AGENDA

SDRS BOARD OF TRUSTEES

South Dakota Retirement System
222 E. Capitol Ave
Pierre, SD 57501

DATE: Wednesday, September 2, 2026

TIME: 9:00 a.m. CDT (8:00 a.m. MDT)

THIS MEETING WILL BE BROADCAST LIVE AT HTTPS://WWW.SDPB.ORG/OPEN-GOV.

9:00 a.m. Call to Order – Determination of Quorum

ITEM 1 Chair's Welcome

ITEM 2 Administration of the Oath of Office to Penny Brunken, newly elected SDRS Board of Trustees Teacher Representative

ITEM 3 Report of the Nominating Committee and Presentation of Slate of Nominees for SDRS Board of Trustees Chair and Vice Chair

ITEM 4 Consideration and Election of SDRS Board of Trustees Chair and Vice Chair

ITEM 5 Annual Review and Discussion of South Dakota's Open Meeting Laws. The Board of Trustees will acknowledge completion of this review in the official meeting minutes – John Richter, General Counsel

ITEM 6 Review and Discussion of Board Conflict of Interest Disclosures as required by South Dakota law – Samantha Koldenhoven, Deputy General Counsel

ITEM 7 Board Member Conflict of Interest Disclosures

ITEM 8 Consideration and Approval of the Minutes from the June 10, 2026 Board of Trustees Meeting

ITEM 9 Public Comment

ITEM 10 Presentation and Discussion of the Board's core Fiduciary Responsibilities and their application to decision-making – John Richter

ITEM 11 Presentation, Discussion, and Acceptance of the CEM Benchmarking Report, which will compare SDRS's administrative costs and service levels with those of its peer group and provide insights into key performance – Franco Wang, CEM Director, Client Coverage, North America

ITEM 12 Annual SDRS Investment Performance Report for FY26 – Jan Zeeck, SDIC Executive Committee and Senior Portfolio Manager, Darci Haug, SDIC Executive Committee and Senior Portfolio Manager, Jarrod Edelen SDIC Executive Committee and Senior Portfolio Manager, and Danielle Mourer, SDIC Portfolio Manager

ITEM 13 Update of SDRS FY27 Investment Performance – Jan Zeeck, Darci Haug, Jarrod Edelen, and Danielle Mourer

ITEM 14 Presentation and Discussion of the Actuarial Estimate of SDRS Funded Status as of June 30, 2026 – Doug Fiddler, Senior Actuary

ITEM 15 Review and Approval of Long-Term Benefit Goals – Doug Fiddler and Travis Almond, Executive Director

ITEM 16 Review and Approval of the Board of Trustees Policy and Governance Manual – Jacque Storm, Director of Special Projects

ITEM 17 Review and Approval of Proposed Amendments to Class B Membership Procedures and Application Timelines – Travis Almond and Samantha Koldenhoven

ITEM 18 Informational Report and Discussion: Receipt of Application from 911 Telecommunicators for Reclassification to SDRS Class B Membership Status – Samantha Koldenhoven

ITEM 19 Review and Discussion of Potential 2027 Legislation – John Richter and Samantha Koldenhoven

ITEM 20 Supplemental Retirement Plan/Special Pay Plan

- Presentation, Discussion, and Acceptance of Annual Service Report – June Larson, Program Director, Nationwide Retirement Solutions (NRS); Michael Burkhart, Executive Relationship Manager, NRS; and John Archer, Associate Vice President, NRS; and

- Investment Portfolio Review – Payton Larsen, Associate Portfolio Manager, SDIC

ITEM 21 Report and Recommendations from the Executive Director Compensation and Evaluation Committee regarding FY28 compensation – Eric Stroeder, Chair

ITEM 22 NASRA Annual Conference Wrap-up – Shane Roth, SDRS Trustee

ITEM 23 Upcoming Board Meeting Dates – Travis Almond

ITEM 24 Adjournment

NOTE: The Chair may, at his discretion, take agenda items out of the listed order as circumstances dictate.

*All or a portion may be in executive session according to applicable South Dakota Codified Laws' chapters 1-25 & 1-27. Any action taken related to executive session agenda items will take place in open session when the executive session concludes.

ADA COMPLIANCE: This meeting will be held at a location that is physically accessible to all participants. Individuals needing assistance under the Americans with Disabilities Act should email Jaime Rutschke at Jaime.Rutschke@state.sd.us or contact the South Dakota Retirement System at (605) 773-3731 at least 48 hours before the meeting. We will do our best to accommodate requests received after that time.

FUTURE MEETINGS SCHEDULE

Date	Location
December 9, 2026	Pierre
April 7, 2027	Pierre
June 9, 2027	Pierre
September 1, 2027	Pierre
December 8, 2027	Pierre

SOUTH DAKOTA RETIREMENT SYSTEM

South Dakota Retirement System

South Dakota's Open Meetings Laws

September 2, 2026

Key 2026 Statutory Changes

Effective July 1, 2026, two bills amended South Dakota's Open Meetings Laws:

- **Senate Bill 46**, entitled "An Act to modify the requirements for open meeting agendas and provide a penalty therefor[,]" was signed by Governor Rhoden on February 13, 2026, and now requires agendas to list every item the public body plans to discuss and to describe each item in sufficient detail to "reasonably inform the public" about the official business or public policy to be discussed. Failure to do so is a Class 2 misdemeanor.

Key 2026 Statutory Changes

Effective July 1, 2026, two bills amended South Dakota's Open Meetings Laws:

- **Senate Bill 47**, entitled "An Act to revise the requirements for executive sessions and closed meetings," was signed by Governor Rhoden on February 13, 2026, and now imposes stricter rules for entering executive sessions and closed meetings. It requires a majority vote (with a roll call if not unanimous), a motion citing the legal basis, and recording the vote in the minutes. Discussion must remain on the stated topic, and any official decisions must still be made in an open meeting. Violations remain a Class 2 misdemeanor.

Goals

South Dakota’s open meetings laws can be found in SDCL ch. 1-25. Our goals for today’s presentation are to help you:

- Understand the purpose and scope of South Dakota’s Open Meetings Laws.
- Learn your responsibilities as a board member.
- Explore real-world scenarios and compliance tips.

Why Open Meetings Matter

South Dakota's open meetings laws embody the principle that the public is entitled to the greatest possible information about public affairs and are intended to encourage public participation in government.

PROMOTES TRANSPARENCY AND ACCOUNTABILITY

BUILDS PUBLIC TRUST

ENCOURAGES CIVIC ENGAGEMENT

Who Must Comply

The open meetings laws apply to all public bodies of the state and its political subdivisions. SDCL 1-25-1, 1-25-12(3). This includes cities, counties, school boards and other public bodies created by ordinance or resolution, such as appointed boards, task forces, and committees, so long as they have authority to exercise sovereign power. SDCL 1-25-12(2). In summary:

- All public bodies of the state and its political subdivisions.
- Includes boards, commissioners, school boards, and appointed bodies with sovereign power.

What Counts as a Meeting?

An official meeting is:

> "Any meeting of a quorum of a public body at which official business or public policy of that body is discussed or decided … whether in person or by means of teleconference or electronic means." SDCL 1-25-12(1).

In simple terms:

- A quorum is present.
- Public business is discussed or decided.
- Includes in-person, teleconference, or electronic communication.

What Counts as a Meeting?

Would the following be considered an official meeting under South Dakota law?

- A quorum of the board attends a community lunch and discusses upcoming agenda items.
- Several members attend a high school football game and casually talk about budget priorities.
- A quorum attends a press conference but does not discuss board business.
- Three board members email back and forth about a proposed policy change.

Electronic Means Included

The definition of an official meeting found in SDCL 1-25-12(1) specifically recognizes “electronic means,” which is defined to include:

- Email
- Instant messaging
- Social media
- Text messaging
- Virtual meeting platforms

Communications for scheduling purposes are excluded.

Notice Requirements

"Each political subdivision shall provide public notice, with proposed agenda, that is visible, readable, and accessible, […] by posting a copy of the notice, […]" at the office of the political subdivision and website, if it exists. SDCL 1-25-1.1 Emergencies may allow for short notice, but that's the exception, not the rule.

- 24-hour notice for political subdivisions
- 72-hour notice for state agencies (excluding weekends/holidays)
- Post at the office and on the website

Public Participation

Public bodies are required to provide at every official meeting a period of time on their agenda for public comment. SDCL 1-25-1.

- Public comment required at every official meeting
- Exceptions: executive sessions, inaugurations, annual reports
- Time limits allowed

Executive Sessions

Meetings can be closed for specific reasons, such as:

- Personnel matters
- Legal consultations
- Contract negotiations
- Student issues
- Public safety and emergency planning

Remember: No official action can be taken in executive session – All decisions must be made in open session.

Meeting Materials & Minutes

Transparency includes documentation.

- Materials must be posted or available 24 hours in advance
- Draft minutes must be available within 10 business days (or 5 if recorded)

Violations and Enforcement

Violations can result in:

- A Class 2 misdemeanor (up to 30 days in jail or a $500 fine)
- A public reprimand by the Open Meetings Commission (OMC)

Improperly closed meetings or unposted agendas can also render decisions null and void.

Open Meetings Commission

The Open Meetings Commission is the key accountability mechanism. Their decisions are public and binding.

- Reviews complaints referred by State's Attorneys
- Issues public findings and reprimands

The Open Meetings Commission reviews the case and issues a public decision. If a violation is found, a public reprimand is issued, but no further prosecution is allowed.

Annual Review Requirement

Public bodies must annually review an explanation of the open meetings laws provided by the Attorney General, along with any other material pertaining to the open meetings laws made available by the Attorney General. SDCL 1-25-13. Each public body must report in its minutes that the annual review of the open meetings laws was completed.

Resources:

A guide to South Dakota's Open Meetings Laws (Revised 2026) (provided).
OpenMeetingsLaw_2026_PRINTABLE.indd

Attorney General Website:
South Dakota Attorney General

Key Takeaways

Transparency protects you and builds trust. These laws are here to help, not hinder, your work.

- When in doubt, open it up
- Post notices and materials on time
- Use executive sessions properly
- Document everything

of the reasons therefor and findings of fact on each issue and conclusions of law necessary for the proposed decision. The final decision shall be made by a majority of the commission members, with each member's vote set forth in the written decision. The final decision shall be filed with the attorney general and shall be provided to the public entity and or public officer involved, the state's attorney, and any person that has made a written request for such determinations. If the commission finds a violation of this chapter, the commission shall issue a public reprimand to the offending official or governmental entity. However, no violation found by the commission may be subsequently prosecuted by the state's attorney or the attorney general. All findings and public censures of the commission shall be public records pursuant to § 1-27-1. Sections 1-25-6 to 1-25-9, inclusive, are not subject to the provisions of chapter 1-26.

1-25-8. OMC MEMBERS. The South Dakota Open Meeting Commission is comprised of five state's attorneys or deputy state's attorneys appointed by the attorney general. Each commissioner serves at the pleasure of the attorney general. The members of the commission shall choose a chair of the commission annually by majority vote.

1-25-12. DEFINITIONS. Terms used in the open meetings laws mean:

(1) "Official meeting," any meeting of a quorum of a public body at which official business or public policy of that public body is discussed or decided by the public body, whether in person or by means of teleconference or electronic means, including electronic mail, instant messaging, social media, text message, or virtual meeting platform, provided the term does not include communications solely to schedule a meeting or confirm attendance availability for a future meeting;

(2) "Political subdivision," any association, authority, board, municipality, commission, committee, council, county, school district, task force, town, township, or other local governmental entity, which is created by statute, ordinance, or resolution, and is vested with the authority to exercise any sovereign power derived from state law;

(3) "Public body," any political subdivision or the state;

(4) "State," each agency, board, commission, or department of the State of South Dakota, not including the Legislature; and

(5) "Teleconference," an exchange of information by any audio, video, or electronic medium, including the internet.

1-25-13. ANNUAL REVIEW OF OPEN MEETING LAWS. Any agency, as defined in § 1-26-1, or political subdivision of this state, that is required to provide public notice of its meetings pursuant to § 1-25-1.1 or 1-25-1.3 must annually review the following, during an official meeting of the agency or subdivision:

(1) The explanation of the open meeting laws of this state published by the attorney general, pursuant to § 1-11-1; and

(2) Any other material pertaining to the open meeting laws of this state provided by the attorney general.

The agency or subdivision must include in the minutes of the official meeting an acknowledgement that the review was completed.

1-27-1.16. MEETING PACKETS AND MATERIALS. If a meeting is required to be open to the public pursuant to § 1-25-1 and if any printed material relating to an agenda item of the meeting is prepared or distributed by or at the direction of the governing body or any of its employees and the printed material is distributed before the meeting to all members of the governing body, the material shall either be posted on the governing body's website or made available at the official business office of the governing body at least twenty-four hours prior to the meeting or at the time the material is distributed to the governing body, whichever is later. If the material is not posted to the governing body's website, at least one copy of the printed material shall be available in the meeting room for inspection by any person while the governing body is considering the printed material. However, the provisions of this section do not apply to any printed material or record that is specifically exempt from disclosure under the provisions of this chapter or to any printed material or record regarding the agenda item of an executive or closed meeting held in accordance with § 1-25-2. A violation of this section is a Class 2 misdemeanor. However, the provisions of this section do not apply to printed material, records, or exhibits involving contested case proceedings held in accordance with the provisions of chapter 1-26.

1-27-1.17. DRAFT MINUTES. The unapproved, draft minutes of any public meeting held pursuant to § 1-25-1 that are required to be kept by law shall be available for inspection by any person within ten business days after the meeting. However, this section does not apply if an audio or video recording of the meeting is available to the public on the governing body's website within five business days after the meeting. A violation of this section is a Class 2 misdemeanor. However, the provisions of this section do not apply to draft minutes of contested case proceedings held in accordance with the provisions of chapter 1-26.

1-27-1.18. WORKING GROUP REPORTS. Any final recommendations, findings, or reports that result from a meeting of a committee, subcommittee, task force, or other working group which does not meet the definition of a political subdivision or public body pursuant to § 1-25-1, but was appointed by the governing body, shall be reported in open meeting to the governing body which appointed the committee, subcommittee, task force, or other working group. The governing body shall delay taking any official action on the recommendations, findings, or reports until the next meeting of the governing body.

Conducting the Public's Business in Public

An explanation of South Dakota's Open Meetings Laws

(Effective July 1, 2026)

Prepared by:
S.D. Attorney General's Office
in partnership with the
S.D. NewsMedia Association

Published by:
South Dakota NewsMedia Association
1125 32nd Ave. Brookings, SD 57006

Q: WHAT ARE SOUTH DAKOTA'S OPEN MEETINGS LAWS?

A: South Dakota's open meetings laws embody the principle that the public is entitled to the greatest possible information about public affairs and are intended to encourage public participation in government. SDCL Ch. 1-25 requires that official meetings of public bodies must be public and advance notice is to be given of such meetings. The statutes define an "official meeting" as one where a quorum of the public body is present and at which official business or public policy of the body is discussed or decided. **Openness in government is encouraged.**

Q: WHO DOES THE OPEN MEETINGS LAWS APPLY TO?

A: The open meetings laws apply to all public bodies of the state and its political subdivisions. SDCL 1-25-1, 1-25-12(3). This includes cities, counties, school boards and other public bodies created by ordinance or resolution, such as appointed boards, task forces, and committees, so long as they have authority to exercise sovereign power. SDCL 1-25-12(2). Although no court decisions have been issued on the subject, this probably does not include bodies that serve only in an advisory capacity. The State Constitution allows the Legislature and the Unified Judicial System to create rules regarding their own separate functions.

Q: WHAT MUST BE INCLUDED ON THE PROPOSED AGENDA?

A: A proposed agenda, as required by § 1-25-1.1 or 1-25-1.3, must list all items to be considered by a public body during any official meeting. The proposed agenda items must be described in sufficient detail to reasonably inform the public of any official business or public policy intended to be considered at the meeting.

Q: ARE TELECONFERENCES CONSIDERED PUBLIC MEETINGS?

A: Yes. The open meetings laws allow meetings, including executive or closed meetings, to be conducted by teleconference – defined as an exchange of information by audio, video, or electronic means (including the internet) – if a place is provided for the public to participate. SDCL 1-25-1.5, 1-25-12(5).
In addition, for teleconferences where less than a quorum of the public body is present at the location open to the public, arrangements must also be made for the public to listen by telephone or internet (except for portions of meetings properly closed for executive sessions). SDCL 1-25-1.6. The media and public must be notified of teleconference meetings under the same notice requirements as any other meeting.

Q: HOW ARE THE PUBLIC AND MEDIA NOTIFIED WHEN PUBLIC BUSINESS IS BEING DISCUSSED?

A: SDCL 1-25-1.1 requires that all political subdivisions (except the state and its boards, commissions, or departments as provided in § 1-25-1.3) prominently post a notice and copy of the proposed agenda at the political subdivision's principal office. At a minimum, the proposed agenda must include the date, time, and location of the meeting and must be visible, readable, and accessible to the public for 24 continuous hours immediately preceding the meeting. Also, if the political subdivision has its own website, the notice must be posted on the website upon dissemination of the notice. For special or rescheduled meetings, political subdivisions must comply with the regular meeting notice requirements as much as circumstances permit. The notice must be delivered in person, by mail, by email, or by telephone to all local news media who have asked to be notified. It is good practice for local media to renew requests for notification of special or rescheduled meetings at least annually.

SDCL 1-25-1.3 varies slightly from SDCL 1-25-1.1 and requires the State and its agencies, boards, commissions, or departments to post a proposed agenda both on http://boardsandcommissions.

business or public policy intended to be considered at the meeting. A violation of this section is a Class 2 misdemeanor.

1-25-2. EXECUTIVE SESSION. An executive session or closed meetings may be held only for the purposes of:

(1) Discussing the character, competence, fitness, performance, or qualifications of any current or prospective public officer or employee, not including an independent contractor;

(2) Discussing a student's:

(a) Discipline, expulsion, or suspension;

(b) Assignment or educational program; or

(c) Eligibility to participate in interscholastic activities provided by the South Dakota High School Activities Association;

(3) Consulting with legal counsel, or reviewing communications from legal counsel, about proposed or pending litigation or contractual matters;

(4) Preparing for contract negotiations or negotiating with employees or employee representatives;

(5) Discussing marketing or pricing strategies by a board or commission of a business that is owned by the state or any of its political subdivisions, if public discussion may be harmful to the competitive position of the business; or

(6) Discussing the following information pertaining to the protection of public or private property and any person on or within the property:

(a) Any vulnerability assessment or response plan intended to prevent or mitigate criminal acts;

(b) Emergency management or response;

(c) Public safety information that would create a substantial likelihood of endangering public safety or property, if disclosed;

(d) Communications network schema, computer systems, cyber security plans, passwords, or user identification names;

(e) Guard schedules;

(f) Lock combinations; and

(g) Any blueprint, building plan, or infrastructure record regarding any building or facility, which would expose or create vulnerability through disclosure of the configuration, location, or security of critical systems of the building or facility;

(7) Discussing any emergency or disaster response plans or protocols, safety or security audits or reviews, or lists of emergency or disaster response personnel or material; and

(8) Discussing the location of or listing any:

(a) Ammunition or weapons;

(b) Biological, chemical, or nuclear agents; or

(c) Other military or law enforcement equipment or personnel.

An executive session or closed meeting may be held only upon a majority vote of the members of the public body present and voting at an otherwise open official meeting.

In the absence of a unanimous vote, any vote to enter executive session must be taken by roll call. A motion to enter executive session must state the applicable subdivision in this section, or any other applicable law, pursuant to which the executive session is to be held. The motion and vote to enter executive session must be reported in the minutes of the proceedings. Discussion during executive session is restricted to the purpose specified in the motion to enter executive session.

Any official action concerning the matters considered pursuant to this section must be taken at an open official meeting.

Nothing in § 1-25-1 or this section prevents an executive session or closed meeting if the federal or state Constitution or any federal or state statute permits or requires the session or meeting. A violation of this section is a Class 2 misdemeanor.

1-25-6. DUTY OF STATE'S ATTORNEY. If a complaint alleging a violation of chapter 1-25 is made pursuant to § 23A-2-1, the state's attorney shall take one of the following actions:

(1) Prosecute the case pursuant to Title 23A;

(2) Determine that there is no merit to prosecuting the case. Upon doing so, the state's attorney shall send a copy of the complaint and any investigation file to the attorney general. The attorney general shall use the information for statistical purposes and may publish abstracts of such information, including the name of the government body involved for purposes of public education; or

(3) Send the complaint and any investigation file to the South Dakota Open Meetings Commission for further action.

1-25-6.1. DUTY OF STATE'S ATTORNEY (COUNTY COMMISSION ISSUES). If a complaint alleges a violation of this chapter by a board of county commissioners, the state's attorney shall take one of the following actions:

(1) Prosecute the case pursuant to Title 23A;

(2) Determine that there is no merit to prosecuting the case. The attorney general shall use the information for statistical purposes and may publish abstracts of the information as provided by § 1-25-6;

(3) Send the complaint and any investigation file to the South Dakota Open Meetings Commission for further action; or

(4) Refer the complaint to another state's attorney or to the attorney general for action pursuant to § 1-25-6.

1-25-7. REFERRAL TO OMC. Upon receiving a referral from a state's attorney or the attorney general, the South Dakota Open Meetings Commission shall examine the complaint and investigatory file submitted by the state's attorney or the attorney general and shall also consider signed written submissions by the persons or entities that are directly involved. Based on the investigatory file submitted by the state's attorney or the attorney general and any written responses, the commission shall issue a written determination on whether the conduct violates this chapter, including a statement

PERTINENT S.D. OPEN MEETINGS STATUTES

(other specific provisions may apply depending on the public body involved)

1-25-1. OPEN MEETINGS.

An official meeting of a public body is open to the public unless a specific law is cited by the public body to close the official meeting to the public.

It is not an official meeting of one public body if its members provide information or attend the official meeting of another public body for which the notice requirements of § 1-25-1.1 or 1-25-1.3 have been met. It is not an official meeting of a public body if its members attend a press conference called by a representative of the public body.

For any event hosted by a nongovernmental entity to which a quorum of the public body is invited and public policy may be discussed, but the public body does not control the agenda, the public body may post a public notice of a quorum, in lieu of an agenda. The notice of a quorum must meet the posting requirements of § 1-25-1.1 or 1-25-1.3 and must contain, at a minimum, the date, time, and location of the event.

The public body shall reserve at every official meeting a period for public comment, limited at the public body's discretion as to the time allowed for each topic and the total time allowed for public comment, but not so limited as to provide for no public comment.

Public comment is not required at an official meeting held solely for the purpose of meeting in executive session, an inauguration, presentation of an annual report to the public body, or swearing in of a newly elected official, regardless of whether the activity takes place at the time and place usually reserved for an official meeting.

If a quorum of township supervisors, road district trustees, or trustees for a municipality of the third class meets solely for purposes of implementing previously publicly adopted policy; carrying out ministerial functions of that township, district, or municipality; or undertaking a factual investigation of conditions related to public safety; the meeting is not subject to the provisions of this chapter.

A violation of this section is a Class 2 misdemeanor.

1-25-1.1. PUBLIC NOTICE OF POLITICAL SUBDIVISIONS. Each political subdivision shall provide public notice, with proposed agenda, that is visible, readable, and accessible for at least an entire, continuous twenty-four hours immediately preceding any official meeting, by posting a copy of the notice, visible to the public, at the principal office of the political subdivision holding the meeting. The proposed agenda shall include the date, time, and location of the meeting. The notice shall also be posted on the political subdivision's website upon dissemination of the notice, if a website exists. For any special or rescheduled meeting, the information in the notice shall be delivered in person, by mail, by email, or by telephone, to members of the local news media who have requested notice. For any special or rescheduled meeting, each political subdivision shall also comply with the public notice provisions of this section for a regular meeting to the extent that circumstances permit. A violation of this section is a Class 2 misdemeanor.

1-25-1.3. PUBLIC NOTICE OF STATE. The state shall provide public notice of a meeting, at least seventy-two hours before the meeting is schedule to start, not including Saturday, Sunday, or any legal holiday, by posting a copy of the proposed agenda:

(1) At the principal office of the board, commission, or department holding the meeting;

(2) That includes the date, time, and location of the meeting;

(3) That is visible, readable, and accessible to the public; and

(4) On a state website, designated by the commissioner of the Bureau of Finance and Management.

For any special or rescheduled meeting, the information in the notice must be delivered in person, or by mail, email, or telephone, to members of the local news media who have requested notice. The state shall also comply with all other requirements of this section, for a special or rescheduled meeting, as circumstances permit. A violation of this section is a Class 2 misdemeanor.

1-25-1.5. TELECONFERENCE MEETING. Any official meeting may be conducted by teleconference. A teleconference may be used to conduct a hearing or take final disposition regarding an administrative rule pursuant to § 1-26-4. A member is deemed present if the member answers present to the roll call conducted by teleconference for the purpose of determining a quorum. Each vote at an official meeting held by teleconference may be taken by voice vote. If any member votes in the negative, the vote shall proceed to a roll call vote.

1-25-1.6. TELECONFERENCE PARTICIPATION. At any official meeting conducted by teleconference, there shall be provided one or more places at which the public may listen to and participate in the teleconference meeting. For any official meeting held by teleconference, that has less than a quorum of the members of the public body participating in the meeting who are present at the location open to the public, arrangements shall be provided for the public to listen to the meeting via telephone or internet. The requirement to provide one or more places for the public to listen to the teleconference does not apply to official meetings closed to the public pursuant to specific law.

1-25-1.7. AGENDA DETAILS ARE REQUIRED. A proposed agenda, as required by § 1-25-1.1 or 1-25-1.3, must list all items to be considered by a public body during any official meeting. The proposed agenda items must be described in sufficient detail to reasonably inform the public of any official

sd.gov and at their principal place of business at least 72 continuous hours before a meeting is scheduled to start (this does not include any weekend or legal holiday).

Q: WHO ARE LOCAL NEWS MEDIA?

A: There is no definition of “local news media” in SDCL ch. 1-25. “News media” is defined in SDCL 13-1-57 generally as those personnel of a newspaper, periodical, news service, radio station, or television station regardless of the medium through which their content is delivered. The Attorney General is of the opinion that “local news media” is all news media – broadcast and print – that regularly carry news to the community.

Q: IS A PUBLIC COMMENT PERIOD REQUIRED AT PUBLIC MEETINGS?

A: Yes. Public bodies are required to provide at every official meeting a period of time on their agenda for public comment. SDCL 1-25-1. Each public body has the discretion to limit public comment as to the time allowed for each topic commented on, and as to the total time allowed for public comment. Public comment is not required at meetings held solely for an executive session, inauguration, presentation of an annual report, or swearing in of elected officials.

Q: CAN PUBLIC MEETINGS BE RECORDED?

A: Yes, SDCL 1-25-11 requires public bodies to allow recording (audio or video) of their meetings if the recording is reasonable, obvious, and not disruptive. This requirement does not apply to those portions of a meeting confidential or closed to the public.

Q: WHEN CAN A MEETING BE CLOSED TO THE PUBLIC AND MEDIA?

A: SDCL 1-25-2 allows a public body to close a meeting for the following purposes: 1) to discuss personnel issues pertaining to officers or employees; 2) consideration of the performance or discipline of a student, or the student’s participation in interscholastic activities; 3) consulting with legal counsel, or reviewing communications from legal counsel about proposed or pending litigation or contractual matters; 4) employee contract negotiations; 5) to discuss marketing or pricing strategies of a publicly-owned competitive business; or 6) to discuss information related to the protection of public or private property such as emergency management response plans or other public safety information. The statute also recognizes that executive session may be appropriate to comport with other laws that require confidentiality or permit executive or closed meetings. Federal law pertaining to students and medical records will also cause school districts and other entities to conduct executive sessions or conduct meetings to refrain from releasing confidential information. Meetings may also be closed by cities and counties for certain economic development matters. SDCL 9-34-19.

Note that SDCL 1-25-2 and SDCL 9-34-19 do not require meetings be closed in any of these circumstances.

Any official action based on discussions in executive session must, however, be made at an open meeting.

Q: WHAT IS THE PROPER PROCEDURE FOR EXECUTIVE SESSIONS?

A: A motion to enter executive session must be made and seconded, followed by a vote. If the motion does not receive a majority vote, a roll call vote is required. Both the motion and the resulting vote must be recorded in the minutes of the proceedings.

Q: WHAT MUST BE STATED IN A MOTION FOR EXECUTIVE SESSION?

A: Motions for executive sessions must refer to the specific state or federal law allowing for the executive session i.e. "pursuant to SDCL 1-25-2(3).” Also, best practice to avoid public confusion would be that public bodies explain the reason for going into executive session. For example, the motion might state "motion to go into executive session pursuant to SDCL 1-25-2(1) for the purposes of discussing a personnel matter,” or “motion to go into executive session pursuant to SDCL 1-25-2(3) for the purposes of consulting with legal counsel."

Discussion in the executive session must be strictly limited to the announced subject. No official votes may be taken on any matter during an executive session. The public body must return to open session before any official action can be taken.

Q: WHAT HAPPENS IF THE MEDIA OR PUBLIC IS IMPROPERLY EXCLUDED FROM A MEETING OR OTHER VIOLATIONS OF THE OPEN MEETING LAWS OCCUR?

A: Excluding the media or public from a meeting that has not been properly closed subjects the public body or the members involved to: (a) prosecution as a Class 2 misdemeanor punishable by a maximum sentence of 30 days in jail, a $500 fine or both; or (b) a reprimand by the Open Meeting Commission ("OMC"). The same penalties apply if the agenda for the meeting is not properly posted, or other open meeting violations occur.

Also, action taken during any meeting that is not open or has not been properly noticed could, if challenged, be declared null and void.

Q: HOW ARE ISSUES REFERRED TO THE OPEN MEETINGS COMMISSION ("OMC")?

A: Persons alleging violations of the open meetings laws must make their complaints with law enforcement officials in the county where the offense occurred. After a signed and notarized complaint is made under oath, and any necessary investigation is conducted, the State's Attorney may: (a) prosecute the case as a misdemeanor; (b) find that the matter has no merits and file a report with the Attorney General for statistical purposes; or (c) forward the complaint to the OMC for a determination. The OMC is comprised of five State's Attorneys or Deputy State's Attorneys appointed by the Attorney General. The OMC examines whether a violation has occurred and makes written public findings explaining its reasons. If you have questions on the procedures or status of a pending case, you may contact the Attorney General's Office at 605-773-3215 to talk to an assistant for the OMC. Procedures for the OMC are posted on the website for the Office of Attorney General. http://atg.sd.gov/.

Q: WHAT DOES THE TERM "SOVEREIGN POWER" MEAN?

A: The open meetings laws do not define this term, but it generally means the power to levy taxes, impose penalties, make special assessments, create ordinances, abate nuisances, regulate the conduct of others, or perform other traditional government functions. The term may include the exercise of many other governmental functions. If an entity is unclear whether it is exercising "sovereign power" it should consult with legal counsel.

Q: MAY AGENDA ITEMS BE CONSIDERED IF THEY ARE ADDED LESS THAN 24 HOURS BEFORE A MEETING?

A: Proposed agendas for public meetings must be posted at least 24 hours in advance of the meeting. The purpose of providing advance notice of the topics to be discussed at a meeting is to provide information to interested members of the public concerning the governing body's anticipated business. Typically, the public body adopts the final agenda upon convening the meeting. At the time the final agenda is adopted, the governing body may add or delete agenda items and may also change the order of business. See In re Yankton County Commission, Open Meetings Commission Decision # 20-03, December 31, 2020. New items cannot be added after the agenda has been adopted by the governing body.

Public bodies are strongly encouraged to provide at least 24 hours' notice of all agenda items so as to be fair to the public and to avoid dispute.

For special or rescheduled meetings, public bodies are to comply to the extent circumstances permit. In other words, posting less than 24 hours in advance may be permissible in emergencies.

Q: ARE EMAIL DISCUSSIONS "MEETINGS" FOR PURPOSES OF THE OPEN MEETINGS LAWS?

A: The definition of an "official meeting" in SDCL 1-25-12(1) specifically includes meetings conducted by "electronic means, including electronic mail, instant messaging, social media, text message, or virtual meeting platform[.]" A quorum of a public body that discusses official business of that body via electronic means is conducting an official meeting for purposes of the open meetings laws. Electronic communications made solely for scheduling purposes do not fall within the definition of an official meeting.

Q: WHAT RECORDS MUST BE AVAILABLE TO THE PUBLIC IN CONJUNCTION WITH PUBLIC MEETINGS?

A: SDCL 1-25-1.4 requires state boards, commissions, or departments to make public meeting materials available on http://boardsandcommissions.sd.gov. SDCL 1-27-1.16 requires that any other public body must post meeting materials on the public body's website or make those materials available to the public at least twenty-four hours prior to the hearing or when made available to the members of the public body, whichever is later. Finally, SDCL 1-27-1.17 requires that draft minutes of public meetings must be made available to the public at the principal place of business for the public body within 10 business days after the meeting (or any audio and visual recording must be made available on the website for the public body within five business days).

These laws are in addition to any specific requirements for public bodies (i.e., publication requirements in state laws pertaining to cities, counties, or school districts). Enforcement of public records laws contained in SDCL Ch. 1-27 are handled by separate procedures found in SDCL 1-27-35, et. seq. rather than the open meeting procedures described above. Violations of SDCL 1-27-1.16 and 1-27-1.17 are also Class 2 misdemeanors.

Q: WHAT REQUIREMENTS APPLY TO TASK FORCES, COMMITTEES AND WORKING GROUPS?

A: Task forces and committees that exercise "sovereign power," and are created by statute, ordinance, or proclamation are required to comply with the open meetings laws. SDCL 1-25-12(1). Task forces, committees, and working groups that are not created by statute, ordinance, or proclamation, or are advisory only, may not be subject to the open meetings laws, but are encouraged to comply to the extent possible when public matters are discussed. Ultimately, if such advisory task forces, committees and working groups present any reports or recommendations to public bodies, the public bodies must wait until the next meeting (or later) before taking final action on the recommendations. SDCL 1-27-1.18.

Q: ARE PUBLIC BODIES REQUIRED TO REVIEW THE OPEN MEETINGS LAWS?

A: Public bodies must annually review an explanation of the open meetings laws provided by the Attorney General, along with any other material pertaining to the open meetings laws made available by the Attorney General. SDCL 1-25-13. Each public body must report in its minutes that the annual review of the open meetings laws was completed.

BOARD MEETING

SOUTH DAKOTA RETIREMENT SYSTEM

June 10, 2026

The South Dakota Retirement System Board of Trustees held its regular meeting on June 10, 2026. The meeting began at 9:00 a.m. in the SDRS Board Conference Room.

BOARD MEMBERS IN ATTENDANCE:

Eric Stroeder, Chair
James Appl, Vice Chair
Penny Brunken
Liza Clark
Laurie Gronlund
Victoria Hinek
Myron Johnson
Jill Lenards
Jake Oakland
Shane Roth
Justice Mark Salter
Darin Seeley
Jim Terwilliger
Wes Tschetter
Matt Clark, Ex Officio

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Board members LaJena Gruis and Hank Prim were absent.

OTHERS IN ATTENDANCE:

Anne Cipperley, SDIO
Jarrod Edelen, SDIO
Danielle Mourer, SDIO
Jan Zeeck, SDIO
Brittnie Adamson
Travis Almond
Doug Fiddler
Alan Freng
Michelle Humann
Samantha Koldenhoven

Nick Rea
John Richter
Jaime Rutschke
Jacque Storm

For continuity, these minutes are not necessarily in chronological order.

AGENDA ITEM 1
CHAIR'S PRELIMINARY REMARKS

Summary of Discussion
Mr. Travis Almond, SDRS Executive Director, conveyed greetings from Dawn Smith, retired Board Assistant, and expressed her appreciation to the Board for their support over the years. Mr. Almond also mentioned that he attended the Celebration of Life for Paul Schrader on behalf of the SDRS Board and staff. Paul Schrader was a longtime actuary and trusted advisor for SDRS.

Chair Eric Stroeder reminded the Board that all motions made during the meeting must be clearly stated for the record.

Board Action
No action was necessary.

AGENDA ITEM 2
BOARD CONFLICT DISCLOSURE

Summary of Discussion
Chair Eric Stroeder asked the Board for any conflict disclosures. None were provided.

Board Action
No action was necessary.

AGENDA ITEM 3
APPROVAL OF APRIL 1, 2026, MINUTES

Board Action
IT WAS MOVED BY MR. TSCHETTER, SECONDED BY MR. JOHNSON, TO APPROVE THE MINUTES OF THE SDRS BOARD OF TRUSTEES' APRIL 1, 2026, MEETING. THE MOTION PASSED UNANIMOUSLY ON A VOICE VOTE.

AGENDA ITEM 4
PUBLIC COMMENT

Summary of Discussion
The Chair outlined the policy on public comment and testimony. There was no public comment.

Board Action
No action was necessary.

AGENDA ITEM 5
SDRS BOARD OF TRUSTEES ELECTION RESULTS

Summary of Presentation
Ms. Jaime Rutschke, SDRS Executive/Board Assistant, informed the Board that one board position, the teacher representative, was up for election this year. Two petitions were received, and Penny Brunken won the election with 87 percent of the votes.

Board Action
IT WAS MOVED BY MR. OAKLAND, SECONDED BY MR. APPL, TO APPROVE AND CERTIFY THE RESULTS OF THE 2026 BOARD OF TRUSTEES ELECTION AS PRESENTED, CONFIRMING THE ELECTION OF THE FOLLOWING INDIVIDUAL TO THEIR RESPECTIVE POSITION: PENNY BRUNKEN, TEACHER REPRESENTATIVE. THE MOTION PASSED UNANIMOUSLY ON A VOICE VOTE.

AGENDA ITEM 6
FY28 BUDGET REQUEST

Summary of Discussion
Ms. Michelle Mikkelsen, SDRS Chief Financial Officer, stated that SDRS is not requesting any additional expenditure authority in the Fiscal Year 2028 budget and outlined the implementation timeline.

Board Action
IT WAS MOVED BY MS. BRUNKEN, SECONDED BY MR. ROTH, TO APPROVE THE FISCAL YEAR 2028 BUDGET REQUEST AS PRESENTED. THE MOTION PASSED UNANIMOUSLY ON A VOICE VOTE.

AGENDA ITEM 7
INVESTMENT UPDATE

Summary of Discussion
Ms. Danielle Mourer, SDIC Senior Portfolio Manager, informed the Board that as of June 8, the SDRS trust fund had an estimated fiscal year-to-date return rate of between 10.75 and 11 percent.

Board Action
No action was necessary.

AGENDA ITEM 8
PROJECTED FUNDED STATUS OF THE SOUTH DAKOTA RETIREMENT SYSTEM

Summary of Presentation
Mr. Doug Fiddler, SDRS Senior Actuary, noted that SDRS contribution rates are fixed by statute and that the statutes require a recommendation, including circumstances and timing, for corrective actions if SDRS funding falls below 100 percent. The SDRS COLA will vary with both inflation and long-term affordability and is critical to managing the system on fixed contributions.

Employer contribution rates for Class A members are 6 percent, which is 39 percent of the national median of 15.5 percent. At the same time, SDRS' fair value funded ratio of 100 percent exceeds the estimated median FVFR of 82 percent. In addition, as a percent of government spending, South Dakota spends the least in the nation on pensions at 1.75 percent, compared to the median of 3.97 percent and the aggregate of 5.16 percent. South Dakota also has the greatest economic impact per dollar of taxpayer contribution at 10.08 percent compared to the median of 4.53 percent.

SDRS' competing objectives of delivering adequate benefits and remaining fully funded under all economic conditions are a very high standard, especially when funded with fixed contributions that are less than half of the national median. These objectives become even more challenging as retirees live longer, and markets provide lower investment returns. The efforts of SDRS management to meet these objectives have included implementing the variable COLA process, transitioning foundation members to a 5-year final average compensation, establishing pay increase caps, adding the generational design, reforming retire-rehire practices, and initiating other measures to reduce or eliminate subsidies.

Mr. Fiddler noted that the most significant immediate risk to SDRS is investment risk. The investment returns will first impact the variable SDRS COLA. Less than assumed returns will reduce the restricted maximum COLA, while greater than assumed returns will increase the maximum or enable the full COLA range. However, the variable COLA will not be sufficient to maintain 100 percent FVFR in all conditions, and additional corrective actions may be required.

In conclusion, Mr. Fiddler advised that FY 2026 returns below approximately negative 7.7 percent would require a corrective action recommendation, while returns greater than approximately 13.6 percent would result in the full 0 to 3.5 percent COLA range applying for the July 2027 COLA.

Board Action
No action was necessary.

AGENDA ITEM 9
ASSET ALLOCATION

Summary of Presentation
Matt Clark, State Investment Officer; Jarrod Edelen, SDIC Portfolio Manager; Anne Cipperley, SDIC Portfolio Manager, and Ms. Mourer discussed the asset allocation process and application to SDRS. They discussed the recommended benchmark allocation and ranges, expected return and standard deviations, asset category valuation, and the movement of category allocations within ranges based on valuation.

Ms. Cipperley discussed the return and risk assessment of equities and bonds. She presented charts of historic returns, highlighting that equity returns dominate over the long term. She also emphasized the diversification benefit of mixing in some bonds during market downturns.

Mr. Edelen discussed the recommended benchmark level of equity-like and bond-like risk to balance long-term potential returns with drawdown risks in difficult markets. He indicated this was for the benchmark, which should represent what could be adhered to through thick and thin. He discussed the recommended ranges for equity-like and bond-like risk and said the goal is to enter market downturns with below-benchmark risk and increase toward the maximum during the downturn to benefit from an eventual rebound. He added that after getting to minimums and maximums, markets will typically move further, which can be very painful. Therefore, it is essential to be patient for at least three to five years, or longer.

Ms. Cipperly discussed benchmark construction, describing equity-like and bond-like risk-mapping across all asset categories. She outlined specific asset categories to be included in the benchmark: those that are significant and passively implementable. She also discussed other secondary categories that are not in the benchmark but that have permitted ranges. She presented the proposed FY2027 capital market benchmark allocations and the minimum/maximum ranges for each asset category, which are unchanged from the prior year.

Ms. Cipperly reviewed the asset allocation risk/return analysis. The first portion focused on long-term expected returns, expected standard deviations, and asset correlations provided by a Wall Street firm as a proxy for conventional expectations. The analysis was shown again using internal asset category expected returns and internal adjusted risk measures.

Mr. Edelen discussed additional risk control and equity valuation. The equity valuation is based on estimated future cash flows from normal earnings and growth rates, along with a risk-impacted discount rate. He also discussed adjustments to fair value based on monetary conditions and earnings strength.

Ms. Mourer discussed the discount rate. The internal asset allocation model uses numerous components to drive the equity discount rate. The discount rate is used to convert earnings to present value and calculate the current fair value of equities. Additionally, Ms. Mourer discussed the process for implementing asset allocation.

Board Action
No action was necessary.

AGENDA ITEM 10
REVIEW OF LONG-TERM BENEFIT GOALS

Summary of Presentation
Mr. Travis Almond reviewed the SDRS Mission Statement and Vision. He highlighted SDRS' long history of establishing and assessing long-term goals, including specific benefit and funding goals. The purpose of the presentation was to review current benefit and funding goals, evaluate how our benefits compare to those goals today, and consider whether those goals remain appropriate.

Mr. Almond also explained the importance of the Board's fiduciary duties, including the duty of loyalty, the duty of prudence, and the duty to follow the plan.
Mr. Almond and Mr. Fiddler discussed the long-term benefit goals and assessments. Most of the goals have been achieved, except for the Cost-of-Living Adjustment (COLA), which will be discussed in more detail during the next presentation.

Mr. Almond closed by stating that SDRS is sustainably funded today. However, we will need to continuously monitor, conduct risk analyses, and make periodic adjustments to ensure we can evolve and maintain our current benefit structure under this fixed-contribution model.

Board Action

No action was necessary.

AGENDA ITEM 11
REVIEW OF LONG-TERM BENEFIT GOALS: COLA DISCUSSION

Summary of Discussion

Mr. Almond highlighted implications for the benefit goals of SDRS, which is funded by fixed contribution rates and must remain sustainable within the fixed budget. He emphasized the importance of balancing benefit features without favoring any membership group and of ensuring that the COLA process and assumptions are sustainable and equitable for all generations of retirees.

Mr. Almond stated that SDRS' long-term goal for the COLA is to provide inflation protection after retirement and after termination of employment, before benefits begin. Recent COLAs have not kept pace with inflation, affecting over 90 percent of members. The language of the COLA goal has been adjusted over time to reflect the challenges of keeping pace with inflation. However, nationwide, no state retirement system's COLA has consistently matched inflation.

Mr. Fiddler explained that, since 2018, the maximum affordable COLA is determined annually based on investment and liability outcomes. Gains increase future COLAs; losses reduce them. Salary changes also impact COLA affordability. The current process provides a COLA equal to the change in CPI-W for the prior year, with a 0 percent minimum and a 3.5 percent maximum when affordable. COLAs significantly increase the cost of retirement benefits – approximately 20 percent of SDRS costs when the full range is affordable, 13 percent of SDRS costs at the current 1.56 percent COLA. Additionally, annual benefit payments will be approximately $800 million in FY26.

Comparing recent COLAs among other regional plans, Mr. Fiddler highlighted that SDRS offers the highest COLA with the lowest contribution rates, the lowest assumed investment return, and no debt. Nationally, systems that pay a higher COLA also have higher contribution rates, higher assumed investment returns, and carry more debt.

Mr. Almond urged the Board to reassess whether the stated goal is consistent with the achievable outcome. After discussion, the inclusion of the word “affordable” to modify inflation protection in the goal was proposed. Suggested changes to the document will be presented to the Board at the September meeting.

Board Action

No action was necessary.

AGENDA ITEM 12
BOARD OF TRUSTEES PROPOSED
POLICIES, COMMITTEES, AND PROCEDURES

Summary of Discussion

Mr. Stroeder outlined several proposed policies, committees, and procedures for the SDRS Board of Trustees. Many of these practices have been used by the Board over the years and will now be formalized to reinforce sound governance. Additional items were included as part of established best practices to support sound governance.

Board Action

IT WAS MOVED BY MR. APPL, SECONDED BY MR. OAKLAND, TO APPROVE THE BOARD OF TRUSTEES’ PROPOSED POLICIES, COMMITTEES, AND PROCEDURES AS PRESENTED.

AGENDA ITEM 13
APPOINTMENT OF EXECUTIVE DIRECTOR
EVALUATION AND COMPENSATION COMMITTEE

Summary of Discussion

Chair Stroeder stated that he has appointed an Executive Director Evaluation and Compensation Committee consisting of himself, Jim Appl, Darin Seeley, Penny Brunken, Matt Clark, and Justice Mark Salter, with himself serving as chair.

Board Action

No action was necessary.

AGENDA ITEM 14
APPOINTMENT OF AUDIT COMMITTEE

Summary of Discussion

Chair Stroeder stated that he has appointed an Audit Committee consisting of Jill Lenards, LaJena Gruis, and Victoria Hinek, with Jill Lenards serving as chair.

Board Action
No action was necessary.

AGENDA ITEM 15
APPOINTMENT OF CLASS B COMMITTEE

Summary of Discussion
Chair Stroeder stated that pursuant to the Board of Trustees' motion at its June 2022 meeting, the Class B Public Safety representative and another member appointed by the Chair shall serve on the Class B Public Safety Committee with certain staff members. He advised that he has appointed Justice Mark Salter to serve on the Class B Public Safety Committee.

Board Action
No action was necessary.

AGENDA ITEM 16
APPOINTMENT OF WAIVER REQUEST COMMITTEE

Summary of Discussion
Chair Stroeder stated that he has appointed a Waiver Request Committee consisting of himself, Jim Appl, and Jim Terwilliger, with himself serving as chair.

Board Action
No action was necessary.

AGENDA ITEM 17
OLD/NEW BUSINESS

Summary of Discussion
Mr. Almond noted that the upcoming meeting dates for 2026 and 2027 are listed at the bottom of the agenda.

Board Action
No action was necessary.

AGENDA ITEM 18
PERSONNEL MATTERS

Summary of Discussion
The Board went into executive session to discuss personnel matters.

Board Action
IT WAS MOVED BY MR. OAKLAND, SECONDED BY MR. JOHNSON, TO GO INTO EXECUTIVE SESSION PURSUANT TO SDCL 1-25-2(1) TO DISCUSS ITEMS RELATING TO PERSONNEL MATTERS.

Potential staff who may be invited to remain include: Travis Almond.

THE CHAIR DECLARED THE BOARD OUT OF EXECUTIVE SESSION.

ADJOURNMENT
IT WAS MOVED BY MR. JOHNSON, SECONDED BY MS. BRUNKEN, THAT THERE BEING NO FURTHER BUSINESS, THE MEETING BE ADJOURNED. THE MOTION PASSED UNANIMOUSLY ON A VOICE VOTE.

Respectfully submitted,

Travis Almond
Executive Director

South Dakota Retirement System

Fiduciary Education: Follow the Plan Focus

September 2, 2026

Goals

“Fiduciary duty is not about perfection – it’s about process.”

