

MINUTES

SOUTH DAKOTA INVESTMENT COUNCIL

Sioux Falls, South Dakota

April 16, 2026

1) Roll Call

The meeting was called to order at 8:33 a.m. on April 16, 2026 by Chair Steve Pietila. Council members in attendance were Travis Almond, Michael Anderson, Cathy Clark, Brock Greenfield, Josh Haeder, Kelly Meiners, Steve Pietila, and Taylor Thompson.

Others attending all or part of the meeting included Investment Council Staff members Matt Clark, Chris Nelson, Jan Zeeck, Darci Haug, Jarrod Edelen, Danielle Mourer, Ross Sandine, Anne Cipperley, Lesyk Voznyuk, Katie Eliason, Connor Van Der Werff, John Richter, and Sarah Rust; Doston Bradley from Cerberus Capital Management; Joshua Haiar from South Dakota Searchlight; Jordan Ash from Private Equity Stakeholder Project, and Deanna Love.

(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.)

AGENDA ITEMS:

- 1) Roll Call
- 2) Minutes (April 8, 2026)
- 3) Public Comment
- 4) Board Conflict of Interest Disclosure
- 5) Investment Returns Update
- 6) Investment Update
- 7) Credit Market Overview
- 8) Partnership Exposure Review
- 9) Investment Research Technology Update
- 10) 529 Higher Education Savings Plan Update
- 11) Iran Divestiture Update
- 12) Legislative Wrap-Up - Review
- 13) Compensation Committee Update
- 14) Audit Committee Update
- 15) New/Old Business Agenda Items
- 16) Future Meeting Dates
- 17) Personnel Matters Legal Update
- 18) Adjournment

2) Minutes

JOSH HAEDER MOVED, SECONDED BY CATHY CLARK, TO APPROVE THE MINUTES OF THE APRIL 8, 2026 COUNCIL MEETING. MOTION PASSED UNANIMOUSLY.

3) Public Comment

Jordan Ash from Private Equity Stakeholder Project and Deanna Love both spoke on their opposition to practices of Yes Communities, which is being acquired by Brookfield. The Investment Council is an investor in other funds managed by Brookfield, but not that fund. Matt Clark stated that we will communicate to Brookfield our expectation that Council partners comply with all applicable laws.

4) Board Conflict of Interest Disclosure

There were no conflicts of interest reported.

5) Investment Returns Update

Darci Haug reviewed the Council's recent motions and subsequent actions. She provided an update on the estimated fair value and fiscal year-to-date investment return of the SDRS portfolio.

Danielle Mourer provided an update on the trust funds and the Bristow investment.

6) Investment Update

Jan Zeeck provided an update on the internal global equity portfolios. Jarrod Edelen provided an update on Small/Midcap companies and portfolios. Danielle Mourer updated the Council on High Yield performance.

7) Credit Market Overview

An overview of the leveraged finance market was provided by the internal High Yield staff. Connor Van Der Werff defined leveraged finance and compared the three main types. Lesyk Voznyuk reviewed the growth of private credit and provided an overview. Anne Cipperley discussed benefits and cost to borrowers of private credit and reviewed the landscape and trends. Ross Sandine discussed returns, yields, fees and default rates. Danielle Mourer reviewed industry exposure and recovery rates, and Katie Eliason discussed reasons for the internal focus on high yield bonds.

8) Partnership Exposure Review

CATHY CLARK MOVED, SECONDED BY MICHAEL ANDERSON, 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 11:08 a.m. Staff remaining to participate in or facilitate the presentations and discussion included Matt Clark, Chris Nelson, Jan Zeeck, Darci Haug, Jarrod Edelen, John Richter, and Sarah Rust.

Darci Haug reviewed underlying partnership exposures.

Open session reconvened at 11:53 a.m.

9) Investment Research Technology Update

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

The Council went into executive session at 11:57 a.m. 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.

Jarrod Edelen discussed the use of artificial intelligence with regard to investment research.

Open session reconvened at 12:17 p.m.

10) 529 Higher Education Savings Plan Update

Katie Eliason presented the 529 Higher Education Savings Plan update. She reviewed the summary of assets as of February 27, 2026 and the compliance schedule, noting they are up to date on all actions. She also summarized the minutes from the last quarterly call with Virtus.

11) Iran Divestiture Update

Matt Clark reviewed a memo dated March 24, 2026 on the Iran Scrutinized Companies List. He noted there are no recommended changes to the list.

12) Legislative Wrap-Up - Review

John Richter provided a recap of this year's legislative session. He reviewed HB 1033 which updated a reference to the Internal Revenue Code for purposes of higher education savings plans. He discussed other bills of interest, including SB 46 which pertains to open meeting agendas. There was Council discussion regarding various bills highlighted in the weekly legislative update provided by Richter throughout the legislative session.

13) Compensation Committee Update

Kelly Meiners, Chair of the Compensation Committee, reviewed the motion from the April 8, 2026 Council meeting regarding the recommendation to the LRC Executive Board on the State Investment Officer's compensation for FY27. Council Chair Steve Pietila and Matt Clark discussed the April 14, 2026 LRC Executive Board meeting, noting the recommendation passed. Clark reported that the Executive Board invited them to their June 16, 2026 meeting to present additional investment information.

Clark updated the Council on compensation for Executive Committee members to reflect their duties and responsibilities.

14) Audit Committee Update

Taylor Thompson, Chair of the Audit Committee, reported that Brianna with the Department of Legislative Audit was onsite April 8 and 9 for testing on the Agreed Upon Procedures. Testing is expected to be finalized on April 20. Thompson noted that the March books are expected to be closed mid-May and that testing for the March quarter's Agreed Upon Procedures will be in June.

15) New/Old Business Agenda Items

No new or old business agenda items were introduced.

16) Future Meeting Dates

The next Council meeting will be held on June 4, 2026. The August Council meeting has been confirmed as August 26, 2026.

17) Personnel Matters Legal Update

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

The Council went into executive session at 12:19 p.m. 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.

Open session reconvened at 12:54 p.m.

18) Adjournment

Chair Pietila declared the meeting adjourned at 12:58 p.m.