M I N U T E S

SOUTH DAKOTA INVESTMENT COUNCIL
Pierre, South Dakota
August 26, 2026

AGENDA ITEMS:

1) Call to Order
2) Introduction of New Council Member
3) Open Meeting Laws Review
4) Council Member Conflict of Interest Disclosures
5) Minutes
6) Public Comment
7) FY26 SDRS & Trust Funds Investment Performance Review
8) SDIC Staff Earned Incentives Summary Review
9) SDIC Shareholder Activism Semi-Annual Report
10) Review and Discussion of the Executive Board Meetings
11) 2026/2027 CD Program Consideration and Approval
12) CollegeAccess 529 Plan Consideration and Approval
13) FY27 Investment Returns and completed actions on prior motions
14) SDIC Audit Committee Update on annual audit and Agreed Upon Procedures
15) SDIC Compensation Committee Update
16) Announcement of SDIC Compensation Committee and Audit Committee Appointments
17) Iran Divestiture Quarterly Update
18) New/Old Business Agenda Items Discussion
19) Future Meeting Dates
20) Investment Update for FY27 Review and Discussion
21) Limited Partnership Investments Review and Discussion
22) Asset Allocation Implementation Review and Discussion
23) Adjournment

1) Call to Order

The meeting was called to order at 8:01 a.m. on August 26, 2026, by Chair Kelly Meiners. Council members in attendance were Travis Almond, Michael Anderson, Cathy Clark, Rita Edwards, Brock Greenfield, Josh Haeder, Kelly Meiners, and Taylor Thompson.

Others attending all or part of the meeting included Investment Council Staff members Matt Clark, John Richter, Jan Zeeck, Darci Haug, Jarrod Edelen, Danielle Mourer, Sami Rains, and Sarah Rust; SDRS staff members Doug Fiddler and Michelle Mikkelsen; and Renae Randall.

(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) Introduction of New Council Member

Chair Kelly Meiners welcomed Rita Edwards to the Investment Council. Ms. Edwards gave a brief summary of her background and career. She is from Madison and is a retired banking and financial services lawyer. She was appointed by the LRC Executive Board for a five-year term on the Investment Council effective 7/1/2026.

3) Open Meeting Laws Review

John Richter, SDIC General Counsel, provided the annual review of South Dakota's Open Meeting Laws. He updated the Council on the 2026 statutory changes which included two bills that amended South Dakota's Open Meeting Laws effective July 1, 2026. Richter's presentation reviewed the purpose and scope of South Dakota's Open Meeting Laws, council member responsibilities, and explored real-world scenarios and compliance tips. 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 BROCK GREENFIELD, 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 2026); AND 2) ANY ADDITIONAL MATERIALS PERTAINING TO OPEN MEETING LAWS PROVIDED BY THE ATTORNEY GENERAL. MOTION PASSED UNANIMOUSLY.

4) Council Member Conflict of Interest Disclosures

There were no conflicts of interest reported.

5) Minutes

JOSH HAEDER MOVED, SECONDED BY TRAVIS ALMOND, TO APPROVE THE MINUTES OF THE JUNE 26, 2026, INVESTMENT COUNCIL MEETING. MOTION PASSED UNANIMOUSLY.

6) Public Comment

The Chair opened the meeting for public comment. Renae Randall did not make comments but rather asked three questions. The Chair stated this agenda item is for public comment and is not a question-and-answer session. There were no further comments or discussion.

7) FY26 SDRS & Trust Funds Investment Performance Review and Discussion

Jan Zeeck, Jarrod Edelen, Darci Haug, and Danielle Mourer reviewed investment performance for Fiscal Year 2026. The South Dakota Retirement System (SDRS) performance analysis included an overview of the Capital Markets Benchmark (CMB) including returns for the equity, real estate, fixed income, and cash indexes used in the benchmark. The quarterly and year-end time-weighted rates of return of the Council's CMB were provided. A comparison of the actual asset allocation as of June 30, 2026, to the CMB and permissible ranges was provided.