The goals for today’s presentation are to help you:

- Define fiduciary responsibilities
- Understand the legal framework
- Apply best practices to protect you and the System

Why We Are Fiduciaries

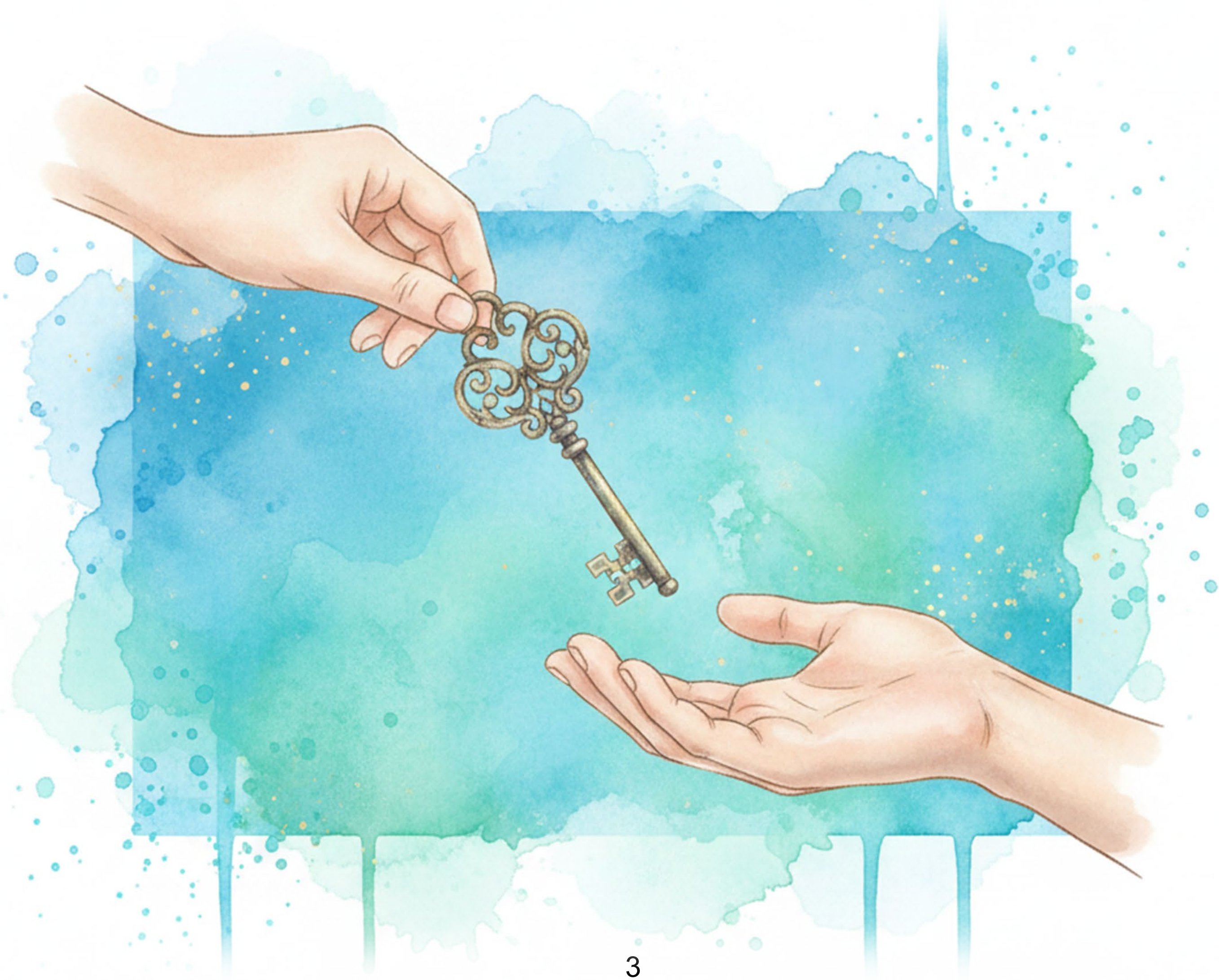
"Our Fiduciary Role: By Legislative Design, Not Accident."

- **A Consolidated Foundation (1974):** Created by a deliberate legislative decision to combine multiple retirement plans to form a single, unified system.

- **Balanced, Collaborative Governance:** Structurally designed to bring diverse, competing viewpoints to one table – ensuring decisions serve the entire system rather than individual groups.

- **50 Years of Sustainability:** This intentional, balanced framework is the direct reason SDRS has remained strong, stable, and sustainable for half a century.

A Partnership of Trust



Fiduciary Basics

A fiduciary is anyone who exercises discretion over plan administration or assets and is named as such in statute.

FUNCTION

DISCRETION OVER PLAN OR ASSETS

DESIGNATION

NAMED IN PLAN, TRUST DOCUMENT, OR STATUTES

The SDRS Trustees meet the definition of fiduciary through function and designation.

Legal Framework

Your fiduciary duties are anchored by three distinct legal authorities:

- Federal Law (Internal Revenue Code, i.e., IRC §401(a))
- State Law (SDCL 3-12C-101(45) and 3-12C-202)
- Common Law (General Legal principles in the Restatement of Trusts or UMPERSA)

Each layer reinforces your responsibility to act in the best interest of the members and beneficiaries.

Key Fiduciary Duties

These are your three core duties. If you remember nothing else from today, remember these:

- LOYALTY
- PRUDENCE
- FOLLOW THE PLAN

Duty of Loyalty: Serving the System, Not Just a Group

Loyalty means acting exclusively for members and beneficiaries.

- **The Whole Over the Part:** Making decisions that benefit the entire SDRS membership.
- **Setting Aside Bias:** Leaving specific representative perspectives at the door.

“You’re not here to represent a group – you’re here to serve the system as a whole.”

Exclusive Benefit Rule

The Exclusive Benefit Rule is a federal and state requirement. Everything you do must benefit members and beneficiaries exclusively.

- The Board's functions must be carried out solely in the interest of the members and benefit recipients; and for the exclusive purpose of providing benefits and defraying reasonable expenses incurred in performing such duties as required by law.
- The System may not engage in any activity that is not solely designed to provide for the exclusive benefit of the members and the benefit recipients of the system.

Duty of Prudence: A Disciplined Process, Not a Perfect Outcome

"A prudent fiduciary acts with the same care, skill, and caution they would use in managing their own affairs—because they are entrusted with someone else's future."

- Process-Driven: Prudence is defined by *how* we make decisions, not just the final result.
- Evidence-Based Review: Requiring actuarial impacts and technical reviews before taking a position.
- Consistent Application: Applying the same rigorous criteria to every request.
- Complete Record: A fiduciary does not act without knowing the costs.

Delegation and Oversight

You can, and should, delegate to staff and experts—but you must:

- Document the delegation
- Monitor the performance
- Retain reasonable oversight

DOCUMENT

MONITOR THE PERFORMANCE

RETAIN OVERSIGHT

Duty to Follow Plan: Upholding Framework

You must follow the plan's written terms – statutes, rules, and policies. That includes interpreting them consistently, updating them when required, and correcting errors promptly.

- **Respecting the Statutes:** Adhering to the governance framework established by the Legislature.
- **The Proper Channels:** Utilizing the Retirement Laws Committee for benefit changes.
- **Defending the Process:** Insisting that all modifications are made through evidence-based, statutory procedures.

Putting It Together

Fiduciary Duty in Practice: A Hypothetical

Scenario:

A board member proposes a new benefit enhancement to increase retirement payouts for a specific group of members. The actuary has not reviewed the proposal, and no cost analysis has been conducted.

The Board is being asked to vote on whether to support the proposal in the upcoming Legislative Session.

Discussion Prompt:

What should the board member do before moving forward?

Risk and Liability

Breaching fiduciary duty can lead to personal liability, removal, loss of immunity, and reputational harm. Breach consequences include:

- Personal liability
- Removal
- Loss of immunity
- Reputational harm

Remember: Co-fiduciaries can be held liable if they knowingly ignore a breach. Silence is not protection.

Managing Risk

Best practices include:

- Governance manual
- Conflict and ethics policies
- Documentation
- Periodic audits

Topics to Watch

Fiduciary responsibilities don’t stand still. New issues are constantly emerging that require your attention. For example:

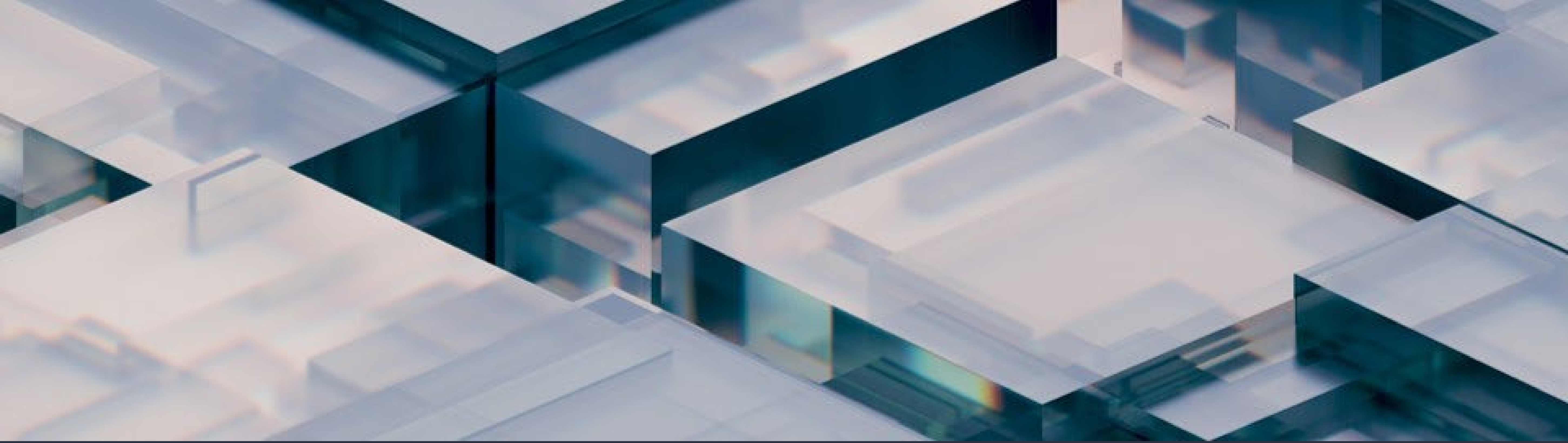
- Cybersecurity
- Artificial Intelligence
- Overpayments (SECURE 2.0)

Key Takeaways

Let's recap the three pillars of fiduciary responsibility:

- **Loyalty** (always act in the best interest of the members and beneficiaries)
- **Prudence** (focus on the process, not perfection)
- **Follow the Plan** (administer according to the statutes and rules)

Keeping these principles in mind will guide you through even the most complex decisions.



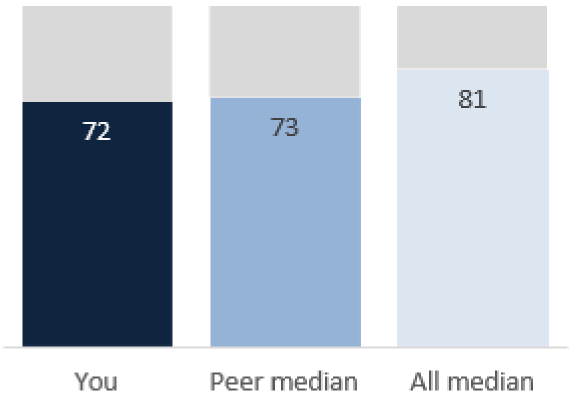
CEM Administration Benchmark Report - 2025

South Dakota Retirement System

September 2, 2026

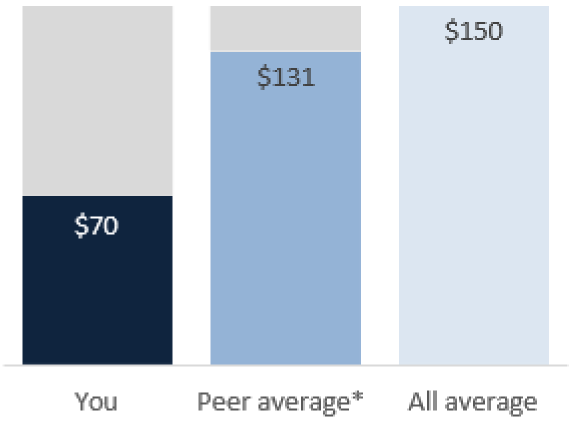
Key takeaways:

Service (score out of 100)



- Your total service score was 72. This was below the peer median of 73.
- You scored well for service in these areas:
  - Member statements, 1-on-1 counseling, feedback (retiring and annuitants)
- You scored below for service in these areas:
  - Website accessibility, contact center - call quality, retirement applications
- Your service score has increased from 67 to 72 between 2018 and 2025.

Total administration costs

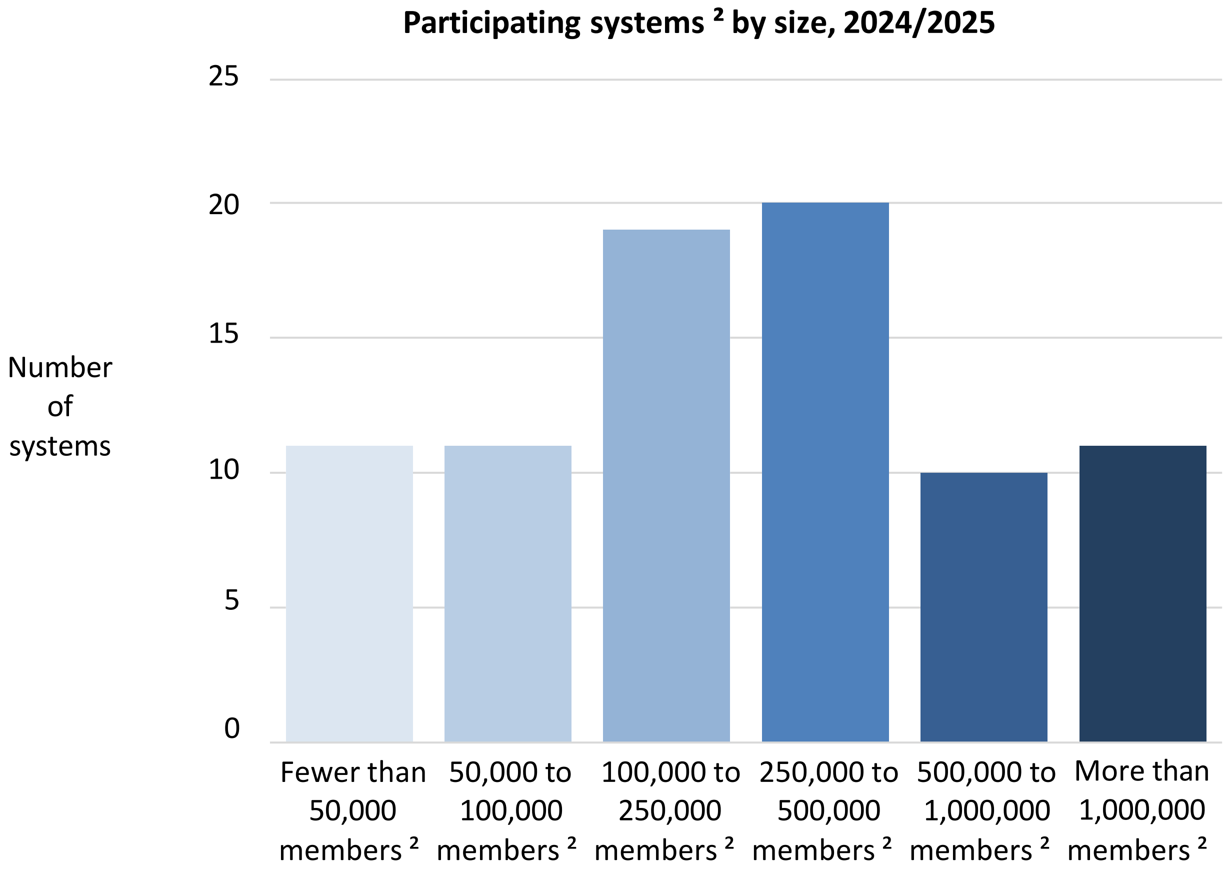


* Adjusted for scale

- After adjusting the cost of each peer for its scale advantage/disadvantage, your cost of $70 was $61 below the adjusted peer average of $131.
- This was mainly driven by having less FTEs in the front office, and lower IT strategy, database, application cost per member.
- You had an economy of scale disadvantage relative to all your peers, because you have less active members and annuitants.
- You were lower cost and lower service than the average participant in the CEM universe.

Insights are based on the 82 global pension systems that participate in the benchmarking subscription.[1]

Insights are based on the 82 global pension systems that participate in the benchmarking subscription.[1]



43% American
35 systems

26% Canadian
21 systems

28% British
23 systems

4% Rest of World
3 systems

1. UK and Local Government systems complete a different benchmarking survey. Their data is not included in this report.
2. Members is equal to the number of active members and annuitants.

This report compares your pension administration costs and member service to a custom peer group.

This report compares your pension administration costs and member service to a custom peer group.

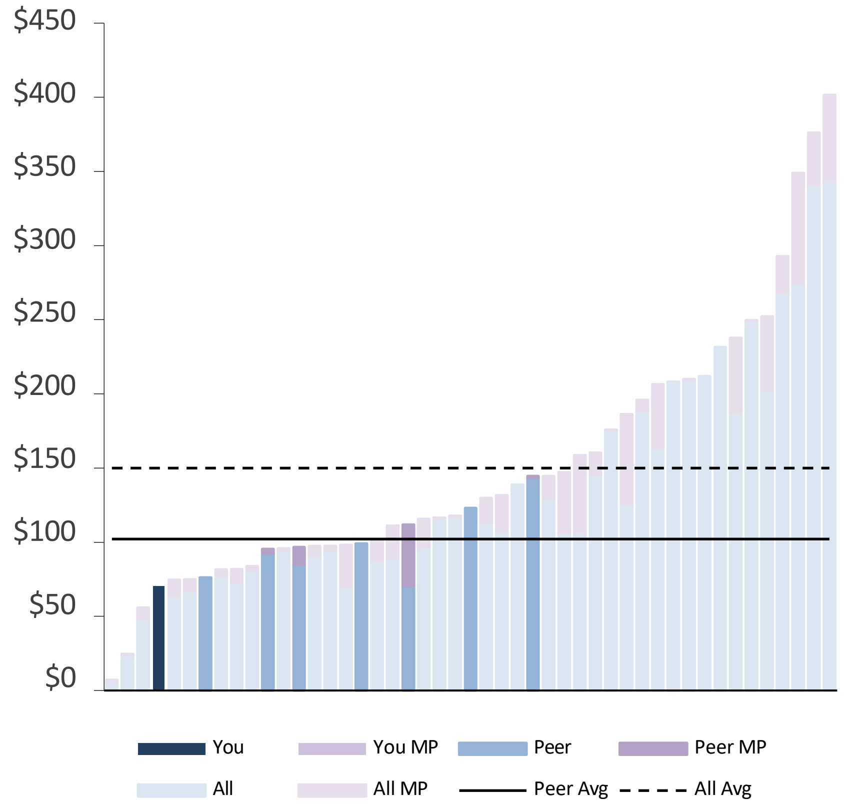
Custom Peer Group for South Dakota RS

#	System	Number of members (in 000s) Active Members	Annuitants	Total [1]
1	Kansas PERS	156	118	274
2	Kentucky PPA	132	130	262
3	PSRS PEERS of Missouri	133	113	246
4	TRS Louisiana	98	86	184
5	Utah RS	101	80	181
6	Minnesota State RS	64	56	120
7	Delaware PERS	48	35	83
8	**South Dakota RS**	**44**	**35**	**79**
	Median	99	83	182
	Average	97	82	178

1. Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than active members or annuitants.

Before adjusting for economies of scale, your total pension administration cost of $70 per active member and annuitant was $32 below the peer average of $102.

Pension Administration Cost Per Active Member and Annuitant - Unadjusted [1]



1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

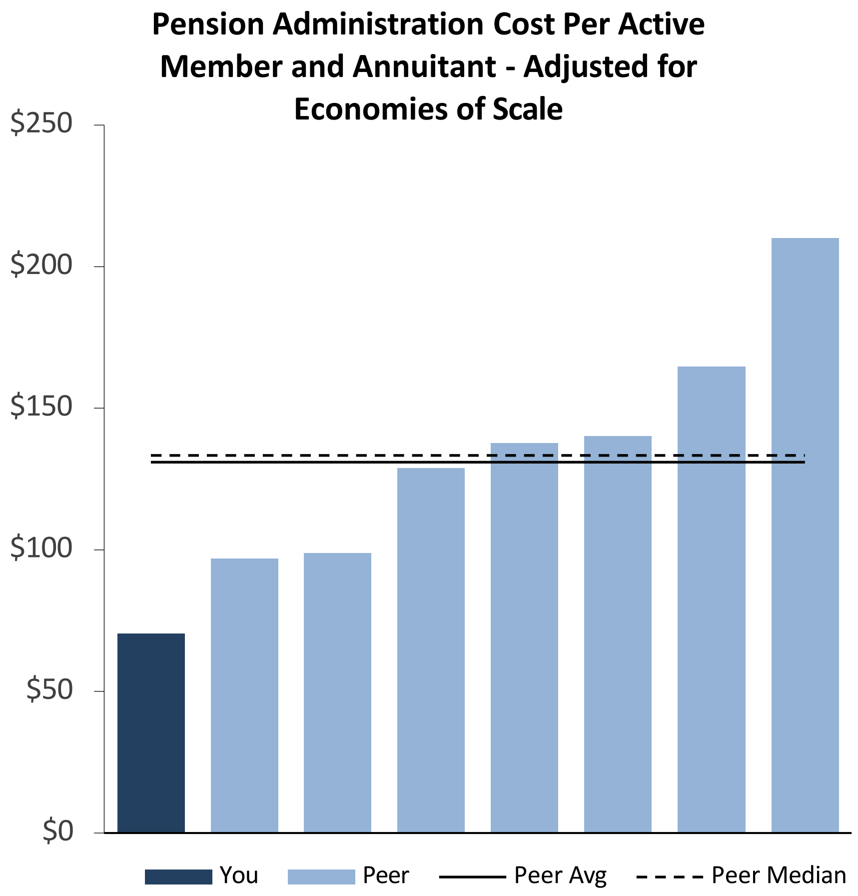
	$000s	$ per Active Member and Annuitant	
Category	You	You	Peer Avg
Business-As-Usual Costs	5,538	70	95
Major Project Costs [1]	0	0	7
Total Pension Administration	5,538	70	102

We include costs that are directly related to pension administration (e.g., staff costs or third-party costs) plus attributions of governance, financial control, IT, building and utilities, HR, support services and other costs.

The costs associated with investment operations and investment management are specifically excluded.

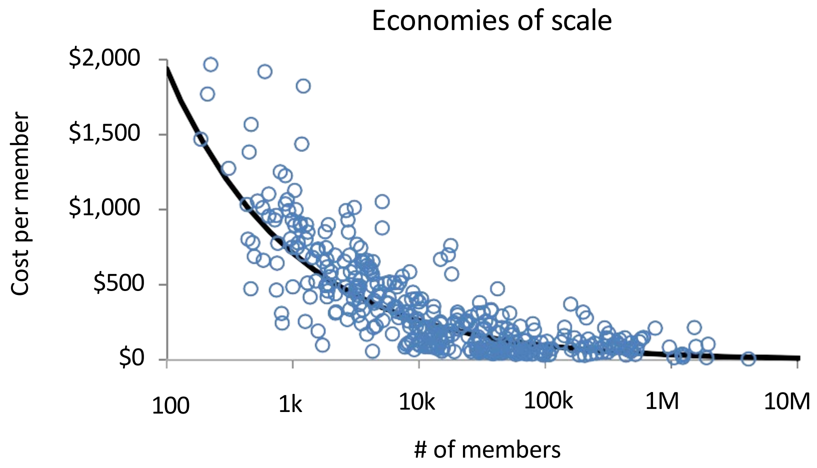
Your total pension administration cost of $5.5 million also excludes the fully-attributed cost of administering healthcare, and optional and third-party administered benefits of $0.2 million.

Size matters: you had an economies of scale disadvantage relative to the peer average. After adjusting the cost of each peer for its scale advantage/disadvantage, your cost was $61 below the adjusted peer average of $131.



Your system had 51% fewer members than the peer weighted average. Your smaller size means that you had a scale disadvantage of $29 relative to the peer average.

The scale adjustment is based on regression analysis using cost and membership data from 370 global pension plans. Approximately 70% of differences in cost per member can be explained by differences in size.



Each peer's cost was adjusted for its scale advantage/disadvantage relative to your system.

Reasons why your total cost per member was $61 below the adjusted peer average:

Reason	You	Peer Avg	Impact $ per active member and annuitant
1 Fewer front office FTE per 10,000 members	2.0 FTE	4.0 FTE	-$20
2 Higher third party costs per member in the front office	$10	$7	$2
3 Lower costs per FTE			
Salaries and Benefits [1]	$110,122	$113,477	
Building and Utilities	$6,358	$7,874	
HR	$1,967	$2,957	
IT Desktop, Networks, Telecom	$5,167	$8,075	
Total	$123,614	$132,383	-$5
4 Lower support costs per member (mainly driven by IT strategy, database, applications)[2]			
Governance and Financial Control	$12	$8	
Major Projects	$0	$7	
IT Strategy, Database, Applications	$7	$16	
IT Security	$0	$3	
Actuarial, Legal, Audit, Other	$21	$14	
Total	$41	$49	-$9
Total unadjusted			-$32
Adjustment for your scale disadvantage			-$29
Total after adjusting for economy of scale differences			-$61

1. 25% of your total salaries and benefits relates to benefits. This compares to a peer average of 27%.
2. To avoid double counting, governance and support costs are adjusted for differences in cost per FTE.

Your Business-As-Usual (BAU) costs of $70 per active member and annuitant was $25 below the peer average of $95.

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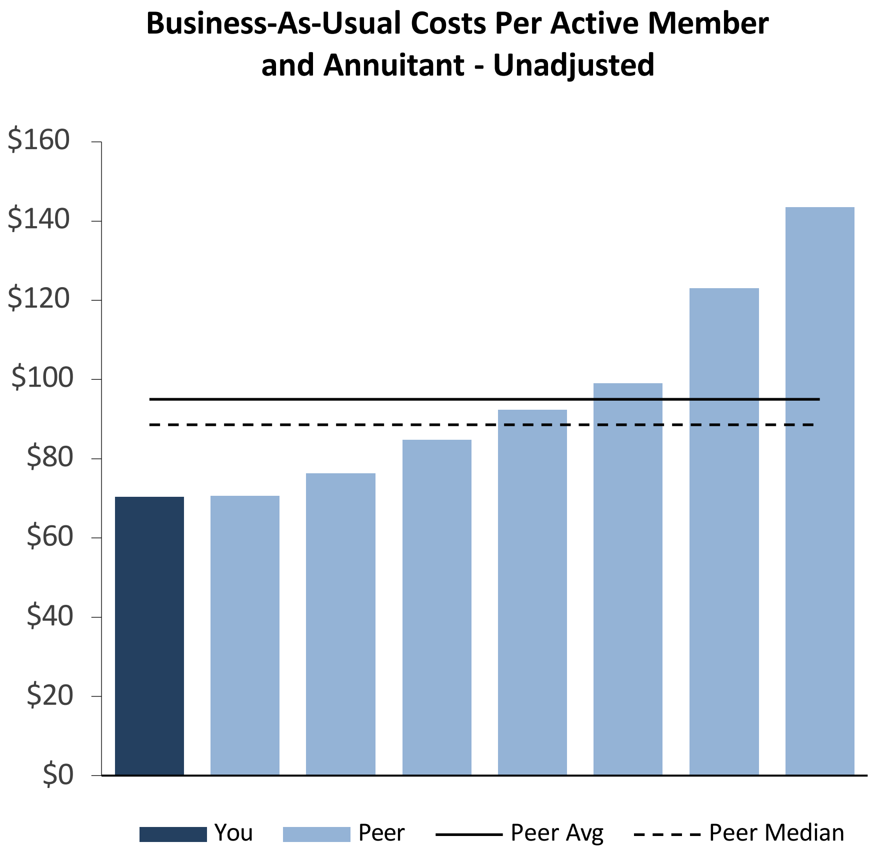

Category	$000s You	$ per Active Member and Annuitant You	Peer Avg
<u>Front office</u>			
Member Transactions	744	9	17
Member Communication	1,075	14	19
Collections & Data Maintenance	310	4	7
<u>Governance and support</u>			
Governance and Financial Control	916	12	9
Information Technology	720	9	23
Building	203	3	5
HR	63	1	2
Actuarial	331	4	2
Legal	359	5	4
Audit	522	7	4
Other Support Services	296	4	4
Total Pension Administration	5,538	70	95

You did not provide any major project costs.

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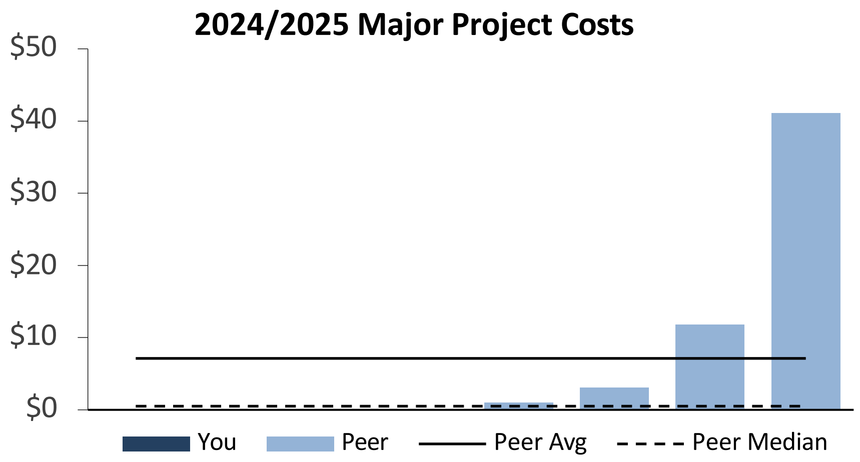
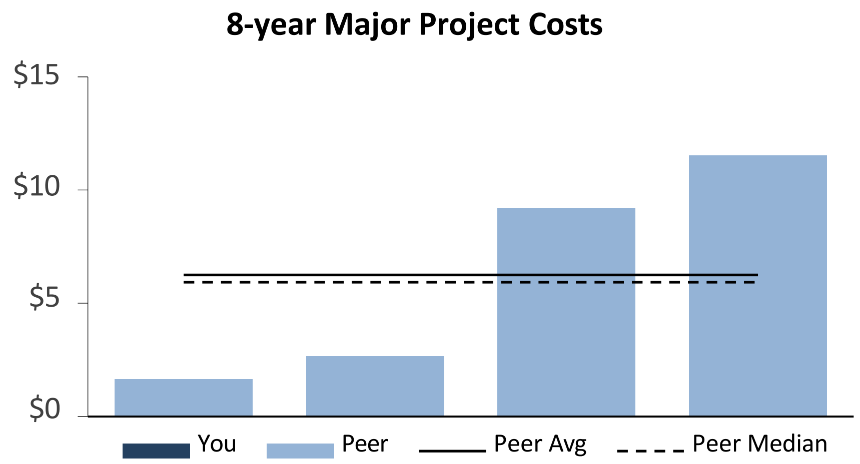




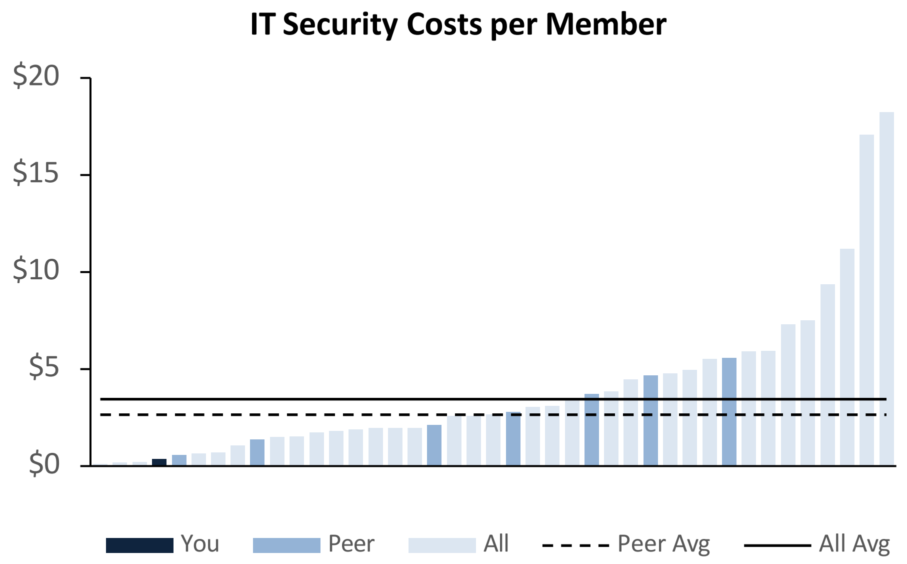
1. These costs are averaged over as many years as possible based on the system participation record, with a maximum of 8 years. Systems that have submitted less than 8 years of data are excluded.

	Major Project Cost $000s	$ per Active Member and Annuitant	
Category	You	You	Peer Avg
Single year 2024/2025	0	0	7
Multi-year average[1]	n/a	n/a	6

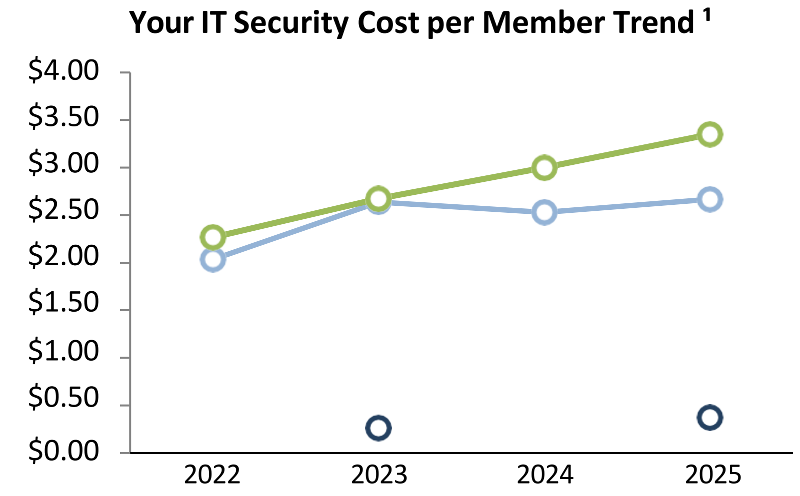
What is included in major project costs:

- One-off costs that were not capitalized.
- Current year amortization on capitalized costs.
- Excluding attributed costs for healthcare, and optional and third-party administered benefits, if applicable.

IT security is an increasing concern for all systems. Your costs and staffing of IT security compare to your peers as follows:



Your IT security cost per member was $0.37 versus a peer average of $2.65.

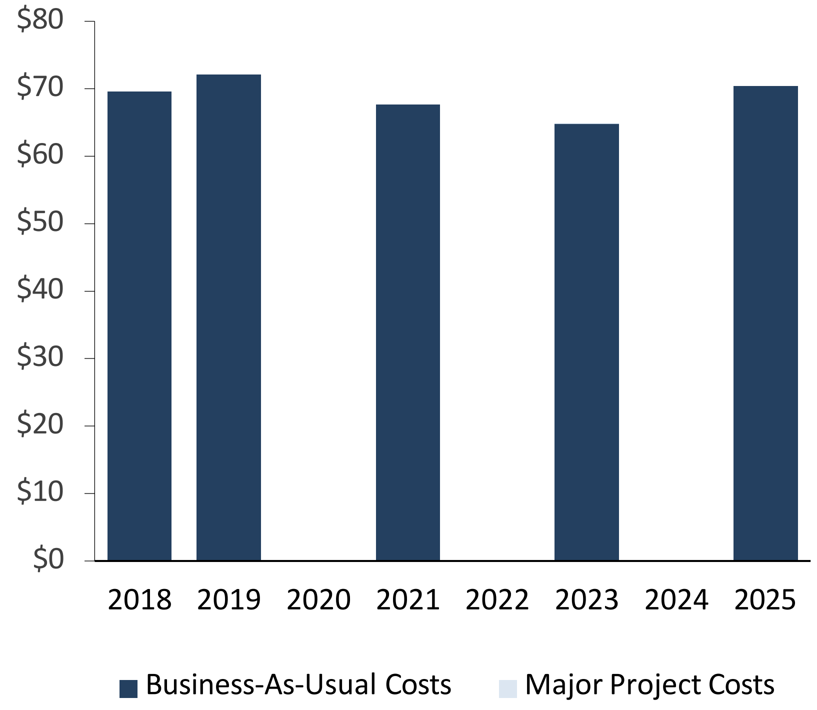


	2022	2023	2024	2025
You		0.26		0.37
Peer	2.03	2.64	2.53	2.67
All	2.27	2.67	3.00	3.35

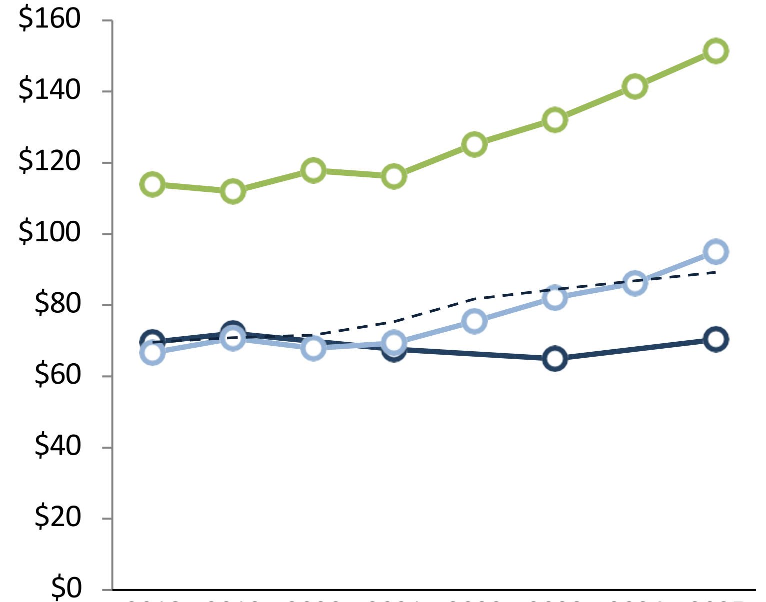
1. Trend analysis is based on systems that have provided 4 consecutive years of data (5 of your 8 peers and 28 of the 47 systems in the universe).

Your total pension administration costs per active member and annuitant increased by 4.1% since you last participated in 2023. Your total pension administration costs per active member and annuitant remained relatively stable over the last 8 years.

Your Pension Administration Cost Per Active Member and Annuitant Trend



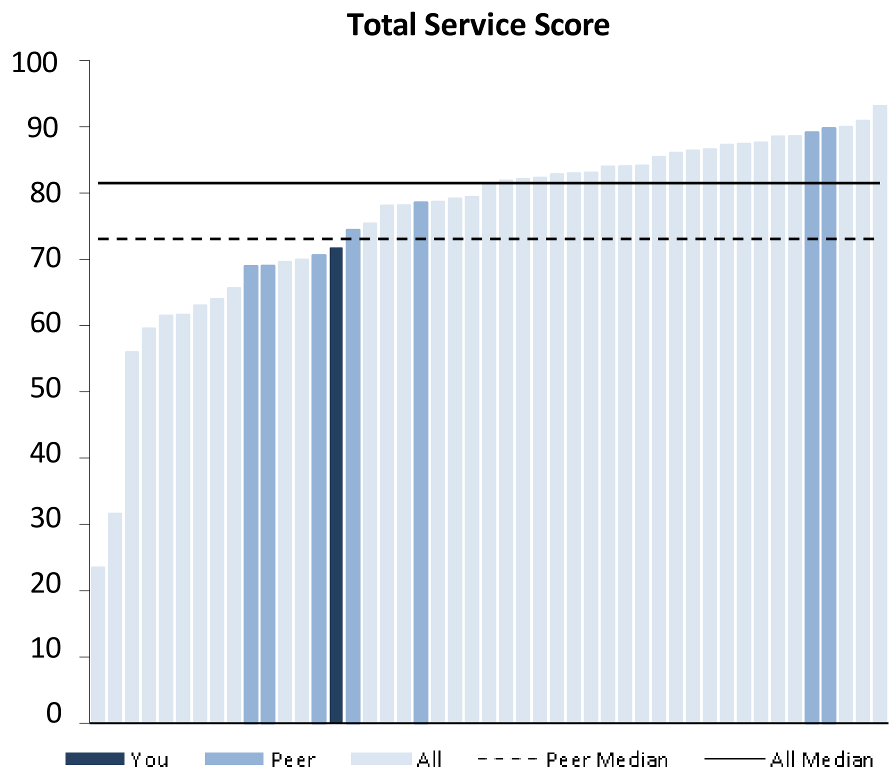
Pension Administration Cost Per Active Member and Annuitant Trend



	2018	2019	2020	2021	2022	2023	2024	2025	8-yr change
You	$70	$72		$68		$65		$70	0.2%
Peer Avg [1]	$67	$71	$68	$69	$75	$82	$86	$95	5.2%
All Avg [1]	$114	$112	$118	$116	$125	$132	$141	$151	4.1%
CPI	$70	$71	$72	$75	$82	$84	$87	$89	3.6%

1. Trend analysis is based on systems that have provided 8 consecutive years of data (4 of your 8 peers and 33 of the 47 systems in the universe).

Your total service score was 72. This was below the peer median of 73.



Looking at cost in isolation is unhelpful. Context is required, as is a means to measure value for money. CEM believes the right measure is member service, or the service score.

Service is defined from a member's perspective. Higher service means more channels, faster turnaround times, more availability, more choice, better content and higher quality.

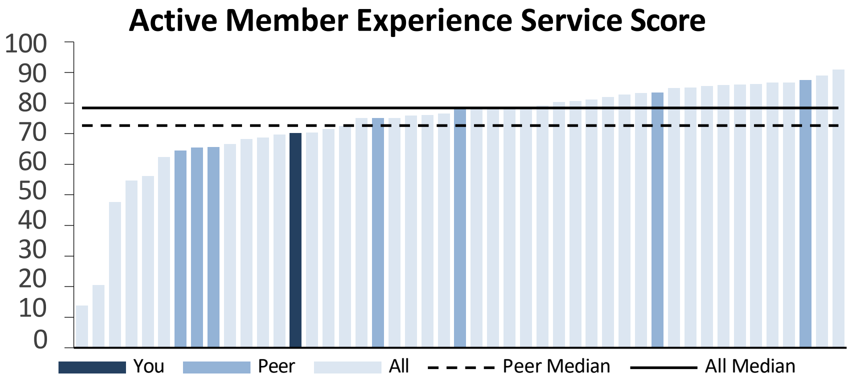
Higher service is not necessarily cost-effective. For example, the ability to answer the telephone 24 hours a day is higher service, but not cost effective.

Your total service score is the weighted average of the service scores for each of the four member journeys below.

Service Scores by Journey

Journey	Weight	You	Peer Median
Active member experience	30%	70	73
Inactive member experience	5%	75	71
Retiring experience	35%	74	73
Annuitant experience	30%	70	83
Total service score	100%	72	73

Your service score for the active member experience of 70 was above the peer median of 73.



Activity	Weight	You	Peer Median
Outbound communication	7.5%	53	50
Purchases and Transfers-in	10.0%	70	68
Member statements	12.5%	93	74
Personal information	5.0%	80	80
Salary and service credit information	5.0%	75	75
Secure website accessibility	30.0%	63	99
Contact center: accessibility	7.5%	74	78
Contact center: capability	5.0%	90	85
Contact center: call quality	5.0%	28	72
1-on-1 counseling	5.0%	100	86
Member presentations	2.5%	100	100
Feedback	5.0%	40	40
Active member experience service score	100.0%	70	73

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your strengths

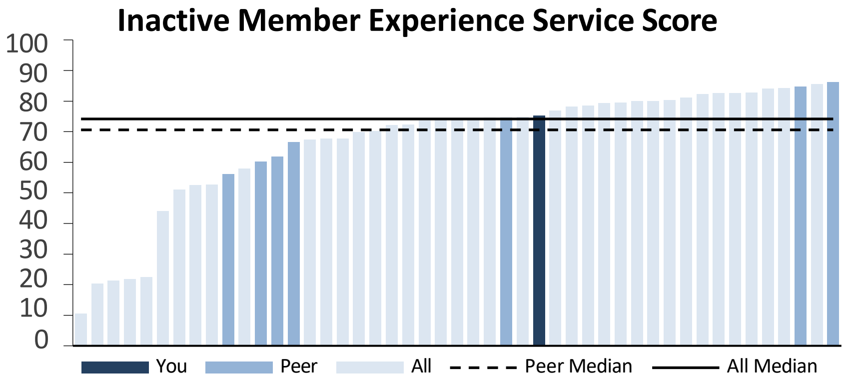
Activity	Key drivers
Purchases and transfers-in	You send a service credit purchase cost estimate within 1 day compared to 21 days for peers.
Member statements	Your online statements are updated in real-time. Only 13% of your peers offer the same.
Contact center - accessibility	Overall, your key metrics are strong: your call wait time is 65 seconds and your undesired call outcomes are at 4% (peers: 159 s, 8%).
Contact center - capability	Your staff has access to all CRM capabilities, and you also offer a callback option.
Meeting your members	You meet your members, individually in-house, in the field or in groups, in high numbers.

Your opportunities

Activity	Key drivers
Website accesibility	Less of your active members visit the secure website: 29% vs 42% for peers, and it is not customized specifically for this group (peers: 75%Y).
Contact center - quality	You do not review your staff while 6 of the 8 peers regularly review for coaching purposes.
Feedback	You do not survey your active members compared to 63% of your peers who do.

Your service score for the inactive member experience of 75 was above the peer median of 71.

Your service score for the inactive member experience of 75 was above the peer median of 71.



Activity	Weight	You	Peer Median
Outbound communication	10.0%	57	32
Tracking inactive members	10.0%	98	74
Transfers-out	5.0%	96	80
Personal information	7.5%	80	80
Salary and service credit information	5.0%	75	75
Secure website accessibility	40.0%	80	87
Contact center: accessibility	7.5%	74	78
Contact center: capability	5.0%	90	85
Contact center: call quality	5.0%	28	72
Feedback	5.0%	35	25
Inactive member experience service score	100.0%	75	71

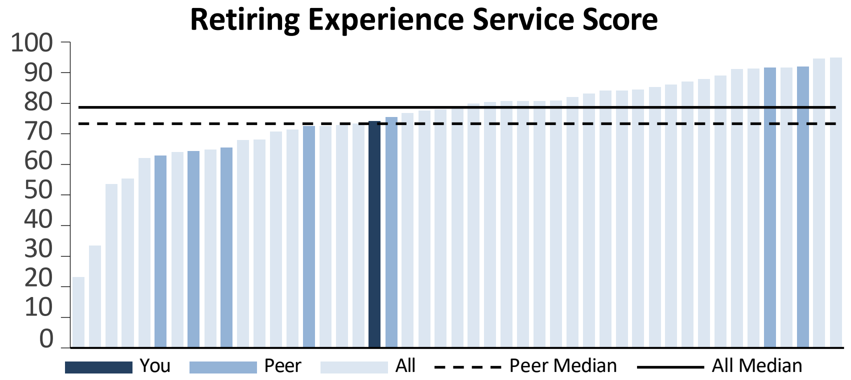
Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your strengths	
Activity	Key drivers
Outbound communication	You send targeted communication when missing a beneficiary or an address. Your inactive members also receive a newsletter (peers: 37.5%, 25% and 50% Yes respectively).
Tracking inactive members	You have a higher percentage of email addresses for your inactive members: 59% vs 49% for peers.
Transfers-out	Your members can apply online for a transfers-out. 25% of your peers offer the same.
Feedback	You survey member calls as do half of your peers.

Your opportunities	
Activity	Key drivers
Website accessibility	As with your active members, you do not offer a customized secure member area that shows options applicable to this group.
Contact center - quality	Worth repeating as the activity comes back across all journeys, not reviewing your members has a negative impact here as well.
Feedback	62.5% of your peers also survey their inactive members.

Your service score for the retiring member experience of 74 was above the peer median of 73.

Your service score for the retiring member experience of 74 was above the peer median of 73.



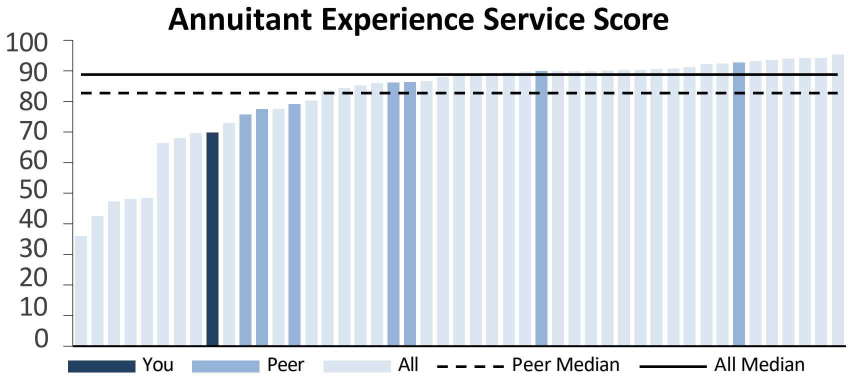
Activity	Weight	You	Peer Median
Outbound communication	7.5%	55	55
Pension estimates: self-service	7.5%	78	78
Pension estimates: assisted service	2.5%	100	84
Retirement applications	7.5%	30	50
Pension inceptions	10.0%	85	90
Disability inceptions	5.0%	80	80
Personal information	2.5%	80	80
Salary and service credit information	2.5%	75	75
Secure website accessibility	20.0%	78	95
Contact center: accessibility	7.5%	74	78
Contact center: capability	5.0%	90	85
Contact center: call quality	5.0%	28	72
1-on-1 counseling	7.5%	100	86
Member presentations	5.0%	100	100
Feedback	5.0%	70	55
Retiring experience service score	100.0%	74	73

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your strengths	
Activity	**Key drivers**
Outbound communication	You inform your inactive members when they are eligible to retire as do 37.5% of peers.
Estimates - self service	Your members have access to a calculator that is linked to the member's data, and they can model several different options such as different working percentages, start dates, and salary changes.
Estimates - assisted service	Written pension estimates are sent within 1 day, offer various scenarios, payment options etc. Your members can also receive an estimate over the phone and during counseling.
Feedback	You survey the retirement and disability experiences, and 87.5%, 50% of peers do as well.

