MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL
Sioux Falls, South Dakota
November 13, 2025

AGENDA ITEMS:

1) Roll Call
2) Minutes (August 12, 2025)
3) Public Comment
4) Board Conflict of Interest Disclosure
5) Investment Update-FY2026
6) CD Program Review
7) 529 Higher Education Savings Plan Update
8) SDIC FY 2025 Annual Report
9) Iran Divestiture Update
10) Code of Ethics & Personal Investing Guidelines-Staff
11) Personal Investing Guidelines-Restricted Securities Update
12) Audit Committee Update
13) Compensation Committee Update
14) Legislation for 2026 Legislative Session
15) Open Meeting Laws
16) Fiduciary Education
17) Overview of Long-Term Investment Approach & Performance
18) Personnel Matters Legal Update
19) Succession Planning
20) Investment Officer Performance Evaluation
21) New/Old Business Agenda Items
22) Future Meeting Dates
23) Adjournment

1) Roll Call

The meeting was called to order at 8:30 a.m. on November 13, 2025 by Chair Steve Pietila. Council members in attendance were Michael Anderson, Cathy Clark, Brock Greenfield, Josh Haeder, Kelly Meiners, Steve Pietila, and Taylor Thompson. Travis Almond was absent.

Others attending all or part of the meeting included Investment Council Staff members Matt Clark, Chris Nelson, Tammy Otten, Jan Zeeck, John Richter, Darci Haug, Jarrod Edelen, Danielle Mourer, Sami Rains, Makenzie Smook, Katie Eliason, Taylor Elmer, Cindy Pickering, Krystal Seeley, Brandy Eisma, Erik Rossing, and Sarah Rust; SDRS staff member Michelle Mikkelsen; and Ted Boese.

(Note: For sake of continuity, the following minutes are not necessarily in chronological order. Documents referenced are on file in the Investment Council office, and public access is subject to the provisions of SDCL 1-27.)

2) Minutes

JOSH HAEDER MOVED, SECONDED BY KELLY MEINERS, TO APPROVE THE MINUTES OF THE AUGUST 12, 2025 INVESTMENT COUNCIL MEETING. MOTION PASSED UNANIMOUSLY.

3) Public Comment

There were no public comments.

4) Board Conflict of Interest Disclosure

There were no conflicts of interest reported.

5) Investment Update – FY 2026

Darci Haug provided an update on the estimated recent SDRS fiscal year to date investment returns. She reported there were no recent motions and actions.

Danielle Mourer provided an update of the trust funds. She also updated the Council on the status of the Bristow investment and provided an update on High Yield.
Jan Zeeck provided an update on the Core Portfolio, reviewing various sector and industry groups.
Jarrod Edelen provided an update on the Small/Midcap companies and portfolios.

Tammy Otten provided an update on the Cash Flow Fund regarding the purchase of an exchange-traded fund (ETF). She noted that ETFs were added in recent years to the legal list of investments.

6) CD Program Review

Makenzie Smook reviewed her memo dated October 22, 2025 summarizing the results of the 2025/2026 CD Program, including the CD rate calculation details and total program size. A summary of the program was provided to the Council which included a listing of the participating South Dakota financial institutions along with the amounts offered and accepted for each. Historical statistics of the CD program were provided.

7) 529 Higher Education Savings Plan Update

Taylor Elmer reviewed the CollegeAccess 529 Plan summary of shareholder positions and accounts, the minutes of the 2nd quarter conference call with Virtus, and the quarterly compliance schedule.

Katie Eliason discussed the asset allocation and fund level changes proposed by VP Distributors, LLC and Virtus Multi-Asset. She stated that staff has reviewed the proposed changes, found them to be reasonable, and recommends Council approval.

CATHY CLARK MOVED, SECONDED BY BROCK GREENFIELD, TO APPROVE THE ASSET ALLOCATION AND FUND LEVEL CHANGES TO THE COLLEGEACCESS 529 PLAN, AS OUTLINED IN THE MATERIALS DATED OCTOBER 29, 2025, PROPOSED BY VP DISTRIBUTORS, LLC AND VIRTUS MULTI-ASSET, AND PRESENTED TO THE INVESTMENT COUNCIL ON THIS DAY AND TO AUTHORIZE THE STATE INVESTMENT OFFICER TO EXECUTE THE NECESSARY DOCUMENTS AND TO TAKE ANY OTHER ACTIONS DEEMED NECESSARY TO CARRY OUT THE CHANGES AS PRESENTED. MOTION PASSED UNANIMOUSLY.

KELLY MEINERS MOVED, SECONDED BY BROCK GREENFIELD, THAT THE BOARD ENTER EXECUTIVE SESSION PURSUANT TO SDCL 1-27-1.6(5) FOR THE PURPOSE OF REVIEWING AND DISCUSSING FINANCIAL AND COMMERCIAL INFORMATION, INCLUDING RELATED LEGAL ASSISTANCE AND ADVICE, THAT WAS SUPPLIED TO OR DEVELOPED BY THE STATE INVESTMENT COUNCIL AND RELATES TO INVESTMENT STRATEGIES, POTENTIAL INVESTMENTS, OR EXISTING INVESTMENTS OF PUBLIC FUNDS. MOTION PASSED UNANIMOUSLY.

