

South Dakota Investment Council / AGID/ AGI U.S. LLC
2nd Quarter Conference Call Minutes
 Wednesday, August 12, 2020

Attendees:

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

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

1. Plan Assets (\$ millions) – July 31, 2020 assets were \$975M

	2Q20	1Q20
South Dakota (Advisor Sold)	\$68M	\$62M
South Dakota (Direct)	\$32M	\$29M
National (Advisor Sold)	\$859M	\$789M
Total Plan Assets	\$959M	\$880M

2. Plan Sales

	2Q20		1Q20	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$819k	97k	\$1.5M	(\$260k)
South Dakota (Direct)	\$538k	\$278k	\$804k	\$107k
National (Advisor Sold)	\$7M	(\$10.6M)	\$10.7M	(\$12.6M)
Total Plan Assets	\$8.3M	(\$10.3M)	\$13M	(\$12.8M)

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

Performance of Portfolios – *The age-based portfolios out-performed their benchmarks for the quarter while 1-year and 3-year relative returns lagged. A couple of the portfolios for beneficiaries nearing college age outperformed for the 5-year and since-inception time periods but most have lagged.*

Allianz Global Asset is working on proposed changes to the glide path that will increase risk exposure on equities and fixed income.

III. OklahomaDream 529 Plan – *transition to Fidelity Investments is expected to close 9/11/20, reducing the asset base used to calculate the yearly scholarship payment.*

IV. Class “F” shares – *officially launched on May 7, 2020. Interest from broker/dealers is picking up (400+ accounts). Positive press.*

V. Strategic Partnership – *Allianz described preliminary information regarding the transfer of their 529 business from Allianz to Virtus as part of a larger (\$23B AUM) transfer of their entire retail distribution business. The strategic partnership with Virtus Investment Partners is expected to close in 4Q 2020.*

VI. *Allianz is working on launching a big marketing campaign through Fundamental Media. Details to come.*