Your opportunities	
Activity	**Key drivers**
Retirement applications	Half of your peers offer online retirement submission.
Salary and service credit	Half of your peers also offer a complete annual history of the member's salary and service credit information online.
Website accessibility	Your low volumes of active members accessing the secure member area, has a negative impact here as well.

Your service score for the annuitant experience of 70 was below the peer median of 83.



Activity	Weight	You	Peer Median
Outbound communication	10.0%	72	67
Pension payments	30.0%	94	98
Personal information	5.0%	80	80
Secure website accessibility	32.5%	48	98
Contact center: accessibility	7.5%	74	78
Contact center: capability	5.0%	90	85
Contact center: call quality	5.0%	28	72
Feedback	5.0%	70	40
Annuitant experience service score	100.0%	70	83

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your strengths

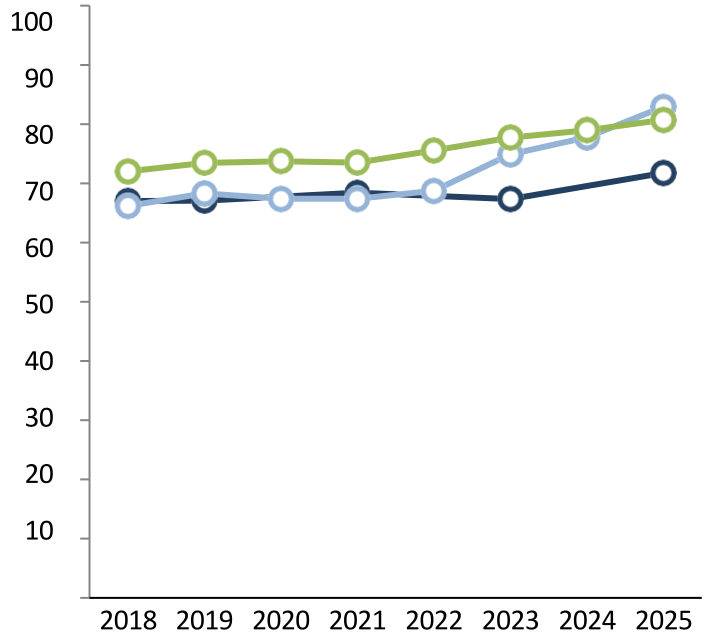
Activity	Key drivers
Outbound communication	You engage with your annuitants by reaching out to them when they are new to retirement, when issing an address. They also receive a newesletter that is specifically targeted to them.
Feedback	You survey your annuitants and also member calls.

Your opportunities

Activity	Key drivers
Pension payments	Your members cannot change their tax withholding amount or their banking information online compared to 75% and 50% of your peers that do offer those tools.
Website accessibility	As with the two other member groups, your annuitants visit the secure member area in lower numbers: 14% vs 29% for peers.

Your service score has increased from 67 to 72 between 2018 and 2025.

Trends in Total Service Scores [2]



	2018	2019	2020	2021	2022	2023	2024	2025
You	67	67		68		67		72
Peer Avg [1]	66	68	67	67	69	75	78	83
All Avg [1]	72	73	74	74	76	78	79	81

1. Trend analysis is based on systems that have provided 8 consecutive years of data (4 of your 8 peers and 33 of the 47 systems in the universe).
2. Historic scores have been restated to reflect changes in methodology. Your historic service scores may differ from previous reports.

Changes that had a positive impact

- **Website:** After discontinuing online tools due to security concerns in 2021, you added a number of tools in 2023, and this year your members can now also upload documents and change their communication preferences.
- **Contact center:**
  - Undesired call outcomes decreased from 10% in 2023 to 4%.
  - You have added a callback feature this year.
- **Inceptions:** Your percentage of survivor pensions paid within 1 month increased from 27% in 2023 to 41%.
- **Member statements:** You now send an email notice once the member statement is available online.

Changes that had a negative impact

- **Feedback** (member surveying): You stopped surveying the secure website in 2023, and when members leave the plan this year.

You were lower cost and lower service than the average participant in the CEM universe.

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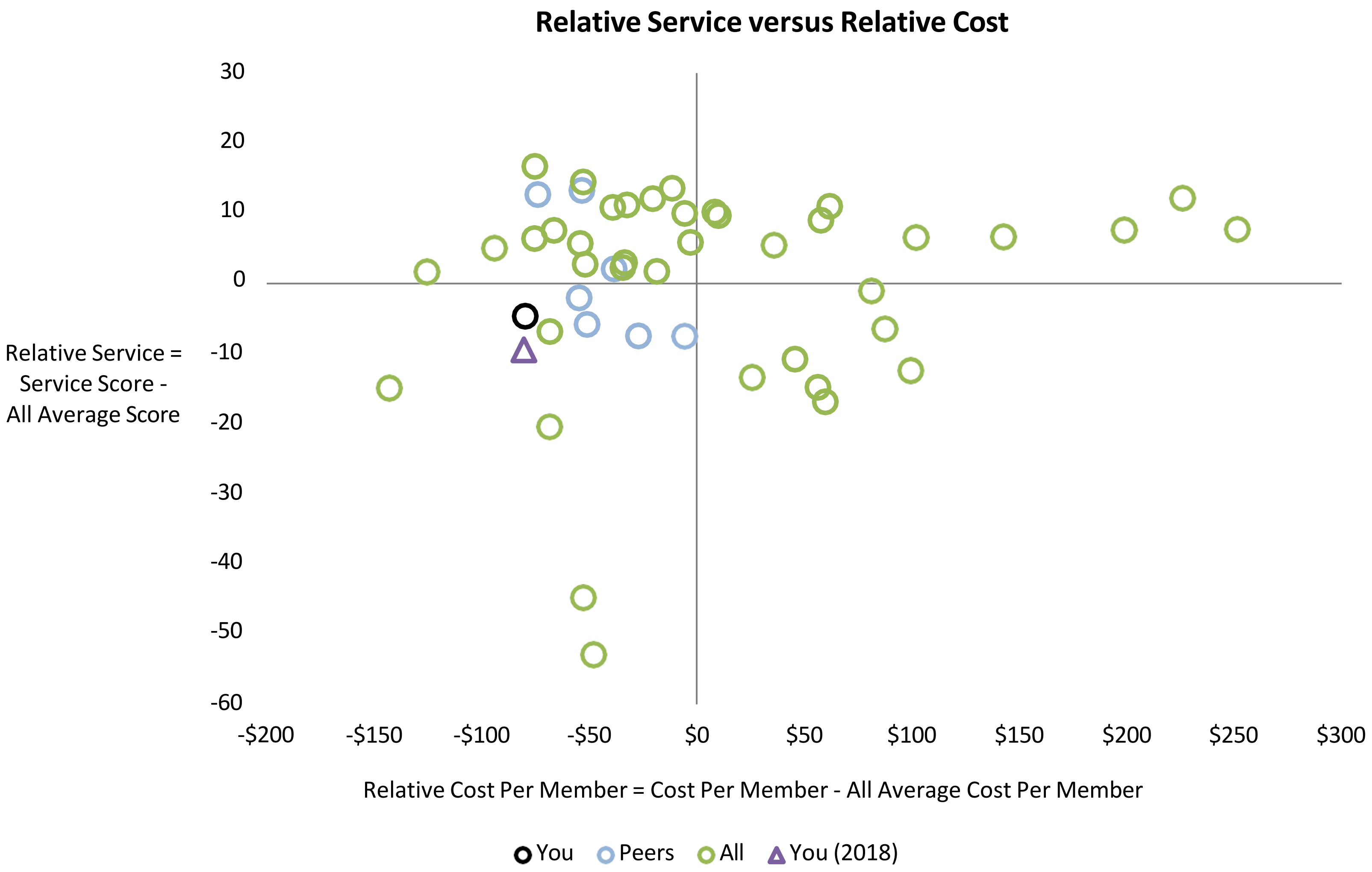
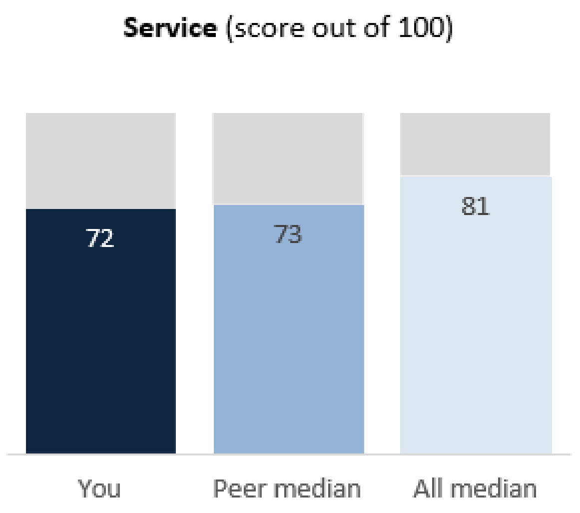
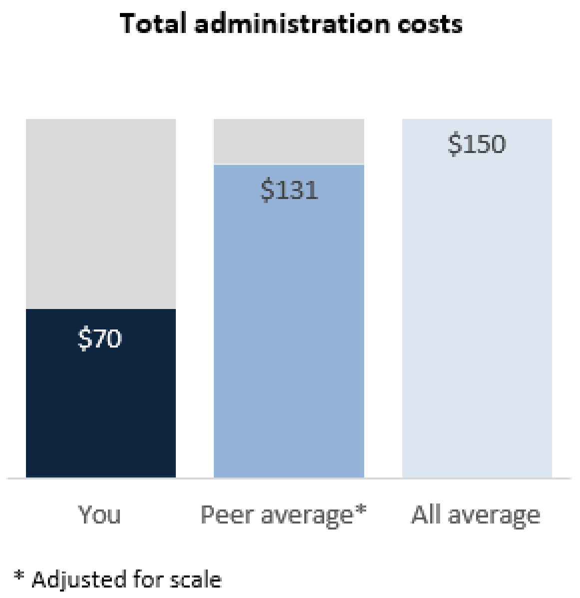


Summary of key takeaways:



- Your total service score was 72. This was below the peer median of 73.
- You scored well for service in these areas:
  - Member statements, 1-on-1 counseling, feedback (retiring and annuitants)
- You scored below for service in these areas:
  - Website accessibility, contact center - call quality, retirement applications
- Your service score has increased from 67 to 72 between 2018 and 2025.



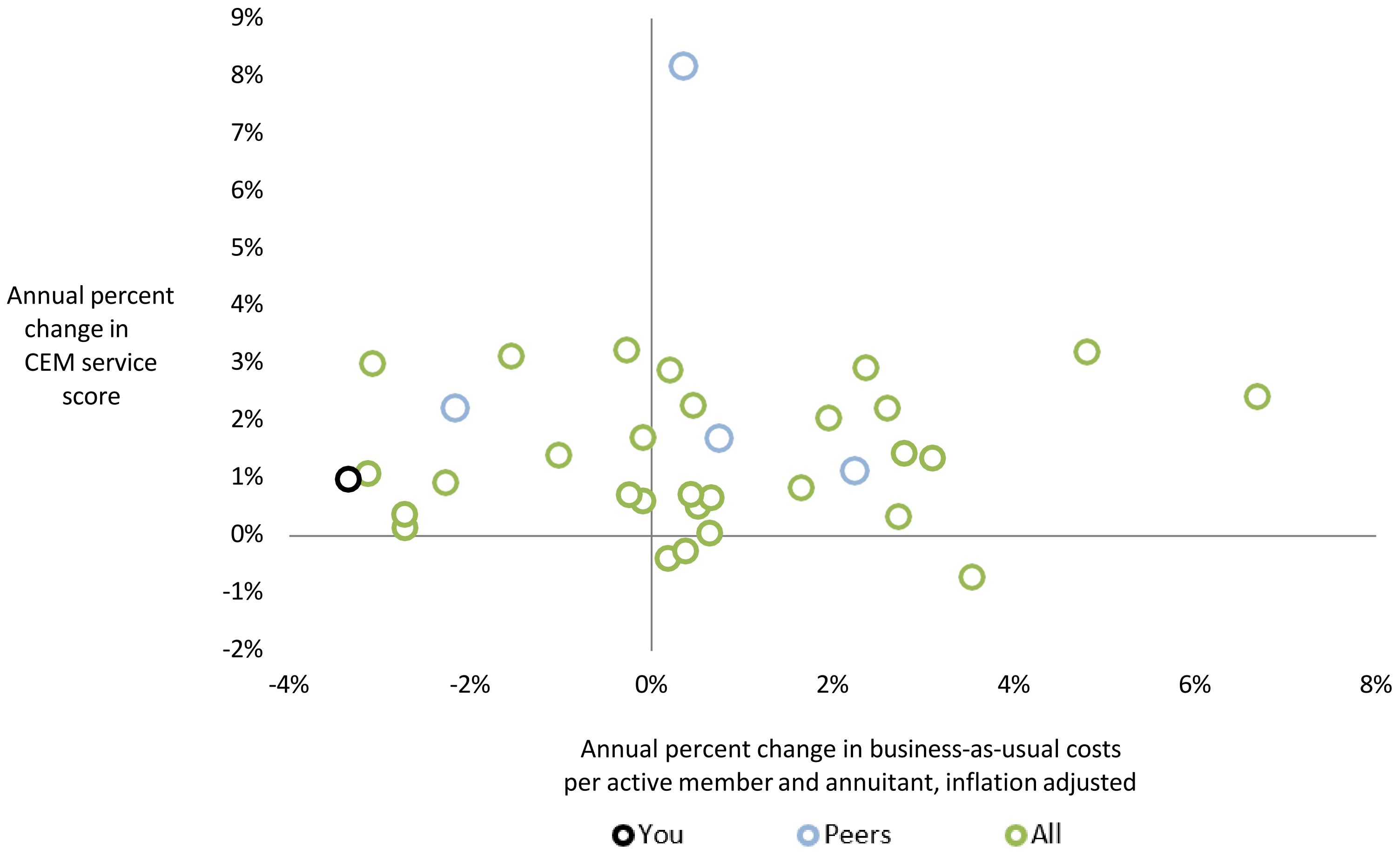
- After adjusting the cost of each peer for its scale advantage/disadvantage, your cost of $70 was $61 below the adjusted peer average of $131.
- This was mainly driven by having less FTEs in the front office, and lower IT strategy, database, application cost per member.
- You had an economy of scale disadvantage relative to all your peers, because you have less active members and annuitants.
- You were lower cost and lower service than the average participant in the CEM universe.

Globally, pension funds are adapting to significant industry changes, with digitalization emerging as a key factor influencing these adjustments.

- Member expectations continue to rise, with a growing demand for relevant, personalized content delivered across multiple channels.
- One-third of adminstrators are replacing their core administration system.
- Migration to cloud platforms is accelerating.
- Clean, reliable data continues to be foundational, with its importance increasing as operations become more digital.
- Automation is streamlining work, allowing members to complete more tasks independently while reducing processing times.
- Cybersecurity and fraud prevention are becoming increasingly important.
- Call-center performance is declining industry-wide.
- Organizations report that they expect to move more staff into higher-value member support roles, some considering advisory models.
- Business intelligence capabilities are expanding to enable more insights, better decision-making and greater member engagement.
- AI is entering service operations, but its impact remains incremental, with variable adoption across organizations.

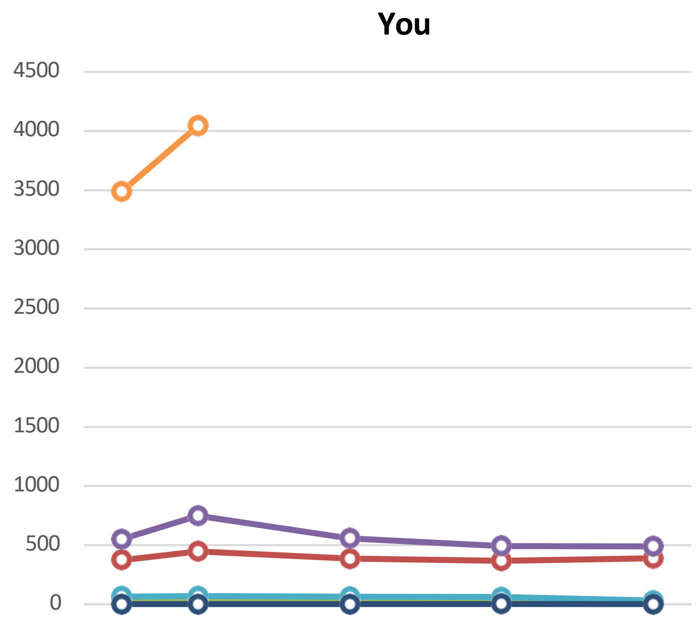
94% of plans with eight consecutive years of data improved their service score between 2018 and 2025. On average, the service improvement was 1.8% per year. 39% of plans improved their service score while decreasing their business-as-usual costs per member.

Annual percent change[1] in CEM service score versus costs per member in the last 8 years

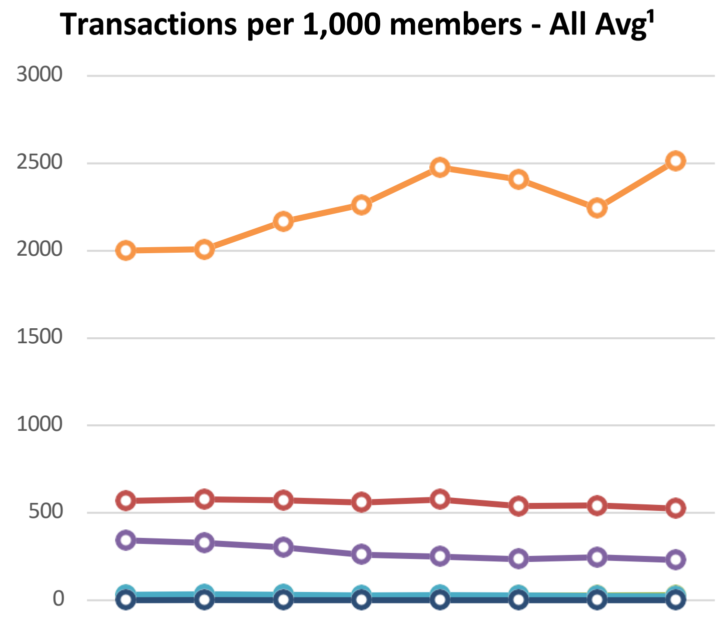


1. Trend analysis is based on systems that have provided 8 consecutive years of data (4 of your 8 peers and 33 of the 47 systems in the universe).

Greater digitalization is the key driver for higher service scores.



	2018	2019	2020	2021	2022	2023	2024	2025
Secure web visits	3491	4044						
Calls	373	446		385		367		388
1on1	51	52		14		27		23
Incoming mail	551	747		556		492		489
Estimates	64	69		63		60		31
Presentations	1	1		1		2		1



	2018	2019	2020	2021	2022	2023	2024	2025
Secure web visits	2001	2008	2166	2263	2475	2408	2244	2513
Calls	569	577	572	559	576	538	542	525
1on1	30	30	30	22	25	27	28	29
Incoming mail	343	329	303	261	250	235	246	231
Estimates	31	34	32	28	30	28	25	22
Presentations	1	1	1	1	1	1	1	1

1.Trend analysis is based on 33 systems that provided 8 consecutive years of data.

The digital reach of peers with eight consecutive years of data increased by 2.1% per year between 2018 and 2025.

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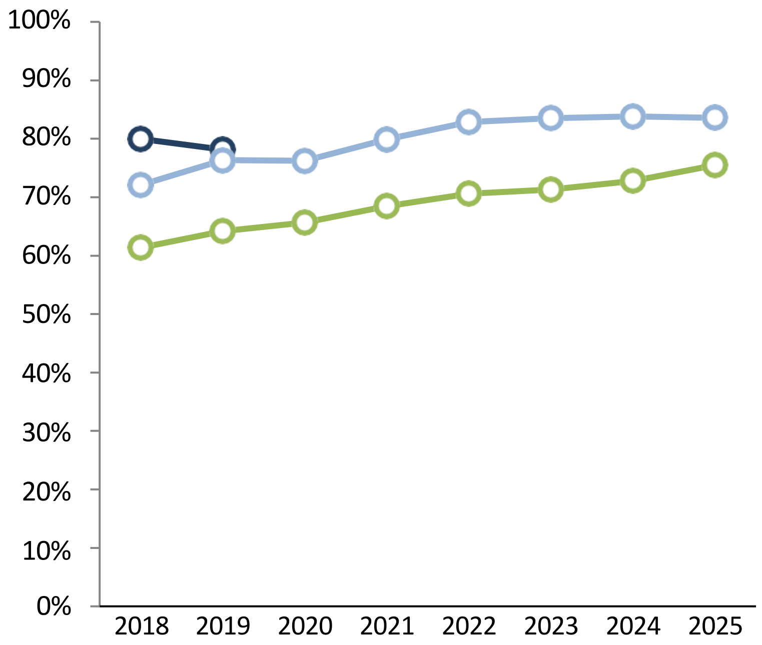
Digital Reach Trend



	2018	2019	2020	2021	2022	2023	2024	2025
You	80%	78%						
Peer Avg [1]	72%	76%	76%	80%	83%	84%	84%	84%
All Avg [1]	61%	64%	66%	68%	71%	71%	73%	75%

1. Trend analysis is based on systems that have provided 8 consecutive years of data (2 of your 8 peers and 29 of the 47 systems in the universe).

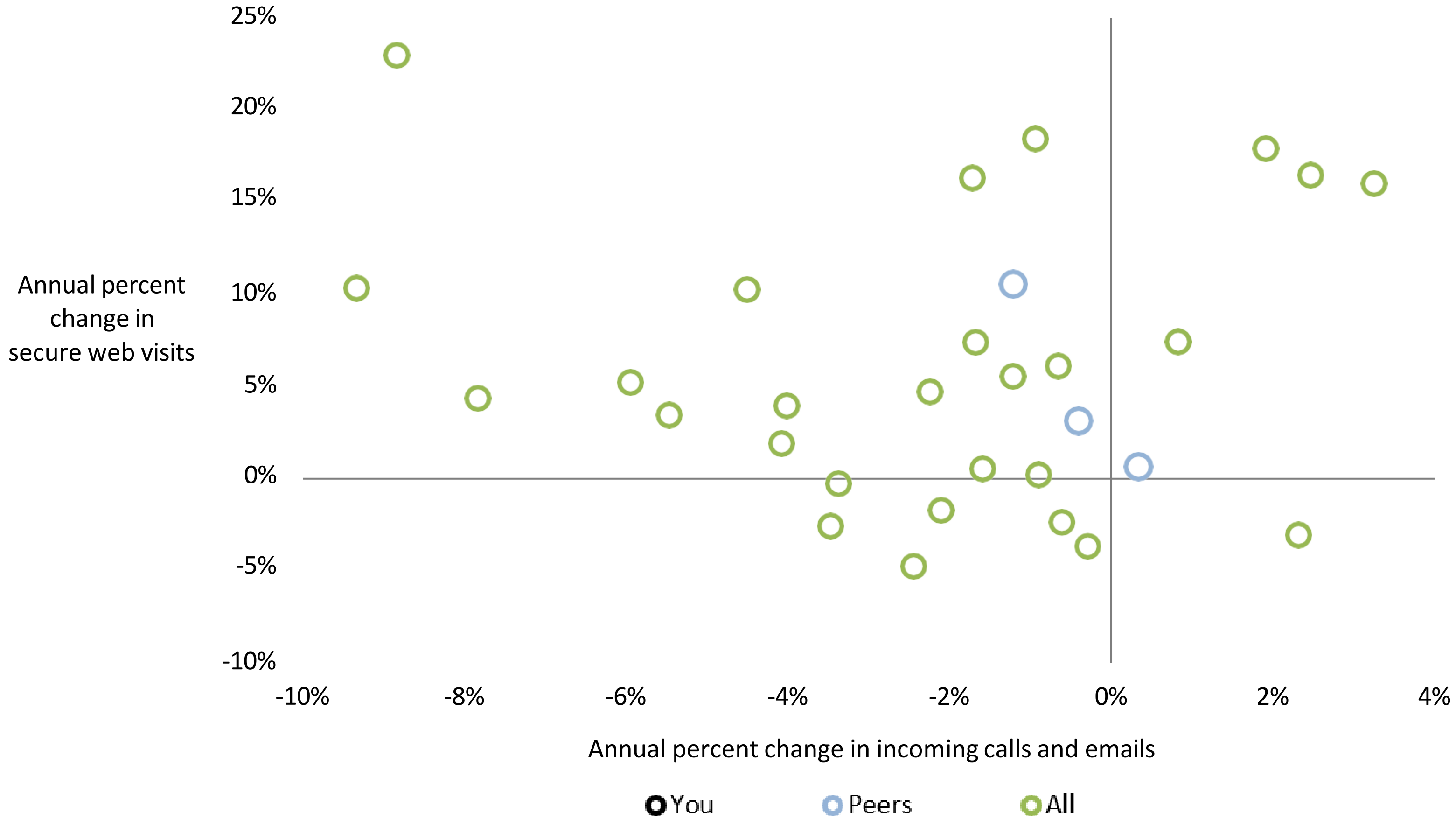
Digital reach measures the proportion of your self-service volumes versus self-service and assisted service transactions, as follows.

Digital reach	
Activity	Volume
Total secure website visits (A)	Unknown
Incoming calls (B)	27,567
Incoming emails/secure messages (C)	4,139
Incoming mail (D)	38,508
Digital reach [A / (A + B + C + D)]	Unknown

60% of plans with eight consecutive years of data have increased secure web visits while decreasing incoming call and email volumes.

60% of plans with eight consecutive years of data have increased secure web visits while decreasing incoming call and email volumes.

Annual percent change[1] in secure web visits versus incoming calls [2] in the last 8 years.

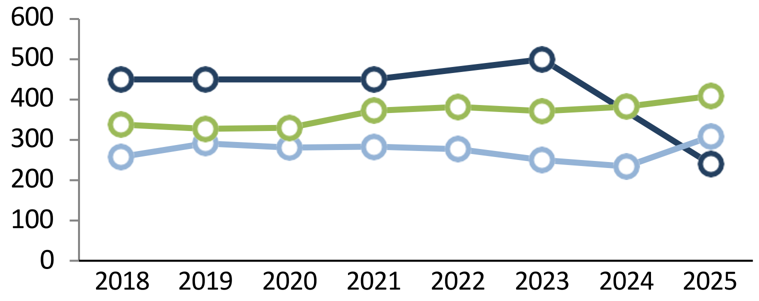


1. Trend analysis is based on systems that have provided 8 consecutive years of data (4 of your 8 peers and 33 of the 47 systems in the universe).
2. Volumes are calculated per 1,000 active members and annuitants. Please note your secure website visits were unknown and as a result "You" isn't plotted in this graph.

The nature of member calls has changed in the last eight years.

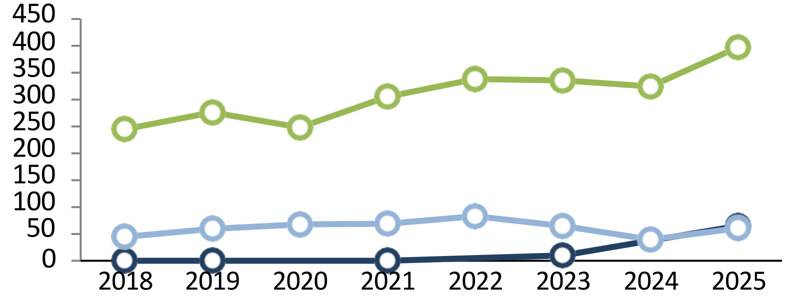
The nature of member calls has changed in the last eight years.

Time on Call, in Seconds



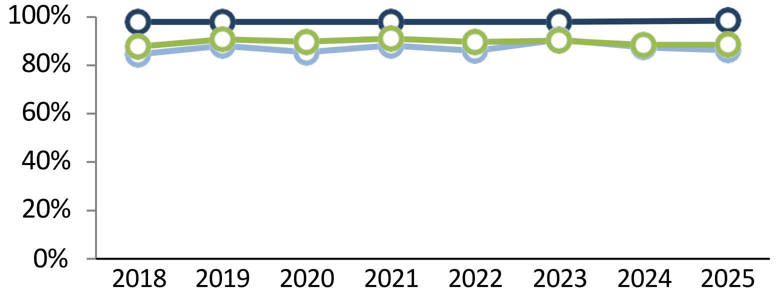
	2018	2019	2020	2021	2022	2023	2024	2025
You	450	450		450		500		240
Peer Avg [1]	258	292	281	283	277	250	234	308
All Avg [1]	338	327	330	372	381	371	383	409

Call Wait Time, in Seconds



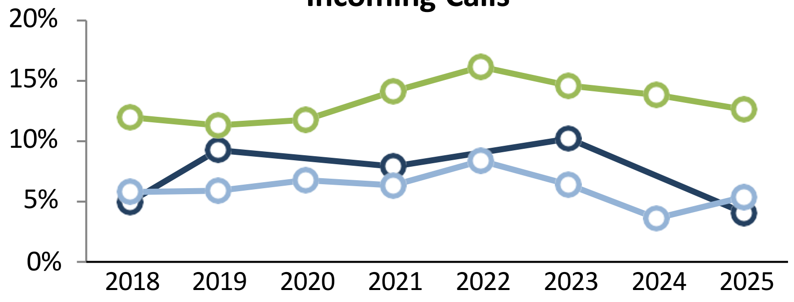
	2018	2019	2020	2021	2022	2023	2024	2025
You	0	0		0		10		65
Peer Avg [1]	45	60	68	69	83	65	40	61
All Avg [1]	245	276	248	305	338	336	324	398

Percentage of calls satisfied by the first contact



	2018	2019	2020	2021	2022	2023	2024	2025
You	98%	98%		98%		98%		99%
Peer Avg [1]	85%	88%	85%	88%	86%	91%	88%	86%
All Avg [1]	88%	91%	90%	91%	90%	90%	88%	89%

Undesired Call Outcomes as a Percent of Incoming Calls

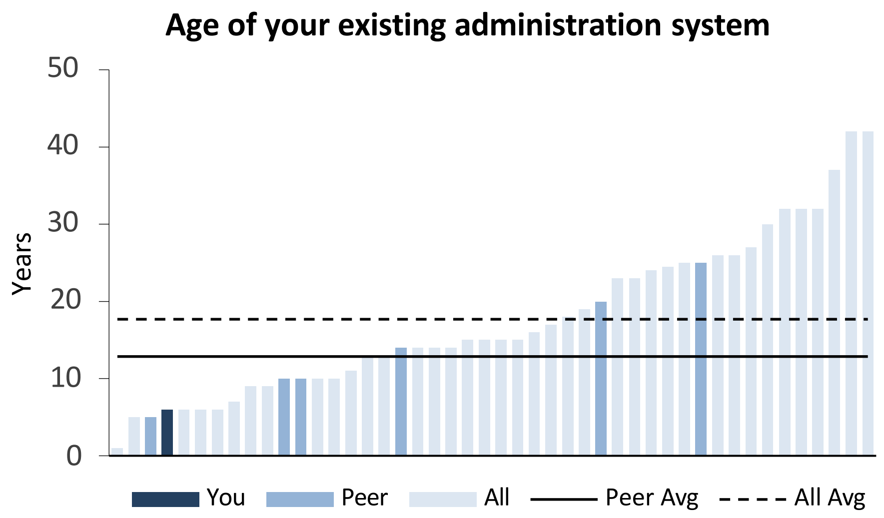


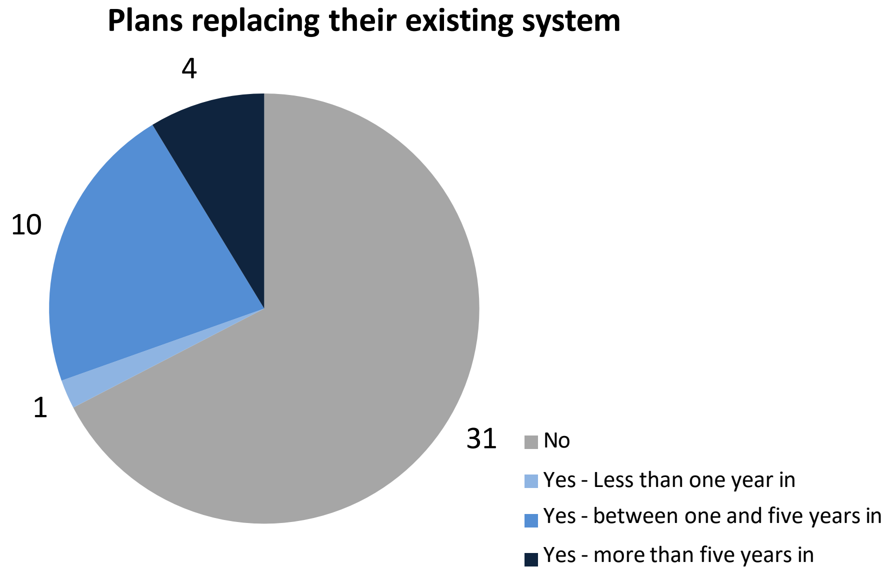
	2018	2019	2020	2021	2022	2023	2024	2025
You	5%	9%		8%		10%		4%
Peer Avg [1]	6%	6%	7%	6%	8%	6%	4%	5%
All Avg [1]	12%	11%	12%	14%	16%	15%	14%	13%

1. Trend analysis is based on systems that have provided 8 consecutive years of data (4 of your 8 peers and 33 of the 47 systems in the universe).

You are not replacing your existing pension administration system. A total of 15 systems are replacing their administration system.

You are not replacing your existing pension administration system. A total of 15 systems are replacing their administration system.





The core pension administration system:

- For 36% of plans, the current system was built in-house.
- For 47% of plans, the current system was built a third-party.
- For 15% of plans, their in-house solution was built by a third-party.

System customization:

- 30% of plans whose current system is third-party, required greater than 90% customization on the third-party solution.
- On average, 58% customization was required on third-party solutions.

Plans are approaching AI in a practical and controlled manner.

Plans are approaching AI in a practical and controlled manner.

- Industry sentiment on AI has evolved from enthusiasm to a measured, realistic perspective.
- Plans prioritize incremental AI enhancements over high-risk, transformative projects.

A general industry approach to AI

- Start with contained, low-risk AI use cases to build expertise and reduce potential risks.
- Restricting AI access to verified, authoritative data ensures accuracy, compliance, and reduces misinformation.
- Using cloud platforms, low-code tools, and robotic process automation accelerates AI deployment and scaling.
- Evaluate projected versus actual return on investments.

Where plans see value:

- Staff productivity support (e.g., writing and formatting, meeting transcripts, code reviews, etc.)
- Call transcription, post-call summaries, and quality assessments to reduce handle time and improve depth of quality assurance assessments.
- Document management. Aggregation of internal documents into discrete repositories, with meta data, so staff can easily query these repositories for the data they need.
- Workflow management. Guide workflow within internal systems.

FY26 Investment Performance (unaudited)

SOUTH DAKOTA RETIREMENT SYSTEM
BOARD OF TRUSTEES

SEPTEMBER 2, 2026

Capital Markets Benchmark

Return and Market Index Components

	Weights	1st qtr	2nd qtr	3rd qtr	4th qtr	FY 2026
Capital Markets Benchmark[1]		5.7%	2.0%	-1.1%	10.4%	17.7%
Benchmark Components	**Weights**					
Public Equity	***56%***					
Public Equity Benchmark[2]		8.0%	3.2%	-3.0%	15.4%	24.8%
Real Estate	***12%***					
MSCI US REIT Index		4.8%	-1.7%	4.8%	12.2%	21.2%
High Yield Debt	***7%***					
FTSE US High Yield Market Index		2.4%	1.3%	-0.6%	2.6%	5.8%
Investment Grade Debt	***23%***					
FTSE USBIG Bond Index		2.1%	1.1%	-0.1%	0.7%	3.9%
Cash	***2%***					
FTSE US 3-mo Treasury bills		1.1%	1.0%	0.9%	0.9%	4.1%

South Dakota INVESTMENT COUNCIL

Please refer to the appendix for all footnotes

Actual to Benchmark Allocation Comparison

June 30, 2026 (unaudited)

	Actual Asset Allocation	Benchmark Asset Allocation	Difference	Permissible Range
Public Equity	22%	56%	-35%	20% to 75%
Real Estate - Core/REITS	0%	12%	-12%	0% to 20%
High Yield Corporate Debt	4%	7%	-3%	0% to 15%
Investment Grade Debt	13%	23%	-10%	13% to 60%
Cash	40%	2%	38%	0% to 45%
Private Equity	9%	0%	9%	0% to 12%
Opportunistic Real Estate	11%	0%	11%	0% to 15%
High Yield Real Estate Debt	0%	0%	0%	0% to 10%
Hedge Fund	1%	0%	1%	0% to 5%
Other Categories	0%	0%	0%	0% to 5%
Equity Like Risk	47.5%	70%	-22.5%	40% to 85%

South Dakota INVESTMENT COUNCIL

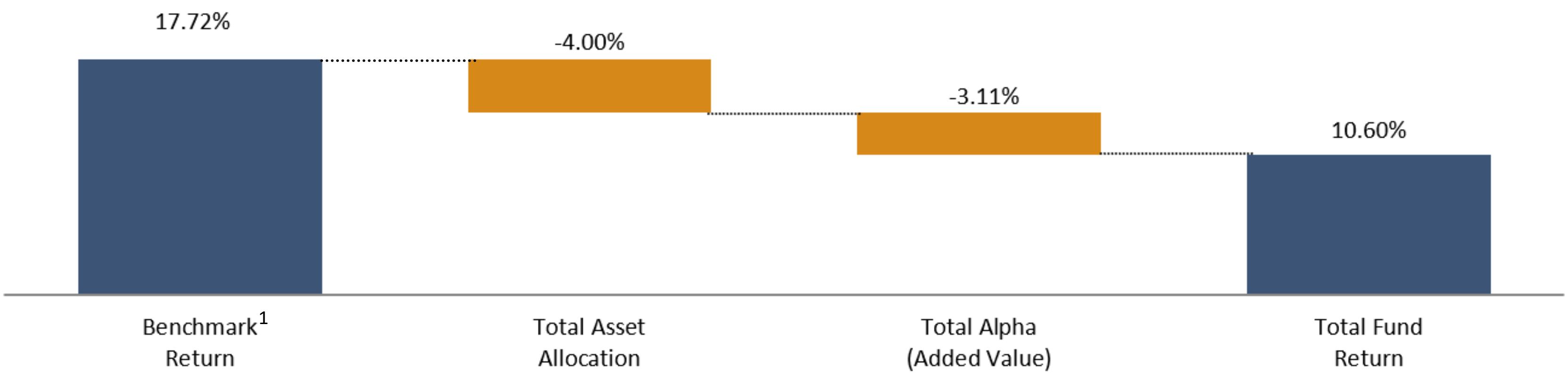
Please refer to the appendix for all footnotes

FY26 SDRS Return & Attribution (unaudited)

Underperformance due to cautious asset allocation and private investments

SDRS TOTAL FUND RETURN	CAPITAL MARKETS BENCHMARK RETURN	TOTAL DIFFERENCE (UNDERPERFORMANCE)
10.60%	17.72%	-7.12%

Bridge: Benchmark Return to Total Fund Return



Asset Allocation Detail

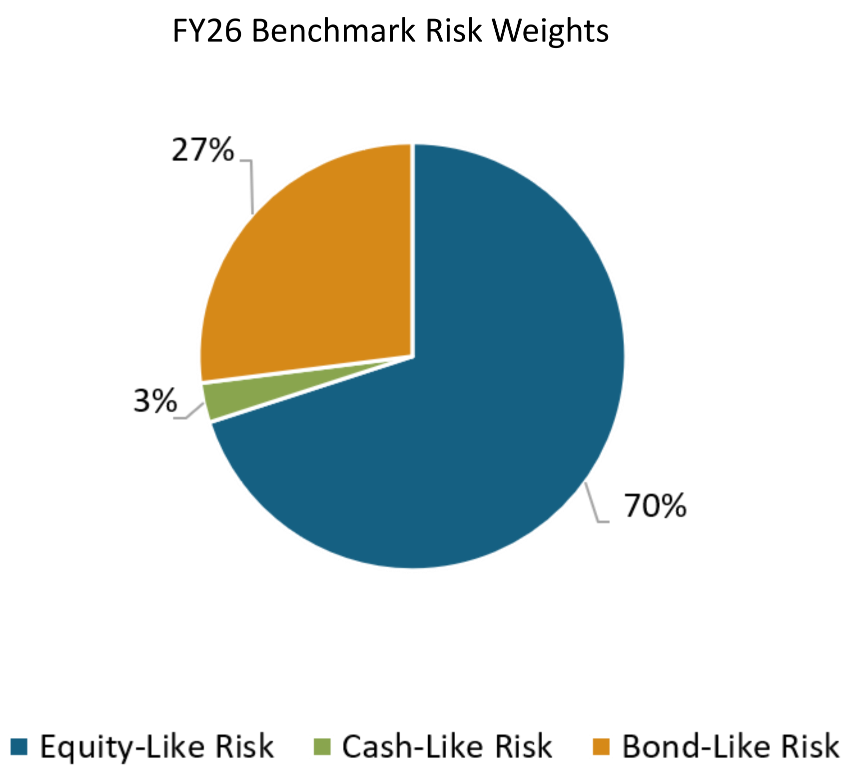
PRIMARY ASSET ALLOCATION	
Equity-Like Risk	-4.88%
Bond-Like Risk	-0.43%
Cash-Like Risk	1.28%
Total Primary Asset Allocation	**-4.03%**
SECONDARY ASSET ALLOCATION	
High Yield Debt	0.21%
Real Estate	-0.07%
Short S&P 500 Futures	0.42%
Other(Interperiod AA trading)	-0.54%
Total Secondary Asset Allocation	**0.03%**
Total Asset Allocation	**-4.00%**

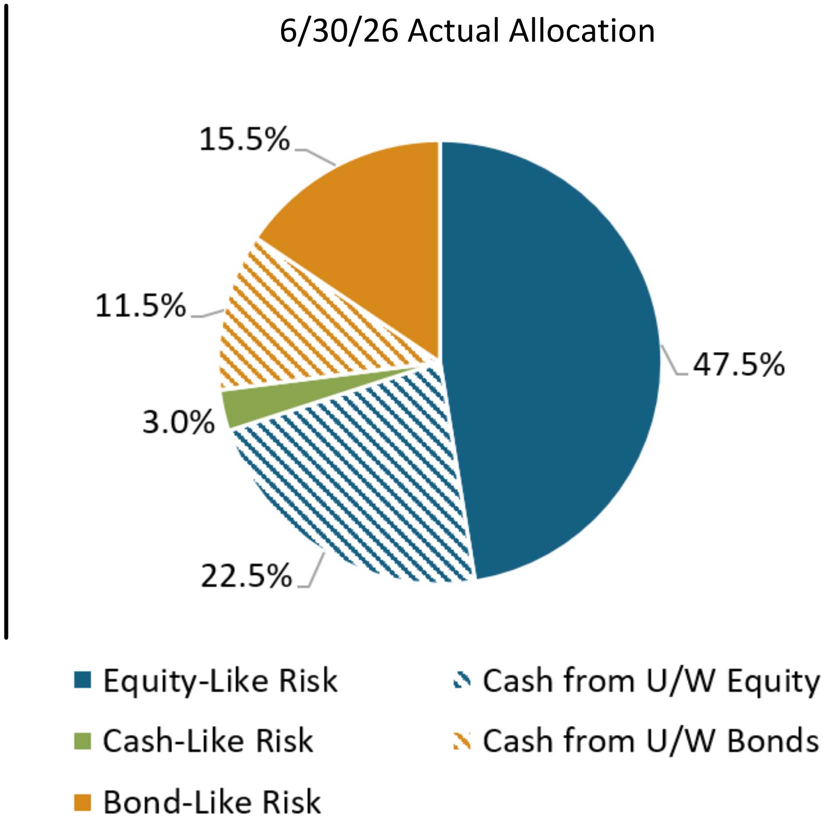
Portfolio Added Value (Alpha) Detail

Public Equity	1.37%
Investment Grade Debt	-0.03%
Cash	-0.04%
High Yield Debt	0.16%
Real Estate Partnerships	-3.48%
Private Equity Partnerships	-1.23%
Hedge Funds	0.14%
Total Portfolio Added Value (Alpha)	**-3.11%**

Benchmark vs. Actual Asset Allocation

The chart on the left is the benchmark weights of equity, bond, and cash-like risk.
The chart on the right shows additional 22.5% cash exposure from being underweight equities and additional 11.5% cash exposure from being underweight bonds.





FY26 unaudited

Attribution of performance to key drivers in recent years
(FY26 unaudited)

Cautious asset allocation positioning and private partnerships have lowered returns in past four years, which has negatively impacted all longer-term periods.

Internally managed equity has been a positive contributor to returns, recently and over the long-term

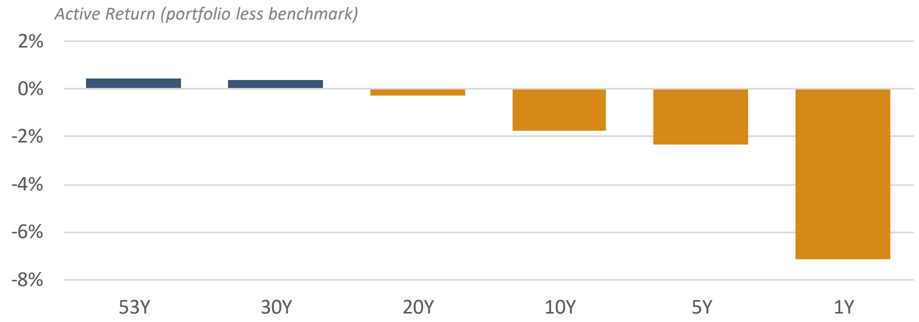
Category	FY26	FY25	FY24	FY23	FY22	5 yr Annualized	10 yr Annualized
Asset Allocation	-4.0%	-2.7%	-3.4%	-2.5%	2.3%	-1.4%	-1.4%
Private Partnerships	-4.7%	-2.4%	-3.5%	-2.0%	5.7%	-1.4%	-0.7%
Internal Equity Portfolios	1.4%	-1.9%	-0.7%	-0.1%	3.7%	0.5%	0.3%
Internal Fixed Income Portfolios	0.1%	-0.1%	-0.2%	-0.1%	0.4%	0.0%	0.1%
Hedge Funds/Other	0.1%	0.0%	-0.1%	-0.2%	0.3%	0.0%	0.0%
Total Fund Relative Performance	**-7.1%**	**-7.1%**	**-7.8%**	**-4.8%**	**12.3%**	**-2.3%**	**-1.8%**

Total Fund Return vs Benchmark (FY26 unaudited)

Recent years results have been disappointing due to cautious asset allocation and private markets

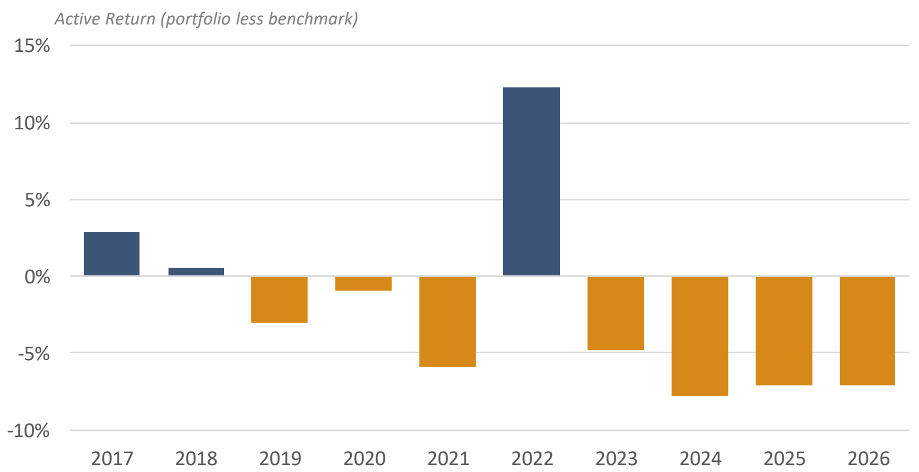
Annualized Returns[2]

Period	Portfolio	Benchmark[1]	Over / Under
53 Years	9.81%	9.39%	0.42%
30 Years	8.33%	7.99%	0.34%
20 Years	7.37%	7.63%	-0.26%
10 Years	7.58%	9.36%	-1.78%
5 Years	5.38%	7.73%	-2.34%
1 Year	10.60%	17.72%	-7.12%



Yearly Returns

Fiscal Year	Portfolio	Benchmark[1]	Over / Under
2017	13.81%	10.96%	2.85%
2018	7.94%	7.33%	0.61%
2019	4.88%	7.91%	-3.03%
2020	1.59%	2.52%	-0.93%
2021	22.03%	27.97%	-5.94%
2022	-0.69%	-13.02%	12.33%
2023	5.84%	10.65%	-4.82%
2024	6.02%	13.81%	-7.79%
2025	5.45%	12.51%	-7.06%
2026	10.60%	17.72%	-7.12%

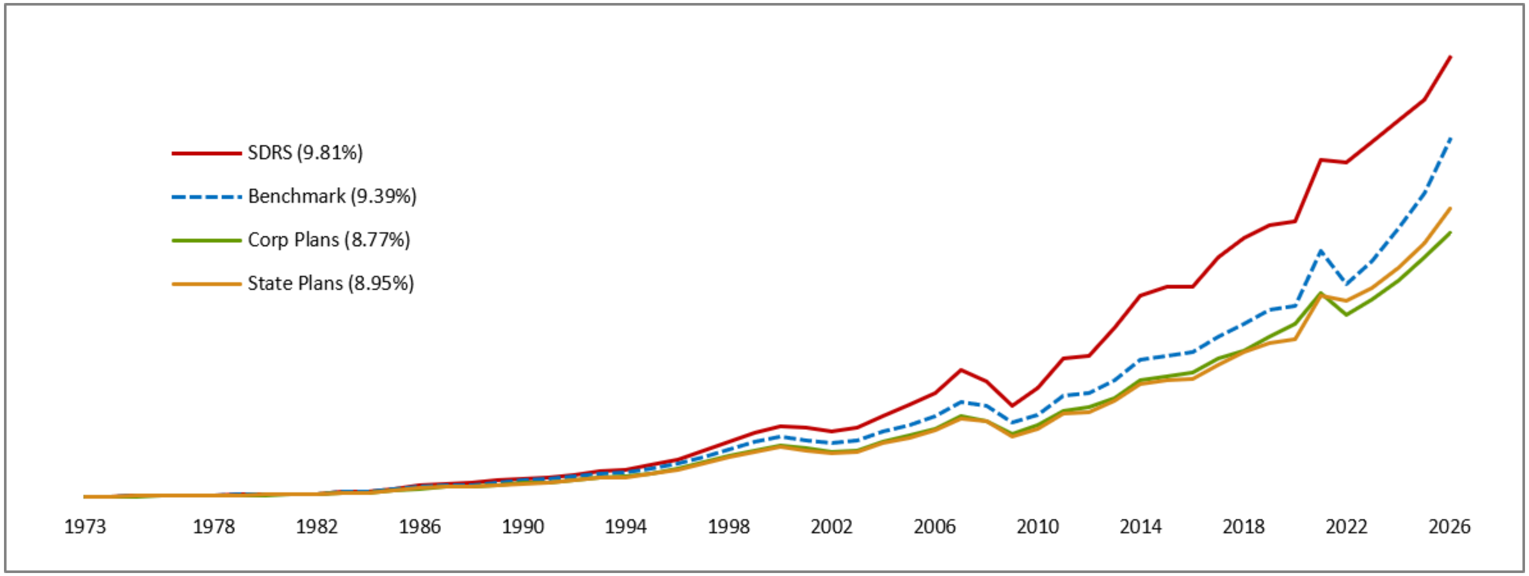


SDRS has outperformed benchmark and other state and corporate plans over the full 53-year history

SDRS Total Fund vs. State Pension Fund Linked Median				
	5 years	10 years	20 years	30 years
# of Successes	39	40	33	24
# of Periods	49	44	34	24
% Successful	80%	91%	97%	100%

Outperformed median state funds 80% of 5-year rolling periods and 91% of 10-year rolling periods.