The Council went into executive session at 9:11 a.m. Staff remaining to participate in or facilitate the presentations and discussion included Matt Clark, Tammy Otten, John Richter, Katie Eliason, Taylor Elmer, and Sarah Rust.

The Council discussed the Amended and Restated Program Management Agreement between VP Distributors, LLC and the South Dakota Investment Council.

Open session reconvened at 9:19 a.m.

KELLY MEINERS MOVED, SECONDED BY JOSH HAEDER, THAT SDIC BOARD CHAIR STEVE PIETILA AND STATE INVESTMENT OFFICER MATT CLARK BE AUTHORIZED TO ENTER INTO THE RESOLUTION OF THE BOARD OF SOUTH DAKOTA INVESTMENT COUNCIL, WHICH RENEWS AND FURTHER AMENDS THE PROGRAM MANAGEMENT AGREEMENT WITH VP DISTRIBUTORS, LLC FOR THE CONTINUED ADMINISTRATION OF THE SOUTH DAKOTA HIGHER EDUCATION SAVINGS PLAN; AUTHORIZES EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT TO SUPPORT COMPLIANCE WITH SEC RULE 15C2-12; AND AMENDS AND RESTATES THE DECLARATION OF TRUST TO REFLECT THESE UPDATES, ALL AS CONTEMPLATED IN THE AMENDED AND RESTATED PROGRAM MANAGEMENT AGREEMENT, DISCLOSURE AGREEMENT, AND DECLARATION OF TRUST. IT IS FURTHER MOVED THAT THE COUNCIL'S BOARD MEMBERS, AND OTHER EMPLOYEES AUTHORIZED BY THE STATE INVESTMENT OFFICER ARE HEREBY AUTHORIZED AND DIRECTED TO DO ALL THINGS AND EXECUTE ALL PAPERS, INSTRUMENTS, CERTIFICATES, AFFIDAVITS, AND OTHER DOCUMENTS NECESSARY AND PROPER FOR CARRYING OUT THIS RESOLUTION, THE A&R PMA, DISCLOSURE AGREEMENT, A&R DECLARATION OF TRUST, AND ALL OTHER DOCUMENTS CONTEMPLATED THEREUNDER. MOTION PASSED UNANIMOUSLY.

8) SDIC FY 2025 Annual Report

Sami Rains briefly reviewed the SDIC FY 2025 Annual Report, noting improvements to the narratives. Rains thanked the Investment Accounting team who were present and asked them to introduce themselves.

9) Iran Divestiture Update

Sami Rains discussed a memo dated October 17, 2025 regarding the South Dakota Iran Scrutinized Companies List. She explained that the list is updated quarterly, and that the Council utilizes the public list provided by the State Board of Administration of Florida (SBA) to help determine South Dakota's list. The SBA's Iran Scrutinized Companies List was unchanged from their June 10, 2025 report. Staff recommended no changes to the South Dakota Iran Scrutinized Companies List.

10) Code of Ethics & Personal Investing Guidelines-Staff

Matt Clark explained that the Code of Ethics and Personal Investing Guidelines were split into two separate documents: Code of Ethics & Conduct and Personal Investing Guidelines. Clark highlighted the suggested changes to both the Code of Ethics & Conduct and the Personal Investing Guidelines, noting there were no substantive changes to the latter. He explained the addition of the Personal Responsibility Basics exhibit and SDIC Reporting Guidelines to the Code of Ethics & Conduct. It was recommended by a Council member that the Personal Investing Guidelines be amended to add wording regarding retention in section E.(3) and to remove the name of the charity in section M and to add that the name of the charity, as determined by the State Investment Officer, is posted on OneNote.

BROCK GREENFIELD MOVED, SECONDED BY CATHY CARK, TO APPROVE THE SOUTH DAKOTA INVESTMENT COUNCIL STAFF CODE OF ETHICS AND CONDUCT AS PRESENTED. MOTION PASSED UNANIMOUSLY.

BROCK GREENFIELD MOVED, SECONDED BY CATHY CARK, TO APPROVE THE SOUTH DAKOTA INVESTMENT COUNCIL STAFF PERSONAL INVESTING GUIDELINES, AMENDED TO INCORPORATE THE RECOMMENDATION REGARDING RETENTION AND CHARITY REFERENCED IN THE GUIDELINES. MOTION PASSED UNANIMOUSLY.

11) Personal Investing Guidelines-Restricted Securities Update

Matt Clark discussed the restricted securities that Council members cannot purchase as designated by the State Investment Officer and affirmed by the Investment Council. He reviewed the current list of restricted securities. This list includes one company, Blackstone, which is on the list due to the size of Council investments with the firm in conjunction with the Council role in approving. Clark stated the list will be reviewed and reaffirmed by the Council on an annual basis.

