



SOUTH DAKOTA INVESTMENT COUNCIL

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MEMORANDUM

TO: Matthew L. Clark
FROM: Sherry Z. Nelson *szn*
DATE: August 7, 2018
RE: South Dakota CD Program 2018-2019

The following is proposed for this year's South Dakota Cash Flow Fund Certificate of Deposit Program.

- Size of the Program -- \$35 million
- Time and Date for Setting the Rate – 11:00 a.m. (CST) on September 26, 2018.
- Method of Determining Interest Rate – Yield of Treasury note 1.75% due 9/30/19 with a floor of 0%, plus .15% to compensate for illiquidity and an additional .10% to compensate for collateral risk (agency risk premium versus treasuries).
- Terms for CDs – Issued 9/28/18 to mature on 9/30/19 (367/365 days).
- Reallocation – as defined in codified law

Discussion and potential action on the CD Program will take place at the August 27, 2018 Council meeting.

szn