Median state fund returns in recent years have been similar to the benchmark. Longer term, the benchmark has outperformed.



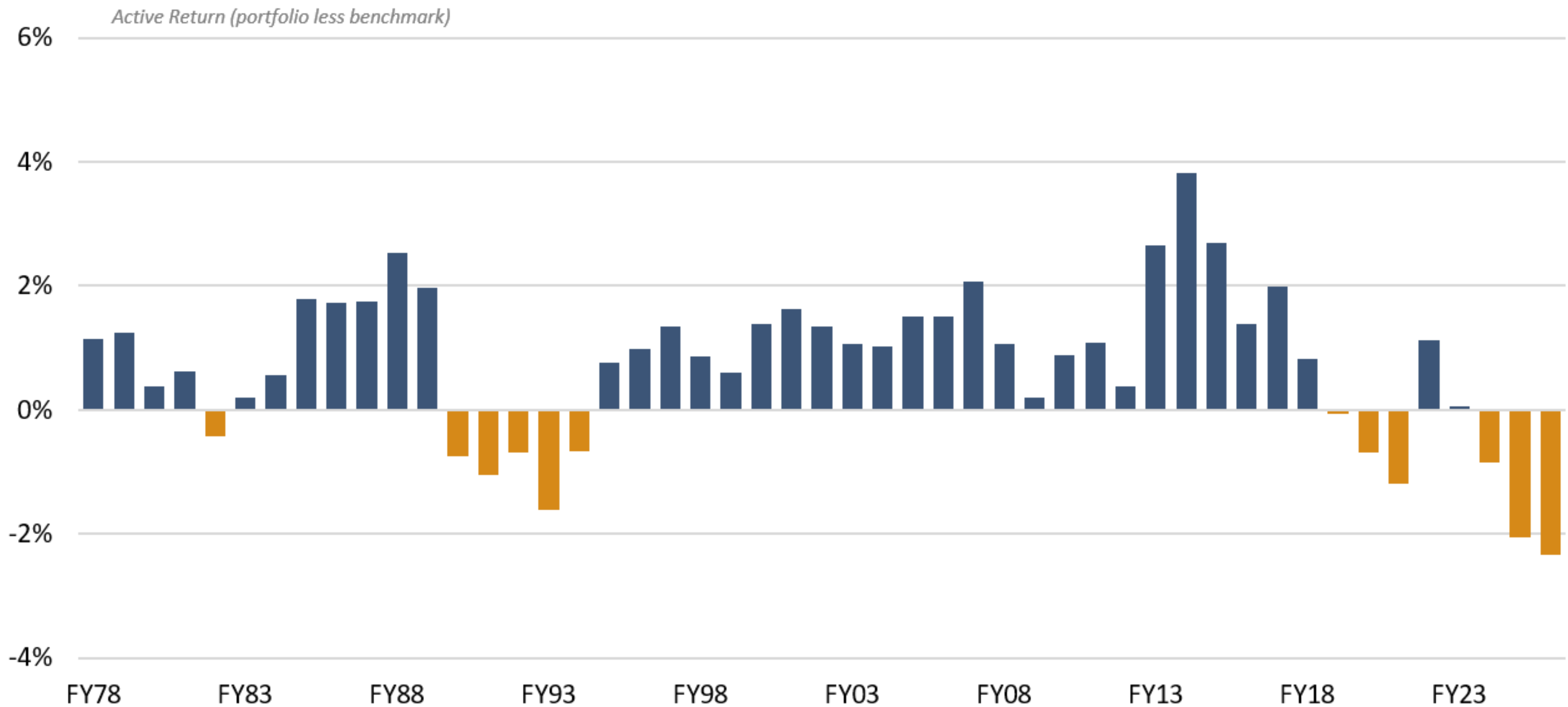
Annualized Return 53 Years ended FY26
Growth of a $ assuming no contributions/withdrawals

SDRS Relative Performance History

Rolling 5-year annualized periods

(FY26 unaudited)

Recent rolling periods have lagged the benchmark. There have been underperforming 5-year periods in the past, but they were followed by favorable periods. Overall, most 5-year periods have been favorable.

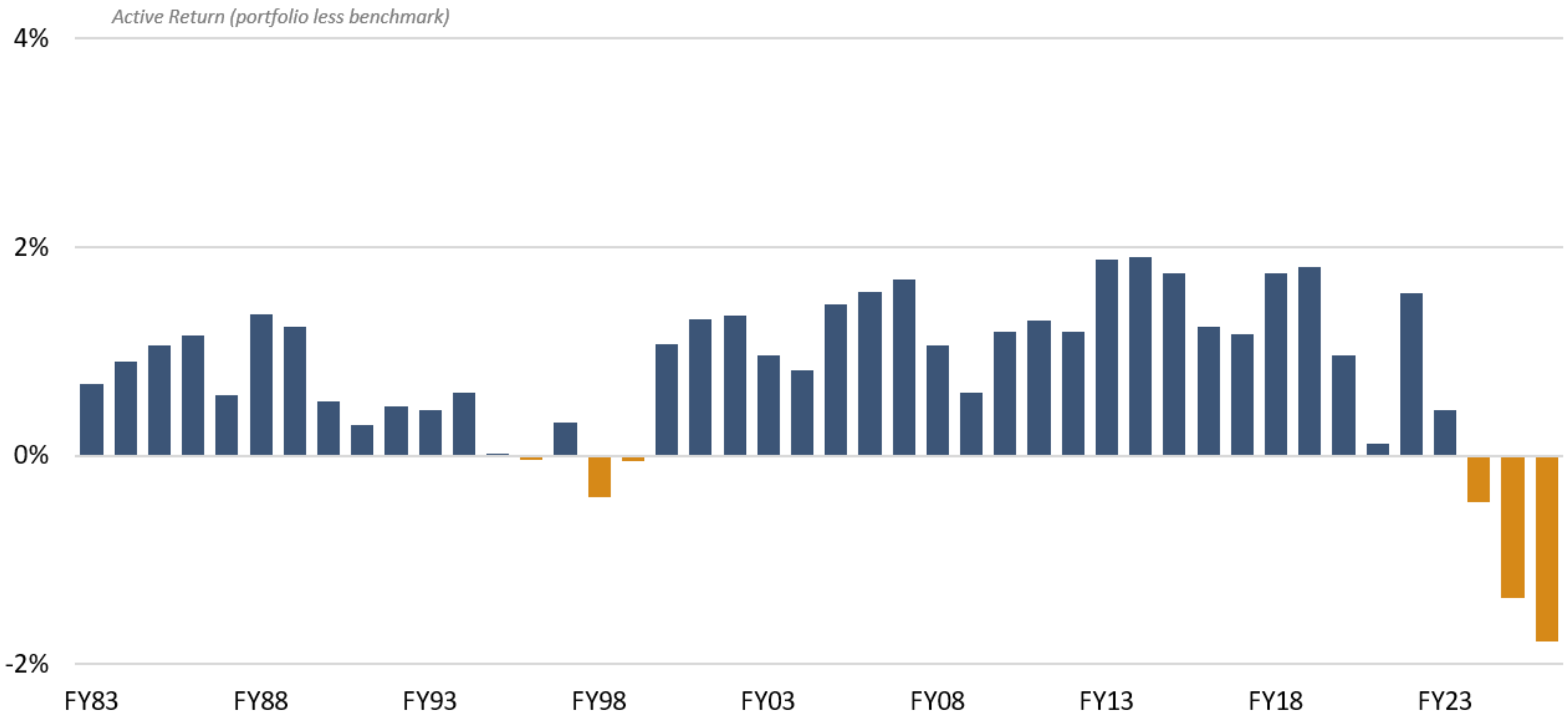


SDRS Relative Performance History

Rolling 10-year annualized periods

(FY26 unaudited)

Recent 10-year results are worse than prior periods. When cautious asset allocation negatively impacted performance in prior periods, such as in late 1990s, private investments did extremely well which has not been the case recently.

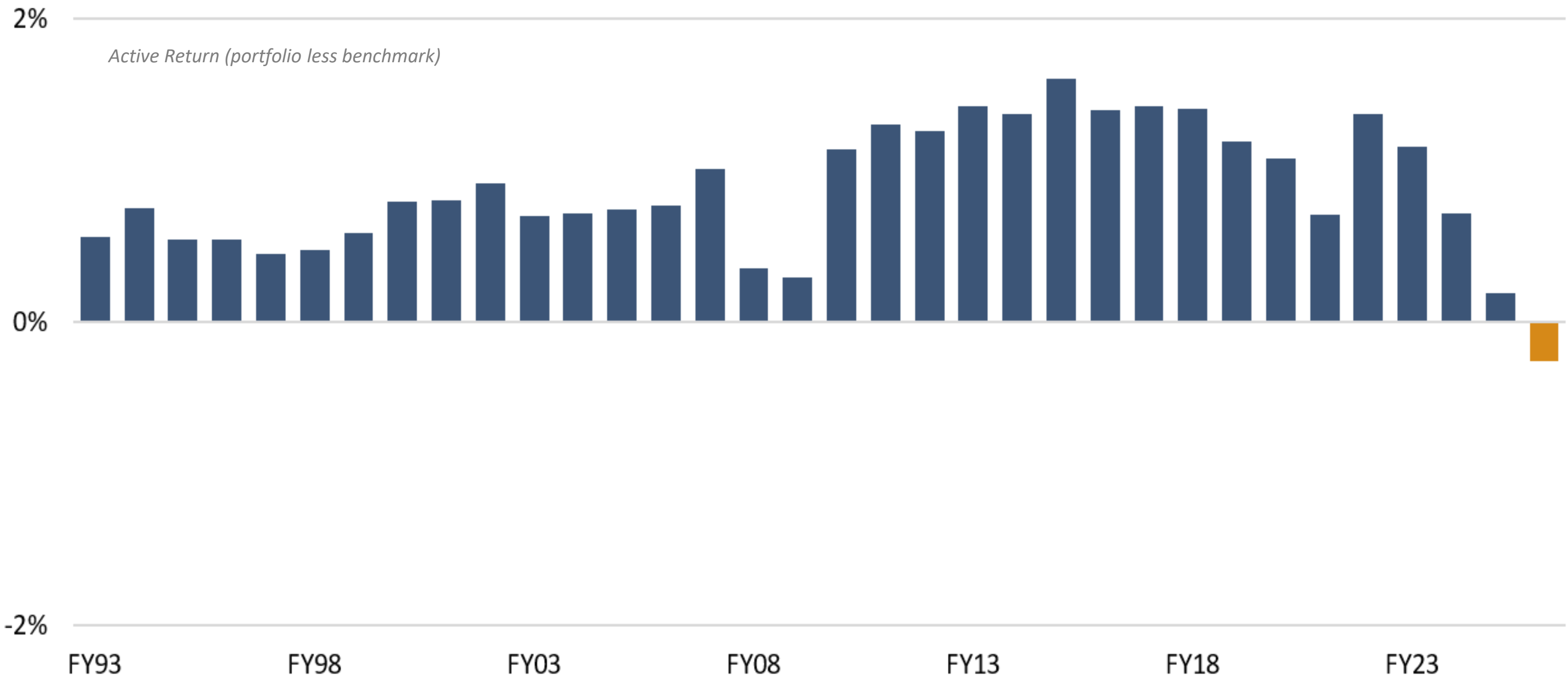


SDRS Relative Performance History

Rolling 20-year annualized periods

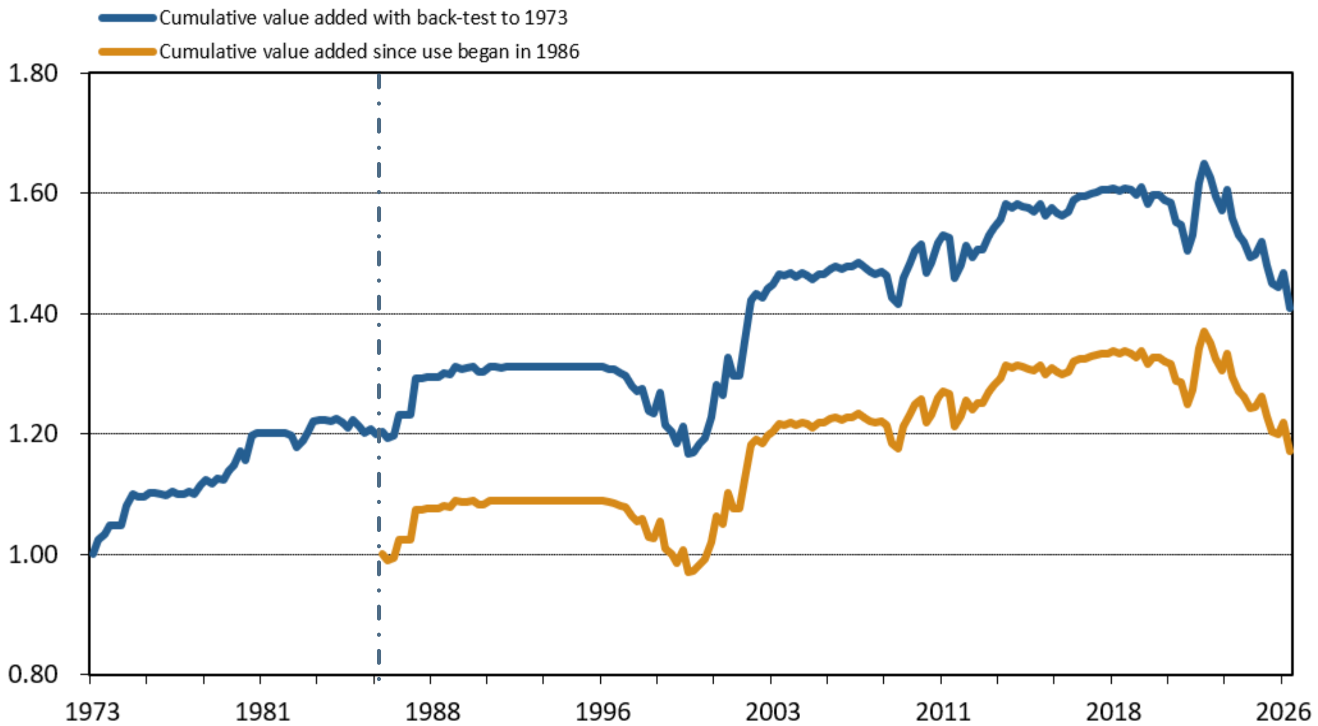
(FY26 unaudited)

Recent 20-year period has lagged the benchmark by -0.26%. Next worse earlier periods were the 20 years ending in FY08 & FY09 which benefited significantly from favorable results from private investments partially offset by moderately negative equity performance.



Current Asset Allocation (AA) Model vs. 70/30 Benchmark

AA model has added value since 1986, when use of original model began. The model and implementation have evolved over time. Also shown below is back-tested added value since July 1973 when SDIC began managing SDRS assets.



Since July '73: Annualized model Return 10.92% vs 10.22% for 70/30

Since SDRS use began in 1986: Annualized model return 10.27% vs 9.83% for 70/30

Partnerships have added value over the long term
Private Equity Partnerships
(FY26 unaudited)

Private Equity partnerships have underperformed the global equity index, especially over the 1-, 3-and 5-year periods. The outperformance over 20 years is still significantly positive. Past outperformances have exceeded recent underperformances.

Annualized Returns	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Private Equity [3]	16.34%	11.71%	9.27%	13.05%	12.29%
Global Equity Index [4]	24.77%	19.58%	11.63%	13.42%	8.87%
Difference (PE – Index)	-8.43%	-7.87%	-2.36%	-0.37%	3.42%

Partnerships have added value over the long term
Real Estate Partnerships
(FY26 unaudited)

Real Estate partnerships significantly underperformed the REIT index for the 1-, 3- and 5- year periods. The 10-year results are still positive because of outperformance in prior years. The 20-year result is still nicely favorable.

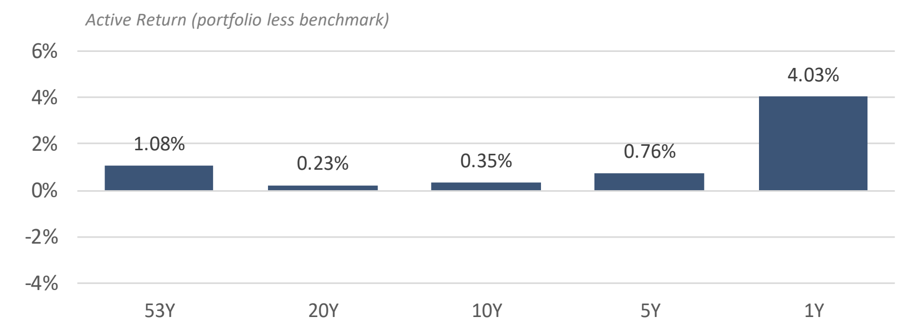
Annualized Returns	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Opportunistic Real Estate (RE)[3]	**-3.87%**	**-3.33%**	**1.67%**	**6.81%**	**8.42%**
MSCI US REIT Index	**21.15%**	**12.39%**	**5.83%**	**6.07%**	**6.71%**
Difference (RE – Index)	-25.02%	-15.73%	-4.16%	0.74%	1.71%

Internal Large-Cap Equity vs Benchmark (FY26 unaudited)

FY2026 was favorable, despite challenging environment for active equity management, especially for value-oriented approach. Results are positive for 5-, 10-, and 20-years, and a significant positive contributor to total fund performance for the full 53 years.

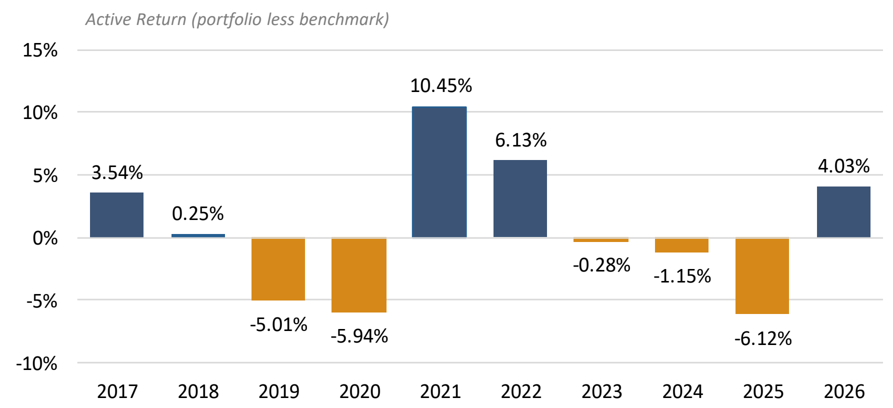
Annualized Returns

Period	Portfolio[5]	Benchmark[6]	Over / Under
53 Years	11.95%	10.87%	1.08%
20 Years	10.24%	10.01%	0.23%
10 Years	14.67%	14.32%	0.35%
5 Years	13.66%	12.90%	0.76%
1 Year	28.85%	24.82%	4.03%



Yearly Returns

Fiscal Year	Portfolio[5]	Benchmark[6]	Over / Under
2017	22.50%	18.96%	3.54%
2018	12.75%	12.50%	0.25%
2019	3.10%	8.11%	-5.01%
2020	-2.76%	3.18%	-5.94%
2021	49.66%	39.21%	10.45%
2022	-6.50%	-12.63%	6.13%
2023	19.70%	19.98%	-0.28%
2024	19.80%	20.95%	-1.15%
2025	9.80%	15.92%	-6.12%
2026	28.85%	24.82%	4.03%

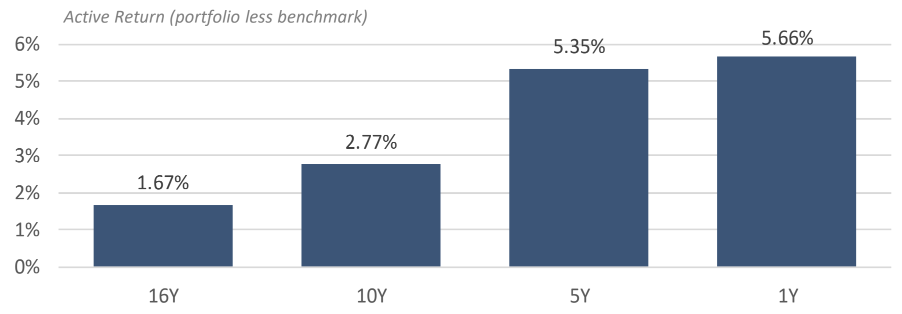


Internal Small-Mid Equity vs Benchmark (FY26 unaudited)

Results are very positive for 1-, 5-, 10-, and 16-years since the program began

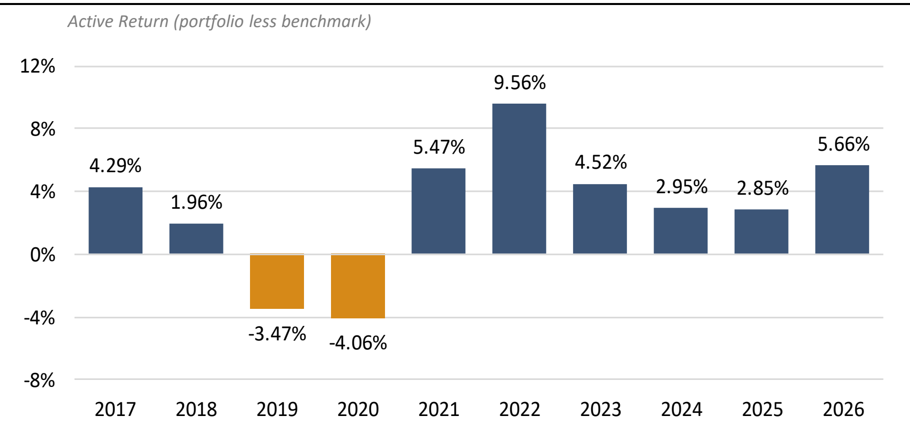
Annualized Returns

Period	Portfolio	Benchmark[7]	Over / Under
16 Years	14.78%	13.11%	1.67%
10 Years	14.77%	12.00%	2.77%
5 Years	14.65%	9.30%	5.35%
1 Year	35.99%	30.33%	5.66%



Yearly Returns

Fiscal Year	Portfolio	Benchmark[7]	Over / Under
2017	24.03%	19.73%	4.29%
2018	17.58%	15.62%	1.96%
2019	-4.08%	-0.60%	-3.47%
2020	-12.10%	-8.04%	-4.06%
2021	62.79%	57.32%	5.47%
2022	-5.42%	-14.97%	9.56%
2023	21.70%	17.18%	4.52%
2024	15.68%	12.73%	2.95%
2025	9.42%	6.56%	2.85%
2026	35.99%	30.33%	5.66%

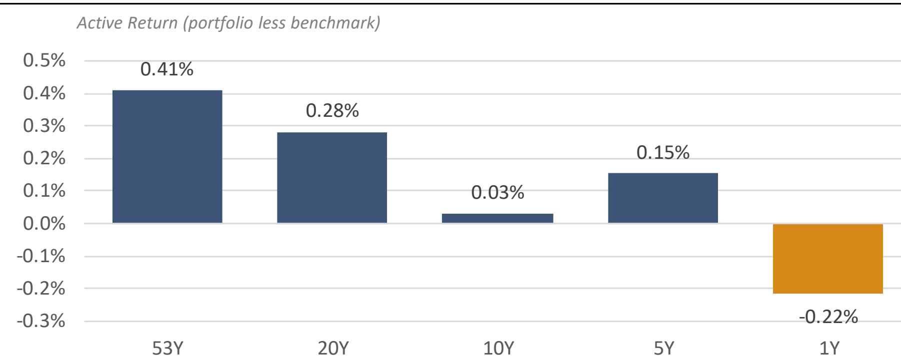


Investment Grade Bond Composite (FY26 unaudited)

Results have been generally positive for the 5-, 10-, and 20-years, and nicely positive for the full 53-years

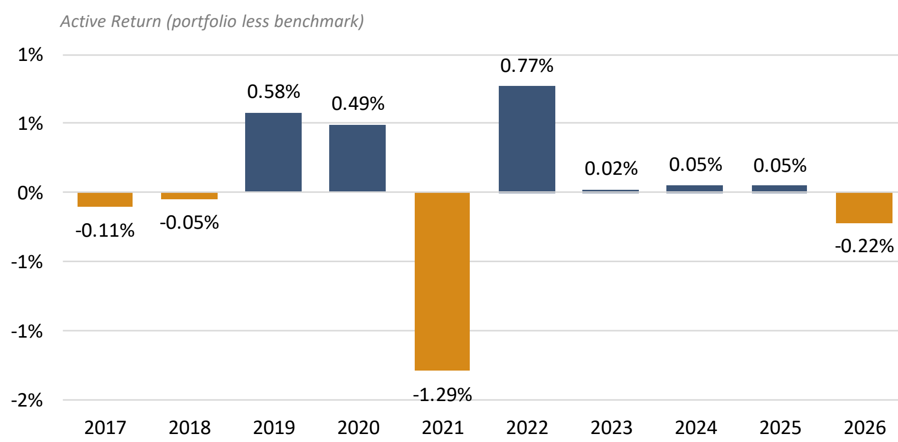
Annualized Returns

Period	Portfolio[8]	Benchmark[9]	Over / Under
53 Years	6.98%	6.57%	0.41%
20 Years	3.66%	3.38%	0.28%
10 Years	1.59%	1.56%	0.03%
5 Years	0.19%	0.04%	0.15%
1 Year	3.64%	3.86%	-0.22%



Yearly Returns

Fiscal Year	Portfolio[8]	Benchmark[9]	Over / Under
2017	-0.39%	-0.28%	-0.11%
2018	-0.49%	-0.45%	-0.05%
2019	8.49%	7.91%	0.58%
2020	9.46%	8.96%	0.49%
2021	-1.50%	-0.21%	-1.29%
2022	-9.78%	-10.55%	0.77%
2023	-0.95%	-0.97%	0.02%
2024	2.71%	2.66%	0.05%
2025	6.14%	6.09%	0.05%
2026	3.64%	3.86%	-0.22%



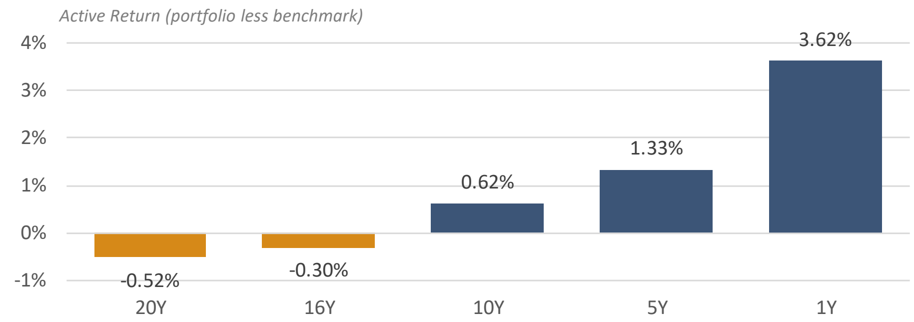
Please refer to the appendix for all footnotes

Internal High Yield Bond Composite (FY26 unaudited)

The current program began 16 years ago. Results have generally been positive for the 1-, 5-, and 10-years after an underperforming start.

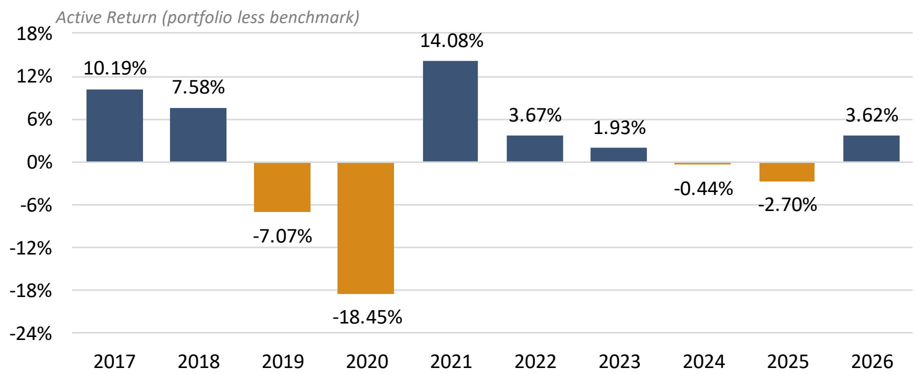
Annualized Returns

Period	Portfolio	Benchmark [10]	Over / Under
20 Years	5.49%	6.01%	-0.52%
16 Years	5.29%	5.59%	-0.30%
10 Years	6.20%	5.58%	0.62%
5 Years	5.68%	4.36%	1.33%
1 Year	9.42%	5.80%	3.62%



Yearly Returns

Fiscal Year	Portfolio	Benchmark [10]	Over / Under
2017	22.75%	12.56%	10.19%
2018	10.23%	2.64%	7.58%
2019	-0.37%	6.70%	-7.07%
2020	-20.77%	-2.33%	-18.45%
2021	29.59%	15.51%	14.08%
2022	-8.28%	-11.96%	3.67%
2023	10.99%	9.06%	1.93%
2024	9.63%	10.07%	-0.44%
2025	7.97%	10.67%	-2.70%
2026	9.42%	5.80%	3.62%



Appendix

1 FY2026 SDRS Capital Markets Benchmark: 56.3% custom ¾ MSCI ACWI IMI ex Real Estate Index + ¼ MSCI USA IMI ex Real Estate Index, 12% MSCI US REIT Index, 7% FTSE US High-Yield Market Index, 22.8% FTSE US BIG Bond Index, 1.9% FTSE US 3-month Treasury Bill Index. Historical benchmark details can be found on page 40 of the SDIC Annual report, located at: https://sdic.sd.gov/docs/Annual%20Report%202025.pdf

2 Returns are net of fees for FY 2014-25 and gross of fees pre-FY 2014

3 Linked monthly time-weighted returns, all periods shown ending 6/30/26

4 Index shown is the SDRS Public Equity Benchmark for FY 26, and 3/4 MSCI ACWI IMI Index + 1/4 MSCI USA IMI Index for years prior to FY26

5 Portfolio Return History: 1973-1991 is domestic equity only, 1992-2005 is international and domestic equity combined, 2005-2026 is internal global equity

6 SDRS Combined Internal Large-Cap Equity Benchmark is the custom S&P Global 1200 Ex-Emerging Markets, Ex-Real Estate Index starting 2/1/22 for fiscal years 2022-2025, custom S&P Global 1200 Ex-Emerging Markets Index in fiscal years 2020-2022 through 1/31/22, ⅔ S&P Global 1200 + ⅓ S&P 500 Index in fiscal years 2012-2019 and 2005-2010; in fiscal year 2011 the ⅔ custom S&P Global 1200 Ex-Iran + ⅓ S&P 500 Index was used. Prior to fiscal year 2010, the benchmark consisted of the Internal International Equity Benchmark (MSCI ACWI ex-US Index in fiscal years 2002-2004 and ¾ MSCI EAFE + ¼ MSCI EASEA Index in fiscal years 1993-2001) and the Internal Domestic Equity Benchmark (Russell 1000 Index in fiscal years 1996-2004 and S&P 500 Index in fiscal years 1974-1995) weighted according to the beginning monthly portfolio weights, adjusted for cash transfers.

7 SDRS Small/Mid-Cap Equity Benchmark is the custom S&P 1000 Ex-Real Estate Index starting 2/1/22 for fiscal years 2022-2025, S&P 1000 Index in fiscal years 2011-2022 through 1/31/22.

8 FY1973-06 Portfolio Returns included both Investment Grade and High Yield bonds as they were managed together. From FY2007-26 only Investment Grade bond portfolios returns are shown, High Yield returns are shown on a separate slide. FY26 return is a composite of the internally managed investment grade portfolio, treasury notes and Investment Grade bond ETF.

9 Historical Benchmark: FY1974-81 Lehman Brothers Government/Corporate Index; FY1981-95 FTSE US BIG Bond Index; FY1996-06 FTSE USBIG Bond Index duration adjusted weighted 80% and FTSE US All BB-Rated Index weighted 20%; FY2007-26 FTSE US BIG Bond Index

10 High Yield Benchmark is the FTSE US All BB-Rated Index FY2007-10; FTSE US High-Yield Cash-Pay Capped Index (covered industries only starting 7/1/14) in FY2011-23 (through 1/31/23), FTSE US High-Yield Cash-Pay Capped Custom Index (covered industries only starting 2/1/23-FY26)

11 Public Equity Benchmark for FY26: ¾ custom MSCI ACWI IMI ex Real Estate Index + ¼ custom MSCI USA IMI ex Real Estate Index

South Dakota Retirement System

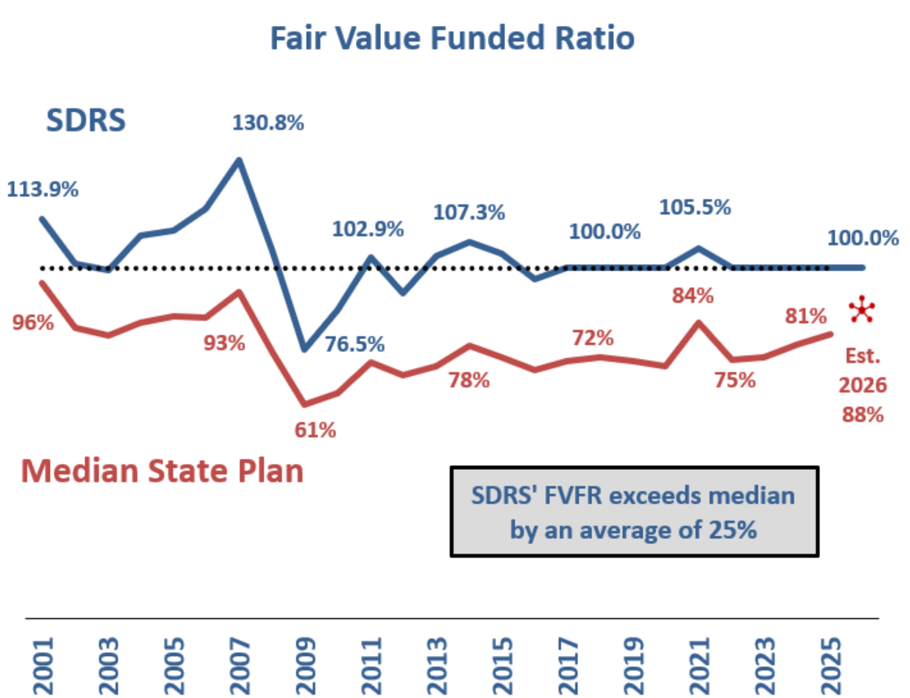
Estimated Funded Status as of June 30, 2026

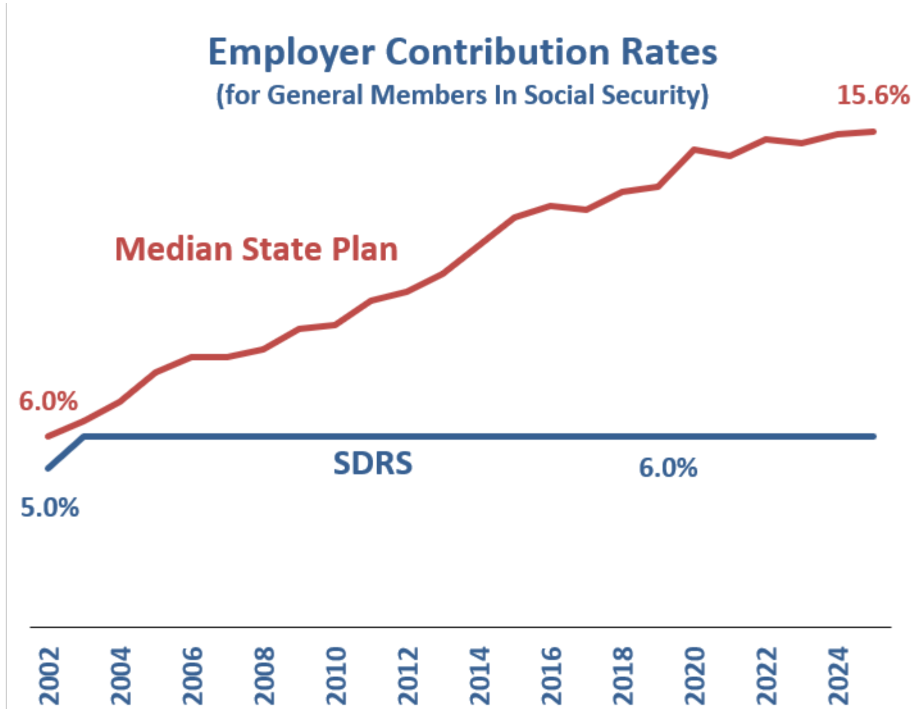
September 2, 2026

Funding Basics: C + I = B + E

- Member and employer **contribution rates are fixed in statute**
- **COLA automatically varies** with inflation and affordability:
  - COLA equals inflation, up to 3.5% when affordable
  - When not affordable, COLA maximum is reduced to COLA that keeps SDRS 100% funded if paid for lifetimes of all members
- SDCL 3-12C-228 requires recommendation, including circumstances and timing, to Legislature and Governor for **corrective action** if:
  - Zero COLA results in funded ratio below 100%, or
  - Fixed, statutory contributions do not meet actuarial requirement

Employer Contributions and Funded Status Comparisons

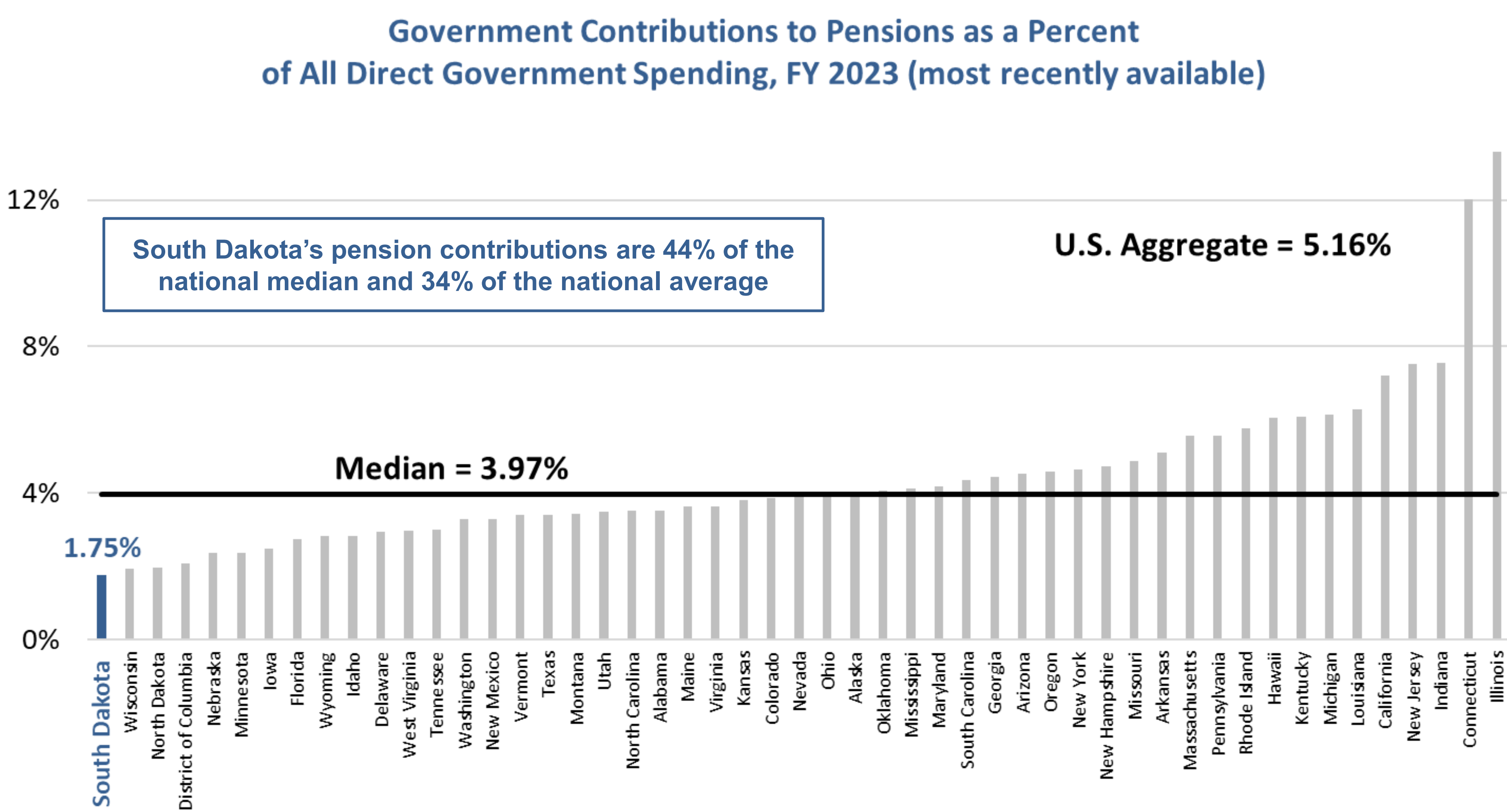




- SDRS COLA varies to maintain 100% Fair Value Funded Ratio (FVFR)
- Employer contribution rates for Class A members are 38% of the national median

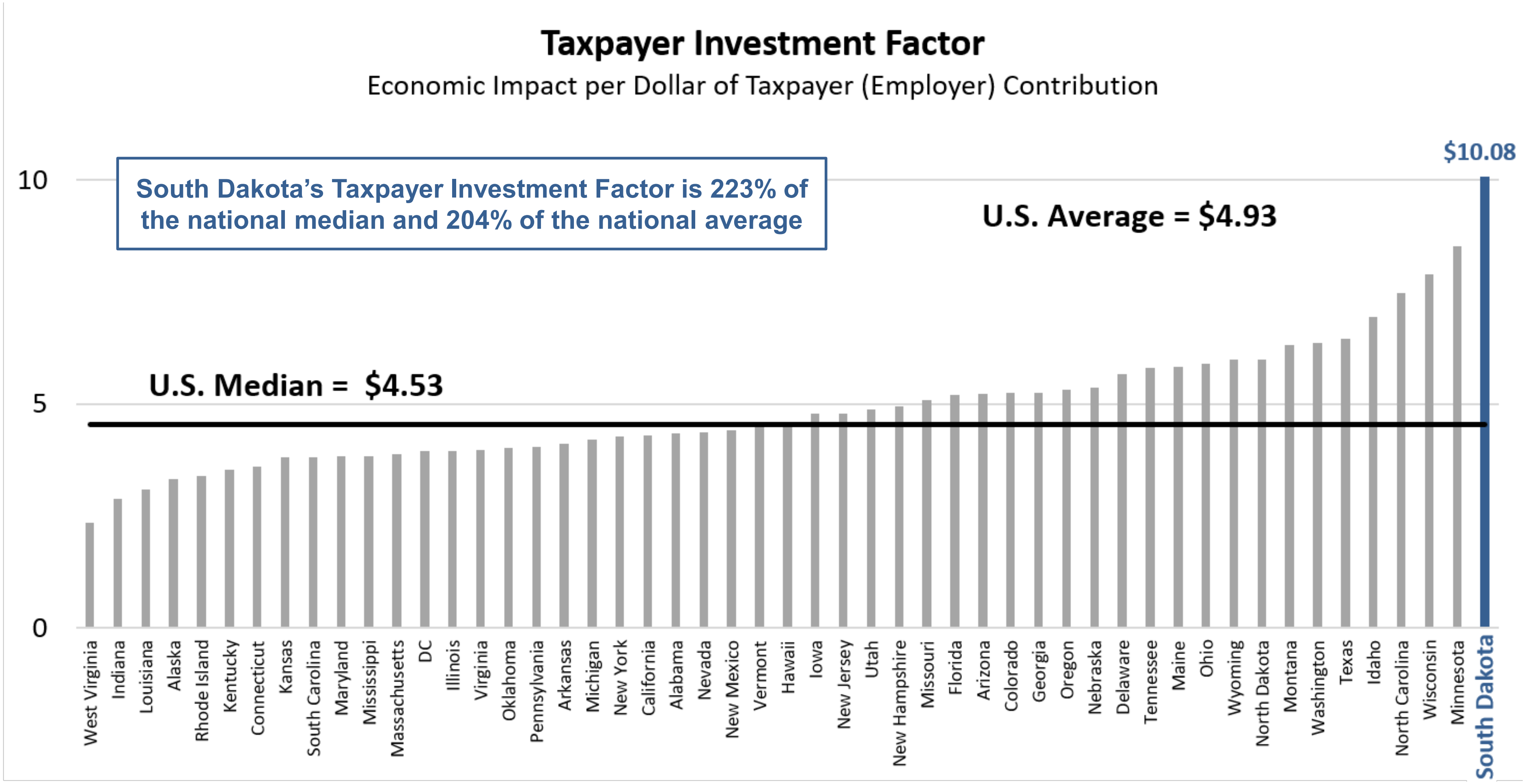
Median public sector FVFR through 2025 from Public Plans Database, March 2026. Estimated 2026 median FVFR from Milliman public pension funding index July 2026. Employer contribution rates from NASRA Public Fund Survey, December 2025.

NASRA: Government Spending on Pensions



Data from NASRA Issue Brief: State and Local Government Spending on Public Employee Retirement Systems, March 2026

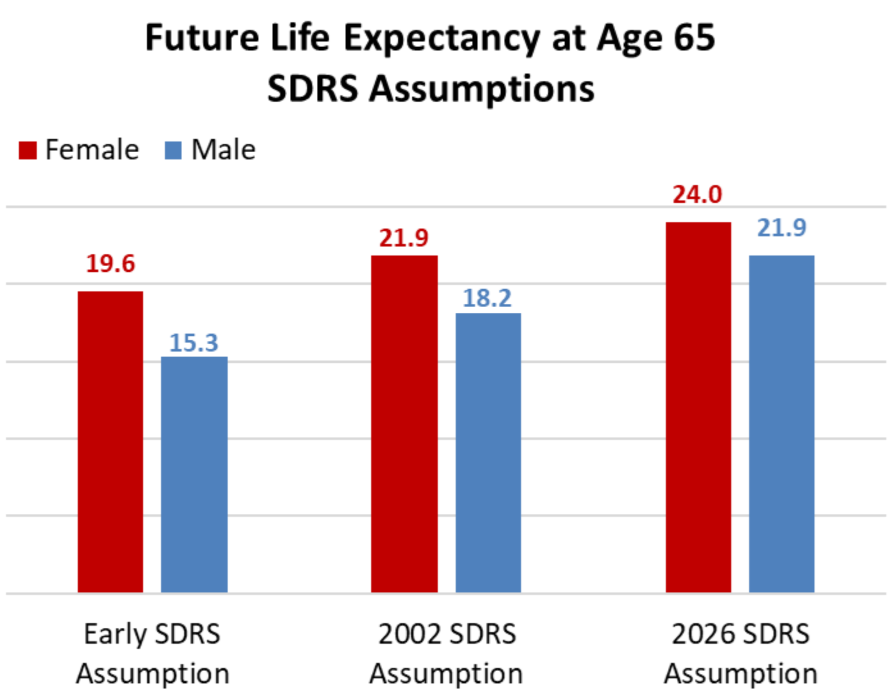
NIRS: Taxpayer Investment Factor

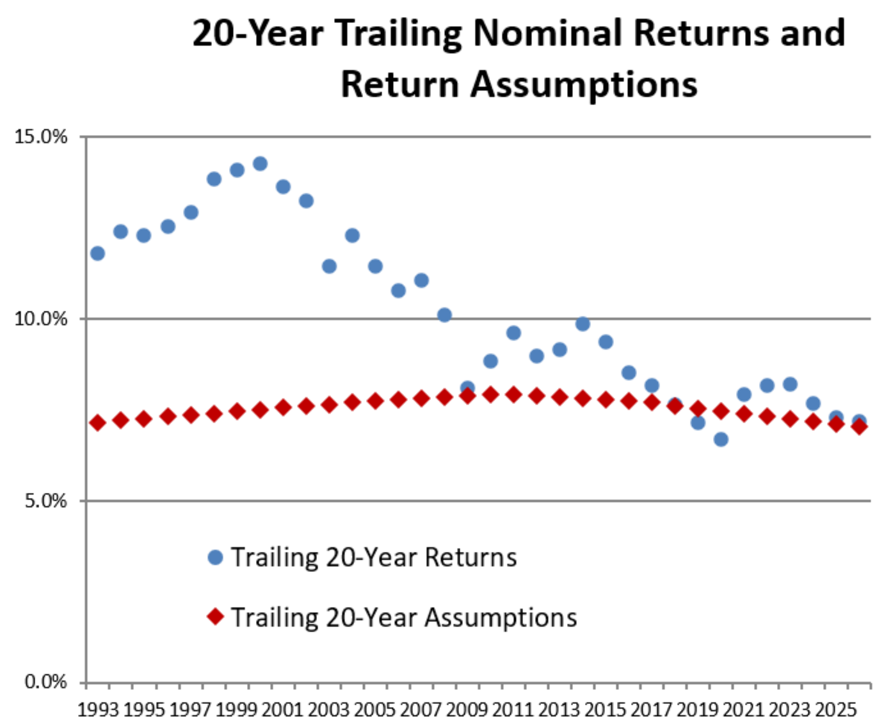


National Institute on Retirement Security: Pensionomics 2025: Measuring the Economic Impact of Defined Benefit Expenditures, January 2025.

