

South Dakota Investment Council / AGID/ AGI U.S. LLC
1st Quarter Conference Call Minutes
 Wednesday, May 6, 2020

Attendees:

Tammy Otten (SDIC)
 Sherry Nelson (SDIC)

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

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

1. Plan Assets (\$ millions)

	1Q20	4Q19
South Dakota (Advisor Sold)	\$62M	\$72M
South Dakota (Direct)	\$29M	\$32M
National (Advisor Sold)	\$789M	\$914M
Total Plan Assets	\$880M	1,018M

2. Plan Sales

	1Q20		4Q19	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$1.5M	(\$260k)	\$1.5M	(\$81k)
South Dakota (Direct)	\$804k	\$107k	\$540k	\$105k
National (Advisor Sold)	\$10.7M	(\$12.6M)	\$17.2M	(\$17.4M)
Total Plan Assets	\$13M	(\$12.8M)	\$19.3M	(\$17.5M)

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

Performance of Portfolios – 1Q 2020 – *All of the age-based portfolios underperformed their benchmarks for the quarter and year. The returns were positive versus the benchmarks in April. Heather discussed the key contributors/detractors to performance for the key underlying funds. The PIMCO Income Fund underperformed by 10.81% (overweight in opportunistic FI & emerging markets) for the quarter. Allianz had a conference call with PIMCO on 5/11/20 to discuss the underperformance and monitor the asset outflows. The Multi-Asset Income Fund underperformed by 13.84% (overweight in high dividend equities, short-term high yield, emerging markets, underweight in REITS). Allianz is considering the addition of a volatility cap to lessen downside risk going forward. Dodge and Cox International underperformed by 7.68% (overweight in financials & energy).*

III. Open Discussion on any questions or topics –

- a. *The yearly portfolio changes took effect on 2/25/20.*
- b. *AGID decided to exit the Oklahoma Plan mid-September. This will reduce our asset base for the scholarship calculation and will reduce the scholarship amount by approximately \$150,000 for 2020.*
- c. *Class F advisory shares (clean share class) for UBS were launched May 7, 2020. This share class will expand as other firms sign up for this option.*