

South Dakota Investment Council / AGID/ AGI U.S. LLC
3rd Quarter Conference Call Minutes
 Tuesday, November 6, 2018

Attendees:

Tammy Otten (SDIC)
 Sherry Nelson (SDIC)

Heather Bergman (AGI U.S.)
 Steve Piekara (AGID)

I. AGI Distributors (AGID): Assets under management and sales update. – *Sales declines in the 3Q versus 2Q seem in-line for most of the industry. Rollovers to other plans appeared not to be the primary drivers of redemptions during the quarter. Allianz acknowledged the need to push advisors even harder to sell the Plan. The trend to invest in passive 529 plans is continuing to be an obstacle to sales growth.*

1. Plan Assets (\$ millions)

	3Q18	2Q18
South Dakota (Advisor Sold)	\$69M	\$69M
South Dakota (Direct)	\$30M	\$30M
National (Advisor Sold)	\$950M	\$968M
Total Plan Assets	\$1,049M	\$1,067M

2. Plan Sales

	3Q18		2Q18	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$1.1M	(\$940k)	\$1.1M	(\$632k)
South Dakota (Direct)	\$609k	(\$439k)	\$623k	\$399k
National (Advisor Sold)	\$9.5M	(\$36.0M)	\$10.4M	(\$10.4M)
Total Plan Assets	\$11.2M	(\$37.3M)	\$12.1M	(\$10.7M)

II. AGI U.S. LLC – Quarterly Investment Portfolio Review

Performance of Portfolios – 3Q 2018

III. Morningstar 529 Rating Discussion – *Morningstar rated our Plan neutral in their once-a-year analysis which is good news. Our higher-than-average fees, especially for out-of-state share classes, make this rating a challenge to maintain. South Dakotans investing directly pay significantly lower fees than others.*

IV. Open Discussion on any questions or topics