Competing Objectives

- **Delivering adequate benefits directly competes with remaining fully funded while spending a fraction of the national median on pensions:**
  - The challenge is becoming more difficult as retirees live longer, and markets provide lower investment returns





Competing Objectives

- SDRS management efforts to meet benefit objectives in changing circumstances have included:
  - Service purchase cost
  - Retire-rehire reform
  - Variable COLA process
  - 5-year FAC
  - Pay increase caps
  - Generational design
- **Expect continuing pressure on benefit affordability:**
  - Proposed changes to SDRS must be thoroughly evaluated to ensure they do not endanger future benefits, COLAs, or system sustainability
  - SDRS liabilities are essentially equal to SDRS assets – with fixed contributions, **any expansion, increase, or acceleration of benefits necessarily reduces the COLA paid to retired members**
  - Actuarial assumptions must remain realistic

July 2026 COLA Calculation

Step 1:
June 30, 2025
Baseline FVFR = 93.5%

If 100% or More

COLA = CPI-W Increase
Minimum = 0%
Maximum = 3.5%

If Less than 100%

Step 2: Restricted
Maximum COLA = 1.56%
Resulting in FVFR of 100%

COLA = CPI-W Increase
Minimum = 0%
Maximum = 1.56% Restricted
Maximum COLA

2025 CPI-W Increase = 2.76%
July 2026 SDRS COLA: 1.56%

Projected Funded Status and COLAs

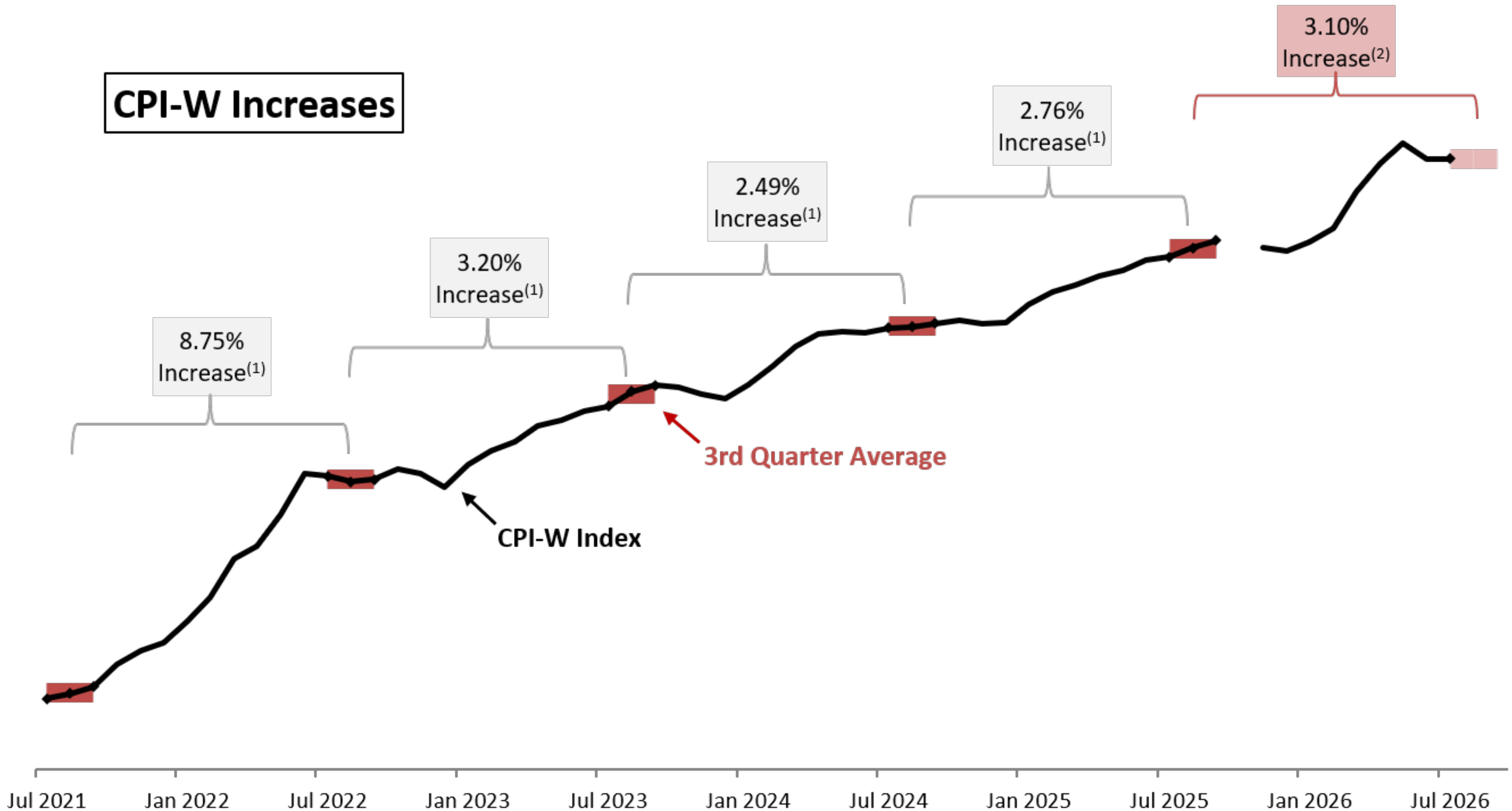
- Liability and investment gains and losses will impact the affordable COLA range each year:
  - Gains and losses are caused by variances from the long-term actuarial assumptions regarding investment return, salary increases, retirements, terminations, and mortality
  - The variable COLA may not be sufficient to maintain 100% FVFR in all conditions and additional corrective actions may be required
- One and five-year projections of FVFRs, COLA ranges, and likelihoods of achieving returns shown in subsequent slides:
  - Projections utilize an actuarial model intended to estimate short-term changes in funded ratios and resulting COLA ranges
  - Demographic experience is assumed to match assumptions
  - Likelihoods are calculated based on SDIC's investment portfolio statistics

Projected June 30, 2026 Funded Status & July 2027 COLA Range[1]

Net Investment Return FYE June 30, 2026	Baseline FVFR	COLA Range	Final FVFR	Applicable Conditions
<= (7.7%)	81.1%	NO COLA	<100%	Corrective Action Recommendation Required
(7.6%)	81.2%	0% to 0.01%	100%	Restricted Maximum COLA
10.60%	**97.3%**	**0% to 1.97%**	**100%**	
13.5%	99.9%	0% to 2.24%	100%	
13.6%	100.0%	0% to 3.50%	100%	Full COLA Range
36.0%	119.9%	0% to 3.50%	119.9%	
36.1%	120.0%	0% to 3.50%	120%	120% Benefit Improvement Threshold Met

(1) **Before liability gains/losses for FYE June 30, 2026.** June 30, 2025 Baseline FVFR: 93.5% and COLA Range: 0.0% to 1.56%.

Inflation Measurement for Social Security and SDRS COLAs



(1) Increase in the third calendar quarter average over the prior highest third calendar quarter average – the specified inflation measurement for the Social Security COLA effective the following January and the SDRS COLA effective the following July.

(2) Increase in the most recent month index (July 2026) over the July to September 2025 average.

Estimated July 2027 COLA Calculation

Step 1:
June 30, 2026
Baseline FVFR ≅ 97.3%

If 100% or More

COLA = CPI-W Increase
Minimum = 0%
Maximum = 3.5%

If Less than 100%

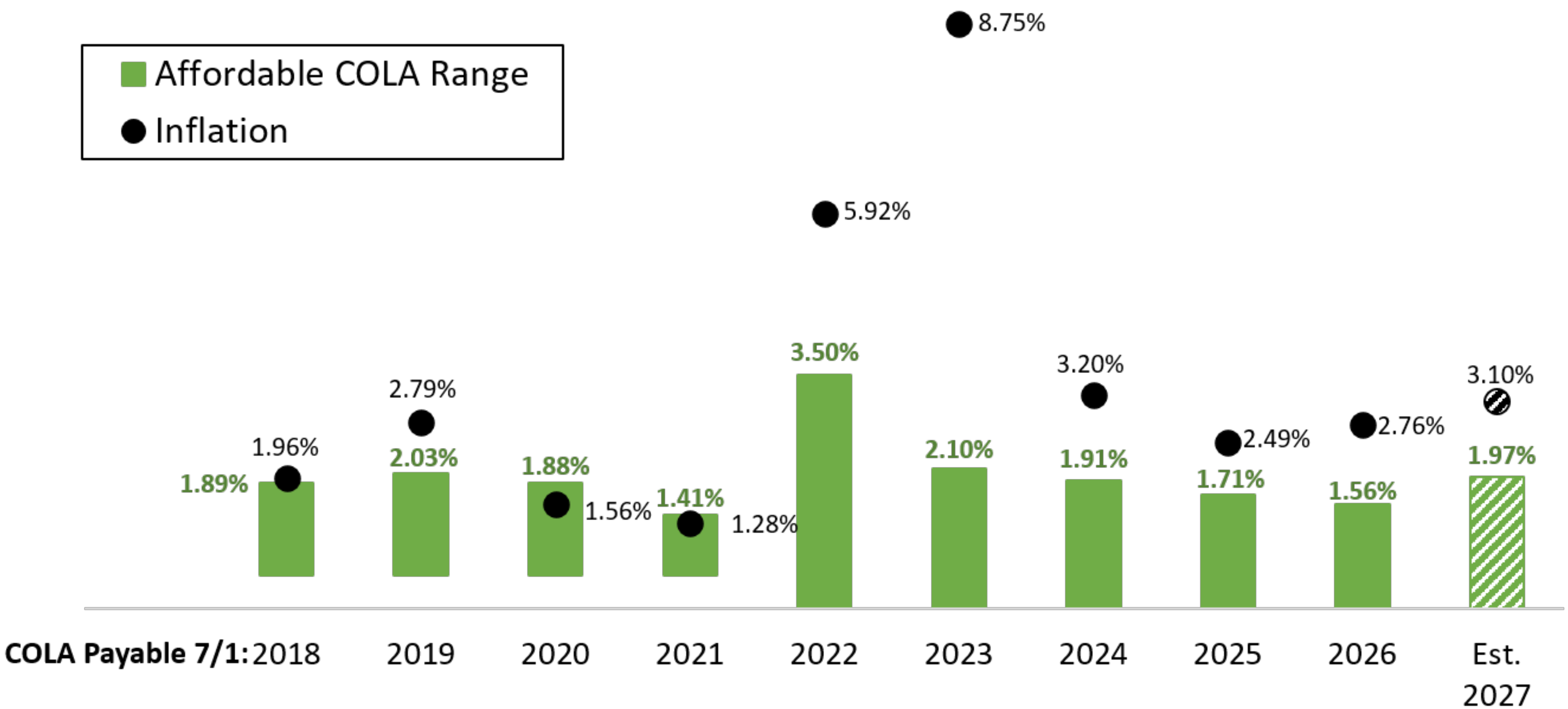
Step 2: Restricted
Maximum COLA ≅ 1.97%
Resulting in FVFR of 100%

COLA = CPI-W Increase
Minimum = 0%
Maximum ≅ 1.97% Restricted
Maximum COLA

2026 CPI-W Increase ≅ 3.1%
Projected July 2026 SDRS
COLA ≅ 1.97%

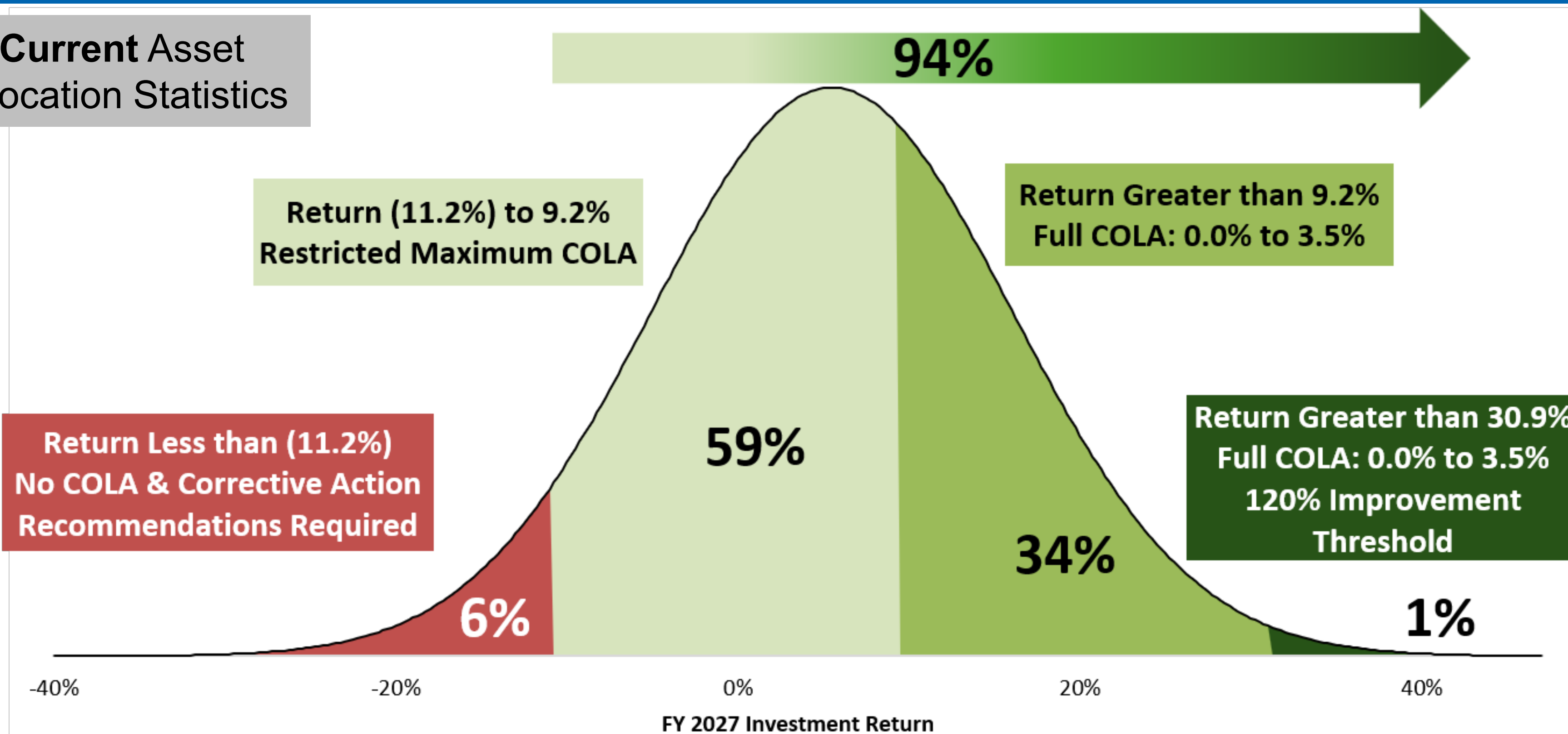
Historical COLA Ranges

- The 2027 projected restricted maximum COLA is 1.97%
- Inflation is projected to be approximately 3.1%



Preliminary Projected 2028 COLA Range and Likelihoods

Current Asset Allocation Statistics

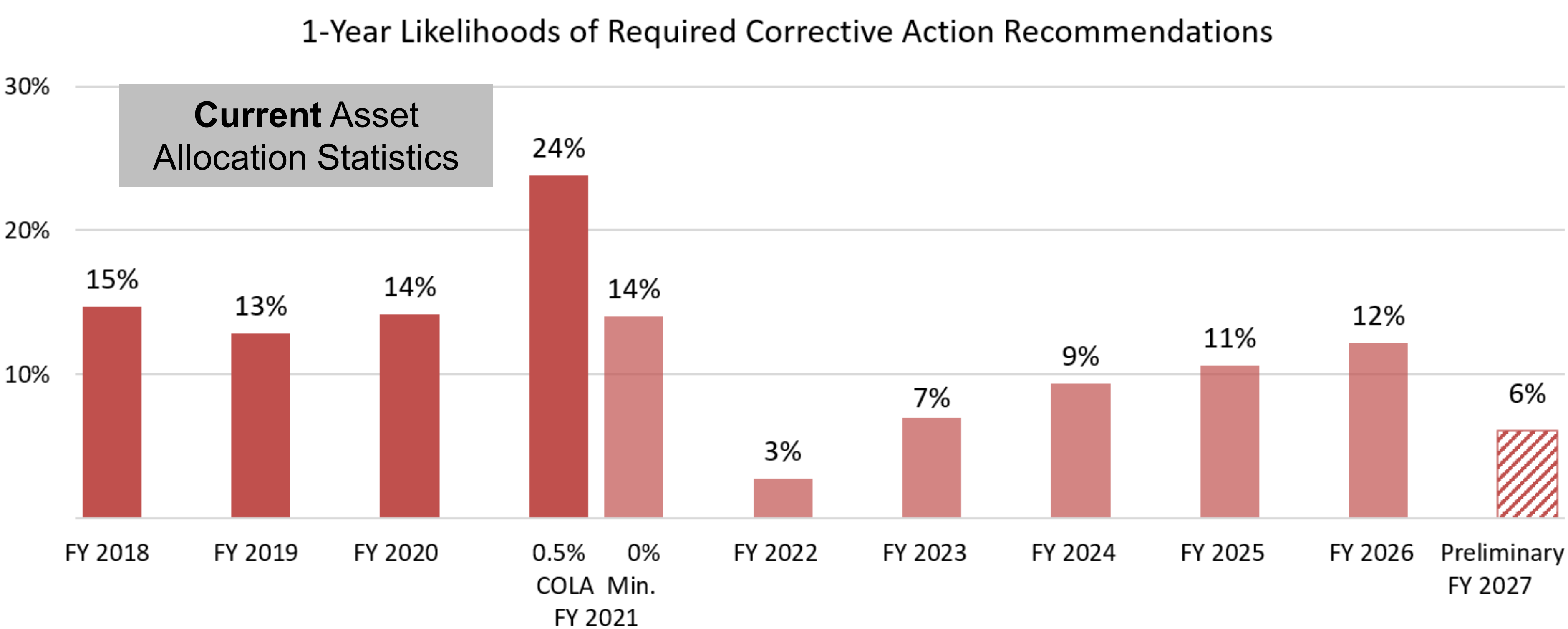


- **Ignoring FY 2027 investment returns to date and starting from estimated FY 2026 results,** the preliminary likelihoods for **July 2028 COLA ranges**, primarily driven by FY 2027 investment returns, are:
  - 6% likelihood: No COLA and corrective action recommendations required
  - 59% likelihood: COLA equals CPI-W increase between 0.0% and a restricted COLA maximum
  - 34% likelihood: COLA equals CPI-W increase between 0.0% and 3.5%; 1% likelihood 120% benefit improvement threshold met

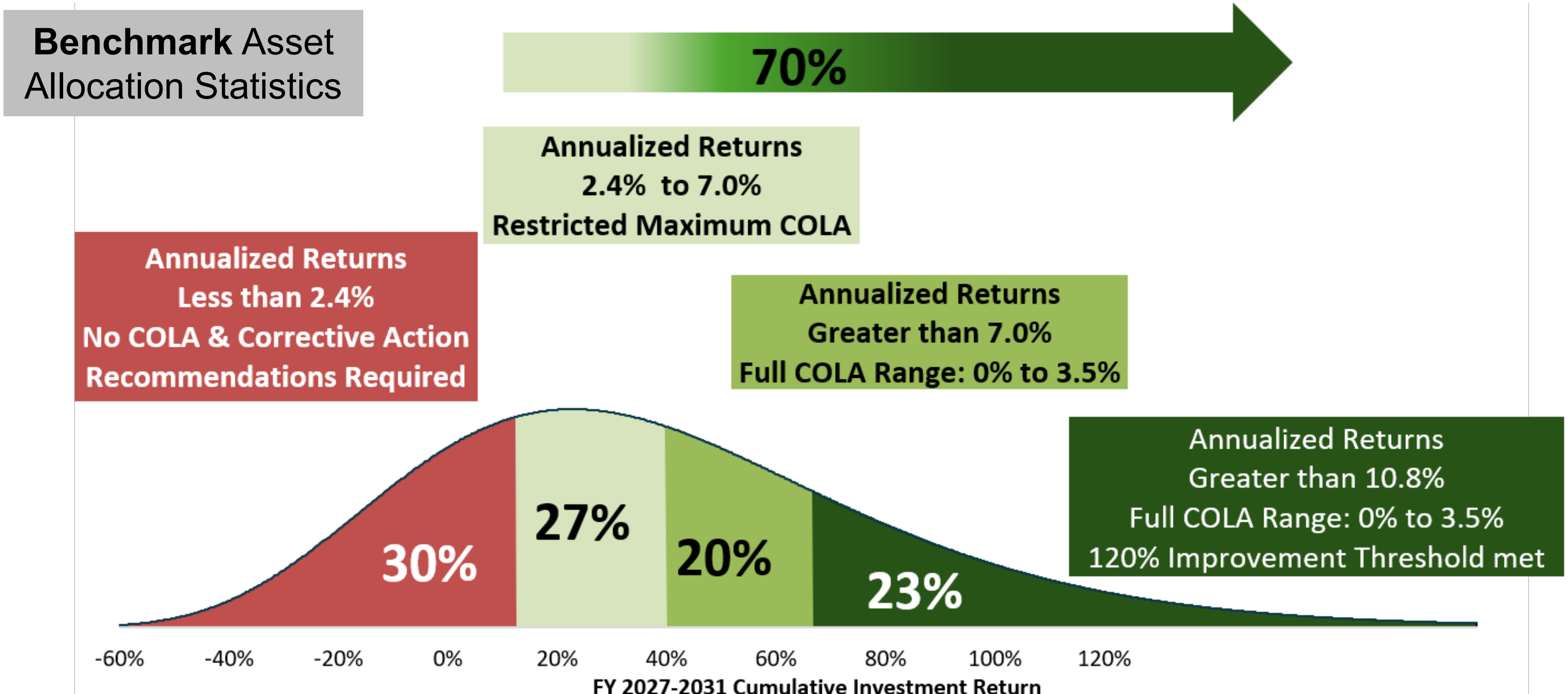
Before consideration of liability gains/losses. Likelihoods based on SDIC **FY 2027 current** asset allocation investment portfolio statistics (mean = 5.12%, standard deviation = 10.55%).

Historical 1-Year Corrective Action Requirement Likelihoods

Investment experience is the primary driver of the likelihood of required corrective action recommendations. Changes in market conditions and expectations for future returns also impact the likelihood.



Projected 2032 COLA Range and Likelihoods



- **Ignoring FY 2027 investment returns to date and starting from estimated FY 2026 results,** the preliminary likelihoods for **July 2032 COLA ranges**, primarily driven by FY 2027-2031 investment returns, are:
  - 30% likelihood: No COLA and corrective action recommendations required
  - 27% likelihood: COLA equals CPI-W increase between 0.0% and a restricted COLA maximum
  - 43% likelihood: COLA equals CPI-W increase between 0.0% and 3.5%; 23% likelihood 120% benefit improvement threshold met

Before consideration of liability gains/losses. Likelihoods based on SDIC **FY 2027 benchmark** asset allocation investment portfolio statistics (mean = 5.97%, 5-year standard deviation = 6.69%).

Projected Funded Status and Risk Analysis Summary

- July 2022 SDRS COLA was 3.5%, the only time the full COLA range has been affordable under the current COLA process:
  - Subsequent COLAs have been: 2.10% (2023), 1.91% (2024), 1.71% (2025), 1.56% (2026)
- **Preliminary projected July 2027 COLA is 1.97%**
- FY 2027 estimated investment return thresholds:
  - FY 2027 returns below approximately **negative 11.2% would require a corrective action recommendation**; preliminary 1-year likelihood is 6%
  - FY 2027 returns of approximately **9.2% would make the full COLA range affordable** for the 2028 COLA

THE SOUTH DAKOTA RETIREMENT SYSTEM LONG-TERM BENEFIT GOALS

September, 2026

Introduction

The SDRS benefit goals represent ideal benefit levels necessary to achieve benefit adequacy for our members and their families. Since SDRS is managed with fixed contributions, benefits are limited by the resources available.

The SDRS Board of Trustees has, for many years, established long-term benefit goals to provide a basis to assess benefit adequacy for our members and to identify benefits that need improvement when, and if, affordable.

Numerous changes to the goals have been made over the years based on the results of periodic Board reviews and assessments.

~~This document includes clarification and refinement of the goals and assesses the current progress in meeting those goals based on a review in 2026.~~

This document clarifies and refines the goals and assesses current progress toward meeting them based on a 2026 review.

(Goals reordered in this document in 2026)

Sustainability

Goal

Maintain and enhance likelihood of sustainability of SDRS to preserve current benefit structure.

Current Provisions

Numerous inequities, subsidies, and provisions that resulted in higher than anticipated costs addressed.

Variable benefit features adopted and expanded.

Risk analysis continuously expanded and improved.

Initiatives resulting from planning process adopted (e.g.- eliminating .5% minimum COLA).

Assessment

Goal achieved, but additional sustainability initiatives will continue to be evaluated.

Total Retirement Income

Goal

Educate, advise, and encourage members to plan for retirement by establishing a **total retirement income goal** based on their unique circumstances and considering benefits available from SDRS, Social Security, and income from personal savings.

Current Provisions

Member education efforts are ongoing, including advising members of the total retirement income required to maintain the same standard of living in retirement.

Assessment

Total lifetime income of 80-85% of FAC with inflation protection after retirement will enable members to achieve the same spendable income after retirement.

Almost all SDRS career members will currently meet this standard based on retirement at normal retirement age and achieving the personal savings goal.

SDRS members who do not participate in SDRS for a career will require even greater personal savings and/or significant retirement benefits from previous employment to achieve the same spendable income after retirement.

Retirement Income from SDRS

Goals

Lifetime income from SDRS of **at least 50% of Final Average Compensation** (FAC) at Normal Retirement for career members with credited service of at least:

- 30 years for Class A
- 25 years for Public Safety
- 20 years for Judicial

Proportionate lifetime income from SDRS for members who participate in SDRS for less than a career.

Current Provisions

Benefits vary by employee class, and Foundation or ~~and~~ Generational status, and are higher for service before 2008 for Foundation members.

Assessment

Goal achieved for Class A Foundation career members with all service before 2008 and all other career members.

Retirement income for Class A Foundation members who meet the minimum career service standard is:

- 48.3% of FAC for retirement in 2026 (**96.6% of goal achieved**)
- 46.5% of FAC if all service after 2008 (**93% of goal achieved**)

Additional Member Savings

Goal

SDRS will educate members of the need for additional savings and will encourage members to accumulate personal savings of **at least 100% of annual pay** at retirement to provide retirement benefits in addition to those provided by SDRS and Social Security.

Current Provisions

Member education efforts are ongoing including the advantages of participating in the Supplemental Retirement Plan and the Special Pay Plan.

Assessment

Goal achieved by SDRS education and counseling efforts.

Cost of Living Adjustment

Goal

Affordable **inflation protection** after retirement and after termination of employment before benefits begin.

Current Provisions

Cost of Living Adjustment (COLA) is equal to the change in CPI-W for the prior year, with a 0% minimum and a 3.5% maximum, when affordable.

When not affordable, a lower maximum COLA applies.

Assessment

Goal achieved.

~~SDRS members who have retired anytime in the last 40 years are currently receiving a **cumulative COLA from SDRS that has equaled or exceeded inflation**, except for a minimal shortfall for members who retired in FY17 and FY18.~~

The COLA for nearly all current benefit recipients has not kept pace with inflation, however, the maximum affordable COLA with fixed contributions has been paid.

Normal Retirement Age

Goal

Provide unreduced benefit at appropriate age considering physical demands of Public Safety employment and increasing life expectancy.

Current Provisions

Foundation Members

Age 65; age 55 for Public Safety.

Generational Members

Age 67; age 57 for Public Safety.

Assessment

Goal achieved.

Early Retirement Benefits

Goals

Foundation Members

Unreduced benefits to long-service members and **subsidized reduced benefits** to other members, payable 10 years prior to normal retirement age.

Generational Members

Non-subsidized reduced benefits payable 10 years prior to normal retirement age, considering a higher retirement benefit formula and Variable Retirement Account (VRA).

Current Provisions

Foundation Members

Rule of 85, 75, or 80 for Class A, Public Safety, and Judicial members, not earlier than age 55 (45 for Public Safety).

3% per year reduction prior to normal retirement age or "rule of" eligibility if earlier.

Generational Members

5% per year reduction prior to normal retirement age.

Assessment

Goals achieved.

Disability Income

Goal

Lifetime income replacement of the greater of 25% of FAC or the member's earned benefit.

Current Provisions

Same as goal.

Generational Members also receive VRA.

Assessment

Goal achieved.

Income replacement for average SDRS member will equal 67% of FAC if also eligible for disability benefits from Social Security.

Family Benefits/Pre-Retirement Death

Goals

Temporary income replacement of the greater of 25% of FAC or the member's earned benefit if eligible children survive.

Retirement income to spouse equal to 60% of the greater of 25% of FAC or the earned benefit.

Current Provisions

Same as goals.

Generational Members also receive VRA.

Assessment

Goals achieved.

Temporary income replacement for average SDRS member leaving two children will equal almost 100% of FAC, including benefits from Social Security.

Death After Retirement

Goals

Foundation Member

Lifetime income of 60% of member's benefit to surviving spouse at no cost.

Generational Member

Lifetime income of 60% or 100% of member's benefit to surviving spouse, if member elects, funded by a reduction in benefit considering a higher benefit formula and the VRA.

Current Provisions

Same as goals.

Assessment

Goals achieved.

Enhanced Portability

Goal

Equitable benefits for short-service members who terminate employment before retirement.

Current Provisions

Early vesting with COLA paid on deferred benefit (plus continued growth of VRA paid to Generational Members at retirement).

Members can instead opt for lump-sum payment of 85% of employer contributions (50% if less than three years of service) plus 100% of member contributions, with credited interest.

Assessment

Goal achieved.

SDRS practices **unusual and superior.**

Minimum Total Payments

Goal

Minimum SDRS total benefits paid of 85% of employer contributions (50% if less than three years of service) plus 100% of member contributions, plus credited interest.

Current Provisions

Same as goal.

Assessment

Goal achieved.

SDRS practices **unusual and superior.**

Tax Qualified Status

Goal

Preserve tax qualified status to continue favorable tax treatment for members.

Current Provisions

SDRS has received a favorable determination letter from the IRS confirming qualified status.

Recent initiatives adopted to meet changing IRS requirements and regulations.

Assessment

Goal achieved, but ongoing effort is required as new regulations issued.

Outside expert legal counsel retained.

Member Issues

Goal

Identify and formalize additional initiatives to meet goals, modify goals, or add new goals.

Current Provisions

Initiatives identified include expansion of VRA, enhanced defined benefits, and one-time or temporary benefit increases when, and if, affordable.

Assessment

No new initiative in recent years.

The Board's planning activities in 2020 identified the following objectives for future benefit improvements:

- Consider any shortfalls compared to these long-term benefit objectives.
- Include active, inactive, and retired members.
- Avoid substantive additional fixed benefit obligations.
- Maximize the risk-mitigation impact of any benefit improvements.
- Consider unimproved service (service after 2008).
- Treat active, inactive, and retired members consistently.

Summary of Current Assessment

Most of the Board's goals have been met to date. However, the SDRS retirement income for Class A Foundation members who have met the minimum career standard of 30 years of service is currently 48.3% of FAC, slightly less than the 50% goal. Without future benefit improvements their SDRS retirement income will decline slowly, eventually to 46.5% of FAC. These members can achieve the goal by delaying retirement a very short time—from several months to two years at most.

Nevertheless, almost all SDRS career members will currently match or exceed spendable income before retirement based on retirement at normal retirement age and meeting the 100% of pay at retirement savings goal.

The ability of the SDRS COLA to ~~continue to~~ match inflation is key to maintaining members' standard of living during retirement.

SDRS goals are based on career members retiring at normal retirement age—earlier retirement is not a reality for most members without substantial savings.

BOARD OF TRUSTEES

POLICY AND GOVERNANCE MANUAL

ADOPTED BY THE BOARD OF TRUSTEES
(DATE)

Prepared by:
South Dakota Retirement System (SDRS)
Pierre, South Dakota

SDRS
SOUTH DAKOTA
RETIREMENT SYSTEM

Table of Contents

Introduction

Purpose

The Board of Trustees of the South Dakota Retirement System (SDRS or System) is committed to maintaining the highest standards of governance. This Policy and Governance Manual has been established to assist board members in the effective execution of their fiduciary duties and responsibilities. This Manual will serve as a central, reliable resource for board members, offering new members a comprehensive understanding of their duties and experienced members a consistent, reliable reference to support them in fulfilling their ongoing responsibilities.

This Policy and Governance Manual defines the governance framework that ensures fiduciary responsibility, transparency, and effective oversight of the System. It summarizes the Board's duties and responsibilities, as well as the goals, policies, and practices the Board has established to carry out those duties and responsibilities effectively. The Board's stewardship and governance of SDRS are key to maintaining a successful and sustainable retirement system.

The Executive Director shall ensure this manual remains relevant, with assistance from board members and senior system staff.

Legal Authority

SDRS is governed by South Dakota Codified Law (SDCL) Chapters 3-12C and 3-13C, and by the Administrative Rules of South Dakota (ARSD) Chapters 20:16:01, 20:16:15, 20:16:17, 20:16:18, 20:16:19, 62:01:02, 62:01:04, 62:01:05, 62:01:06, and 62:01:07.

Scope

This Manual applies to the SDRS Board and staff.

Overview of SDRS

SDRS is a cost-sharing, multiple-employer, public employee retirement system. It provides retirement, disability, and survivor benefits to employees of the state of South Dakota and its political subdivisions. Established in 1974, the system consolidated several previously separate plans. See **A Consolidated Plan**. Members of SDRS include full-time employees of public schools, the State, the Board of Regents, city and county governments, and other public entities—nearly all the state's public employees.

SDRS is a tax-qualified defined benefit retirement plan under Section 401(a) of the Internal Revenue Code and is exempt from federal income taxes. Benefits are funded by member and employer contributions and investment income. SDRS benefits are based on the member's final average compensation, years of credited service, and a benefit multiplier. Retirement benefits are payable for the member's lifetime, and surviving spouse benefits are also available.

SDRS is a multi-billion-dollar, complex financial enterprise critical to SDRS employers and members. SDRS requires prudent, thoughtful, and consistent management because its members and their families rely on SDRS's success for their financial security in retirement.

The South Dakota Investment Council is solely responsible for investing SDRS assets.

Any changes to SDRS statutory benefits and provisions require approval from the Legislature and the Governor.

Mission Statement, Vision, and Long-Term Benefit Goals

SDRS Mission Statement

To responsibly manage a **financially sustainable system** within fixed resources and prepare our members for retirement.

SDRS Vision

To be a model retirement system that is fully funded, delivers benefits that meet our **long-term benefit goals**, and provides members the foundation to achieve financial security during retirement.

Long-Term Benefit Goals

Retirement Income from SDRS

Lifetime income from SDRS of **at least 50 percent of Final Average Compensation** (FAC) at normal retirement for career members with credited service of at least 30 years for Class A members, 25 years for Class B Public Safety members, and 20 years for Class B Judicial members.

Proportionate lifetime income from SDRS for members who participate in SDRS for less than a career.

Additional Member Savings

SDRS will educate members of the need for additional savings and will encourage members to accumulate personal savings of **at least 100 percent of annual pay** at retirement to provide retirement benefits in addition to those provided by SDRS and Social Security.

Total Retirement Income

Educate, advise, and encourage members to plan for retirement by establishing **a total retirement income goal** based on their unique circumstances and considering benefits available from SDRS, Social Security, and income from personal savings.

Note: The Board has adopted a series of Long-Term Benefit Goals that encompass a range of issues. For a complete list, see the **Long-Term Benefit Goals**.

Governance Structure

SDRS is established and governed by state statutes that explicitly define the Board's authority, structure, and governance responsibilities, setting clear expectations for fiduciary conduct and representational balance.

The Board of Trustees Oversees SDRS

The Board's primary duty is to act as fiduciaries, ensuring that all functions are performed solely for the benefit of members and benefit recipients. As fiduciaries, the Board is expected to uphold the highest standards of conduct and decision-making, as outlined in the **Board Member Expectation Statement**. Additional details on fiduciary duties are provided in the **Responsibilities of the Board of Trustees: Fiduciary Duties** section of this manual.

> **3-12C-202. System managed by board--Standard of conduct--Legal advice.**
>
> The system shall be under the Board of Trustees. *The Board of Trustees shall be held to the standard of conduct of a fiduciary and shall carry out its functions solely in the interest of the members and benefit recipients and for the exclusive purpose of providing benefits and defraying reasonable expenses incurred* in performing such duties as required by law. The system may not engage in any activity that is not solely designed to provide for the exclusive benefit of the members and benefit recipients of the system. The attorney general is the legal adviser to the board.

Meetings and Decision-Making

The Board generally meets quarterly and convenes additional meetings as needed. A majority of the Board members constitutes a quorum. Board decisions require both a majority of those present and at least eight affirmative votes to pass. The Board's decision-making process is collaborative and grounded in thorough actuarial, financial, and legal analysis.

Election of the Chair and Vice Chair

The Board elects a Chair and Vice Chair each year at its first meeting of the fiscal year. See **Officer Election Policy**.

Responsibilities of the Chair

- Preside over all Board meetings

- Call special Board meetings when necessary
- Act as the official spokesperson for the Board
- Recommend the establishment of Board committees
- Appoint members to Board committees
- Inform the Board about significant matters related to SDRS
- Collaborate closely with the Executive Director
- Oversee the preparation of meeting agendas
- Delegate responsibilities to the Vice Chair or other Board members as appropriate
- Lead efforts to achieve Board consensus on critical issues

Responsibilities of the Vice Chair

- Assume the duties of the Chair in the Chair's absence
- Perform tasks as assigned by the Chair

> **3-12C-208. Meetings of board--Chair and vice chair--Votes required for decision.**
>
> *The board shall meet at least twice each year*, and shall adopt its own rules of procedure. A majority of trustees constitutes a quorum. *At the first meeting of each fiscal year the board shall elect from the board's membership a chair and a vice chair. At least eight concurrent votes and a majority of the members present are required for a decision by the board for any of its meetings.*

Board Composition

The Board is composed of 17 members—14 elected representatives from distinct membership groups, two gubernatorial appointees, and one ex officio non-voting member representing the South Dakota Investment Council. This structure ensures balanced representation. See Current Board Members.

> **3-12C-203. Trustees--Board created--Composition.**
>
> There is created a governing authority of the system known as the Board of Trustees. Voting representation on the board must be the following:
>
> (1) Two state employee members;
>
> (2) Two certified school employee members;

(3) A participating municipality member;

(4) A participating county member;

(5) A participating classified employee member;

(6) A current contributing Class B public safety member;

(7) A Class B judicial member;

(8) One head of a principal department established pursuant to § 1-32-2, or one head of a bureau under the Department of Executive Management established pursuant to § 1-33-3, appointed by the Governor;

(9) An individual appointed by the Governor;

(10) A county commissioner of a participating county;

(11) A school district board member;

(12) An elected municipal official of a participating municipality;

(13) A retiree; and

(14) A faculty or administrative member employed by the Board of Regents and not subject to the provisions of chapter 3-6D.

A representative of the State Investment Council shall serve as an ex officio nonvoting member.

Election of Board Members

Each group of members, as outlined in SDCL 3-12C-203, elects a member to serve on the board. The term of office is four years. Defined terms of service promote continuity and experience, and the election process ensures fairness and member participation in governance.

Any board member who no longer serves in the capacity that qualified them for board membership is considered to have resigned on the following June thirtieth, and the vacancy is filled through the annual election process.

If there are no candidates for a position, the Board fills the vacancy by appointment. See **Vacancy Appointment Election Policy**.

3-12C-204. Election of trustees--Terms of office.

Each group of retirement system members who are vested or are currently contributing or employers as set out in § 3-12C-203 shall elect its own trustee or trustees in a separate election. The board shall promulgate rules, pursuant to chapter 1-26, to carry out the elections. The regular term of office of a trustee is four years and expires on June thirtieth. The appointees of the Governor shall serve at the pleasure of the Governor. The appointee of the Investment Council shall serve at the pleasure of the Investment Council. Except for appointees of the Governor and Investment Council, upon the death or resignation of a trustee, the board shall appoint a successor. The successor trustee shall fill the position immediately and serve until the June thirtieth that is no less than three but no more than four years after taking office.

Administration of SDRS

The Board appoints an Executive Director to manage SDRS's daily operations, in accordance with the Executive Director Succession Plan. Serving at the pleasure of the Board, the Executive Director undergoes an annual performance review governed by the Executive Director Compensation and Performance Appraisal Policy.

The Executive Director holds the authority to hire additional employees as necessary to support the System's operations. Under the Board's direction, the Executive Director and SDRS staff administer SDRS in compliance with statutory law, administrative rules, and established policies. Refer to the Organizational Chart and Staff Committees for more details.

3-12C-209. Executive director--Appointment--Compensation--Retirement Laws Committee approval--Employment of personnel--Bond--Board secretary.

The board shall appoint an executive director, qualified by training and experience, to serve at the pleasure of the board. The board shall fix the compensation for the executive director. The compensation must be based on a compensation policy, adopted by the board, which considers an analysis of the compensation and responsibilities of executive directors of regional statewide retirement systems. The board may adjust the salary of the executive director annually in accordance with the state employee salary policy, as enacted by the Legislature in each corresponding year.

The board shall report any change in the executive director's compensation above the state employee salary policy to the Retirement Laws Committee before July first for the upcoming fiscal year. The change in compensation above the state employee salary policy is effective if approved by a majority vote of the Retirement Laws Committee.

The executive director may hire additional employees as may be required to transact the business of the retirement system and shall fix the remuneration for the services.

The board shall require the bonding of the executive director in an amount set by the board and included under the state employees' blanket bond. The premium may be charged to the fund.

The executive director shall act as secretary of the board. Any document required to be filed with the board must be filed with the executive director.

Responsibilities of the Board of Trustees

To fulfill its responsibilities effectively, the Board of Trustees must actively manage SDRS and recommend policies and practices grounded in sound fiscal principles to ensure equitable and adequate benefits for all members. The Board's recommendations must account for SDRS's financial soundness, its reliance on fixed contributions, and its long-term sustainability for future generations. In essence, the Board bears the crucial responsibility for SDRS's sustainability and provides leadership to policymakers by recommending sound retirement policies and practices. For more information about the Board's collaboration with policymakers, refer to the **Legislative Advocacy and Board Responsibilities** section of this manual.

Fiduciary Duties

The Board's most important responsibility is to act as fiduciaries solely for the benefit of SDRS members and their beneficiaries. The three core duties are loyalty, prudence, and following the plan documents.

Duty of Loyalty

Loyalty means acting for the exclusive benefit of all members and beneficiaries of the System. A fiduciary must serve all members and beneficiaries, that is, the System as a whole, by setting aside any personal or appointing-group interests and by avoiding conflicts of interest and self-dealing.

The exclusive benefit rule is a federal and state requirement. Federal law requires that a qualified plan under Internal Revenue Code Section 401(a) must be for the exclusive benefit of employees and their beneficiaries, meaning plan assets cannot be diverted to any other purpose before all liabilities to employees are satisfied. This "exclusive benefit" rule is a core requirement for a plan to be considered qualified. It ensures that plan assets are used solely for the intended retirement purpose, preventing self-dealing and misuse of funds.

SDCL 3-12C-202 states that the board must "carry out its functions solely in the interest of the members and benefit recipients and for the exclusive purpose of providing benefits and defraying expenses incurred in performing such duties as required by law. The system may not engage in any activity that is not solely designed to provide for the exclusive benefit of the members and benefit recipients of the system...."

Duty of Prudence

The duty of prudence requires fiduciaries to carry out their duties with the care, skill, prudence, and diligence of a knowledgeable person familiar with the matters at issue.

Process, not results.
Prudence is measured by the quality of the fiduciary's decision-making process at the time the decision was made, not by outcomes in hindsight. Fiduciaries should document their processes and the basis for their decisions to demonstrate prudence.

Monitoring and selecting service providers.
The selection and ongoing monitoring of service providers are functions of the duty of prudence. Fiduciaries should document their selections and the basis for their decisions and retain oversight by monitoring performance and documenting the oversight.

The Board has implemented a comprehensive independent verification and confirmation process by retaining:

- An independent auditor to confirm the SDRS financial statements as prepared by the SDRS financial staff.
- An independent reviewing actuary to review:
    - The annual actuarial valuation results prepared by the Senior Actuary, including compliance with the Actuarial Standards of Practice and a complete replication of the valuation results at least every five years;
    - The Experience Analysis, conducted by the Senior Actuary at least every five years, including recommended actuarial assumptions; and
    - Any significant actuarial studies, including the cost implications of significant proposed legislation.
- An outside law firm with expertise in public retirement systems, to serve as an additional resource to the Legal Department to advise the Board on complex legal and IRS compliance issues.
- An independent firm to confirm the investment performance results as presented by the South Dakota Investment Council, conducted every four years.
- An independent firm to review the quality and costs of SDRS administration, including comparison with peer systems, generally conducted every two years.
- An independent election administrator to conduct the election of board members.

Informed decision-making.
Prudence requires a deliberative and well-informed process. This includes preparing for and attending board meetings, as well as asking questions. A fiduciary may rely on experts but should verify the information they provide.

Duty to Follow Plan Documents

A fiduciary is responsible for adhering to the plan documents, which include the statutes and administrative rules. The System must be managed in accordance with its specific terms, including eligibility requirements, contribution guidelines, and distribution provisions, to ensure consistent interpretation.

Fiduciaries should have a thorough understanding of the statutes and rules and should regularly review and update them as necessary. Additionally, any errors should be corrected promptly. This duty aligns with the Legislative processes undertaken by the Board at the first two quarterly meetings of the fiscal year. See **Legislative Advocacy and Board Responsibilities**.

Statutory Requirements

Statutory provisions firmly anchor the Board's authority and duties in state law, thereby defining clear expectations for actuarial oversight and financial stewardship.

South Dakota law assigns the Board specific responsibilities for managing the system and trust fund, including reviewing the funded status, making governing decisions, and preparing reports.

Effective Rate of Interest

The Board establishes the effective rate of interest for each fiscal year in accordance with the statutory criteria, typically at the third-quarter Board meeting of the fiscal year.

> **3-12C-108. Effective rate of interest defined.**
>
> For purposes of this chapter, *"effective rate of interest" means the interest at an annually compounded rate to be established by the board for each fiscal year*. The rate may be no greater than ninety percent of the average ninety-one day United States treasury bill rate for the immediately preceding calendar year and in no event may the rate be more than the rate established by the board pursuant to § 3-12C-227, for investment return for purposes of the actuarial valuation. If a member withdraws contributions pursuant to § 3-12C-602 or 3-12C-604, or if benefits are payable under § 3-12C-409, the interest must be as annually compounded on the preceding June thirtieth.

Budget Report and Transfer of Funds for Administrative Costs

The Board is authorized to allocate up to three percent of annual contributions to fund the System's administrative costs. Actual historical expenditures have consistently remained below two percent. The annual administrative budget is submitted to the Legislature for final approval.

> **3-12C-210. Expense fund continued--Transfer from retirement system fund--Report of budget--Appropriation and disbursement for expenses.**
>
> The South Dakota Retirement System expense fund is continued and *the board is authorized to transfer from the South Dakota Retirement System fund an annual amount not to exceed three percent of the annual contributions received by the system, and the money transferred is appropriated for the payment of the administrative costs of the system. The board shall report its proposed annual budget to the Legislature for approval.* Expenditures from all funds shall be disbursed on warrants drawn by the state auditor and shall be supported by vouchers approved by the executive director of the system.

Use of Trust Fund

The Board holds the trust fund in the name of the South Dakota Retirement System. By law, these assets are strictly safeguarded and may be used only for the exclusive benefit of the System's members and their beneficiaries.

> **3-12C-218. Business name of system--Treasurer.**
>
> *The Board of Trustees shall transact all business and hold all cash in the name of the South Dakota Retirement System.* The state treasurer shall be the treasurer of the system.
>
> **3-12C-219. Use of fund restricted.**
>
> No part of the fund created by this chapter may be used for any purpose other than for the exclusive benefit of members and their beneficiaries, payment of reasonable administrative expenses of the system, and reimbursement of overpayments made by employers. No participating unit may receive any amounts from the fund except such amounts which may remain after the satisfaction of all liabilities of the system to its members.

Quadrennial Report on Investment Performance

The Board must retain an independent contractor at least once every four years to report on the investment performance of the trust fund's assets.

> **3-12C-224. Quadrennial independent report on investment performance.**
>
> *The board shall retain the services of an independent contractor*, not involved in the investment process, *to make a report to the board* not less than every four years *on the investment performance results of the assets of the retirement funds*.

