

# MINUTES

## SOUTH DAKOTA INVESTMENT COUNCIL Conference Call June 30, 2014

### 1) Roll Call

The conference call meeting was called to order at 9 a.m. by Chair Hugh Bartels. Council members in attendance were Hugh Bartels, Jon Hunter, Vern Larson, Jim Means, Steve Kirby, and Rob Wylie. Council members David Hillard and Rich Sattgast were absent. Also present were Matt Clark, Tammy Otten, and Laurie Riss of the Investment Office.

#### **AGENDA ITEMS:**

- 1) Roll Call
- 2) Election of Officers – FY 2015
- 3) Investment Performance Incentive Plan Changes-Detailed Implementation Memo
- 4) Adjournment

### 2) Election of Officers

Chair Bartels opened the floor for nominations for the Chair and Vice Chair of the Investment Council for fiscal year 2015.

VERN LARSON MOVED TO NOMINATE JON HUNTER AS CHAIR AND JIM MEANS AS VICE CHAIR OF THE INVESTMENT COUNCIL FOR FISCAL YEAR 2015. STEVE KIRBY SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE.

### 3) Investment Performance Incentive Plan Changes – Detailed Implementation Memo

Matt Clark reviewed the memorandum previously sent to the Council entitled Investment Performance Incentive Plan Changes – Detailed Implementation Memo. He noted that the memo outlined the changes to the incentive plan effective for fiscal years 2014 and 2015 as previously approved by the Council. The benchmark matrix referenced in the memo was distributed and approved at the June 16/17, 2014 Council meeting.

Clark stated the memo outlines two additional changes to the plan. These changes include, (1) changing the four-year and ten-year results to annualized returns as opposed to using a simple average of the multi-year periods, and (2) simplifying the past performance history for the discontinued investment programs of merger and convertible arbitrage. He added that the memo details the formulas for each investment portfolio manager's incentive plan and will be used by the auditors when reviewing and confirming incentive calculations.

JIM MEANS MOVED, SECONDED BY ROB WYLIE, TO APPROVE THE MEMORANDUM OUTLINING THE CHANGES IN THE INVESTMENT PERFORMANCE INCENTIVE PROGRAM. MOTION PASSED UNANIMOUSLY ON A ROLL CALL VOTE.

### 4) Adjournment

Chair Bartels declared the meeting adjourned at 9:15 a.m.