TAYLOR THOMPSON MOVED, SECONDED BY BROCK GREENFIELD, TO AFFIRM THE RESTRICTED SECURITIES INFORMATION PROVIDED AS PART OF THE CODE OF ETHICS AND PERSONAL INVESTING GUIDELINES OF THE SOUTH DAKOTA INVESTMENT COUNCIL AS PREVIOUSLY PROVIDED TO THE COUNCIL. MOTION PASSED UNANIMOUSLY.

12) Audit Committee Update

Kelly Meiners, FY 2025 Audit Committee Chair, discussed the FY 2025 audit. He reported there were no findings for FY 2025 and that the Dept of Legislative Audit noted one item regarding the Cash Flow Fund (CFF). Tammy Otten explained that the weighting of corporate securities in the short-term cash flow fund portfolio fell below a 25% guideline minimum due to the maturing of several corporate securities during June and lack of attractive replacements in the short term. We had informed the auditors of the issue and our intended plan to get back above the guideline minimum which included the possibility of using corporate ETFs after investigation of which were most suitable. ETFs were ultimately utilized.

13) Compensation Committee Update

Kelly Meiners, Chair of the Compensation Committee, had nothing new to report.

14) Legislation for 2026 Legislative Session

John Richter noted that the changes included in the One Big Beautiful Bill Act, which amended 529 legislation, are compliant with state law.

Richter discussed a statutory bill to update IRS code references for the 529 plan.

15) Open Meeting Laws

John Richter provided the Council's annual review of South Dakota's Open Meeting Laws. Included in Richter's presentation was an explanation of who must comply with the open meeting laws and what counts as a meeting. Richter reviewed the requirements for posting notices, meeting materials, and minutes and time for public participation. He discussed executive sessions and provided the specific reasons meetings can be closed. Richter explained that public bodies must annually review an explanation of the open meeting laws provided by the Attorney General and referenced the guide to South Dakota's Open Meetings Laws that was previously provided to the Council.

CATHY CLARK MOVED, SECONDED BY KELLY MEINERS, THAT THE COUNCIL ACKNOWLEDGE THAT, IN ACCORDANCE WITH SDCL 1-25-13, WE HAVE CONDUCTED OUR ANNUAL REVIEW OF THE OPEN MEETING LAWS OF THE STATE OF SOUTH DAKOTA. THIS INCLUDES: 1) THE EXPLANATION OF THE OPEN MEETING LAWS PUBLISHED BY THE SOUTH DAKOTA

ATTORNEY GENERAL, TITLED *CONDUCTING THE PUBLIC'S BUSINESS IN PUBLIC* (REVISED JULY 2025); AND 2) ANY ADDITIONAL MATERIALS PERTAINING TO OPEN MEETING LAWS PROVIDED BY THE ATTORNEY GENERAL. MOTION PASSED UNANIMOUSLY.

16) Fiduciary Education

John Richter provided fiduciary education to the Council. Richter's presentation provided information to help the Council define fiduciary duties, understand the legal framework, and apply best practices. Richter highlighted three key fiduciary duties which included loyalty, prudence, and following the plan. He reviewed risk and liability and described consequences of breaching fiduciary duty. Key takeaways included focusing on the process, not perfection and always acting in the best interest of the State.

17) Overview of Long-Term Investment Approach & Performance

KELLY MEINERS MOVED, SECONDED BY BROCK GREENFIELD, TO GO INTO EXECUTIVE SESSION PER SDCL 1-25-10 FOR THE PURPOSE OF RECEIVING AND DISCUSSING INVESTMENT INFORMATION THAT IS CONFIDENTIAL UNDER SDCL 1-27-1.6(5). MOTION PASSED UNANIMOUSLY.

The Council went into executive session at 11:05 a.m. Staff remaining to participate in or facilitate the presentations and discussion included Matt Clark, Chris Nelson, Tammy Otten, John Richter, Jan Zeeck, Darci Haug, Jarrod Edelen, and Sarah Rust.

Open session reconvened at 12:16 p.m.

18) Personnel Matters Legal Update

CATHY CLARK MOVED, SECONDED BY JOSH HAEDER, TO GO INTO EXECUTIVE SESSION PURSUANT TO SDCL 1-25-2(1) AND (3) TO DISCUSS ITEMS RELATING TO PERSONNEL AND LEGAL MATTERS. MOTION PASSED UNANIMOUSLY.

The Council went into executive session at 1:02 p.m. Staff remaining to participate in or facilitate the presentations and discussion included Matt Clark, John Richter, and Sarah Rust.

19) Succession Planning

Executive session continued to discuss items relating to personnel. Staff remaining to participate in or facilitate the presentations and discussion included Matt Clark, Jan Zeeck, Darci Haug, Jarrod Edelen, John Richter, and Sarah Rust.

20) Investment Officer Performance Evaluation

Executive session continued to discuss items relating to personnel. No staff members participated.

Open session reconvened at 2:51 p.m.

21) New/Old Business Agenda Items

No new or old business agenda items were introduced.

22) Future Meeting Dates

The next Council meeting will be held by conference call on February 5, 2026.

23) Adjournment

Chair Steve Pietila declared the meeting adjourned at 2:53 p.m.