Actuarial Assumptions

The Board adopts interest rate, mortality, and baseline cost-of-living assumptions and makes them public. These assumptions are reviewed following an experience study, which typically occurs every five years. Although not required by statute, the Board also adopts demographic assumptions.

The Board must report any change to the actuarial assumptions to the Governor and the Retirement Laws Committee.

> **3-12C-227. System annual actuarial valuation--Basis--Report of change.**
>
> *The actuarial valuation* required by § 3-12C-226, *must be based on actuarial assumptions adopted by the board, as a result of an actuarial experience analysis*. The board may not make any change in the actuarial assumptions unless the approved actuary retained to make the actuarial valuation certifies that the change is reasonable. If the board makes a change, *the board must report the change to the Governor and to the Retirement Laws Committee*. The report must include the actuary's and board's analysis of the conditions that led to the change.

Annual Report of Funded Status

At the start of each legislative session, the Board must submit an annual report to the Governor and the Legislature detailing the System's funded status for the fiscal year ending the prior June 30. If the funded status falls below established statutory criteria, the report must include specific recommendations on the timing and the corrective actions required to improve conditions.

3-12C-228. Funding of system--Review--Report--Corrective action.

The board shall review the funding of the system and shall make a report to the Governor and the Retirement Laws Committee if the funding of the system does not meet both of the following conditions:

(1) The fair value funded ratio is greater than or equal to one hundred percent; and

(2) The contribution rate meets or exceeds the minimum actuarial requirement to support benefits.

The report shall include recommendations for the circumstances and timing for any corrective action, including benefit changes, to improve the conditions in subdivisions (1) and (2). For Class D members, corrective action is limited to reducing or eliminating the cost of living adjustment. Based on this report and the recommendations of the board, the Legislature may adopt corrective action to improve the conditions in subdivisions (1) and (2).

Eligibility for benefits, the amount of any benefit, and the rate of member contributions established in this chapter are not the contractual rights of any member and are subject to change by the Legislature for purposes of corrective action to improve the conditions in subdivisions (1) and (2).

3-12C-229. Annual report of funded status of system.

At the beginning of each legislative session, the board shall provide the Governor and the Legislature with an annual report of the funded status of the system for the fiscal year that ended the previous June thirtieth.

Board Records and Annual Financial Report

The Board is required to keep records of its meetings and to prepare an **Annual Comprehensive Financial Report**.

3-12C-230. Record of board proceedings--Annual report .

The board shall keep complete records of its proceedings which shall be open to public inspection. The board shall prepare an annual report setting forth its financial information for the previous fiscal period including the amount of the accumulated cash and securities of the system, and the results of the most recent actuarial valuation. A copy of the report shall be available on the system's website.

Cost of Living Adjustment

At its December meeting, the Board establishes the annual cost-of-living adjustment (COLA) in accordance with the statutory methodology. The COLA is directly tied to the annual inflation rate and the available resources to pay for it.

3-12C-704. Determination of COLA payable.

The COLA payable is the baseline COLA or the restricted COLA, as applicable. The baseline COLA is equal to the increase in the consumer price index, but no less than zero percent and no greater than three and one-half percent. The restricted COLA is equal to the increase in the consumer price index, but no less than zero percent and no greater than the restricted COLA maximum as determined in subdivision (2) of this section. *The board shall establish the COLA payable for each fiscal year*, based on the fair value funded ratio and the minimum actuarial requirement to support benefits as of the prior July first and the increase in the consumer price index for the preceding third calendar quarter compared to the consumer price index for the third calendar quarter for the base year (the previous year in which the consumer price index was the highest), by utilizing one of the following subdivisions, as applicable:

(1) If the system meets the criteria in subdivisions 3-12C-228(1) and (2) based on the baseline COLA assumption adopted by the board, the COLA payable is the baseline COLA; or

(2) If the system does not meet the criteria in subdivisions 3-12C-228(1) and (2) based on the baseline COLA assumption adopted by the board, the system shall calculate a restricted COLA maximum in accordance with the board's funding policy that is equal to the actuarially determined annual COLA rate that results in the criteria in subdivisions 3-12C-228(1) and (2) being satisfied, if achievable. The COLA payable is the restricted COLA. If the criteria in subdivisions 3-12C-228(1) and (2) cannot be satisfied, the COLA payable is zero percent.

Criteria for Determining Disability

The Board established disability determination criteria through administrative rules for applications received before July 1, 2015. See SDCL 3-12C-803 to 3-12C-810, inclusive, and ARSD Chapter 62:01:04. Applications received on or after July 1, 2015, are evaluated under criteria codified in statute. See SDCL 3-12C-811 to 3-12C-828, inclusive.

> **3-12C-801. Criteria for determining disability--Uniform application.**
>
> *The Board of Trustees shall set the criteria for determining the disability of members.* Methods of disability determination shall be applied uniformly and consistently to all members applying for the disability benefits.

Variable Retirement Account Contributions

The Board sets the variable retirement account contribution at its December meeting. The contribution is based on the current annual actuarial valuation and the recommendation of the Executive Director and the Senior Actuary.

> **3-12C-1302. Variable retirement contributions of generational members.**
>
> *Each year the board shall establish the variable retirement contribution for the following fiscal year* based on the results of the most current annual actuarial valuation. The variable retirement contribution for any year may be adjusted from zero to one and one-half percent of each contributing generational member's compensation and shall be allocated to each generational member's variable retirement account. The variable retirement contribution for the fiscal year beginning July 1, 2017, shall be one and one-half percent of each contributing member's compensation.

Interest Rate Assumptions for Supplemental Pension Contracts

At least annually, the Board must set the interest rate for new supplemental pension contracts based on the recommendations of the independent reviewing actuary and the State Investment Officer, with input from the Executive Director. This typically occurs at the Board's third-quarter meeting of the fiscal year.

> **3-12C-1502. Interest rate assumption--Suspension of new supplemental pension contracts--No right to particular price.**
>
> *On an annual basis, at minimum, the board shall establish an interest rate assumption upon which the provisions of subsequent supplemental pension contracts shall be based.* The board shall establish the assumption on the basis of the recommendations of the system's actuary and the state investment officer. The interest rate assumption may not be greater than the actuarial assumed rate of return for the fund, nor may the interest rate assumption be less than the effective rate of interest. Any other provision of

law notwithstanding, the board may suspend issuance of new supplemental pension contracts at any time. Any suspension of new supplemental pension contracts shall be prospective in operation and may not affect supplemental pension contracts already in effect.

The administration of the supplemental pension benefit requires that supplemental pension benefit purchase costs vary from one time period to the next. Consequently, participants who accept the option of a supplemental pension benefit have no expectation or fundamental right to any particular supplemental pension benefit purchase price.

Qualified Benefit Preservation Arrangement

The Board oversees the administration of the Qualified Benefit Preservation Arrangement (QBPA). This arrangement, authorized under the Internal Revenue Code, allows payment of a portion of a retirement benefit that would otherwise be restricted by federal limits on annual benefits from a tax-qualified defined benefit plan. The Board established the QBPA to apply in specific, limited situations where these federal benefit limits would otherwise reduce a participant's payable retirement benefit.

3-12C-1803 . Qualified benefit preservation arrangement--Establishment--Purpose.

The qualified benefit preservation arrangement is established and placed under the management of the board. The purpose of the qualified benefit preservation arrangement is solely to provide a portion of the benefit that would otherwise have been payable by the system except for the limitations under section 415(b) of the Internal Revenue Code, as determined in § 3-12C-1805. The qualified benefit preservation arrangement is intended to constitute a qualified governmental excess benefit arrangement under section 415(m) of the Internal Revenue Code and shall be interpreted and construed consistently with that intent. The qualified benefit preservation arrangement is a portion of the system solely to the extent required under, and within the meaning of, code section 415(m)(3) and § 3-12C-1805.

The qualified benefit preservation arrangement is an exempt governmental deferred compensation plan described in code section 3121(v)(3). Code sections 83, 402(b), 457(a) and 457(f)(1) do not apply to the qualified benefit preservation arrangement. With respect to code section 457(a), the maximum amount that may be deferred under the qualified benefit preservation arrangement on behalf of any participant for the taxable year may exceed both the amount in code section 457(b)(2), as adjusted for cost of living increases, and the percent of the participant's includible compensation referred to in that code section. The system may not hold any assets or income under the qualified benefit preservation arrangement in trust for the exclusive benefit of participants.

3-12C-1811 . Qualified benefit preservation arrangement--Administration.

The system shall administer the qualified benefit preservation arrangement. The system shall compile and maintain all records necessary for administration. *The board has the same rights, duties, and responsibilities respecting the qualified benefit preservation arrangement as it has with respect to the system. The board shall, as necessary and appropriate, take the following actions:*

(1) Establish procedures to administer the qualified benefit preservation arrangement not inconsistent with this part and the Internal Revenue Code, and to amend or rescind any of these procedures;

(2) Determine, consistent with this part, applicable law, rules, or regulations, all questions of law or fact that may arise as to eligibility for participation and eligibility for distribution of benefits, and the status of any person claiming benefits under the qualified benefit preservation arrangement;

(3) Make payments from the qualified benefit preservation arrangement fund to participants pursuant to this part;

(4) Contract with a third party to perform designated administrative services under this part;

(5) Construe and interpret this part as to administrative issues and to correct any defect, supply any omission, or reconcile any inconsistency in the qualified benefit preservation arrangement, subject to and consistent with the code; and

(6) Seek appropriate rulings from the Internal Revenue Service with regard to the status of the qualified benefit preservation arrangement under the Internal Revenue Code.

Responsibilities Outside the Plan Document

Beyond its statutory plan requirements, the Board strictly adheres to South Dakota's Open Meeting and Public Records laws. To encourage active public participation, the Board has adopted a **Public Testimony and Comment Policy**. Furthermore, to ensure compliance with executive session regulations, the Board has adopted **Executive Session Compliance and Procedures**.

Approvals

The Board plays a crucial role in overseeing numerous actions and documents essential to the effective administration and management of the system. By fulfilling these responsibilities, the Board helps maintain the system's integrity and efficiency and supports its overall objectives.

Standard Board Actions

The Board is responsible for approving:

- The Board of Trustees Policy and Governance Manual
- The minutes of each Board meeting
- The engagement of an independent auditor, an independent reviewing actuary, a third-party administrator for the Supplemental Retirement Plan (SDRS-SRP) and the Special Pay Retirement Program (SDRS-SPP), and any other professional advisors
- The annual administrative budget for SDRS
- Any proposed legislation to be recommended for introduction during the Legislative Session
- The adoption of any administrative rules
- The election results for board members
- Any policy issues relating to SDRS benefit determinations or administration
- Any Board position paper or statement relating to goals and objectives
- Any policy positions applicable to Board membership
- The addition of standing committees and ad hoc committees of the Board recommended by the Chair

Additionally, based on the statutory requirements discussed above and the results of the System's annual actuarial valuation, the Board annually establishes the following:

- The Cost-of-Living Adjustment (COLA), effective the following July 1
- The amount of the Variable Retirement Account (VRA) contribution for the upcoming fiscal year
- The effective rate of interest applied to member and employer contributions for the upcoming fiscal year
- The rate of interest used to determine the Supplemental Pension Benefit for the upcoming fiscal year

Formal Reports

The Board receives formal reports on SDRS's key financial and actuarial findings each year. The Board will approve and accept the following reports, based on a determination that they fully disclose SDRS's financial and actuarial condition.

- Financial statements as of the close of each fiscal year for SDRS, the Supplemental Retirement Plan (SDRS-SRP), and the Special Pay Retirement Program (SDRS-SPP)
- Independent audit as of the close of each fiscal year for SDRS, SDRS-SRP, and SDRS-SPP
- Actuarial Valuation as of the close of each fiscal year
- Review of the Actuarial Valuation by the independent reviewing actuary, or when presented, the results of a full replication of the Actuarial Valuation
- Investment performance report for SDRS as of the close of each fiscal year

Additionally, the Board will approve and accept the following reports presented by professional service providers selected by the Board:

- SDRS-SRP and SDRS-SPP annual report
- Quadrennial investment review report
- Cost and quality of administrative services report

Experience Analysis

The Board will review the Experience Analysis of the System prepared by the Senior Actuary and the report prepared by the independent reviewing actuary. Additionally, the Board will approve the actuarial assumptions based on the recommendations of both the Senior Actuary and the independent reviewing actuary, and on their certification that the assumptions are reasonable.

Class B Public Safety Applications

Requests submitted in accordance with the Procedure to Consider Requests for Class B Public Safety Membership are reviewed by the Class B Public Safety Committee. The committee reviews the information provided in the request and makes a recommendation. The Board reviews the request and takes testimony from the group. If the Board determines that the group meets the Criteria for Class B Public Safety Membership, it will affirmatively recommend the request for consideration by the Legislature.

Personnel Reviews

The Board annually reviews the following:

- The performance of the Executive Director as outlined in the **Executive Director Compensation and Performance Appraisal Policy**.
- The Executive Director's report on staff performance, hiring and retention efforts, and succession planning.

Committees of the Board

To improve efficiency, the Board has established committees to assist with specific matters outlined in this section. These committees support the Board by conducting detailed reviews and offering informed recommendations; however, the full Board makes all final decisions. The composition and responsibilities of each committee are detailed in the following documents.

- Nominating Committee
- Audit Committee
- Executive Director Evaluation and Compensation Committee
- Waiver Request Committee
- Class B Public Safety Committee

The Board Chair appoints a committee chair to preside over the committee's meetings and to report the committee's actions to the Board.

The Board Chair will appoint an ad hoc committee to carry out the responsibilities of the Executive Director Succession Plan when applicable.

The Board Chair may recommend other standing and ad hoc committees to the Board for approval.

Financial Transparency

The Board has both statutory and fiduciary responsibility to disclose SDRS's financial status transparently to all stakeholders. To fulfill this responsibility, SDRS staff, under the Board's direction, publish the following reports annually:

- The Annual Comprehensive Financial Report
- The Audit of the Financial Statement
- The Actuarial Valuation Report
- The Actuarial Audit of the Actuarial Valuation Report
- The Annual Report of the Funded Status of the South Dakota Retirement System to the Governor and Legislature of the State of South Dakota

Additionally, the State Dakota Investment Council provides an update on investment results at each Board meeting, and the Senior Actuary presents a Projected Funded Status Report that offers a current view of the estimated SDRS funded status at year-end, including the corresponding COLA ranges for the upcoming July first. The SDIC update and the Projected Funded Status Report are available with the meeting materials on the Board's SharePoint portal and on the SDRS website.

These reports are supplemented throughout the year by presentations to the Retirement Laws Committee, the Executive Board of the Legislative Research Council, the Joint Appropriations Committee, and other stakeholders, providing policymakers with the current funded status of SDRS.

Board Planning and Policy Documents for System Administration

To effectively manage SDRS and establish a framework for measuring success, the Board has developed specific goals and objectives. These aim to provide adequate benefits for members while also ensuring minimum funding standards and effective system management policies. These two policy statements form the foundation for the Board's management of the System and are reviewed and updated as needed.

Funding and System Management

In recognition that SDRS is managed on fixed, statutory contributions, this statement establishes minimum funding objectives and criteria for recommending changes when these objectives are not achieved. It also outlines the conditions under which recommendations for benefit improvements are considered.

Long-Term Benefit Goals

This statement outlines the goals for benefit adequacy for normal retirement, early retirement, termination of employment before retirement, disability retirement, and death benefits, both before and after retirement, as well as goals for Cost-of-Living Adjustments. It also compares the benefits provided by SDRS with these established goals.

The Board has published other policy statements to summarize its planning process and policy decisions.

The South Dakota Perspective: Public Employee Retirement Benefits and the South Dakota Retirement System

This document outlines the Board's positions relating to benefits, governance, and funding.

A System Guide to Planning for the Unexpected

This document is the result of a thorough planning process that prioritizes actions and activities and proposes recommendations to be considered in response to varying economic conditions.

SDRS Strategic Plan

This document outlines the essential components of a successful public employee retirement system and identifies the key strategic initiatives of the Board and SDRS staff.

These additional documents are included for their historical significance.

Historical Highlights

A detailed history of the changes and issues facing SDRS since consolidation in 1974 is documented in the Historical Highlights.

Retirement 2020 Paper

A Benefit Design for a New Generation

The Guiding Principles, Objectives, and Goals of a Consolidated Plan

Reflecting on 40 Years of Consolidation

South Dakota Retirement System Celebrates 50 Years

Board Conduct and Professional Standards

The Board has adopted these policies to provide clear guidance that protects both the integrity of the System and the interests of individual Board members. By precisely defining roles, responsibilities, and expectations, these policies help ensure consistent governance, promote accountability, and reduce the potential for misunderstandings or conflicts. In establishing these standards, the Board reinforces its commitment to transparent operations and effective stewardship of the System's resources and mission.

Board Member Expectation Statement

Board members of SDRS are trusted fiduciaries expected to uphold the highest levels of integrity, professionalism, and accountability. These guiding principles ensure responsible decision-making, strong governance, and protection of the interests of SDRS members and beneficiaries, while maintaining the credibility and mission of the System.

Spokesperson and Communication Policy

The Board established guidelines to ensure communication about SDRS is clear, accurate, and consistent.

New Trustee Orientation Policy

The Board recognizes the importance of providing new board members with education and training in areas that support their governance, oversight, and fiduciary responsibilities.

Trustee Education Policy

The Board expects its members to remain continuously informed about how public pension plans operate, including their design and governance. Ongoing professional development is essential, and Board members are expected to regularly participate in learning opportunities as part of their fiduciary responsibilities.

Conference Attendance Policy

As board members, professional development is an important part of maintaining an informed and effective governance structure. Conferences allow board members to stay current on pension industry trends and issues. The policy is in place to ensure that attendance is purposeful, pre-approved, and aligned with the Board's mission.

Gift Policy

The Board's gift policy promotes transparency and guides Board members and SDRS employees on handling gifts. It requires disclosure of any gift valued over fifty dollars, unless it is offered as part of a meeting or conference. Gifts include meals, travel, lodging, entertainment, and similar benefits provided by third parties.

Conflict of Interest

State Officers and Employees

During the 2015 Legislative Session, the Legislature enacted conflict-of-interest statutes relating to current and former state officers and employees. The Board adopted policies and procedures for SDRS.

Conflict of Interest Waiver Policy and Instructions for Seeking a Waiver

Conflict Waiver Decision Matrix

Request for Waiver Form

Grant of Waiver

Code of Conduct

Employee Conflict Disclosure Form

Members of Boards, Commissions, and Authorities

During the 2016 Legislative Session, legislation was enacted that mirrored the previous year's measures for state employees and officers in SDCL Chapter 3-23. The legislation regulated conflicts of interest for elected or appointed members of state boards, commissions, and authorities. The SDRS Board of Trustees was specifically included in the legislation, along with 21 other boards, commissions, and authorities.

In 2016, the Legislature also established the State Board of Internal Control, which was charged with developing guidelines for internal control, a code of conduct, and a conflict-of-interest policy. The Board implemented policies and procedures modeled after those adopted for state officers and employees and developed for use by all named boards, commissions, and authorities.

Code of Conduct and Conflict of Interest Policy for Use by State Authority, Board, Commission, and Committee Members

State Board Disclosure and Waiver Decision Matrix

Request for State Board Waiver and Waiver Authorization Forms

Procedure for Receiving and Distributing Waiver Requests

Board of Trustees Conflict Disclosure Form

These policies and procedures are designed to help board members identify potential conflicts and outline the process for requesting a waiver.

Time Period Covered

The policies and procedures apply to persons serving as board members on or after July 1, 2016, and remain in effect for one year after the end of the member's term on the Board.

Prohibition

The general policy is that, absent a waiver, board members are prohibited from contracting with, or deriving benefits from, a contract with:

- A state agency if the contract is within the jurisdiction or related to the subject matter of SDRS; or
- A political subdivision of the state that administers or executes similar subject matter programs as SDRS.

The policy also applies to direct benefits from such contracts received by a spouse or another person living with the board member and commingling assets with the board member. A board member, the member's spouse, or a person with whom the member lives and commingles assets receives a direct benefit if the person:

- Has five percent ownership or interest in a party to the contract;
- Derives income, compensation, or commission directly from the contract or from a party to the contract;
- Acquires property under the contract; or
- Serves on the board of directors of an entity that acquires income or commission directly from the contract or acquires property under the contract.

Penalties

Any board member who knowingly violates the disclosure laws shall be removed from the Board and deemed guilty of a Class 1 misdemeanor. The Board has the discretion to void the contract. Additionally, any benefits the board member receives from the contract are subject to forfeiture.

Waiver

The Board may grant a waiver to a board member if the following conditions are satisfied:

1. The board member provides a full written disclosure to the Board;
2. The Board reviews the essential terms of the contract or transaction and the member's role in the contract or transaction;

3. The transaction and terms of the contract are fair and reasonable and not contrary to the public interest; and
4. The authorization of the Board is in writing and filed with the Auditor General and Attorney General.

Process to Request a Waiver

For a waiver request with prior notice:

If a question arises concerning a waiver request, the board member or former member should contact the Executive Director to obtain the appropriate form. After completing the form, they should return it to the Executive Director. The Executive Director will then share the waiver request with the Waiver Request Committee, which will bring it to the full Board at the next regular meeting or, if necessary, at a special meeting. The requesting board member should be prepared to answer any questions the Board may have. After this discussion, the requesting board member should leave the meeting while the other members deliberate on the request and decide whether to grant the waiver. The request and the Board's decision will be documented in the meeting minutes.

For a waiver request without prior notice:

The Board has a standing item on its meeting agenda to address any requests from board members who were unable to provide prior notice.

Internal Controls

SDRS implemented the Internal Control Framework in collaboration with the Office of Internal Control. The process included conducting a risk assessment, identifying controls, and developing and finalizing a risk control matrix. Ongoing review and reporting are required and completed by staff.

Legislative Advocacy and Board Responsibilities

Retirement Laws Committees

The Retirement Laws Committees have been significant contributors to the success of SDRS, have led to consistent and sound pension policies, and have ensured thorough analysis of proposed legislative changes.

Pursuant to SDCL 2-6-12, any legislation proposed by the Board of Trustees must be referred to the Retirement Laws Committees for consideration and recommendation to the entire Legislature. This process aligns with the structured and informed approach intended by the Legislature when establishing these standing committees. The Retirement Laws Committees possess significant expertise, knowledge, and experience regarding SDRS. The entire Legislature relies on these committees to review proposals and recommend changes that reflect sound and consistent policies.

The Board will provide the Retirement Laws Committees with a detailed explanation of the rationale behind any proposed legislation, including an actuarial impact assessment prepared by the Senior Actuary, to ensure that both the policy impacts and costs are fully understood.

Board-Recommended Legislative Proposals

The Board will actively advocate for sound pension policy. See **Legislation Policy**.

If appropriate, the Board will recommend changes to the statutory plan provisions in accordance with its fiduciary duty. If the minimum funding standards outlined in SDCL 3-12C-228 are not met, the Board will recommend the circumstances and timing for any corrective actions, including benefit changes. The Board will also recommend benefit improvements if the conditions are met. See **Funding and System Management**.

Any changes require Legislative and Gubernatorial approval.

Legislation Not Originating with the Board

The Board encourages individuals proposing changes to SDRS to submit their proposals to the Board, appear before it to explain the rationale for the proposed changes, and answer any questions the Board may have. This process enables the Board to fully understand the proposal's intent, conduct a thorough analysis, and take an informed position.

The Board will oppose any proposal that does not permit a careful and disciplined evaluation.

Any proposed legislation affecting SDRS that does not originate with the Board of Trustees should also be referred to the Retirement Laws Committees for the reasons stated above. The Retirement Laws Committees should consider the Board of Trustees' recommendations and analysis, as well as the actuarial impact assessment, before making decisions.

Similarly, any proposed legislation referred to another legislative committee should follow the same process, including consideration of the Board's full analysis and recommendations, as well as the actuarial impact assessment.

Session Updates

Throughout the Legislative Session, SDRS will update Board members on bills and actions that affect SDRS. Board members are encouraged to contact SDRS if they become aware of potential bills under consideration for introduction or if they receive information about legislation that may affect SDRS. Board members may also be asked to speak with their local legislators about bills and issues affecting SDRS.

> **2-6-12. Legislative drafts and recommendations by Retirement Laws Committee--Reports--Review of proposals.**
>
> The Retirement Laws Committee shall present legislative drafts to effect sound and equitable public employees retirement programs. The Retirement Laws Committee shall study and make recommendations concerning the extension of retirement coverage to public employees to whom retirement protection has not been accorded. The Retirement Laws Committee shall from time to time report to the Legislature which report shall include but not be limited to the financial soundness of the system. The Retirement Laws Committee shall review all proposed legislation that affects public employee retirement in the state and shall make its report to the Legislature. *During the legislative session, however, the standing committees established to review retirement laws legislation shall review proposed legislation that affects public employee retirement.*
>
> **Joint Rule 6C-4** of the ***Rules of the South Dakota Legislature***. Retirement system actuarial statement. *Each bill introduced affecting the benefits payable by the state or a local government retirement system must have an actuarial statement displayed on the Legislative Research Council website*

for the bill. The actuarial statement must be requested from the governing board of the retirement system affected and the statement must identify the costs of the proposed change in the law as stated by the actuary for the affected retirement plan. If there is a doubt as to the need for an actuarial statement, the president pro tempore shall make the final decision for a Senate bill and the speaker shall make the final decision for a House bill. After the bill is introduced, the actuarial statement must be published on the Legislative Research Council website for the bill.

Litigation

The Board is responsible for protecting the System's interests in all legal matters. If the System becomes involved in any lawsuit, claim, or legal action, the Board will actively oversee and direct the System's defense.

To ensure an effective and well-coordinated legal strategy, the Board will rely on guidance from the SDRS General Counsel, the Office of the State Attorney General, and, when necessary, outside legal counsel with specialized expertise. These legal advisors will assist in evaluating the nature of the litigation, advising on potential risks, recommending appropriate actions, and representing SDRS in all judicial or administrative proceedings.

The Board will also monitor the progress of each case, receive updates from counsel, and make decisions necessary to protect the System's integrity, financial stability, and statutory responsibilities.

Complementary Savings Programs

The Board administers two complementary programs offered by SDRS to help members achieve their personal savings goals: the Deferred Compensation Plan for Public Employees (also known as the Supplemental Retirement Plan, or SRP) and the Special Pay Retirement Program (SPP).

Supplemental Retirement Plan

The Board oversees the deferred compensation plan, commonly known as the SDRS Supplemental Retirement Plan (SDRS-SRP), which is governed by SDCL Chapter 3-13. The SDRS-SRP is an optional defined contribution plan that qualifies as a deferred compensation plan under Section 457(b) of the Internal Revenue Code. Administration and enrollment services for the plan are currently provided by Nationwide® Retirement Solutions.

Participants may defer a portion of their compensation on either a pre-tax or post-tax (Roth) basis and may invest in any of the investment options selected by the State Investment Officer. Accumulated contributions, along with net investment earnings, are available upon termination of employment and in certain other limited circumstances. Payout options include a lump sum, rollover, periodic payments, or an annuity.

> **3-13-49. State deferred compensation plan--Agreements in writing--Administrative charge--Amounts deferred remitted to state deferred compensation fund.**
>
> The board may establish the South Dakota deferred compensation plan for state government and political subdivision governments as determined by the board. Any eligible person wishing to participate shall execute such agreements as the board may require and shall specify in writing the amount of compensation to be deferred. Such agreement shall authorize reduction of compensation by the amount specified plus an administrative charge set by the board. The employer of each participating employee shall remit all amounts so deferred to the South Dakota deferred compensation fund, along with such documentation as may be required, no later than ten days after each payday. No deferral of compensation under this chapter may reduce compensation for the purpose of calculation of contributions and benefits under chapters 3-6E and 3-12C.
>
> **Source:** SL 1987, ch 38, § 1.

Special Pay Retirement Program

The Board serves as a fiduciary for the SDRS Special Pay Retirement Program (SDRS-SPP), which is governed by SDCL Chapter 3-13A.

The SDRS-SPP is an additional retirement plan funded by an eligible employee's special pay, which refers to compensation received upon termination of employment, excluding regular salary or wages. This special pay can include unused annual leave, unused sick leave, or other lump-sum payments that are eligible for contribution to the SDRS-SPP.

Contributions made by eligible employers from special pay to the SDRS-SPP are not included in the eligible employee's gross wages. The SDRS-SPP is a tax-deferred retirement savings option that allows eligible employees to defer taxation on both their contributions and the earnings until they make withdrawals.

3-13A-4. Board controls program as fiduciary--Promulgation of rules.

The program shall be under the authority of the board. The board shall be held to the standard of conduct of a fiduciary and shall carry out its functions solely in the interest of the participants and benefit recipients and for the exclusive purpose of providing benefits and defraying reasonable expenses incurred in performing such duties as required by law. The board may promulgate rules necessary to establish uniform procedures for the administration of the program and to insure uniformity of application of the provisions of §§ 3-13A-1 to 3-13A-25, inclusive. Rules may be promulgated in regard to membership, contributions and the collection thereof, fees for administration of the program, and procedures for application for benefits and payment of benefits. The rules shall be promulgated pursuant to chapter 1-26 and shall be in accordance with the provisions of §§ 3-13A-1 to 3-13A-25, inclusive.

Source: SL 2004, ch 43, § 4; SDCL, § 3-12-168; SL 2005, ch 28, § 1.

THE SDRS PROCEDURE TO CONSIDER REQUESTS FOR CLASS B PUBLIC SAFETY MEMBERSHIP

1. Any request for the Board of Trustees' recommendation for Class B Public Safety membership must clearly specify the position for which Class B Public Safety membership is requested. Any SDRS participating employer (agency/entity) employing any such position must join in the request for Class B Public Safety membership.

2. Each employer and the applicable appointing authority must approve the request, in writing. The applicable appointing authorities are included in the Appendix to this document.

3. The group requesting Class B Public Safety membership shall submit the request to the SDRS Executive Director. The request shall include, as a minimum, the following:

   - Approval from all employers and applicable appointing authorities.
   - A detailed statement as to why the position meets each of the criteria for Class B Public Safety membership.
   - A copy of the current job description, or its equivalent, of the position.
   - For each employee to be considered:
     - Name;
     - Last four digits of social security number; and
     - Employer.
   - A demonstration that each person affected by the request understands and agrees that if implemented:
     - Additional SDRS contributions, both employer and employee, are required;
     - The change is prospective only and can only be made effective at the beginning of the state's fiscal year (July 1); and
     - Family benefits are not payable upon the death of a member who has reached normal retirement age.
   - Reference to statutory law, if any, that defines the responsibility of the group.

~~September 1, 2022~~ (Revised September 2, 2026)

4. Once the information, as outlined in 3 of this procedure, is received by the SDRS Executive Director, ~~a standing committee composed of SDRS staff and Board of Trustees members~~ the Class B Public Safety Committee (a permanent Committee of the Board of Trustees) will evaluate the information submitted. Designated SDRS legal and administrative staff shall support the Committee in an advisory capacity. Additional information will be requested as needed.

5. ~~The committee will prepare a report for the SDRS Executive Director with its evaluation results and recommendation for approval or denial of the request for Class B Public Safety membership.~~ The Class B Public Safety Committee will prepare a comprehensive report summarizing its evaluation results and its recommendation for approval or denial. The Committee will submit this report and recommendation to the Board of Trustees, with a copy provided to the Executive Director.

~~6. The SDRS Executive Director will submit the committee's report to the Board of Trustees and will make a recommendation to the Board of Trustees to accept or reject the committee's recommendation.~~

7. The group requesting Class B Public Safety membership may be invited to make a formal presentation to the SDRS Board of Trustees that includes a general overview of the request and an analysis of how the criteria are satisfied. The SDRS Executive Director will schedule the presentation for the next available Board of Trustees meeting and notify the group of the date.

8. The SDRS Board of Trustees will make a recommendation to approve or deny the request at an official meeting.

9. If a recommendation to approve the request is made by the Board and if a statutory change is necessary to effectuate the change, SDRS staff will assist in drafting and introducing the legislation for action by the Legislature. The group requesting Class B Public Safety membership must present the legislation during any legislative committee hearing. SDRS will testify in support of the legislation.

~~September 1, 2022~~ (Revised September 2, 2026)

Note: ~~If the request requires a statutory change, the group should submit the request to SDRS no later than July 15 so the Board may hear the request at its third meeting in late August or early September and, if approved, any potential legislation can be timely prepared for consideration at the Board's December meeting and introduction during the following Legislative Session.~~ If the request requires a statutory change, the group should submit the request to SDRS no later than July 15 so the Board may hear the request at its fourth meeting in December and approve of any legislative change for introduction during the following Legislative Session, if applicable.

~~September 1, 2022~~ (Revised September 2, 2026)

APPENDIX
APPOINTING AUTHORITIES

For the State of South Dakota:

- **Legislative Branch.** The Director of Legislative Research Council and the Commissioner of the Bureau of Finance and Management.
- **Executive Branch.** The agency's appointing authority as defined in SDCL 3-6C-1, the Commissioner of the Bureau of Human Resources, and the Commissioner of the Bureau of Finance and Management.
- **Judicial Branch.** The Chief Justice of the Supreme Court and the Commissioner of the Bureau of Finance and Management.
- **Elected Officials.** The elected official and the Commissioner of the Bureau of Finance and Management.

For the Board of Regents:

- **Board of Regents.** The agency's appointing authority and the Executive Director of the Board of Regents.
- **Universities and Schools of the Regents.** The agency's appointing authority, the president of the university, and the Executive Director of the Board of Regents.

For Political Subdivisions:

- **Cities.** The agency's appointing authority, the mayor, and the city commission/council of the entity.
- **Counties.** The agency's appointing authority and the county commission.
- **Schools.** The superintendent of the school district and the school board.
- **Other.** The agency's appointing authority and the governing body of the entity.

Note: Some groups requesting Class B Public Safety membership may be subject to multiple appointing authorities. If so, each appointing authority must issue its approval.

2027 Potential Legislation

September 2, 2026

2027 Potential Legislation

Background

- As we prepare for the 2027 legislative session, SDRS anticipates introducing a singular bill that focuses on federal law updates.

- This proposal is designed to ensure continued compliance with federal law.

SDRS
SOUTH DAKOTA
RETIREMENT SYSTEM

2027 Potential Legislation

Federal Law Updates

1. **Update Internal Revenue Code Reference.** This routine update ensures SDRS statutes reflect the most current version of the federal tax code.

2. **Update SRP Catch-Up Roth Income Threshold.** This change would align SDRS SRP provisions with SECURE 2.0 updates regarding the income threshold for participants utilizing catch-up provisions.

2027 Potential Legislation

Thank you

We’re looking forward to a productive 2027 Legislative Session and appreciate your continued support. As always, each item is designed to strengthen SDRS through thoughtful updates and technical improvements. Please don’t hesitate to contact us with any questions.

SDRS SUPPLEMENTAL RETIREMENT PLAN

Plan Performance Report

457B & 401A

ANNUAL REPORT

FY2025 vs. FY2026

SDRS SOUTH DAKOTA SUPPLEMENTAL RETIREMENT PLAN

Nationwide®

NRM-21797AO.9 (11/25)

Plan Summary

07/01/2025 - 06/30/2026	457B	401A	Total
Beginning Balance	**$824,092,931**	**$82,976,426**	**$907,069,357**
Activity			
Contributions	$69,165,784	$11,635,924	$80,801,709
Distributions	($46,242,440)	($13,699,897)	($59,942,337)
Fees	($1,504,764)	($127,512)	($1,632,277)
Loans*	$0	$0	$0
Other**	$36,549,120	$709,651	$37,258,771
Gain (Loss)	$106,863,435	$3,733,789	$110,597,225
Ending Balance	**$988,924,067**	**$85,228,382**	**$1,074,152,448**

**Includes adjustments related to Capital Gains, Dividends, Fund Reimbursements, and Interest.

Overview

We're here to help you deliver a retirement plan experience that works for your employees and for you.

This plan performance report is designed to make plan oversight easier, giving you clear insights into the features and capabilities you've selected to support your employees' retirement goals.

We know you have choices when it comes to retirement plan providers. Thank you for your continued partnership.

We look forward to helping you build retirement readiness across your workforce.

Asset Balance

$1,074,152,448

$907,069,357 Prior Period | $167,083,091 Change

Outstanding Loans

$0

$0 Prior Period | $0 Change

SDBA Balance

$0

$0 Prior Period | $0 Change

Participants With A Balance

39,642

38,383 Prior Period | 1,259 Change

Average Participant Balance

$27,096

$23,632 Prior Period | $3,464 Change

New Accounts

4,541

4,118 Prior Period | 423 Change

Contributions

$80,801,709

$68,552,531 Prior Period | $12,249,178 Change

Loan Payments

$0

$0 Prior Period | $0 Change

Rollovers / Transfers In

$16,008,036

$8,225,035 Prior Period | $7,783,001 Change

Distributions

($59,942,337)

($54,843,448) Prior Period | $5,098,889 Change

Loan Disbursements

$0

$0 Prior Period | $0 Change

Rollovers / Transfers Out

($30,884,180)

($29,275,321) Prior Period | $1,608,859 Change

SDRS SUPPLEMENTAL RETIREMENT PLAN

Plan Performance Report

457B

ANNUAL REPORT

FY2025 vs. FY2026

NRM-21797AO.9 (11/25)

Plan Summary

07/01/2025 - 06/30/2026	457B
Beginning Balance	**$824,092,931**
Activity	
Contributions	$69,165,784
Distributions	($46,242,440)
Fees	($1,504,764)
Loans*	$0
Other**	$36,549,120
Gain (Loss)	$106,863,435
Ending Balance	**$988,924,067**

**Includes adjustments related to Capital Gains, Dividends, Fund Reimbursements, and Interest.

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Asset Balance
$988,924,067
- $824,092,931 Prior Period
- $164,831,135 Change

Outstanding Loans
$0
- $0 Prior Period
- $0 Change

SDBA Balance
$0
- $0 Prior Period
- $0 Change

Participants With A Balance
36,835
- 35,552 Prior Period
- 1,283 Change

Average Participant Balance
$26,847
- $23,180 Prior Period
- $3,667 Change

New Accounts
3,813
- 3,378 Prior Period
- 435 Change

Contributions
$69,165,784
- $56,750,578 Prior Period
- $12,415,207 Change

Loan Payments
$0
- $0 Prior Period
- $0 Change

Rollovers / Transfers In
$15,865,236
- $8,122,328 Prior Period
- $7,742,908 Change

Distributions
($46,242,440)
- ($40,960,974) Prior Period
- $5,281,466 Change

Loan Disbursements
$0
- $0 Prior Period
- $0 Change

Rollovers / Transfers Out
($24,558,473)
- ($22,170,598) Prior Period
- $2,387,874 Change

Participants

Participants With A Balance

36,835

35,552 Prior Period | **1,283** Change

Average Participant Balance

$26,847

$23,180 Prior Period | **$3,667** Change

Median Participant Balance

$3,582

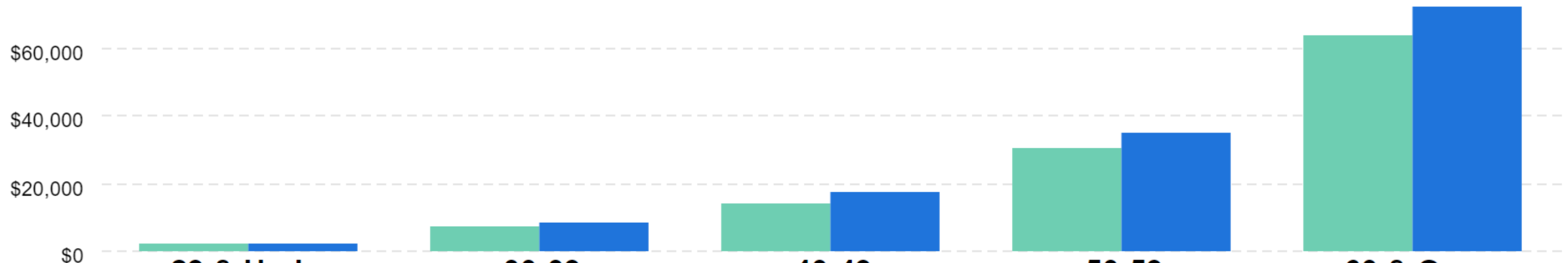
$3,111 Prior Period | **$471** Change

Average Asset Classes

1.35

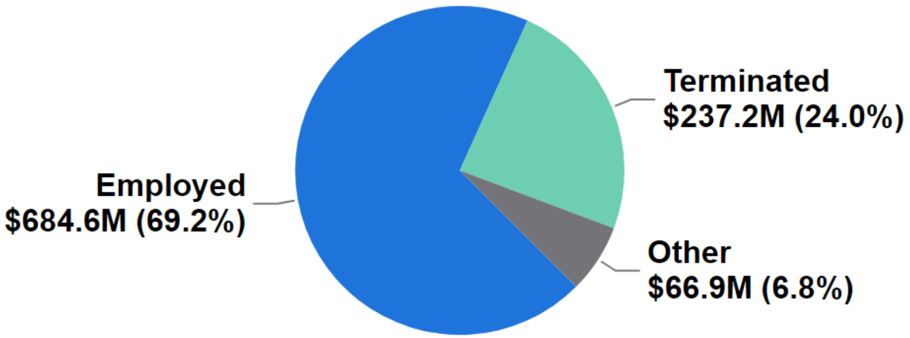
1.33 Prior Period | **0.02** Change

Average Participant Balance By Age



	29 & Under	30-39	40-49	50-59	60 & Over
Prior Period Avg Balance	$1,989	$7,164	$14,140	$30,422	$64,191
Current Period Avg Balance	$2,293	$8,354	$17,344	$34,819	$72,447
Prior Period Participants	5,010	9,345	7,975	6,362	6,868
Current Period Participants	5,121	9,422	8,451	6,678	7,169
Average Asset Classes	1.18	1.24	1.32	1.46	1.58

Plan Assets By Employment Status



Other includes beneficiaries, disabled, etc

Roth Usage

4,914 Participants | **$111,499,892** Assets

ProAccount Usage

417 Participants | **$18,149,224** Assets

Optional Strategies

Total Roth Balance

$111,499,892

$82,115,800	$29,384,092
Prior Period	Change

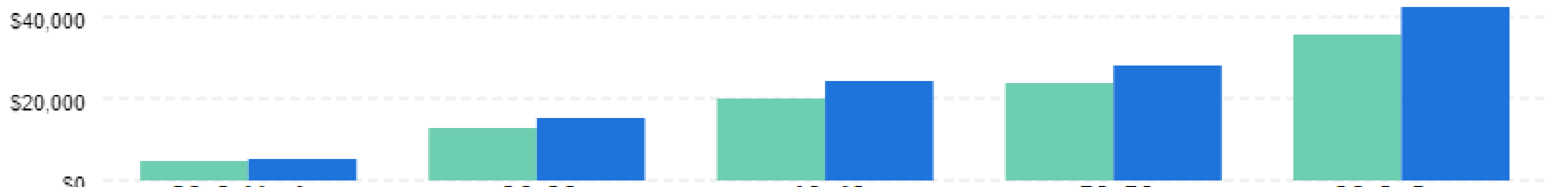
Roth Participants

4,914

4,314	600
Prior Period	Change

Roth Counts & Average Balance by Age

Average Roth Balance
$22,690



	29 & Under	30-39	40-49	50-59	60 & Over
Prior Period Avg Balance	$4,865	$12,980	$20,061	$23,874	$35,701
Current Period Avg Balance	$5,115	$15,153	$24,556	$28,026	$42,580
Prior Period Participants	575	1,194	1,080	858	607
Current Period Participants	657	1,311	1,253	1,002	691

Contributions

Contributions
$69,165,784
$56,750,578 Prior Period
$12,415,207 Change

Salary Contributions
$49,001,151
$44,987,934 Prior Period
$4,013,217 Change

Rollovers In
$15,862,955
$8,054,665 Prior Period
$7,808,289 Change

Transfers In
$2,281
$67,662 Prior Period
($65,381) Change

Participants Contributing*
22,437
21,924 Prior Period
513 Change

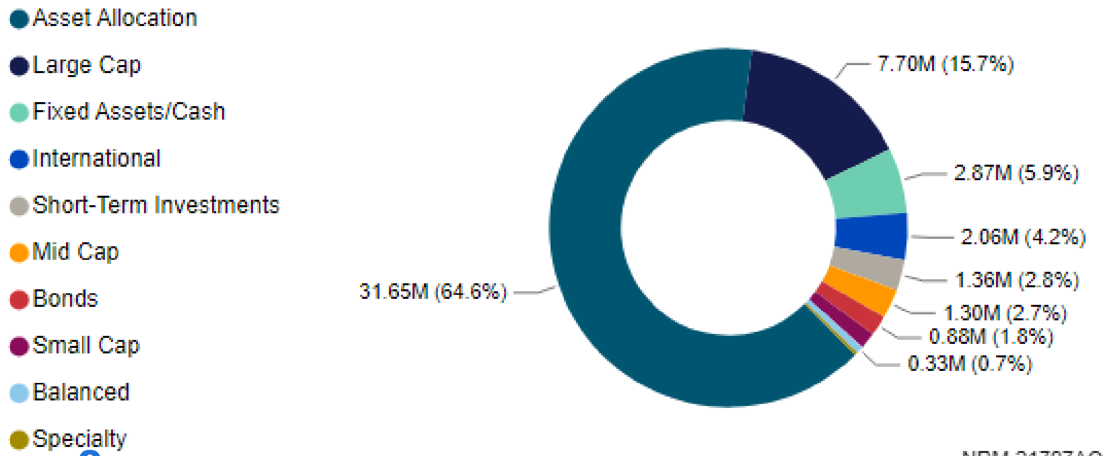
Roth Contributions
$15,219,652
$13,081,012 Prior Period
$2,138,641 Change

Contributions Activity

Type	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Salary Contribution	$44,987,934	$49,001,151	$4,013,217	21,924	22,437	513
Rollovers & Transfers	$8,122,328	$15,865,236	$7,742,908	358	483	125
Account Split	$2,749,580	$3,311,229	$561,649	74	97	23
In Plan Roth Rollover	$863,075	$988,444	$125,369	49	47	-2
Employer Contribution	$27,661	$0	($27,661)	3	0	-3
*Other	$0	($275)	($275)	0	3	3
Total	**$56,750,578**	**$69,165,784**	**$12,415,207**	**22,115**	**22,671**	**556**

*Other includes: Payroll Correction

Current Salary Contributions by Asset Category



Distributions

Distributions

($46,242,440)

($40,960,974) Prior Period | $5,281,466 Change

Rollovers Out

($22,931,872)

($20,677,170) Prior Period | $2,254,702 Change

Transfers Out

($1,626,601)

($1,493,429) Prior Period | $133,172 Change

Distributions Activity

Type	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Rollovers & Transfers	($22,170,598)	($24,558,473)	$2,387,874	528	696	168
Retirement	($9,347,045)	($11,144,482)	$1,797,437	1,100	1,413	313
RMD	($3,389,427)	($3,931,717)	$542,290	924	1,013	89
Account Split	($2,749,580)	($3,311,229)	$561,649	51	71	20
Death	($1,100,671)	($1,563,332)	$462,661	85	100	15
In Plan Roth Rollover	($664,206)	($837,707)	$173,501	45	41	-4
In-Service	($1,249,458)	($617,512)	($631,946)	11	20	9
Unforeseeable Emergency	($87,243)	($148,209)	$60,967	25	28	3
*Other	($190,247)	($106,781)	($83,466)	55	75	20
QDRO	($12,499)	($23,000)	$10,501	2	1	-1
Disability	$0	$0	$0	0	0	0
Total	**($40,960,974)**	**($46,242,440)**	**$5,281,466**	**2,726**	**3,335**	**609**

*Other includes: Service Credit, Excess Deferral (402g), Refund Earnings, 457(b) De Minimis and Testing Refund

Assets

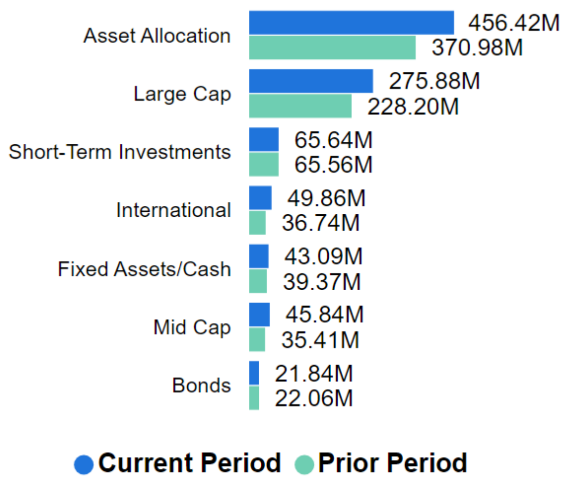
Allocation

Asset Class	Prior Period	Current Period
Asset Allocation	45.02%	46.15%
Balanced	1.70%	1.49%
Bonds	2.68%	2.21%
Fixed Assets/Cash	4.78%	4.36%
International	4.46%	5.04%
Large Cap	27.69%	27.90%
Mid Cap	4.30%	4.64%
Short-Term Investments	7.95%	6.64%
Small Cap	1.32%	1.45%
Specialty	0.11%	0.14%

Asset Balances & Participant Counts

Asset Class	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Asset Allocation	$370,977,756	$456,417,837	$85,440,081	30,487	31,672	1,185
Balanced	$13,983,114	$14,707,384	$724,270	477	485	8
Bonds	$22,060,404	$21,838,593	($221,812)	1,464	1,540	76
Fixed Assets/Cash	$39,370,763	$43,093,680	$3,722,916	3,051	3,377	326
International	$36,736,769	$49,862,107	$13,125,338	2,159	2,355	196
Large Cap	$228,197,472	$275,879,407	$47,681,935	3,696	3,868	172
Mid Cap	$35,409,552	$45,839,694	$10,430,142	2,105	2,207	102
Short-Term Investments	$65,556,193	$65,636,129	$79,936	1,801	2,127	326
Small Cap	$10,879,837	$14,308,933	$3,429,097	1,418	1,548	130
Specialty	$921,072	$1,340,302	$419,231	612	733	121