Mourer discussed the attribution of the SDRS return versus the CMB and reviewed a chart that showed benchmark risk weights versus actual asset allocation. Haug discussed total fund return compared to the CMB for multi-year periods and reviewed exhibits detailing SDRS relative performance history. Edelen explained a chart showing that the asset allocation model has added value versus a 70/30 stock/bond benchmark since 1986. He also reviewed private equity and real estate partnership returns over the long term. Zeeck discussed return histories for the internally managed programs. She reviewed exhibits focused on major individual asset categories comparing the returns earned from each category to the respective benchmark for FY26 and historical periods.

Mourer and Haug then presented a summary of the return and attribution analysis versus benchmarks for each of the four trust funds.

8) SDIC Staff Earned Incentives Summary Review and Discussion

Matt Clark reviewed the summary of the earned incentives by Investment Council staff for FY26 and explained the support staff incentive program which is funded from the earned incentives. He reviewed details of the State Investment Officer's earned incentive and noted that the incentives would be paid following completion of the audit.

9) SDIC Shareholder Activism Semi-Annual Report Review and Discussion

Sami Rains reviewed the required semi-annual reporting on the SDIC Shareholder Activism Policy related to Federal Divestiture Enactments (Sudan) that was provided to the Executive Board of the Legislature on July 7, 2026. Rains noted that the South Dakota Retirement System does not directly hold securities of any foreign company on the list; therefore, no Council action was required. The report will be posted on the Legislative Research Council's website and was provided to the Council.

The Investment Council recessed at 8:50 a.m. to meet with the LRC Executive Board Subcommittee on the Investment Council and full LRC Executive Board. General session reconvened at 11:45 a.m.

10) Review and Discussion of the Executive Board Meetings

The Council discussed the LRC Executive Board meeting that took place that morning. The Council's presentation included FY26 investment performance and the Council's FY28 budget request, which the Executive Board approved. During the Executive Board SDIC Subcommittee and full board meeting, the Chair had indicated there may be a subsequent meeting set up to obtain additional information about the contrarian investment approach. Matt Clark indicated that he and staff have information prepared for a follow-up meeting.

11) 2026/2027 CD Program Consideration and Approval

Matt Clark reviewed two memorandums previously provided to the Council. One memo provided a review of the CD program with information on the purpose, pros/cons, and return comparisons. The other memo provided details for the upcoming CD offering including the size of the program, the time and date for setting the rate, the method for determining the rate, the method of allocation, and the reallocation process. Clark explained that the CDs issued for this upcoming term will have a maturity of one year and one day to transition the CD issue and maturity date to 10/1 for upcoming years to better align with collateralization schedules. Clark recommended continuation of the program.

CATHY CLARK MOVED, SECONDED BY TRAVIS ALMOND, TO APPROVE THE SOUTH DAKOTA CASH FLOW FUND CERTIFICATE OF DEPOSIT PROGRAM FOR ONE-YEAR AND ONE-DAY CDS TO MATURE OCTOBER 1, 2027, IN ACCORDANCE WITH SOUTH DAKOTA LAW AND THE CD PROGRAM ADMINISTRATIVE RULES, AT $35 MILLION WITH THE INTEREST RATE BASED ON THE 1-YEAR TREASURY NOTE WITH 0.15% ADDED FOR LIQUIDITY AND COLLATERAL RISK. MOTION PASSED UNANIMOUSLY.

12) CollegeAccess 529 Plan Consideration and Approval

The Council was provided information regarding the CollegeAccess 529 Plan Summary of Shareholder Positions and Accounts as of 6/30/26 and the Higher Education Savings Plan Compliance Schedule.

Matt Clark reviewed two memorandums related to the proposed asset allocation and fund changes, proposed by VP Distributors LLC and Virtus Multi-Asset, for the Higher Education Savings Program. He discussed the Summary of Proposed Fund Changes which included proposed fund additions and deletions. Clark stated that he and staff reviewed the proposal, found it to be reasonable, and recommended Council approval.

