fees and Expenses For the six month period ending December 31, 2022 Insurance						
	2023		2022		2021	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Absolute Return					115,024	58,349,008
<i>Investment Advisory Fees</i>					105,411	
<i>Carried Interest</i>					-	
<i>Miscellaneous Fees and Expenses</i>					9,613	
	<i>Absolute Return was absorbed by Real Return in December 2020</i>					
Core Fixed Income	526,658	755,273,150	587,743	855,261,654	568,510	873,074,122
<i>Investment Advisory Fees</i>	406,870		457,920		558,897	
<i>Carried Interest</i>	112,040		117,337		-	
<i>Miscellaneous Fees and Expenses</i>	7,748		12,486		9,613	
					576,902	188,867,580
Opportunistic						
<i>Investment Advisory Fees</i>					-	
<i>Carried Interest</i>					576,902	
<i>Miscellaneous Fees and Expenses</i>					-	
	<i>Opportunistic was absorbed by Specialty Credit in December 2021</i>					
Public Equity	2,916,264	3,159,950,145	3,221,274	3,246,444,061	2,616,659	2,840,620,347
<i>Investment Advisory Fees</i>	2,866,269		3,161,508		2,557,467	
<i>Miscellaneous Fees and Expenses</i>	49,995		59,766		59,192	
Specialty Credit Fixed Income	12,006,819	1,440,474,508	11,449,880	1,449,432,096	7,239,534	1,085,313,532
<i>Investment Advisory Fees</i>	3,715,203		3,748,168		3,373,550	
<i>Carried Interest</i>	3,460,460		5,702,991		3,344,830	
<i>Miscellaneous Fees and Expenses</i>	4,831,156		1,998,721		521,154	
Real Estate	2,141,670	414,400,346	6,801,703	330,413,444	536,259	246,753,396
<i>Investment Advisory Fees</i>	1,913,144		1,021,218		1,015,005	
<i>Carried Interest</i>	(161,966)		5,182,012		(795,199)	
<i>Miscellaneous Fees and Expenses</i>	390,492		598,473		316,453	
Real Return	938,266	175,390,319	1,140,159	432,244,515	1,245,054	361,358,291
<i>Investment Advisory Fees</i>	530,992		889,226		842,984	
<i>Carried Interest</i>	201,933		266,344		419,601	
<i>Miscellaneous Fees and Expenses</i>	205,341		(15,411)		(17,531)	
Private Equity	275,237	573,107,746	22,563,618	595,876,977	16,438,474	548,052,248
<i>Investment Advisory Fees</i>	2,427,153		2,772,848		2,892,530	
<i>Carried Interest</i>	(3,062,207)		18,845,205		12,027,941	
<i>Miscellaneous Fees and Expenses</i>	910,292		945,565		1,518,003	
Administrative Expense/Cash	821,924	223,048,022	963,210	401,003,570	842,635	108,497,980
Total Investment Mgmt Fees	\$ 19,626,840	\$ 6,741,644,236	\$ 46,727,587	\$ 7,310,676,317	\$ 29,487,125	\$ 6,063,669,916

KENTUCKY PUBLIC PENSIONS AUTHORITY				
Investment Fees and Expenses				
For the six month period ending December 31, 2022				
Pension				
	CERS		CERS Hazardous	
	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	611,646	813,833,731	213,237	302,695,385
<i>Investment Advisory Fees</i>	462,606		162,600	
<i>Carried Interest</i>	138,167		46,943	
<i>Miscellaneous Fees and Expenses</i>	10,874		3,694	
Public Equity	3,645,309	3,964,124,359	1,240,146	1,356,593,495
<i>Investment Advisory Fees</i>	3,582,346		1,218,593	
<i>Miscellaneous Fees and Expenses</i>	62,962		21,554	
Specialty Credit Fixed Income	15,019,998	1,712,051,881	5,051,147	588,670,419
<i>Investment Advisory Fees</i>	4,628,019		1,566,854	
<i>Carried Interest</i>	4,139,203		1,376,445	
<i>Miscellaneous Fees and Expenses</i>	6,252,777		2,107,848	
Real Estate	2,948,350	384,490,091	929,195	123,232,579
<i>Investment Advisory Fees</i>	2,628,218		828,480	
<i>Carried Interest</i>	(197,288)		(62,782)	
<i>Miscellaneous Fees and Expenses</i>	517,420		163,497	
Real Return	1,391,048	425,559,707	447,058	137,955,801
<i>Investment Advisory Fees</i>	758,775		245,752	
<i>Carried Interest</i>	340,970		107,464	
<i>Miscellaneous Fees and Expenses</i>	291,303		93,842	
Private Equity	31,729	676,459,973	(247,517)	225,693,389
<i>Investment Advisory Fees</i>	2,368,707		790,456	
<i>Carried Interest</i>	(3,559,834)		(1,438,538)	
<i>Miscellaneous Fees and Expenses</i>	1,222,856		400,566	
Administrative Expenses/Cash	826,505	84,362,977	282,902	35,025,608
Total Investment Mgmt Fees	24,474,585	8,060,882,719	7,916,169	2,769,866,675

KENTUCKY PUBLIC PENSIONS AUTHORITY				
Investment Fees and Expenses				
For the six month period ending December 31, 2022				
Insurance				
	CERS		CERS Hazardous	
	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	235,550	345,447,046	114,745	151,178,612
<i>Investment Advisory Fees</i>	182,361		87,969	
<i>Carried Interest</i>	49,748		25,044	
<i>Miscellaneous Fees and Expenses</i>	3,440		1,732	
Public Equity	1,339,836	1,503,204,987	667,730	733,129,998
<i>Investment Advisory Fees</i>	1,316,533		656,280	
<i>Miscellaneous Fees and Expenses</i>	23,303		11,450	
Specialty Credit Fixed Income	5,431,338	655,271,249	2,862,712	326,611,917
<i>Investment Advisory Fees</i>	1,678,837		860,966	
<i>Carried Interest</i>	1,563,901		845,862	
<i>Miscellaneous Fees and Expenses</i>	2,188,600		1,155,884	
Real Estate	983,401	190,045,239	538,728	104,187,750
<i>Investment Advisory Fees</i>	878,309		481,232	
<i>Carried Interest</i>	(74,258)		(40,887)	
<i>Miscellaneous Fees and Expenses</i>	179,349		98,383	
Real Return	422,107	79,204,378	229,855	42,397,798
<i>Investment Advisory Fees</i>	239,847		130,130	
<i>Carried Interest</i>	88,366		48,694	
<i>Miscellaneous Fees and Expenses</i>	93,895		51,031	
Private Equity	(408,633)	263,422,196	(324,214)	148,193,392
<i>Investment Advisory Fees</i>	1,182,517		659,924	
<i>Carried Interest</i>	(1,939,939)		(1,174,565)	
<i>Miscellaneous Fees and Expenses</i>	348,789		190,427	
Administrative Expenses/Cash	374,628	34,724,087	186,169	17,131,869
Total Investment Mgmt Fees	\$ 8,378,225	\$ 3,071,319,181	\$ 4,275,725	\$ 1,522,831,336