Fund Type - Period Trend



% of Balance by Asset Class & Age

	29 & Under		30-39		40-49		50-59		60 & Over	
Asset Class	$	%	$	%	$	%	$	%	$	%
Asset Allocation	$9,265,272	78.9%	$60,982,621	77.5%	$98,161,322	67.0%	$111,554,562	48.0%	$176,454,060	34.0%
Balanced	$24,882	0.2%	$74,936	0.1%	$545,349	0.4%	$1,524,890	0.7%	$12,537,327	2.4%
Bonds	$37,949	0.3%	$364,482	0.5%	$1,205,665	0.8%	$4,800,861	2.1%	$15,429,636	3.0%
Fixed Assets/Cash	$823,219	7.0%	$2,446,950	3.1%	$2,389,693	1.6%	$7,275,853	3.1%	$30,157,964	5.8%
International	$314,621	2.7%	$2,365,641	3.0%	$8,300,023	5.7%	$15,228,450	6.5%	$23,653,372	4.6%
Large Cap	$867,453	7.4%	$9,663,149	12.3%	$25,964,801	17.7%	$67,018,481	28.8%	$172,365,523	33.2%
Mid Cap	$226,001	1.9%	$1,601,792	2.0%	$5,383,743	3.7%	$14,979,189	6.4%	$23,648,969	4.6%
Short-Term Investments	$28,679	0.2%	$190,735	0.2%	$1,647,274	1.1%	$5,842,692	2.5%	$57,926,749	11.2%
Small Cap	$130,036	1.1%	$874,107	1.1%	$2,674,353	1.8%	$4,010,590	1.7%	$6,619,848	1.3%
Specialty	$21,782	0.2%	$151,632	0.2%	$300,030	0.2%	$286,267	0.1%	$580,592	0.1%
Total	**$11,739,893**	**100.0%**	**$78,716,046**	**100.0%**	**$146,572,254**	**100.0%**	**$232,521,834**	**100.0%**	**$519,374,040**	**100.0%**

Fund Balances & Utilization

Q2-FY25 vs. Q2-FY26
SDRS SUPPLEMENTAL RETIREMENT PLAN
457B

Investment Name	Ticker	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Vngrd Inst Indx Inst Pls	VIIIX	$0	$135,140,200	$135,140,200	0	2,615	2,615
Vngrd TrgtRtrmt 2030 Tr II	XX452	$0	$71,548,293	$71,548,293	0	2,848	2,848
Empower Guaranteed Investment Contract		$65,556,193	$65,636,129	$79,936	1,801	2,127	326
Vngrd TrgtRtrmt 2025 Tr II	XX451	$0	$60,296,265	$60,296,265	0	2,260	2,260
Vngrd TrgtRtrmt 2035 Tr II	XX453	$0	$57,950,530	$57,950,530	0	3,117	3,117
Vngrd Wndsr II Adml	VWNAX	$48,293,620	$55,028,442	$6,734,822	1,504	1,589	85
Vngrd TrgtRtrmt 2045 Tr II	XX455	$0	$52,389,100	$52,389,100	0	4,061	4,061
Vngrd TrgtRtrmt 2050 Tr II	XX456	$0	$50,907,998	$50,907,998	0	4,967	4,967
Vngrd TrgtRtrmt 2040 Tr II	XX454	$0	$49,292,313	$49,292,313	0	3,542	3,542
AmFds Gr Fd Am R5	RGAFX	$37,537,179	$44,534,512	$6,997,333	1,761	1,897	136
Vngrd Fed Mny Mkt Inv	VMFXX	$39,370,763	$43,093,680	$3,722,916	3,051	3,377	326
Vngrd TrgtRtrmt 2020 Tr II	XX450	$0	$35,361,285	$35,361,285	0	1,330	1,330
Vngrd TrgtRtrmt 2055 Tr II	XX457	$0	$31,900,974	$31,900,974	0	5,130	5,130
Vngrd Gr Indx Inst	VIGIX	$24,176,183	$31,864,219	$7,688,036	1,289	1,492	203
Vngrd Extnd Mkt Indx Inst	VIEIX	$23,297,047	$29,251,171	$5,954,124	1,645	1,739	94
Vngrd TrgtRtrmt Inc Tr II	XX449	$0	$25,858,674	$25,858,674	0	801	801
Vngrd Ttl IntlStkIndx Inst	VTSNX	$16,284,891	$21,856,801	$5,571,910	1,355	1,532	177
Vngrd Ttl Bd Mkt Indx Inst	VBTIX	$22,060,404	$21,838,593	($221,812)	1,464	1,540	76
Vngrd Strat Eq Inv	VSEQX	$12,112,505	$16,588,524	$4,476,018	1,283	1,298	15
Vngrd TrgtRtrmt 2060 Tr II	XX458	$0	$15,736,928	$15,736,928	0	3,871	3,871
AmFds Cap Wld Gr Inc R5	RWIFX	$11,545,409	$15,231,670	$3,686,261	768	1,209	441
Vngrd Wlsly Inc Adml	VWIAX	$13,983,114	$14,707,384	$724,270	477	485	8
Vngrd SmCap Indx Inst	VSCIX	$10,879,837	$14,308,933	$3,429,097	1,418	1,548	130
Vngrd Val Indx Inst	VIVIX	$0	$9,312,034	$9,312,034	0	1,026	1,026
DodgeCox Intl Stk	DODFX	$4,992,892	$7,417,879	$2,424,988	768	902	134
Vngrd TrgtRtrmt 2065 Tr II	XX459	$0	$4,712,917	$4,712,917	0	1,548	1,548
DodgeCox Glbl Stk I	DODWX	$1,788,279	$2,209,667	$421,388	200	209	9
DodgeCox Glbl Stk	DODWX	$1,561,240	$1,902,319	$341,079	127	133	6
Vngrd RealEst Indx Adml	VGSLX	$921,072	$1,340,302	$419,231	612	733	121
DodgeCox Intl Stk I	DODFX	$475,194	$755,244	$280,050	136	157	21
TRowePr Real Asst	PRAFX	$88,864	$488,526	$399,662	39	71	32
Vngrd TrgtRtrmt 2070 Tr II	XX460	$0	$236,876	$236,876	0	143	143
Vngrd TrgtRtrmtIncGr Tr II	XX841	$0	$225,685	$225,685	0	16	16
Vngrd Inst Indx Inst	VINIX	$111,937,204	$0	($111,937,204)	2,494	0	-2,494
Vngrd Trgt Rtrmt 2030 Inv	VTHRX	$60,898,037	$0	($60,898,037)	2,793	0	-2,793

Fund Balances & Utilization

Q2-FY25 vs. Q2-FY26
SDRS SUPPLEMENTAL RETIREMENT PLAN
457B

Investment Name	Ticker	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Vngrd Trgt Rtrmt 2020 Inv	VTWNX	$34,494,058	$0	($34,494,058)	1,406	0	-1,406
Vngrd Trgt Rtrmt 2025 Inv	VTTVX	$54,099,417	$0	($54,099,417)	2,332	0	-2,332
Vngrd Trgt Rtrmt 2035 Inv	VTTHX	$43,351,325	$0	($43,351,325)	3,013	0	-3,013
Vngrd Trgt Rtrmt 2040 Inv	VFORX	$37,504,786	$0	($37,504,786)	3,430	0	-3,430
Vngrd Trgt Rtrmt 2045 Inv	VTIVX	$39,655,927	$0	($39,655,927)	3,948	0	-3,948
Vngrd Trgt Rtrmt 2050 Inv	VFIFX	$38,999,986	$0	($38,999,986)	4,850	0	-4,850
Vngrd Trgt Rtrmt 2055 Inv	VFFVX	$24,038,916	$0	($24,038,916)	4,962	0	-4,962
Vngrd Trgt Rtrmt 2060 Inv	VTTSX	$10,311,685	$0	($10,311,685)	3,537	0	-3,537
Vngrd Trgt Rtrmt 2065 Inv	VLXVX	$2,788,841	$0	($2,788,841)	1,106	0	-1,106
Vngrd Trgt Rtrmt Inc	VTINX	$24,834,780	$0	($24,834,780)	853	0	-853
Vngrd Val Indx Adml	VVIAX	$6,253,285	$0	($6,253,285)	866	0	-866

This data is a snapshot as of 6/30/2026

Fund Activity

Fund Name	Beginning Balance	Contributions	Loan Activity	Exchanges	Distributions	Fees	Adjustments	Gain/Loss	Ending Balance
Vngrd Inst Indx Inst Pls	$0	$5,405,323	$0	$123,042,558	($3,160,311)	($93,955)	$1,615,716	$8,330,869	$135,140,200
Vngrd TrgtRtrmt 2030 Tr II	$0	$2,464,732	$0	$66,200,052	($810,863)	($57,895)	$0	$3,752,266	$71,548,293
Empower Guaranteed Investment Contract	$65,556,193	$1,891,409	$0	$1,506,532	($5,145,240)	($95,351)	$0	$1,922,586	$65,636,129
Vngrd TrgtRtrmt 2025 Tr II	$0	$1,439,453	$0	$57,314,722	($1,168,326)	($48,781)	$0	$2,759,198	$60,296,265
Vngrd TrgtRtrmt 2035 Tr II	$0	$2,454,441	$0	$52,726,528	($538,367)	($48,816)	$0	$3,356,743	$57,950,530
Vngrd Wndsr II Adml	$48,293,620	$1,507,641	$0	($1,009,078)	($2,846,809)	($61,629)	$5,507,769	$3,636,928	$55,028,442
Vngrd TrgtRtrmt 2045 Tr II	$0	$2,402,317	$0	$46,736,863	($335,494)	($49,134)	$0	$3,634,548	$52,389,100
Vngrd TrgtRtrmt 2050 Tr II	$0	$2,139,476	$0	$45,622,069	($618,727)	($51,678)	$0	$3,816,858	$50,907,998
Vngrd TrgtRtrmt 2040 Tr II	$0	$2,166,350	$0	$44,377,119	($354,418)	($45,622)	$0	$3,148,883	$49,292,313
AmFds Gr Fd Am R5	$37,537,179	$2,327,553	$0	($433,810)	($2,070,010)	($57,605)	$4,079,728	$3,151,477	$44,534,512
Vngrd Fed Mny Mkt Inv	$39,370,763	$3,455,646	$0	$1,099,096	($2,334,378)	($63,733)	$1,566,201	$85	$43,093,680
Vngrd TrgtRtrmt 2020 Tr II	$0	$408,013	$0	$34,545,476	($806,021)	($29,994)	$0	$1,243,811	$35,361,285
Vngrd TrgtRtrmt 2055 Tr II	$0	$1,467,307	$0	$28,603,683	($539,802)	($41,043)	$0	$2,410,829	$31,900,974
Vngrd Gr Indx Inst	$24,176,183	$3,185,164	$0	$928,704	($1,138,802)	($37,773)	$121,834	$4,628,908	$31,864,219
Vngrd Extnd Mkt Indx Inst	$23,297,047	$1,104,977	$0	($869,906)	($902,623)	($33,580)	$290,601	$6,364,654	$29,251,171
Vngrd TrgtRtrmt Inc Tr II	$0	$864,678	$0	$25,775,357	($1,599,354)	($20,326)	$0	$838,319	$25,858,674
Vngrd Ttl IntlStkIndx Inst	$16,284,891	$1,235,989	$0	$618,090	($822,093)	($34,848)	$530,320	$4,044,451	$21,856,801
Vngrd Ttl Bd Mkt Indx Inst	$22,060,404	$1,706,537	$0	($549,929)	($2,139,259)	($50,494)	$922,199	($110,865)	$21,838,593
Vngrd Strat Eq Inv	$12,112,505	$1,018,864	$0	($418,175)	($480,610)	($19,713)	$1,370,584	$3,005,069	$16,588,524
Vngrd TrgtRtrmt 2060 Tr II	$0	$1,238,857	$0	$13,764,705	($417,927)	($25,351)	$0	$1,176,643	$15,736,928
AmFds Cap Wld Gr Inc R5	$11,545,409	$586,941	$0	$583,625	($651,149)	($17,154)	$1,252,670	$1,931,327	$15,231,670
Vngrd Wlsly Inc Adml	$13,983,114	$729,192	$0	($429,113)	($727,134)	($18,489)	$1,093,666	$76,148	$14,707,384
Vngrd SmCap Indx Inst	$10,879,837	$1,079,286	$0	($262,717)	($614,571)	($17,776)	$168,759	$3,076,115	$14,308,933
Vngrd Val Indx Inst	$0	$332,197	$0	$8,209,720	($177,569)	($7,405)	$88,526	$866,564	$9,312,034
DodgeCox Intl Stk	$4,992,892	$613,551	$0	$408,621	($165,013)	($12,034)	$299,031	$1,280,832	$7,417,879
Vngrd TrgtRtrmt 2065 Tr II	$0	$533,002	$0	$3,999,163	($150,535)	($8,165)	$0	$339,451	$4,712,917
DodgeCox Glbl Stk I	$1,788,279	$118,852	$0	$22,263	($56,482)	($2,784)	$150,660	$188,880	$2,209,667
DodgeCox Glbl Stk	$1,561,240	$78,023	$0	$13,696	($50,651)	($1,896)	$136,000	$165,907	$1,902,319
Vngrd RealEst Indx Adml	$921,072	$144,440	$0	$180,980	($41,152)	($3,274)	$44,067	$94,169	$1,340,302
DodgeCox Intl Stk I	$475,194	$84,934	$0	$71,731	($29,162)	($1,641)	$29,565	$124,622	$755,244
TRowePr Real Asst	$88,864	$28,261	$0	$358,500	($1,027)	($343)	$2,980	$11,291	$488,526
Vngrd TrgtRtrmt 2070 Tr II	$0	$40,565	$0	$181,715	$0	($164)	$0	$14,760	$236,876
Vngrd TrgtRtrmtIncGr Tr II	$0	$2,190	$0	$217,788	$0	($86)	$0	$5,793	$225,685
Vngrd Inst Indx Inst	$111,937,204	$2,770,904	$0	($125,748,219)	($3,468,689)	($64,571)	$1,662,028	$12,911,343	$0
Vngrd Trgt Rtrmt 2030 Inv	$60,898,037	$2,946,300	$0	($67,057,961)	($2,691,361)	($49,410)	$2,527,270	$3,427,125	$0
Total	**$507,759,928**	**$49,973,368**	**$0**	**$360,330,451**	**($37,053,928)**	**($1,172,511)**	**$23,460,174**	**$85,626,586**	**$988,924,067**

Fund Activity

Q2-FY25 vs. Q2-FY26
SDRS SUPPLEMENTAL RETIREMENT PLAN
457B

Fund Name	Beginning Balance	Contributions	Loan Activity	Exchanges	Distributions	Fees	Adjustments	Gain/Loss	Ending Balance
Vngrd Trgt Rtrmt 2020 Inv	$34,494,058	$558,309	$0	($34,715,284)	($2,595,568)	($27,303)	$2,642,065	($356,277)	$0
Vngrd Trgt Rtrmt 2025 Inv	$54,099,417	$2,085,719	$0	($59,094,086)	($1,600,508)	($40,848)	$3,933,055	$617,252	$0
Vngrd Trgt Rtrmt 2035 Inv	$43,351,325	$3,764,641	$0	($51,005,174)	($910,899)	($40,912)	$1,450,510	$3,390,509	$0
Vngrd Trgt Rtrmt 2040 Inv	$37,504,786	$2,379,957	$0	($43,753,780)	($576,490)	($40,456)	$1,157,382	$3,328,600	$0
Vngrd Trgt Rtrmt 2045 Inv	$39,655,927	$2,519,277	$0	($46,769,587)	($493,944)	($44,201)	$1,103,963	$4,028,565	$0
Vngrd Trgt Rtrmt 2050 Inv	$38,999,986	$2,800,288	$0	($46,323,279)	($797,992)	($47,795)	$911,979	$4,456,813	$0
Vngrd Trgt Rtrmt 2055 Inv	$24,038,916	$1,691,493	$0	($28,590,934)	($433,523)	($38,489)	$564,240	$2,768,296	$0
Vngrd Trgt Rtrmt 2060 Inv	$10,311,685	$1,952,186	$0	($13,633,137)	($148,146)	($23,514)	$267,854	$1,273,073	$0
Vngrd Trgt Rtrmt 2065 Inv	$2,788,841	$615,880	$0	($3,788,257)	($46,936)	($5,648)	$74,183	$361,938	$0
Vngrd Trgt Rtrmt Inc	$24,834,780	$189,120	$0	($25,003,098)	($1,502,292)	($17,740)	$908,936	$590,295	$0
Vngrd Val Indx Adml	$6,253,285	$635,546	$0	($7,653,836)	($82,214)	($5,347)	$74,781	$777,785	$0
Total	**$316,333,003**	**$19,192,417**	**$0**	**($360,330,451)**	**($9,188,512)**	**($332,253)**	**$13,088,947**	**$21,236,849**	**$0**

Enablement & Engagement

Participant

eDelivery
26,607 Accounts | **67%** Adoption | **62%** Benchmark*

Beneficiaries On File
17,374 Accounts | **43%** Of Account | **62%** Benchmark*

Participant Online Accounts
17,845 Accounts | **45%** Adoption | **67%** Benchmark*

Historical Participant Online Account data not available before Q3-2025.

Emails on File
32,601 Have Email | **82%** Of Accounts | **83%** Benchmark*

Paperless Distributions
765 Transactions | **54%** Adoption | **68%** Benchmark*

Paperless Enrollments
532 Transactions | **54%** Of Enrollments | **63%** Benchmark*

**Benchmarking data is representative of all plans that are administrated on a proprietary platform.*

My Income & Retirement Planner
3,600 Onboarded # | **23%** Onboarded % | **78%** Average Chance of Success | **80%** Goal Chance of Success

**Historical My Income & Retirement Planner data not available before Q3-2025.*

SDRS SUPPLEMENTAL RETIREMENT PLAN

Plan Performance Report

401A

ANNUAL REPORT

FY2025 vs. FY2026

NRM-21797AO.9 (11/25)

Plan Summary

07/01/2025 - 06/30/2026	401A
Beginning Balance	**$82,976,426**
Activity	
Contributions	$11,635,924
Distributions	($13,699,897)
Fees	($127,512)
Loans*	$0
Other**	$709,651
Gain (Loss)	$3,733,789
Ending Balance	**$85,228,382**

**Includes adjustments related to Capital Gains, Dividends, Fund Reimbursements, and Interest.

Overview

We're here to help you deliver a retirement plan experience that works for your employees and for you.

This plan performance report is designed to make plan oversight easier, giving you clear insights into the features and capabilities you've selected to support your employees' retirement goals.

We know you have choices when it comes to retirement plan providers. Thank you for your continued partnership.

We look forward to helping you build retirement readiness across your workforce.

Metric	Current	Prior Period	Change
Asset Balance	$85,228,382	$82,976,426	$2,251,955
Outstanding Loans	$0	$0	$0
SDBA Balance	$0	$0	$0
Participants With A Balance	4,830	4,735	95
Average Participant Balance	$17,646	$17,524	$122
New Accounts	728	740	-12
Contributions	$11,635,924	$11,801,953	($166,029)
Loan Payments	$0	$0	$0
Rollovers / Transfers In	$142,800	$102,707	$40,093
Distributions	($13,699,897)	($13,882,474)	($182,577)
Loan Disbursements	$0	$0	$0
Rollovers / Transfers Out	($6,325,707)	($7,104,723)	($779,015)

Participants

Participants With A Balance

4,830

4,735	95
Prior Period	Change

Average Participant Balance

$17,646

$17,524	$122
Prior Period	Change

Median Participant Balance

$11,074

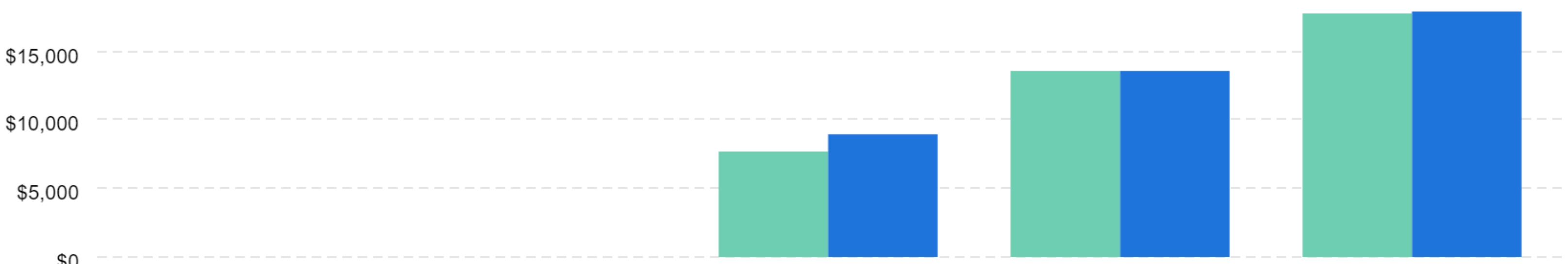
$11,272	($199)
Prior Period	Change

Average Asset Classes

1.07

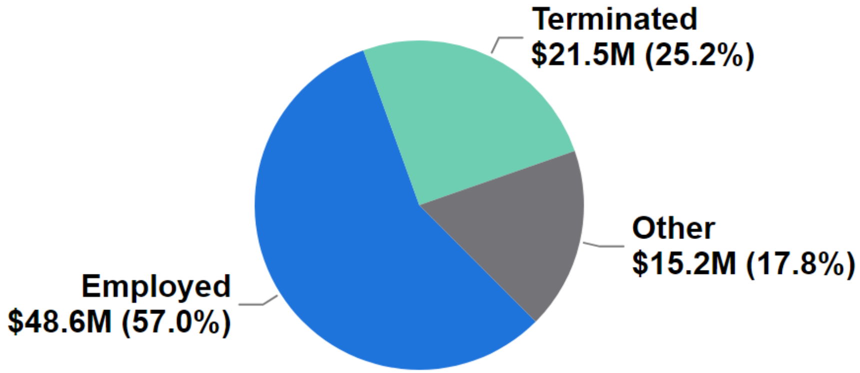
1.07	0.00
Prior Period	Change

Average Participant Balance By Age



	29 & Under	30-39	40-49	50-59	60 & Over
Prior Period Avg Balance	$0	$0	$7,699	$13,601	$17,779
Current Period Avg Balance	$0	$0	$8,979	$13,592	$17,878
Prior Period Participants	0	0	3	282	4,450
Current Period Participants	0	0	3	256	4,571
Average Asset Classes			1.00	1.05	1.07

Plan Assets By Employment Status



Other includes beneficiaries, disabled, etc

Roth Usage

0	$0
Participants	Assets

ProAccount Usage

9	$352,087
Participants	Assets

Contributions

Contributions
$11,635,924

$11,801,953 Prior Period | ($166,029) Change

Salary Contributions
$1,156,632

$705,738 Prior Period | $450,894 Change

Rollovers In
$142,182

$102,707 Prior Period | $39,475 Change

Transfers In
$618

$0 Prior Period | $618 Change

Participants Contributing*
93

47 Prior Period | 46 Change

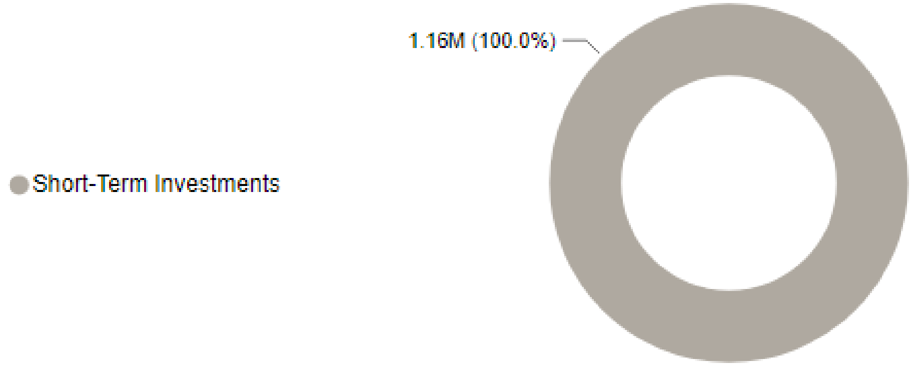
Roth Contributions
$0

$0 Prior Period | $0 Change

Contributions Activity

Type	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Employer Contribution	$10,434,792	$9,636,438	($798,353)	717	643	-74
Salary Contribution	$705,738	$1,156,632	$450,894	47	93	46
Account Split	$558,716	$700,053	$141,337	38	60	22
Rollovers & Transfers	$102,707	$142,800	$40,093	36	29	-7
Total	**$11,801,953**	**$11,635,924**	**($166,029)**	**815**	**812**	**-3**

Current Salary Contributions by Asset Category



This data is a snapshot as of 6/30/2026

NRM-21797AO.9 (11/25)

Distributions

Distributions Activity

Distributions

($13,699,897)

($13,882,474) Prior Period

($182,577) Change

Rollovers Out

($6,325,707)

($7,104,723) Prior Period

($779,015) Change

Transfers Out

$0

$0 Prior Period

$0 Change

Type	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Rollovers & Transfers	($7,104,723)	($6,325,707)	($779,015)	252	272	20
Retirement	($4,905,409)	($5,042,895)	$137,486	555	559	4
RMD	($1,129,183)	($1,230,310)	$101,126	1,258	1,400	142
Account Split	($558,716)	($700,053)	$141,337	35	50	15
Death	($184,443)	($382,571)	$198,128	31	54	23
In-Service	$0	($18,360)	$18,360	0	1	1
Total	**($13,882,474)**	**($13,699,897)**	**($182,577)**	**2,057**	**2,248**	**191**

Assets

Q2-FY25 vs. Q2-FY26
SDRS SUPPLEMENTAL RETIREMENT PLAN
401A

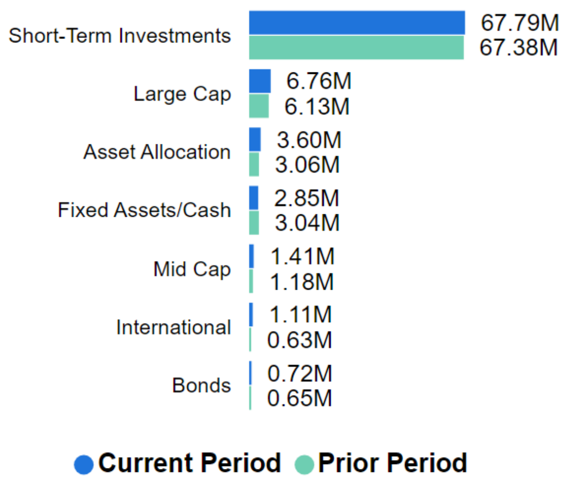
Allocation

Asset Class	Prior Period	Current Period
Asset Allocation	3.69%	4.23%
Balanced	0.77%	0.78%
Bonds	0.78%	0.85%
Fixed Assets/Cash	3.66%	3.34%
International	0.75%	1.30%
Large Cap	7.39%	7.93%
Mid Cap	1.42%	1.65%
Short-Term Investments	81.21%	79.54%
Small Cap	0.31%	0.36%
Specialty	0.03%	0.02%

Asset Balances & Participant Counts

Asset Class	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Asset Allocation	$3,057,703	$3,602,046	$544,343	107	122	15
Balanced	$635,563	$669,025	$33,462	41	43	2
Bonds	$645,297	$721,071	$75,774	48	47	-1
Fixed Assets/Cash	$3,039,318	$2,847,773	($191,545)	109	104	-5
International	$625,580	$1,111,034	$485,454	54	67	13
Large Cap	$6,133,595	$6,757,267	$623,672	164	178	14
Mid Cap	$1,177,848	$1,407,719	$229,871	70	71	1
Short-Term Investments	$67,382,828	$67,788,021	$405,194	4,400	4,486	86
Small Cap	$257,168	$303,966	$46,797	35	38	3
Specialty	$21,525	$20,460	($1,066)	17	21	4

Fund Type - Period Trend



% of Balance by Asset Class & Age

Asset Class	29 & Under		30-39		40-49		50-59		60 & Over	
	$	%	$	%	$	%	$	%	$	%
Asset Allocation	$0		$0		$0	0.0%	$342,972	9.9%	$3,259,074	4.0%
Balanced	$0		$0		$0	0.0%	$7,852	0.2%	$661,174	0.8%
Bonds	$0		$0		$0	0.0%	$0	0.0%	$721,071	0.9%
Fixed Assets/Cash	$0		$0		$0	0.0%	$104,289	3.0%	$2,743,484	3.4%
International	$0		$0		$0	0.0%	$10,642	0.3%	$1,100,392	1.3%
Large Cap	$0		$0		$0	0.0%	$48,205	1.4%	$6,709,062	8.2%
Mid Cap	$0		$0		$0	0.0%	$3,936	0.1%	$1,403,783	1.7%
Short-Term Investments	$0		$0		$26,937	100.0%	$2,961,747	85.1%	$64,799,337	79.3%
Small Cap	$0		$0		$0	0.0%	$0	0.0%	$303,966	0.4%
Specialty	$0		$0		$0	0.0%	$0	0.0%	$20,460	0.0%
Total	**$0**		**$0**		**$26,937**	**100.0%**	**$3,479,643**	**100.0%**	**$81,721,801**	**100.0%**

Fund Balances & Utilization

Q2-FY25 vs. Q2-FY26
SDRS SUPPLEMENTAL RETIREMENT PLAN
401A

Investment Name	Ticker	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Empower Guaranteed Investment Contract		$67,382,828	$67,788,021	$405,194	4,400	4,486	86
Vngrd Fed Mny Mkt Inv	VMFXX	$3,039,318	$2,847,773	($191,545)	109	104	-5
Vngrd Inst Indx Inst Pls	VIIIX	$0	$2,490,080	$2,490,080	0	86	86
Vngrd Gr Indx Inst	VIGIX	$1,703,420	$1,909,985	$206,565	69	79	10
AmFds Gr Fd Am R5	RGAFX	$1,247,486	$1,461,237	$213,751	62	71	9
Vngrd Extnd Mkt Indx Inst	VIEIX	$794,666	$940,219	$145,553	41	45	4
Vngrd TrgtRtrmt 2030 Tr II	XX452	$0	$831,774	$831,774	0	32	32
Vngrd TrgtRtrmt Inc Tr II	XX449	$0	$751,610	$751,610	0	27	27
Vngrd Ttl Bd Mkt Indx Inst	VBTIX	$645,297	$721,071	$75,774	48	47	-1
Vngrd Wlsly Inc Adml	VWIAX	$635,563	$669,025	$33,462	41	43	2
Vngrd Wndsr II Adml	VWNAX	$566,993	$644,533	$77,540	42	50	8
Vngrd TrgtRtrmt 2020 Tr II	XX450	$0	$511,423	$511,423	0	16	16
Vngrd Strat Eq Inv	VSEQX	$383,182	$467,499	$84,318	43	39	-4
Vngrd TrgtRtrmt 2025 Tr II	XX451	$0	$436,674	$436,674	0	18	18
Vngrd Ttl IntlStkIndx Inst	VTSNX	$300,829	$399,179	$98,350	33	42	9
DodgeCox Intl Stk	DODFX	$63,785	$356,524	$292,739	20	27	7
Vngrd TrgtRtrmt 2035 Tr II	XX453	$0	$335,118	$335,118	0	16	16
Vngrd SmCap Indx Inst	VSCIX	$257,168	$303,966	$46,797	35	38	3
Vngrd Val Indx Inst	VIVIX	$0	$251,433	$251,433	0	46	46
DodgeCox Glbl Stk	DODWX	$191,409	$210,794	$19,385	10	10	0
Vngrd TrgtRtrmt 2050 Tr II	XX456	$0	$178,655	$178,655	0	5	5
Vngrd TrgtRtrmt 2040 Tr II	XX454	$0	$174,399	$174,399	0	12	12
Vngrd TrgtRtrmt 2055 Tr II	XX457	$0	$128,787	$128,787	0	4	4
Vngrd TrgtRtrmt 2045 Tr II	XX455	$0	$111,682	$111,682	0	7	7
Vngrd TrgtRtrmt 2060 Tr II	XX458	$0	$107,225	$107,225	0	4	4
AmFds Cap Wld Gr Inc R5	RWIFX	$54,499	$88,163	$33,664	8	20	12
TRowePr Real Asst	PRAFX	$11,057	$42,878	$31,821	1	4	3
Vngrd TrgtRtrmt 2065 Tr II	XX459	$0	$34,702	$34,702	0	4	4
Vngrd RealEst Indx Adml	VGSLX	$21,525	$20,460	($1,066)	17	21	4
DodgeCox Intl Stk I	DODFX	$4,002	$13,496	$9,494	2	3	1
Vngrd Inst Indx Inst	VINIX	$2,467,009	$0	($2,467,009)	84	0	-84
Vngrd Trgt Rtrmt 2020 Inv	VTWNX	$503,609	$0	($503,609)	15	0	-15
Vngrd Trgt Rtrmt 2025 Inv	VTTVX	$341,257	$0	($341,257)	14	0	-14
Vngrd Trgt Rtrmt 2030 Inv	VTHRX	$636,649	$0	($636,649)	25	0	-25
Vngrd Trgt Rtrmt Inc	VTINX	$750,888	$0	($750,888)	29	0	-29

Fund Balances & Utilization

Investment Name	Ticker	Prior Period $	Current Period $	Change $	Prior Period #	Current Period #	Change #
Vngrd Trgt Rtrmt 2035 Inv	VTTHX	$230,266	$0	($230,266)	11	0	-11
Vngrd Trgt Rtrmt 2040 Inv	VFORX	$186,429	$0	($186,429)	9	0	-9
Vngrd Trgt Rtrmt 2045 Inv	VTIVX	$115,792	$0	($115,792)	6	0	-6
Vngrd Trgt Rtrmt 2050 Inv	VFIFX	$80,843	$0	($80,843)	3	0	-3
Vngrd Trgt Rtrmt 2055 Inv	VFFVX	$99,756	$0	($99,756)	4	0	-4
Vngrd Trgt Rtrmt 2060 Inv	VTTSX	$87,516	$0	($87,516)	4	0	-4
Vngrd Trgt Rtrmt 2065 Inv	VLXVX	$24,698	$0	($24,698)	2	0	-2
Vngrd Val Indx Adml	VVIAX	$148,688	$0	($148,688)	36	0	-36

Fund Activity

Fund Name	Beginning Balance	Contributions	Loan Activity	Exchanges	Distributions	Fees	Adjustments	Gain/Loss	Ending Balance
Empower Guaranteed Investment Contract	$67,382,828	$11,429,159	$0	($1,247,556)	($11,654,785)	($103,925)	$0	$1,982,300	$67,788,021
Vngrd Fed Mny Mkt Inv	$3,039,318	$115,263	$0	$114,493	($532,120)	($4,141)	$114,959	($0)	$2,847,773
Vngrd Inst Indx Inst Pls	$0	$18,865	$0	$2,402,255	($116,687)	($1,794)	$30,236	$157,205	$2,490,080
Vngrd Gr Indx Inst	$1,703,420	$0	$0	$45,296	($143,015)	($2,196)	$7,685	$298,795	$1,909,985
AmFds Gr Fd Am R5	$1,247,486	$337	$0	$76,460	($97,335)	($1,790)	$132,429	$103,650	$1,461,237
Vngrd Extnd Mkt Indx Inst	$794,666	$0	$0	($6,934)	($66,030)	($1,199)	$9,594	$210,122	$940,219
Vngrd TrgtRtrmt 2030 Tr II	$0	$16,606	$0	$803,546	($31,567)	($616)	$0	$43,804	$831,774
Vngrd TrgtRtrmt Inc Tr II	$0	$26,221	$0	$761,530	($60,320)	($600)	$0	$24,778	$751,610
Vngrd Ttl Bd Mkt Indx Inst	$645,297	$0	$0	$176,346	($123,431)	($1,487)	$28,202	($3,857)	$721,071
Vngrd Wlsly Inc Adml	$635,563	$0	$0	$34,326	($54,075)	($970)	$50,020	$4,161	$669,025
Vngrd Wndsr II Adml	$566,993	$10,429	$0	$42,368	($79,074)	($851)	$62,264	$42,403	$644,533
Vngrd TrgtRtrmt 2020 Tr II	$0	$0	$0	$502,775	($9,819)	($422)	$0	$18,888	$511,423
Vngrd Strat Eq Inv	$383,182	$12,195	$0	$6,665	($62,873)	($666)	$40,270	$88,727	$467,499
Vngrd TrgtRtrmt 2025 Tr II	$0	$0	$0	$478,259	($61,705)	($323)	$0	$20,443	$436,674
Vngrd Ttl IntlStkIndx Inst	$300,829	$241	$0	$51,637	($38,581)	($533)	$9,927	$75,659	$399,179
DodgeCox Intl Stk	$63,785	$0	$0	$266,979	($35,457)	($306)	$12,666	$48,856	$356,524
Vngrd TrgtRtrmt 2035 Tr II	$0	$0	$0	$316,046	($246)	($248)	$0	$19,566	$335,118
Vngrd SmCap Indx Inst	$257,168	$0	$0	$11,804	($36,172)	($451)	$3,715	$67,901	$303,966
Vngrd Val Indx Inst	$0	$0	$0	$244,150	($13,592)	($155)	$2,169	$18,861	$251,433
DodgeCox Glbl Stk	$191,409	$0	$0	$8,880	($24,906)	($304)	$16,181	$19,534	$210,794
Vngrd TrgtRtrmt 2050 Tr II	$0	$0	$0	$165,319	$0	($135)	$0	$13,471	$178,655
Vngrd TrgtRtrmt 2040 Tr II	$0	$0	$0	$177,179	($12,931)	($115)	$0	$10,266	$174,399
Vngrd TrgtRtrmt 2055 Tr II	$0	$0	$0	$118,941	$0	($95)	$0	$9,940	$128,787
Vngrd TrgtRtrmt 2045 Tr II	$0	$0	$0	$104,187	($249)	($85)	$0	$7,830	$111,682
Vngrd TrgtRtrmt 2060 Tr II	$0	$0	$0	$99,172	$0	($75)	$0	$8,128	$107,225
AmFds Cap Wld Gr Inc R5	$54,499	$0	$0	$35,905	($20,517)	($123)	$6,225	$12,174	$88,163
TRowePr Real Asst	$11,057	$0	$0	$31,136	$0	($20)	$142	$564	$42,878
Vngrd TrgtRtrmt 2065 Tr II	$0	$1,596	$0	$30,552	$0	($25)	$0	$2,578	$34,702
Vngrd RealEst Indx Adml	$21,525	$0	$0	$195	($3,345)	($44)	$641	$1,487	$20,460
DodgeCox Intl Stk I	$4,002	$205	$0	$9,609	($3,776)	($26)	$708	$2,775	$13,496
Vngrd Inst Indx Inst	$2,467,009	$0	$0	($2,662,813)	($106,540)	($1,259)	$32,274	$271,330	$0
Vngrd Trgt Rtrmt 2020 Inv	$503,609	$2,398	$0	($524,082)	($15,211)	($419)	$39,318	($5,612)	$0
Vngrd Trgt Rtrmt 2025 Inv	$341,257	$0	$0	($357,646)	($15,175)	($288)	$31,692	$161	$0
Vngrd Trgt Rtrmt 2030 Inv	$636,649	$0	$0	($636,498)	($64,272)	($490)	$27,426	$37,185	$0
Vngrd Trgt Rtrmt Inc	$750,888	$0	$0	($761,530)	($34,091)	($601)	$27,454	$17,881	$0
Total	**$82,002,438**	**$11,633,516**	**$0**	**$918,951**	**($13,517,897)**	**($126,777)**	**$686,197**	**$3,631,954**	**$85,228,382**

Fund Activity

Fund Name	Beginning Balance	Contributions	Loan Activity	Exchanges	Distributions	Fees	Adjustments	Gain/Loss	Ending Balance
Vngrd Trgt Rtrmt 2035 Inv	$230,266	$2,409	$0	($230,914)	($30,932)	($216)	$8,604	$20,783	$0
Vngrd Trgt Rtrmt 2040 Inv	$186,429	$0	$0	($130,196)	($76,573)	($116)	$3,907	$16,549	$0
Vngrd Trgt Rtrmt 2045 Inv	$115,792	$0	$0	($101,385)	($28,187)	($76)	$2,475	$11,382	$0
Vngrd Trgt Rtrmt 2050 Inv	$80,843	$0	$0	($90,818)	($2,395)	($70)	$1,828	$10,613	$0
Vngrd Trgt Rtrmt 2055 Inv	$99,756	$0	$0	($113,011)	($131)	($86)	$2,240	$11,231	$0
Vngrd Trgt Rtrmt 2060 Inv	$87,516	$0	$0	($99,172)	($137)	($22)	$1,944	$9,872	$0
Vngrd Trgt Rtrmt 2065 Inv	$24,698	$0	$0	($28,261)	$0	($23)	$583	$3,003	$0
Vngrd Val Indx Adml	$148,688	$0	$0	($125,194)	($43,644)	($126)	$1,873	$18,403	$0
Total	**$973,988**	**$2,409**	**$0**	**($918,951)**	**($181,999)**	**($735)**	**$23,454**	**$101,835**	**$0**

SDRS SUPPLEMENTAL RETIREMENT PLAN

Plan Performance Report

Additional Plan Metrics & Activity

Annual Report

Nationwide®

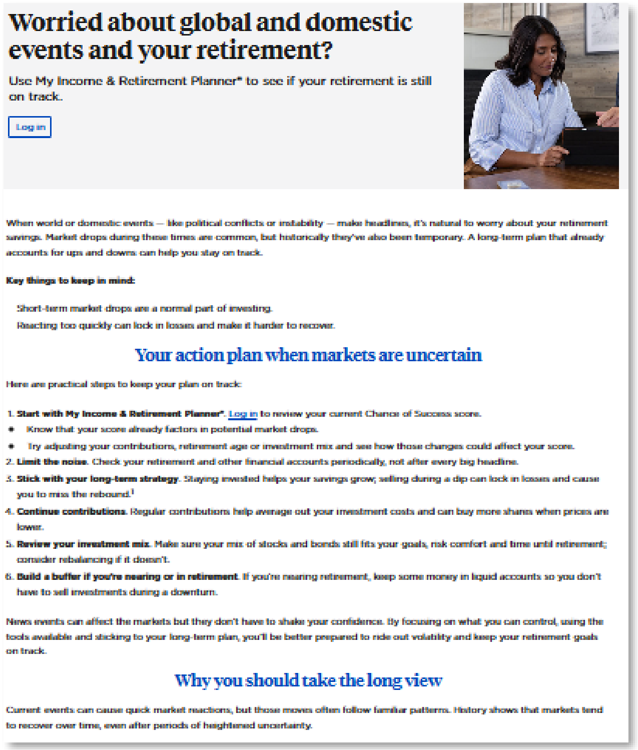
'S

PEP Messages Q2 2026

Recap of what participants saw in Q2 via PEP email call to action.

April

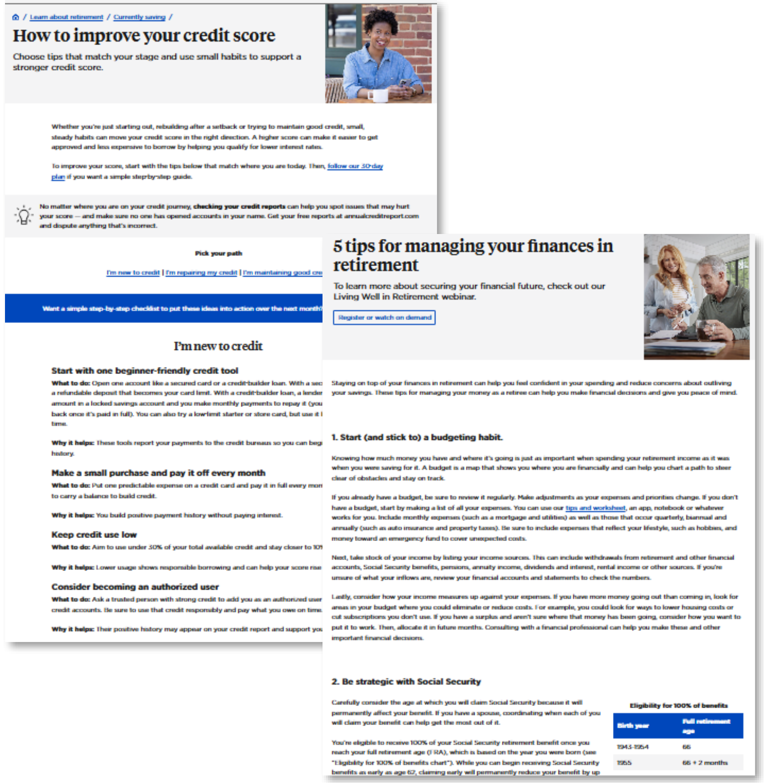
What does global and domestic uncertainty mean for your retirement savings?



May

Non-retiree: Improving your credit score (NEW)

Retirees: Managing finances in retirement



June

Young Savers: Student loans

All other life stages: Retirement checklist

PEP Overall Q2 2026 Results

Your plan population

Marketable participant count

38,673

Marketable participants with email

27,053 / 70%

Total top plan average: 83%

Unique engagement rate

22.4%

Total Plan Average: 34%

Asset driver rate

5.8%

Total Plan Average: 6.9%

Call rate
6.5%
Total Plan Average: 14.1%

Click rate
1.2%
Total Plan Average: 2.3%

Online activation rate
6.7%
Total Plan Average: 1.9%

MIRP usage rate
11.9%
Total Plan Average: 20.3%

Contribution increase rate
5.4%
Total Plan Average: 6.4%

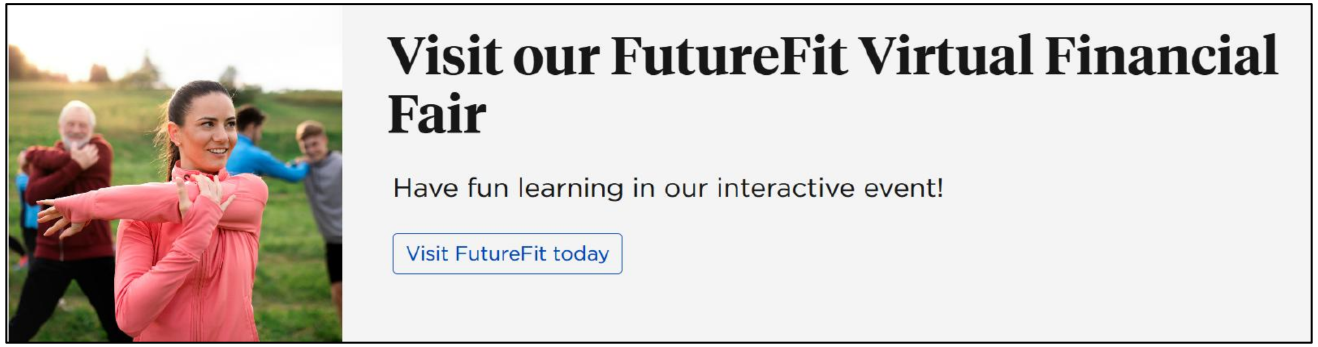
Roll-in rate
0.4%
Total Plan Average: 0.4%

30

FutureFit Virtual Financial Fair

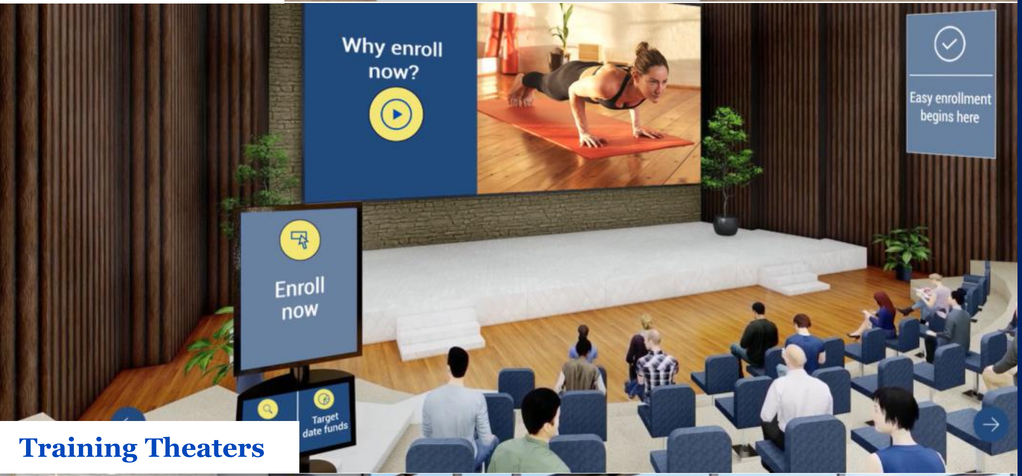
- This year's theme is **Future Fit**
- Launched April 1st through May 31st
- Planned communications:
  - Banner on SDRS homepage
  - Flyer to participants

[Link: South Dakota Future Fit virtual Financial fair]()



With Financial fitness on the line, getting retirement-ready requires action from both the plan and the participant. We're committed to helping participants gain the information they need to prepare for their future.

Welcome Center



Training Theaters

Fit Lab

FutureFit Virtual Financial Fair

Innovative fun learning experience to increase engagement

Theme:

- FutureFit is an action-oriented theme that focuses on forward thinking and helping participants commit to preparing for their financial and retirement future.
- We want to help participants get involved in their financial education.

Our interactive 3-D virtual event offers:

- Engaging educational videos
- Downloadable financial wellness resources
- Opportunities to schedule 1:1's with a Rep
- Live and on-demand webinars
- Direct links to take meaningful next steps

Why FutureFit?