TAYLOR THOMPSON MOVED, SECONDED BY BROCK GREENFIELD, TO APPROVE THE ASSET ALLOCATION AND FUND CHANGES TO THE COLLEGEACCESS 529 PLAN, AS OUTLINED IN THE MATERIALS DATED JULY 2, 2026, 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.

Clark stated that under the Program Management Agreement, each year Virtus is required to seek Council approval of their recommendation of auditor for the CollegeAccess 529 Plan. The auditor must be a nationally recognized firm. VP Distributors, LLC has proposed PricewaterhouseCoopers as the auditor for the 529 plan for the year ending December 31, 2026. Clark noted PricewaterhouseCoopers's practice of rotating partners on the audit and recommended approval.

MICHAEL ANDERSON MOVED, SECONDED BY TRAVIS ALMOND, TO APPROVE VP DISTRIBUTORS, LLC RECOMMENDATION OF PRICEWATERHOUSECOOPERS AS THE AUDITOR FOR COLLEGEACCESS 529 PLAN FOR THE YEAR ENDING DECEMBER 31, 2026. MOTION PASSED UNANIMOUSLY.

13) FY27 Investment Returns and completed actions on prior motions – Review and Discussion

Darci Haug reviewed the Council's recent motions and subsequent actions. She gave a report on the SDRS total fund performance for Fiscal Year 2027 to date. Danielle Mourer reported on distributions for the trust funds.

14) SDIC Audit Committee Update on annual audit and Agreed Upon Procedures

Taylor Thompson, Chair of the Audit Committee, reported that the Department of Legislative Audit will be onsite the week of August 31 and Eide Bailly will be onsite the following week. Thompson commended everyone's work on the audit and the Agreed Upon Procedures.

15) SDIC Compensation Committee Update

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

16) Announcement of SDIC Compensation Committee and Audit Committee Appointments

Kelly Meiners reviewed the changes to the Investment Council subcommittees. Effective immediately, the Compensation Committee will include Taylor Thompson as Chair, Kelly Meiners, and Cathy Clark. The Audit Committee will include Cathy Clark as Chair, Michael Anderson, and Josh Haeder.

17) Iran Divestiture Quarterly Update

Sami Rains reviewed a memo dated August 5, 2026, on the Iran Scrutinized Companies List. She explained the list was updated with four additions since the prior list. Staff recommended approving the updated South Dakota Scrutinized Companies List.

BROCK GREENFIELD MOVED, SECONDED BY CATHY CLARK, TO APPROVE THE CHANGES TO THE IRAN SCRUTINIZED COMPANIES LIST AS PRESENTED. MOTION PASSED UNANIMOUSLY.

18) New/Old Business Agenda Items Discussion

No new/old business agenda items were discussed.

19) Future Meeting Dates

The next Investment Council meeting will be held in Sioux Falls on November 17, 2026.

20) Investment Update for FY27 Review and Discussion

BROCK GREENFIELD MOVED, SECONDED BY JOSH HAEDER, 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 12:26 p.m. Staff remaining to participate in or facilitate the presentation and discussion included Matt Clark, Jan Zeeck, Darci Haug, Jarrod Edelen, Danielle Mourer, John Richter, and Sarah Rust.

General session reconvened at 12:48 p.m.

21) Limited Partnership Investments Review and Discussion

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 12:49 p.m. Staff remaining to participate in or facilitate the presentation and discussion included Matt Clark, Jan Zeeck, Darci Haug, Jarrod Edelen, John Richter, and Sarah Rust.

General session reconvened at 1:06 p.m.

22) Asset Allocation Implementation Review and Discussion

TAYLOR THOMPSON MOVED, SECONDED BY CATHY CLARK, 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 1:07 p.m. Staff remaining to participate in or facilitate the presentation and discussion included Matt Clark, Jan Zeeck, Darci Haug, Jarrod Edelen, Danielle Mourer, John Richter, and Sarah Rust.

General session reconvened at 1:20 p.m.

23) Adjournment

Chair Kelly Meiners declared the meeting adjourned at 1:20 p.m.