

**South Dakota Investment Council / AGID/ AGI U.S. LLC**  
**2<sup>nd</sup> Quarter Conference Call Minutes**  
 Tuesday, August 7, 2018

**Attendees:**

Tammy Otten (SDIC)	Steve Piekara (AGID)
Sherry Nelson (SDIC)	Heather Bergman (AGI U.S.)
	Nicole Steiner (AGID)

I. AGI Distributors (AGID): Assets under management and sales update.

1. Plan Assets (\$ millions) – *Plan is still being negatively affected by the flight of college savings assets to passive investments.*

	2Q18	1Q18
South Dakota (Advisor Sold)	\$69M	\$69M
South Dakota (Direct)	\$30M	\$30M
National (Advisor Sold)	\$968M	\$981M
<b>Total Plan Assets</b>	<b>\$1,067M</b>	<b>\$1,080M</b>

2. Plan Sales

	2Q18		1Q18	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$1.1M	(\$632k)	\$1.7M	\$610k
South Dakota (Direct)	\$623k	\$399k	\$533k	(\$247k)
National (Advisor Sold)	\$10.4M	(\$10.4M)	\$14.5M	(\$10.9M)
<b>Total Plan Assets</b>	<b>\$12.1M</b>	<b>(\$10.7M)</b>	<b>\$16.7M</b>	<b>(\$10.5M)</b>

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

Performance of Portfolios – 2Q 2018 - *Overall, it was a bad quarter for the funds in the program. Risker age-based portfolios underperformed the more conservative age-based portfolios. Stand-alone portfolios that had an especially poor quarter are AllianzGI NFJ Small Cap Value, Dodge & Cox Int'l and PIMCO All Asset. Allianz continues to monitor underperforming managers.*

III. Open Discussion on any questions or topics

*Class C to A conversions are scheduled for 10/5/18.*

*Discussed TIAA Cref data breach and level of security at Allianz to prevent a similar problem. Steve Piekara reviewed their controls with DST, their processor, and stated they have strong internal controls to help prevent fraud..*

*The scholarship awards, based on 6/30/18 total dollars invested in the program, were wired to The Board of Regents who is the administrator for The Dakota Corps Scholarship Program. The BOR was paid \$35,000 to administer the program.*