- Designed to help participants take actions toward their financial and retirement goals
- Encourages proactive engagement in financial education
- Originally launched in 2020 to meet the growing demand for virtual solutions
- Expands our reach beyond what in-person representatives can cover
- Offers a fun, gamified experience with quizzes, challenges, and a leaderboard
- Supports increased enrollments, education, and plan retention
- Showcases your plan's commitment to innovation and participant success

Plan Performance Report

GLOSSARY

Nationwide®

NRM-21797AO.9 (11/25)

Glossary of Terms

Term	Description
Asset Balance	Assets held in participant accounts, excluding Self-Directed Brokerage Account (SDBA) assets and outstanding loans.
Average Participant Balance	The average account value among participants whose balance is greater than $0. Includes Self-Directed Brokerage Account (SDBA) assets but excludes outstanding loans.
Contributions	Assets deposited into the plan during the reporting period.
Default Loan	When required repayments are missed by quarter-end, the loan enters default at the next quarter-end. The unpaid principal and accrued interest are tax-reported for the calendar year in which the default occurs.
Distributions	Assets withdrawn from the plan during the reporting period.
Loan Disbursements	Total amount of loan disbursements issued during the reporting period. This figure is not included in the overall Distributions total.
Loan Payments	Total amount of loan repayments made during the reporting period. This figure is not included in the overall Contributions total.
Median Participant Balance	The median account value among participants whose balance is greater than $0. Includes Self-Directed Brokerage Account (SDBA) assets but excludes outstanding loans.
New Enrollments	Number of new participant accounts added to the plan during the reporting period.
Participants Contributing	Number of participants who contributed to the plan at any point during the reporting period.
Participants With A Balance	Number of participants with a balance greater than $0 at the end of the reporting period.
Rollovers In	Assets transferred into the plan from external retirement accounts.
Rollovers Out	Assets transferred out of the plan to external retirement accounts.
SDBA Balance	Assets held in Self-Directed Brokerage Accounts (SDBA), which allow participants to invest beyond the core retirement offerings while remaining within the plan and retaining tax advantages.
Transfers In	Assets transferred into the plan from a side-by-side provider.
Transfers Out	Assets transferred out of the plan to a side-by-side provider.

Investment Review

Prepared for
SDRS SUPPLEMENTAL RETIREMENT PLAN
As of June 30, 2026

NRM-8980SD.3

Contents

Important Information

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Investing involves risk, including the possible loss of principal.

Investment returns and principal value will fluctuate; redeemed units may be worth more or less than their original cost. Before investing, one should carefully consider the investment objectives, risks, fees, and expenses. The fund prospectus contains this and other important information. Prospectuses can be obtained by contacting your local retirement representative, or Nationwide Financial at 1-877-677-3678. Please read the prospectuses carefully before investing or sending money.

The performance summary does not reflect fees and charges specific to your plan, including, termination charges, plan recordkeeping fees, participant fees or other product charges.

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It is not possible to invest directly in an index.

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All data as of June 30, 2026 unless otherwise noted.
Data accessed on July 10, 2026.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

Investment Risk Disclosures

Investing involves risk, including the possible loss of principal. There is no guarantee that any investment objective will be met. Please note: Each plan may or may not include all types of funds listed below.

Asset Allocation Funds: These funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of these funds, investors are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

Bond Funds: Funds that invest in bonds have the same interest rate, inflation and credit risks associated with the bonds in which the funds invest.

Fixed Annuity: The investment objective of a fixed annuity is to provide a low-risk, reasonably high-yield investment. Fixed annuities are managed to earn a high level of return consistent with, and providing for, preservation of capital, high credit quality, liquidity to pay plan benefits, and reasonable tracking of interest rates. Safety, stability, and consistency while providing a competitive return are key attributes. General account asset values and rate guarantees are subject to the claims-paying ability of the issuing insurance company.

Government Bond Funds: While these funds invest primarily in securities of the U.S. Government and its agencies, the fund's value is not guaranteed by these entities.

High Yield Bond Funds: Portfolios that invest in high-yield securities are subject to greater credit risk and price fluctuations than portfolios that invest in higher quality securities. The prices of high-yield bonds tend to be more sensitive to adverse economic and business conditions than are higher-rated corporate bonds. Increased volatility may reduce the market value of high-yield bonds. They are also subject to the claims paying ability of the issuing company.

International/Emerging Markets Funds: Investing internationally involves risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

Money Market Funds: Funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The funds are open to all investors and although they seek to preserve the value of the investment at $1.00 per share, they cannot guarantee they will do so. You could lose money by investing in a fund. A fund may impose a fee upon sale of shares or temporarily suspend the ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Non-Diversified Funds: Funds that concentrate in a specific sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.

Real Estate Funds: Investing in real estate funds entails the risks of the real estate business generally, including sensitivity to economic and business cycles, changing demographic patterns and government actions.

Small Company Funds: Stocks of small or small emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market. Smaller companies are more vulnerable than larger companies to adverse business and economic developments and may have more limited resources. Therefore, they generally involve greater risk.

Stable Value: The Stable Value Fund is managed to protect principal while providing the potential for higher rates of return than other conservative investments, such as money market funds. Stable Value funds are not FDIC insured and are not guaranteed.

Investment Risk Disclosures

Target Date Funds: These funds are designed for people who plan to retire or begin taking income during or near a specific year. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time primarily by investing in underlying funds. Therefore, in addition to the expenses of these funds, investors are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds. It's important to remember that no strategy can assure a profit or prevent a loss in a declining market; the principal value is not guaranteed at any time including the target date. Investing involves risk, including loss of principal. When redeemed, the amount received may be less than the amount invested. The target date is the approximate date when investors plan to start withdrawals. The Funds offer continuous rebalancing over time to become more conservative as investors approach their planned retirement date. The principal value of the Funds are not guaranteed at any time, including the target date.

All data as of June 30, 2026 unless otherwise noted.

Product Guidelines

Nationwide Life Insurance Company or its affiliates (Nationwide), as product provider, establishes internal guidelines for its retirement plan products and platforms, which serve as the basis for selecting underlying investment options for its products. These guidelines include product competitiveness, consistency with the purpose of the product, Nationwide's business interests, and general investment criteria. The guidelines are subject to change and Nationwide may select options that do not satisfy all criteria.

Selected investment criteria may include such items as:

- **Fund absolute performance**
- **Fund relative performance**
- **Fund expenses**
- **Fund assets**
- **Firm ownership structure and personnel changes**
- **Firm assets under management**
- **Firm track record**
- **Portfolio Manager, or management team, tenure and experience**

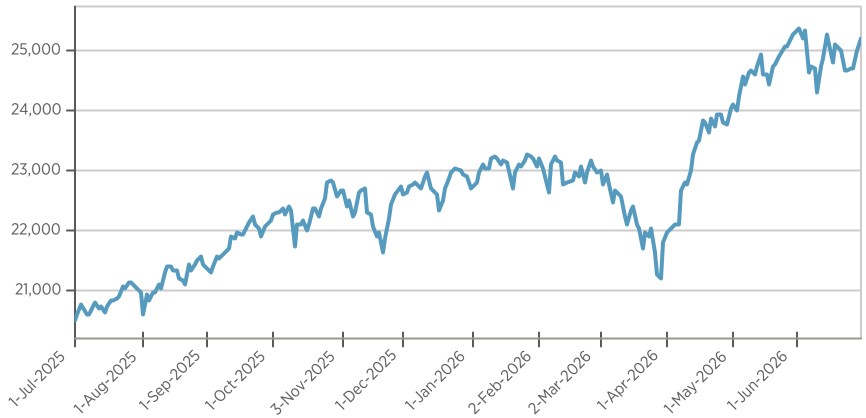
Changes in the guidelines above may trigger a change to a product's underlying investment options.

Retirement plan sponsors have the sole and absolute discretion to determine whether the investment options offered through Nationwide's product and platforms are suitable and appropriate for their plan. Nationwide has its own business interests, including profit, in selecting which investment option to offer within its products and cannot act with the unconflicted objectivity required of fiduciaries.

Each plan is ultimately responsible for selecting and monitoring its own investment options consistent with its plan documents and investment guidelines/policy statement.

Returns by Style

U.S. Market
Russell 3000(r) Index



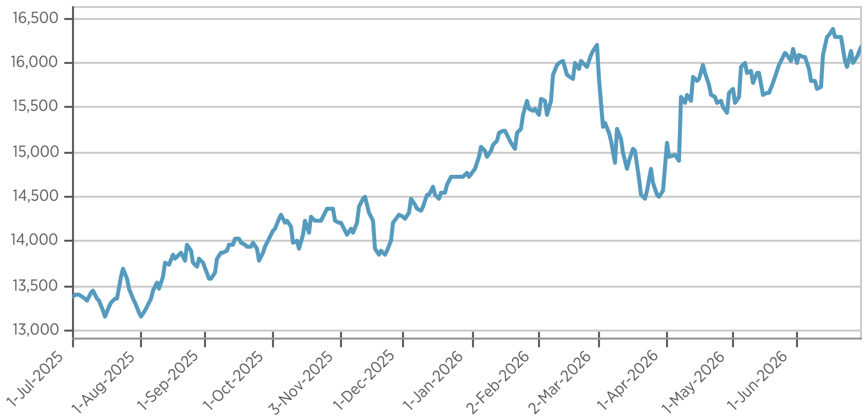
1 Year Return

	Value	Blend	Growth
Large	27.3%	22.1%	18.7%
Mid	26.6%	21.6%	6.2%
Small	43.0%	40.8%	38.7%

5 Year Return

	Value	Blend	Growth
Large	12.0%	14.0%	15.0%
Mid	9.5%	8.5%	6.0%
Small	8.2%	7.0%	5.6%

International Market
MSCI EAFE(r) Index



1 Year Return

	Value	Blend	Growth
Large	27.8%	20.8%	14.0%
Small/Mid	19.6%	17.3%	14.6%
	Global 21.8%		Emerging Markets 44.2%

5 Year Return

	Value	Blend	Growth
Large	13.9%	9.6%	5.2%
Small/Mid	9.2%	6.4%	3.4%
	Global 12.0%		Emerging Markets 7.7%

Source: FactSet

Tables reflect index total returns (including reinvestments of dividends). All returns and annotations reflect total return, including dividends.

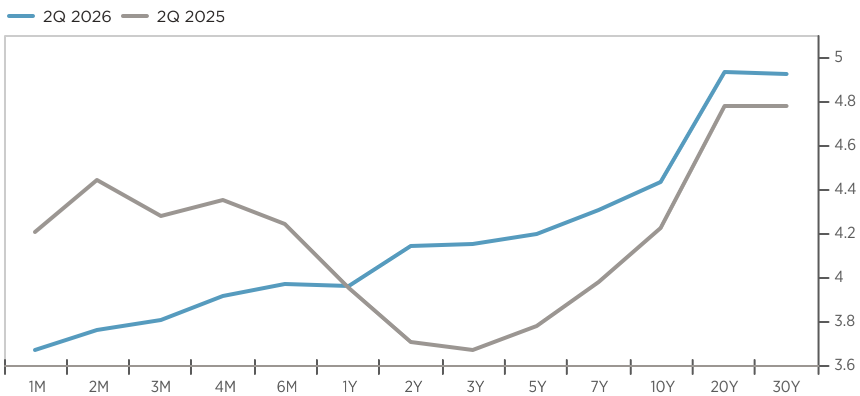
PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares.

Data as of June 30, 2026.

Returns by Style (continued)

Bond Market

United States Government Bond Yield Curve



1 Year Return

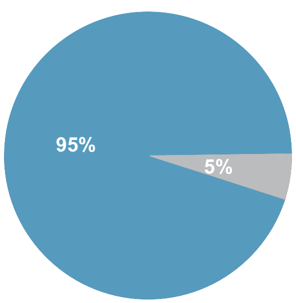
	Short	Medium	Long
Government	2.9%	2.3%	3.3%
Corporate	3.8%	3.9%	5.0%
	High Yield 5.9%		Multi-Sector 3.8%

5 Year Return

	Short	Medium	Long
Government	1.9%	0.8%	-4.0%
Corporate	2.6%	1.7%	-2.2%
	High Yield 4.2%		Multi-Sector 0.1%

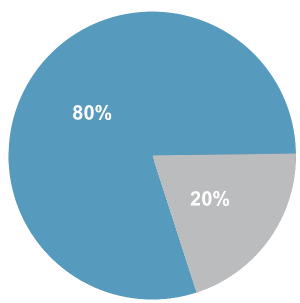
Asset Allocation

Aggressive



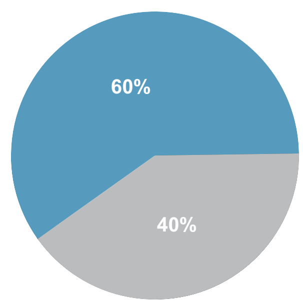
1 year 23.0%
5 year 10.3%

Moderately Aggressive



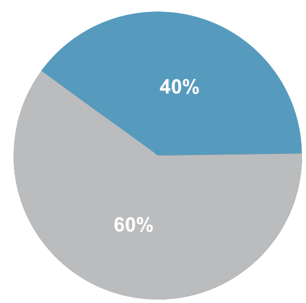
1 year 20.2%
5 year 9.3%

Moderate



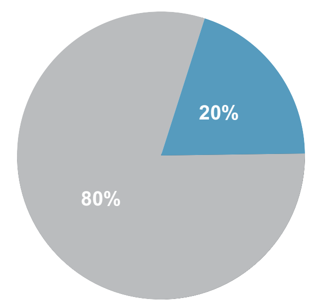
1 year 16.9%
5 year 7.8%

Moderately Conservative



1 year 12.5%
5 year 5.9%

Conservative



1 year 8.7%
5 year 3.9%

Stock Bonds

Source: FactSet

All calculations, other than the yield curve, are cumulative total return, including dividends reinvested, for the stated period.

For detail on the indices used in these calculations, please see Page 10. For detail on the asset allocation models, please see Page 10.

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares.

Data as of June 30, 2026.

Annual Returns of Selected Asset Classes

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
21.31	25.03	1.87	31.49	19.96	41.30	1.46	26.29	25.02	31.22
11.96	21.83	0.01	28.66	18.40	28.71	-13.01	18.24	11.54	17.88
8.63	14.65	-1.20	25.52	13.73	14.82	-14.16	16.93	11.52	15.18
8.27	14.58	-4.04	22.01	9.20	14.10	-14.45	16.24	5.25	12.81
2.65	8.67	-4.38	20.60	7.82	11.26	-16.25	11.36	4.92	8.17
2.09	7.39	-5.50	8.72	7.51	0.05	-18.11	5.72	3.82	7.30
1.00	3.54	-11.01	6.84	0.67	-1.54	-20.44	5.53	1.25	4.18
0.33	0.86	-13.79	2.28	-5.12	-4.71	-24.95	5.01	-1.69	2.27

- Cash
- Global Bonds
- International Stocks
- Large Cap Stocks
- Moderate Portfolio
- REITs
- Small Cap Stocks
- US Bonds

Tables reflect index total returns (including reinvestments of dividends). All returns and annotations reflect total return, including dividends.

Source: FactSet

All calculations are cumulative total return, including dividends reinvested for the stated period.

For detail on the indices used in these calculations, please see Page 10.

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares.

Data as of June 30, 2026.

Returns by Style (continued)

The indices used on the preceding pages are as follows:

U.S. Market

US Stock Market (price graph): Russell 3000 Index
Large Cap Growth: Russell Top 200 Growth Index
Large Cap Blend: Russell Top 200 Index
Large Cap Value: Russell Top 200 Value Index
Mid Cap Growth: Russell Mid Cap Growth Index
Mid Cap Blend: Russell Mid Cap Index
Mid Cap Value: Russell Mid Cap Value Index
Small Cap Growth: Russell 2000 Growth Index
Small Cap Blend: Russell 2000 Index
Small Cap Value: Russell 2000 Value Index

International Market

International Stock Market (price graph): MSCI EAFE Index
International Large Growth: MSCI EAFE Growth Index
International Large Blend: MSCI EAFE Index
International Large Value: MSCI EAFE Value Index
International Small/Mid Growth: MSCI EAFE Small-Mid Cap Growth Index
International Small/Mid Blend: MSCI EAFE Small-Mid Cap Index
International Small/Mid Value: MSCI EAFE Small-Mid Cap Value Index
Global Stocks: MSCI The World Index
Emerging Markets: MSCI Emerging Markets Index

Bond Market

Short Government: Bloomberg Capital (Bbg) U.S. Treasury 1-3 Year Index
Intermediate Government: Bbg U.S. Treasury 3-5 Year Index
Long Government: Bbg U.S. Treasury 10-20 Year Index
Short Corporate: Bbg U.S. 1-3 Year Credit Index
Intermediate Corporate: Bbg U.S. Intermediate Credit Index
Long Corporate: Bbg U.S. Long Credit Index
High Yield: Bbg U.S. Corporate High Yield Index
Multi-Sector: Bbg U.S. Aggregate Bond Index

Asset Allocation

The asset allocation models have been provided by Ibbotson Associates, Inc. (Ibbotson) to Nationwide. They are comprised of underlying indices and rebalanced on a quarterly basis back to the following allocations. Ibbotson and its affiliates are not related to Nationwide or its affiliates.

Aggressive: 5% Bbg U.S. Aggregate Bond Index, 40% Standard & Poor's (S&P) 500 Index, 30% MSCI EAFE Index, 15% S&P MidCap 400 Index, 10% Russell 2000 Index

Moderately Aggressive: 5% Citi Government/Corporate 1-3 Year Index, 15% Bbg U.S. Aggregate Bond Index, 35% S&P 500 Index, 25% MSCI EAFE Index, 15% S&P MidCap 400 Index, 5% Russell 2000 Index

Moderate: 5% Citi 3-month Treasury Index, 10% Citi Government/Corporate 1-3 Year Index, 25% Bbg U.S. Aggregate Bond Index, 30% S&P 500 Index, 10% S&P MidCap 400 Index, 5% Russell 2000 Index, 15% MSCI EAFE Index

Moderately Conservative: 10% Citi 3-month Treasury Index, 15% Citi Government/Corporate 1-3 Year Index, 35% Bbg U.S. Aggregate Bond Index, 20% S&P 500 Index, 10% S&P MidCap 400 Index, 10% MSCI EAFE Index

Conservative: 15% Citi 3-month Treasury Index, 25% Citi Government/Corporate 1-3 Year Index, 40% Bbg U.S. Aggregate Bond Index, 10% S&P 500 Index, 5% S&P MidCap 400 Index, 5% MSCI EAFE Index

Annual Return of Selected Asset Classes

Large Cap Stocks: S&P 500 Index
Small Cap Stocks: Russell 2000 Index
International Stocks: MSCI EAFE Index
US Bonds: Bloomberg U.S. Aggregate Bond Index
Global Bonds: Bloomberg Global Aggregate Bond Index
REITs: FTSE NAREIT Index
Cash: ICE BofA 3-month Treasury Note Index Moderate Portfolio: as above

Investors cannot invest directly in an index. All of these indices are unmanaged and do not bear the fees and expenses of a managed investment product.

Fund Snapshot

June 30, 2026

Domestic Stock Funds

Large Cap Value	Large Cap Blend	Large Cap Growth
Vanguard MStar Value Indx Institutional Vanguard Windsor II Admiral	Vanguard Institutional Index Instl Pl	American Funds Growth Fd of Amer R-5 Vanguard MStar Growth Indx Institutional
Mid Cap Value	**Mid Cap Blend**	**Mid Cap Growth**
	Vanguard Extended Market Index Instl Vanguard Strategic Equity Inv	
Small Cap Value	**Small Cap Blend**	**Small Cap Growth**
	Vanguard MStar Small Cap Index Instl	

Specialty Funds

Sector Equity
Vanguard Real Estate Index Admiral
Balanced
Vanguard Wellesley® Income Admiral™

International Stock Funds

International Large Value	International Large Blend	International Large Growth
Dodge & Cox International Stock I	Vanguard Total Intl Stock Index I	
International Small/Mid Value	**International Small/Mid Blend**	**International Small/Mid Growth**

Global Equity
World
American Funds Cptl Wld Gr&Inc R-5 Dodge & Cox Global Stock I T. Rowe Price Real Assets
Emerging Markets

Fund Snapshot (continued)

June 30, 2026

Bond Funds

Short Government	Intermediate Government	Long Government

Short Investment Grade	Intermediate Investment Grade	Long Investment Grade
	Vanguard Total Bond Market Index I	

High Yield	World/Emerging Markets Bond	Multi-Sector Bond

Short Term Options

Cash and Equivalents
Empower Guaranteed Investment Contract Vanguard Federal Money Market Investor

Asset Allocation Funds

Target Risk	Target Date
	Vanguard Target Ret Inc & Growth Tr II Vanguard Target Retirement 2020 Trust II Vanguard Target Retirement 2025 Trust II Vanguard Target Retirement 2030 Trust II Vanguard Target Retirement 2035 Trust II Vanguard Target Retirement 2040 Trust II Vanguard Target Retirement 2045 Trust II Vanguard Target Retirement 2050 Trust II Vanguard Target Retirement 2055 Trust II Vanguard Target Retirement 2060 Trust II Vanguard Target Retirement 2065 Trust II Vanguard Target Retirement 2070 Trust II Vanguard Target Retirement Inc Trust II

Source: Morningstar, Inc.

Funds, other than asset allocation, target date and balanced categories, are depicted based on their assigned Morningstar Category. Due to the wide disparity of management styles within the three previously mentioned categories and the ensuing variety of category classifications, they are broken out separately for consistency's sake.

Investment Performance and Morningstar Percentiles

The following pages illustrate each investment option's performance and percentile ranking(s) within their respective Morningstar categories over the specified time periods.

Where shown, the **bar chart** on the left side of each page represents comparative performance against each fund's broader grouping. For the funds, the calculation takes the net returns for all of the funds in its respective Asset Category, and averages them during each of the given return periods. The returns were not average weighted. This same approach is taken with each of the corresponding Morningstar Categories of each fund.

Where shown, the **Category Average Gross Expense Ratio** takes the gross expense ratio of all the funds in the respective Morningstar category/ies and averages them.

The **Morningstar Category** identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If a fund is new and has no portfolio, Morningstar estimates where it will fall before assigning a more permanent category. When necessary, Morningstar may change a category assignment based on current information. It is not possible to invest directly in a Morningstar category.

Performance returns assume the reinvestment of all distributions. Returns for period less than one year are not annualized. Total returns may reflect contractual expense waivers for certain periods since inception, without which returns would have been lower.

Peer rankings are expressed as percentiles and are determined by dividing each investment option's absolute rank based on total return, when sorted from highest return to lowest, by the number of options in the category. For example, if an investment option ranks 5th in a category with 100 options, its percentile ranking would be 5. The category percentile rankings look at the most recent quarter-ending period. These rankings are color coded as follows:

When the investment option's average total return for any specific quarter-ending calendar period falls within **the first quartile (1% – 25%)** of its Morningstar Category, the investment option is not color coded on the chart.

When the investment option's average total return for the period falls within **the second quartile (26% – 50%),** the investment option receives a light blue coding.

When the investment option's average total return for the period falls within **the third quartile (51% – 75%),** the investment option receives a gray coding.

When the investment option's average total return for the period falls within **the fourth quartile (76% – 100%),** the investment option receives a dark blue coding.

Investment Performance and Morningstar Percentiles

The **5 Year Risk/Return vs. Category** box represents a fund's risk/return tradeoff against its Morningstar Category. The 5 year risk/return plot point is in the middle of the box where the lines intersect.

Risk is defined by Standard Deviation: a statistical measure of the volatility of the fund's returns.

The top left quadrant is shaded if a fund has a higher return and lower risk than its Morningstar Category.

The bottom left quadrant is shaded if a fund has a lower return and lower risk than its Morningstar Category.

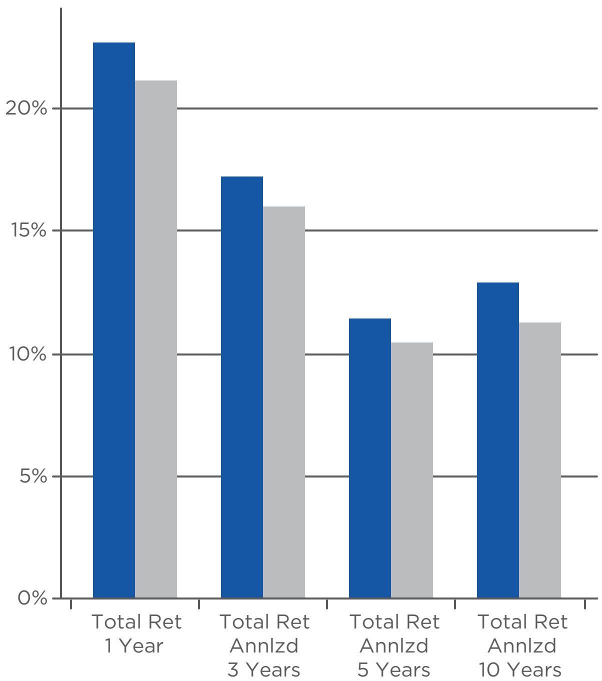
The top right quadrant is shaded if a fund has a higher return and higher risk than its Morningstar Category.

The bottom right quadrant is shaded if a fund has a lower return and higher risk than its Morningstar Category.

Average Manager Tenure is reported directly from the Morningstar database and represents the average amount of time that the management team for a specific fund has been in place. In the event that there is only one manager for a fund, this number will equal that manager's tenure on the fund. In the event the average manager tenure on any Fund is less than 3 years, that cell is color-coded.

Gross Expense Ratio, also known as Prospectus Gross Expense Ratio, is the percentage of fund assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

Large Cap Value



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard MStar Value Indx Institutional	VIVIX	LARGE VALUE	Returns	15.35	25.93	18.01	12.32	12.68	8.23	2 Jul 1998	1.5	0.03
			Peer Ranking	*21*	*24*	*28*	*18*	*22*	-			
			Total Funds per Category	**1132**	**1106**	**1054**	**991**	**830**	-			
Vanguard Windsor II Admiral	VWNAX	LARGE VALUE	Returns	6.70	19.37	16.48	10.54	13.08	8.81	14 May 2001	8.75	0.24
			Peer Ranking	*85*	*63*	*44*	*51*	*16*	-			
			Total Funds per Category	**1132**	**1106**	**1054**	**991**	**830**	-			

Category Average Gross Expense Ratio: 0.95%

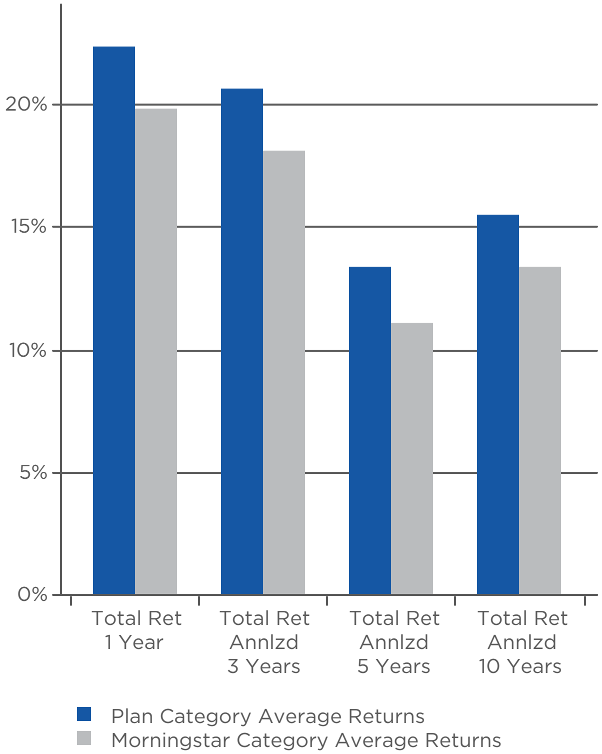
CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PAST PERFORMANCE SHOWN, WHICH DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.

Your plan may have a Nationwide Administrative Fee, which, if reflected, would reduce the performance shown.

Individual fund performance is as of June 30, 2026. For more recent fund performance please see www.nrsforu.com.

Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it is available in additional share classes.

Large Cap Blend



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard Institutional Index Instl Pl	VIIIX	LARGE BLEND	Returns	10.20	22.30	20.59	13.38	15.49	9.63	7 Jul 1997	4.42	0.02
			Peer Ranking	*42*	*34*	*26*	*20*	*17*	-			
			Total Funds per Category	1359	1306	1203	1123	889	-			

Category Average Gross Expense Ratio: 0.80%

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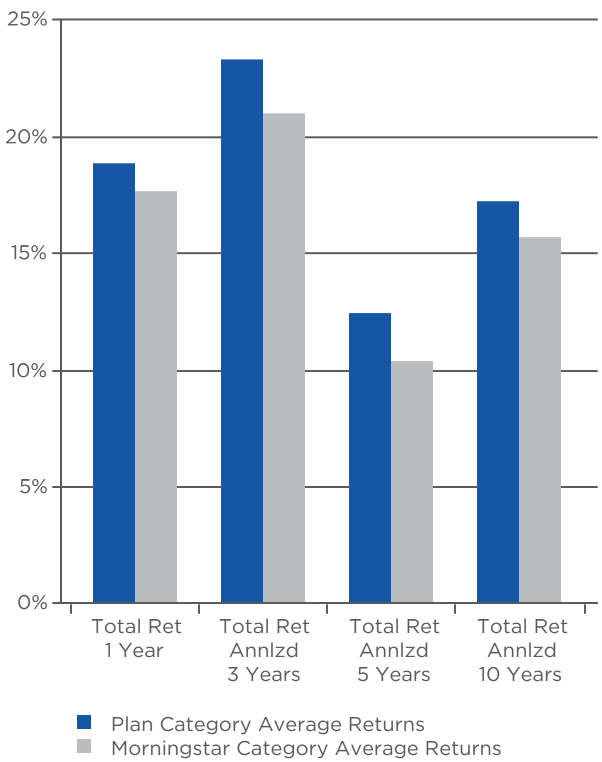
Large Cap Growth



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
American Funds Growth Fd of Amer R-5	RGAFX	LARGE GROWTH	Returns	9.56	19.18	23.73	11.79	16.47	11.42	15 May 2002	10.75	0.34
			Peer Ranking	38	39	30	41	47	-			
			Total Funds per Category	1077	1060	978	928	751	-			
Vanguard MStar Growth Indx Institutional	VIGIX	LARGE GROWTH	Returns	6.37	18.61	22.93	13.18	18.02	9.78	14 May 1998	1.5	0.03
			Peer Ranking	55	41	35	29	23	-			
			Total Funds per Category	1077	1060	978	928	751	-			

Category Average Gross Expense Ratio: 1.39%

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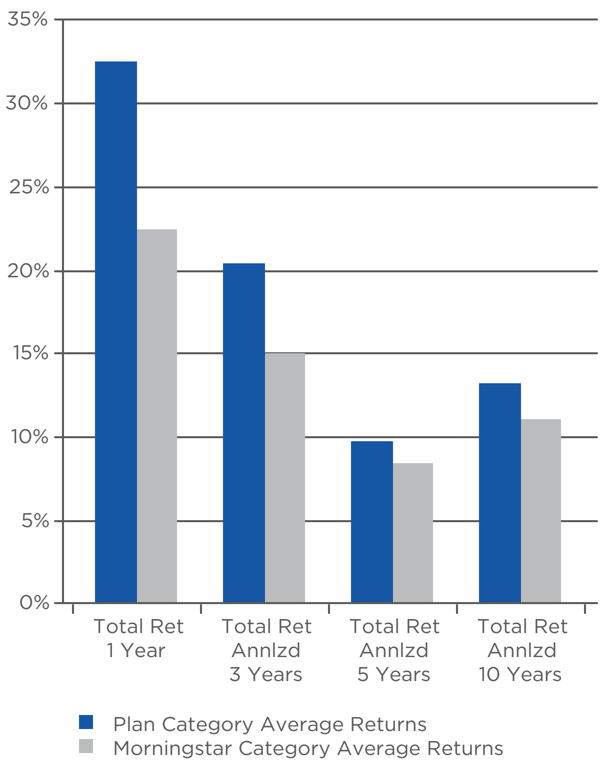
Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if itavailable in additional share classes.

Mid Cap



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard Extended Market Index Instl	VIEIX	MID-CAP BLEND	Returns	18.40	29.15	19.73	6.74	12.63	9.61	7 Jul 1997	2.67	0.04
			Peer Ranking	29	21	18	81	20	-			
			Total Funds per Category	**424**	**414**	**365**	**345**	**264**	**-**			
Vanguard Strategic Equity Inv	VSEQX	MID-CAP BLEND	Returns	20.63	35.98	21.06	12.84	13.90	11.43	14 Aug 1995	5.5	0.17
			Peer Ranking	21	12	12	8	10	-			
			Total Funds per Category	**424**	**414**	**365**	**345**	**264**	**-**			

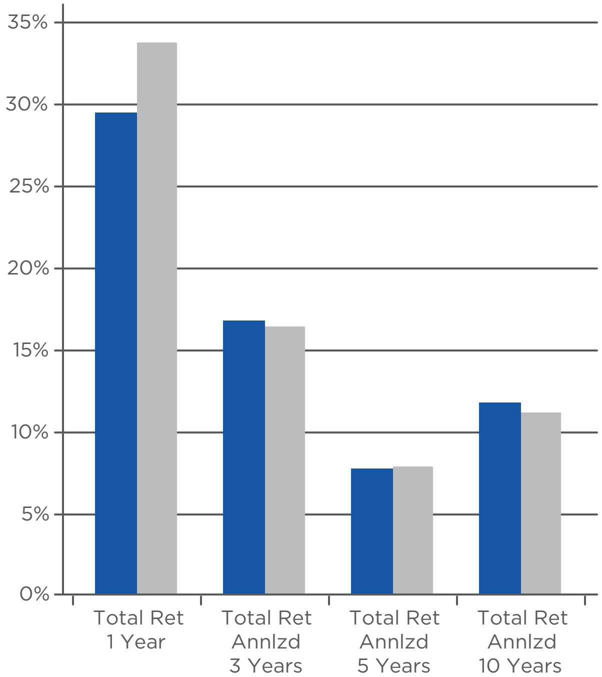
Category Average Gross Expense Ratio: 0.96%

CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PAST PERFORMANCE SHOWN, WHICH DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.

Your plan may have a Nationwide Administrative Fee, which, if reflected, would reduce the performance shown.

Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it is available in additional share classes.

Small Cap



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard MStar Small Cap Index Instl	VSCIX	SMALL BLEND	Returns	18.24	29.49	16.73	7.69	11.76	9.54	7 Jul 1997	2.5	0.03
			Peer Ranking	73	72	47	55	35	-			
			Total Funds per Category	626	620	585	563	448	-			

Category Average Gross Expense Ratio: 1.06%

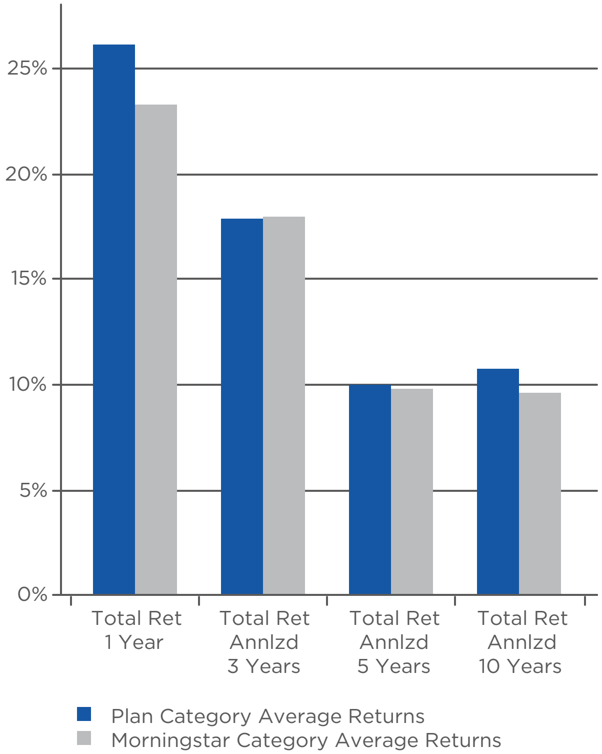
CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PAST PERFORMANCE SHOWN, WHICH DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.

Your plan may have a Nationwide Administrative Fee, which, if reflected, would reduce the performance shown.

Individual fund performance is as of June 30, 2026. For more recent fund performance please see www.nrsforu.com.

Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it available in additional share classes.

International Funds



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
American Funds Cptl Wld Gr&Inc R-5	RWIFX	World Large-Stock Blend	Returns	15.24	27.56	21.01	11.51	12.57	10.10	15 May 2002	9.56	0.46
			Peer Ranking	*6*	*11*	*10*	*16*	*27*	-			
			Total Funds per Category	**332**	**324**	**293**	**287**	**211**	-			
Dodge & Cox Global Stock I	DODWX	World Large-Stock Value	Returns	8.92	18.84	15.81	10.14	12.39	8.07	1 May 2008	13.77	0.62
			Peer Ranking	*53*	*64*	*61*	*59*	*16*	-			
			Total Funds per Category	**146**	**145**	**139**	**135**	**115**	-			
T. Rowe Price Real Assets	PRAFX	Global Large-Stock Value	Returns	8.31	28.45	14.05	7.66	7.97	6.12	28 Jul 2010	8	0.93
			Peer Ranking	*66*	*22*	*80*	*87*	*94*	-			
			Total Funds per Category	**146**	**145**	**139**	**135**	**115**	-			
Dodge & Cox International Stock I	DODFX	FOREIGN LARGE VALUE	Returns	13.37	28.49	19.82	11.94	11.08	8.27	1 May 2001	8.35	0.61
			Peer Ranking	*25*	*32*	*49*	*48*	*27*	-			
			Total Funds per Category	**358**	**349**	**325**	**314**	**244**	-			
Vanguard Total Intl Stock Index I	VTSNX	FOREIGN LARGE BLEND	Returns	13.97	27.41	18.72	8.79	9.96	6.93	29 Nov 2010	9.42	0.06
			Peer Ranking	*23*	*20*	*27*	*45*	*36*	-			
			Total Funds per Category	**690**	**676**	**645**	**606**	**479**	-			

Category Average Gross Expense Ratio: 1.09%

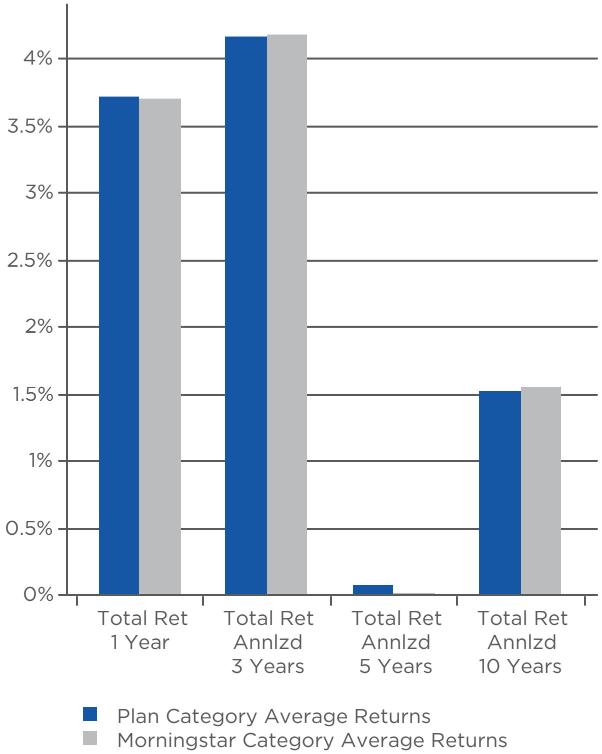
CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PAST PERFORMANCE SHOWN, WHICH DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.

Your plan may have a Nationwide Administrative Fee, which, if reflected, would reduce the performance shown.

Individual fund performance is as of June 30, 2026. For more recent fund performance please see www.nrsforu.com.

Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it available in additional share classes.

Bond Funds



Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard Total Bond Market Index I	VBTIX	Intermediate Core Bond	Returns	0.76	3.72	4.17	0.08	1.53	4.25	18 Sep 1995	13.5	0.03
			Peer Ranking	33	52	51	42	52	-			
			Total Funds per Category	455	447	417	383	285	-			

Category Average Gross Expense Ratio: 0.73%

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Sector Funds

Asset Allocation - Balanced

Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio	Category Gross Expense Ratio
Vanguard Wellesley® Income Admiral™	VWIAX	Moderately Conservative Allocation	Returns	3.31	8.65	8.44	4.13	5.80	6.59	14 May 2001	7.21	0.15	1.15
			Peer Ranking	95	91	93	73	63	-				
			Total Funds per Category	**216**	**215**	**209**	**202**	**166**	**-**				

Specialty

Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio	Category Gross Expense Ratio
Vanguard Real Estate Index Admiral	VGSLX	REAL ESTATE	Returns	11.12	12.49	9.14	2.81	4.92	9.07	12 Nov 2001	1.5	0.13	1.21
			Peer Ranking	78	71	57	68	65	-				
			Total Funds per Category	**209**	**207**	**199**	**191**	**149**	**-**				

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Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it available in additional share classes.

Asset Allocation - Target Date

Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard Target Ret Inc & Growth Tr II	-	US CIT Target-Date Retirement	Returns	6.65	14.01	12.19	-	-	7.09	21 Jan 2022	3.5	0.07
			Peer Ranking	*1*	*1*	*1*	-	-	-			
			Total Funds per Category	**139**	**139**	**137**	**128**	**79**	**-**			
Vanguard Target Retirement Inc Trust II	-	US CIT Target-Date Retirement	Returns	4.47	9.77	9.11	4.08	5.38	5.12	29 Feb 2008	6	0.07
			Peer Ranking	*73*	*60*	*52*	*43*	*43*	-			
			Total Funds per Category	**139**	**139**	**137**	**128**	**79**	**-**			
Vanguard Target Retirement 2020 Trust II	-	US CIT Target-Date 2020	Returns	4.85	10.63	10.06	4.66	7.03	6.21	29 Feb 2008	6	0.07
			Peer Ranking	*87*	*83*	*72*	*68*	*46*	-			
			Total Funds per Category	**101**	**101**	**98**	**88**	**61**	**-**			
Vanguard Target Retirement 2025 Trust II	-	US CIT Target-Date 2025	Returns	6.44	13.68	12.17	5.90	8.24	6.87	29 Feb 2008	6	0.07
			Peer Ranking	*45*	*36*	*20*	*14*	*13*	-			
			Total Funds per Category	**123**	**123**	**119**	**108**	**72**	**-**			
Vanguard Target Retirement 2030 Trust II	-	US CIT Target-Date 2030	Returns	7.59	15.92	13.64	6.83	9.17	7.35	29 Feb 2008	6	0.07
			Peer Ranking	*29*	*23*	*11*	*13*	*13*	-			
			Total Funds per Category	**189**	**189**	**184**	**173**	**118**	**-**			
Vanguard Target Retirement 2035 Trust II	-	US CIT Target-Date 2035	Returns	8.51	17.66	14.85	7.66	10.04	7.87	29 Feb 2008	6	0.07
			Peer Ranking	*38*	*31*	*18*	*18*	*26*	-			
			Total Funds per Category	**184**	**184**	**181**	**170**	**116**	**-**			
Vanguard Target Retirement 2040 Trust II	-	US CIT Target-Date 2040	Returns	9.38	19.34	16.03	8.46	10.89	8.38	29 Feb 2008	6	0.07
			Peer Ranking	*55*	*46*	*41*	*35*	*31*	-			
			Total Funds per Category	**187**	**187**	**182**	**171**	**118**	**-**			
Vanguard Target Retirement 2045 Trust II	-	US CIT Target-Date 2045	Returns	10.26	21.04	17.18	9.24	11.59	8.72	29 Feb 2008	6	0.07
			Peer Ranking	*60*	*43*	*38*	*34*	*22*	-			
			Total Funds per Category	**184**	**184**	**181**	**170**	**116**	**-**			
Vanguard Target Retirement 2050 Trust II	-	US CIT Target-Date 2050	Returns	11.13	22.74	18.29	9.94	11.98	8.93	29 Feb 2008	6	0.07
			Peer Ranking	*53*	*38*	*29*	*21*	*15*	-			
			Total Funds per Category	**187**	**187**	**182**	**171**	**118**	**-**			
Vanguard Target Retirement 2055 Trust II	-	US CIT Target-Date 2055	Returns	11.21	22.85	18.33	9.96	11.98	11.52	31 Aug 2010	6	0.07
			Peer Ranking	*61*	*49*	*32*	*33*	*19*	-			
			Total Funds per Category	**184**	**184**	**181**	**170**	**115**	**-**			

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Asset Allocation - Target Date

Fund Name	Ticker	Morningstar Category		YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Average Manager Tenure	Prospectus Gross Expense Ratio
Vanguard Target Retirement 2060 Trust II	-	US CIT Target-Date 2060	Returns	11.21	22.85	18.33	9.97	11.99	10.89	1 Mar 2012	6	0.07
			Peer Ranking	70	57	37	34	26	-			
			Total Funds per Category	**184**	**184**	**181**	**170**	**82**	**-**			
Vanguard Target Retirement 2065 Trust II	-	US CIT Target-Date 2065	Returns	11.21	22.83	18.32	9.96	-	11.77	17 Jul 2017	4.9	0.07
			Peer Ranking	69	57	39	41	-	-			
			Total Funds per Category	**177**	**175**	**169**	**134**	**-**	**-**			
Vanguard Target Retirement 2070 Trust II	-	US CIT Target-Date 2070+	Returns	11.17	22.78	18.31	-	-	12.60	7 Apr 2022	3.71	0.07
			Peer Ranking	77	69	1	-	-	-			
			Total Funds per Category	**145**	**97**	**8**	**-**	**-**	**-**			

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Category Average: Represents the average expense ratio for funds that belong in the same category as a given fund. The average may represent the same fund more than once under a different fee structure if it is available in additional share classes.

Cash & Cash Equivalents

	ANNUALIZED CREDITING RATES
Empower Guaranteed Investment Contract	3.00%
Vanguard Federal Money Market Investor	3.58%

Please note: Your plan may or may not include all types of instruments listed above.

Fixed Annuity: The investment objective of a fixed annuity is to provide a low-risk, reasonably high-yield investment. Fixed annuities are managed to earn a high level of return consistent with, and providing for, preservation of capital, high credit quality, liquidity to pay plan benefits, and reasonable tracking of interest rates. Safety, stability, and consistency while providing a competitive return are key attributes. General account asset values and rate guarantees are subject to the claims-paying ability of the issuing insurance company.

Money Market Funds: An investment in a money market fund is not insured or guaranteed by the FDIC or any other federal government agency. Although the fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

Stable Value: The Stable Value Fund is managed to protect principal while providing the potential for higher rates of return than other conservative investments, such as money market funds. Stable Value funds are not FDIC insured and are not guaranteed.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.

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The rates listed above do not reflect the Nationwide Administrative Fee.

Performance shown is as of **June 30, 2026**. For more recent fund performance please see www.nrsforu.com.

Expense Summary

For more information about the available investment options including all charges and expenses, please consult a fund prospectus or disclosure document. Fund prospectuses, disclosure documents and additional information relating to your retirement plan can be obtained by contacting Nationwide at 1-877-677-3678 or visiting www.nrsforu.com. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus or disclosure document contains this and other important information. Read the prospectus or disclosure document carefully before investing.

Prospectus Gross Expense Ratio represents the total gross expenses (net expenses with waivers added back in divided by the fund's average net assets. It may not equal the net expense ratio. The gross expense ratio portrays the fund's expenses if the fund has not waived a portion, or all, of its fees. Some waivers have an expiration date; other waivers are in place indefinitely.

Prospectus Net Expense Ratio is the percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees.

Other expenses represents the difference between the Prospectus Net Expense Ratio and the sum of the Fund Management Fee and the 12b-1 Fee. This column may include expenses such as recordkeeping, custodial services, taxes, legal expenses, and accounting and auditing fees. If this number is negative, that is indicative of an expense waiver or reimbursement. For further information, please consult the Fund prospectus. Data is provided by Morningstar® unless otherwise noted.

Third-party information has been obtained and is based on sources Nationwide Fund Advisors deems to be reliable.

Nationwide offers a variety of investment options to public sector retirement plans through variable annuity contracts, trust or custodial accounts. Nationwide may receive payments from mutual funds or their affiliates in connection with those investment options. For more detail about the payments Nationwide receives, please visit www.nrsforu.com.

Expense Summary (continued)

STATE OF SOUTH DAKOTA-457
As of June 30, 2026

INVESTMENT OPTION	Prospectus gross expense ratio	Fund management fee	12b-1 fee	Other expenses	Prospectus net expense ratio	Nationwide administrative fee	Total expense to participants
Balanced							
Vanguard Wellesley® Income Admiral™	0.15%	0.14%	0.00%	0.01%	0.15%	0.00%	0.15%
Global Equity: World							
American Funds Cptl Wld Gr&Inc R-5	0.46%	0.37%	0.00%	0.09%	0.46%	0.00%	0.46%
Dodge & Cox Global Stock I	0.62%	0.60%	0.00%	0.02%	0.62%	0.00%	0.62%
T. Rowe Price Real Assets	0.93%	0.63%	0.00%	0.30%	0.93%	0.00%	0.93%
Intermediate Investment Grade							
Vanguard Total Bond Market Index I	0.03%	0.02%	0.00%	0.01%	0.03%	0.00%	0.03%
International Large Core							
Vanguard Total Intl Stock Index I	0.06%	0.04%	0.00%	0.02%	0.06%	0.00%	0.06%
International Large Value							
Dodge & Cox International Stock I	0.61%	0.60%	0.00%	0.01%	0.61%	0.00%	0.61%
Large Cap Core							
Vanguard Institutional Index Instl Pl	0.02%	0.02%	0.00%	0.00%	0.02%	0.00%	0.02%
Large Cap Growth							
American Funds Growth Fd of Amer R-5	0.34%	0.25%	0.00%	0.09%	0.34%	0.00%	0.34%
Vanguard MStar Growth Indx Institutional	0.03%	0.03%	0.00%	0.00%	0.03%	0.00%	0.03%
Large Cap Value							
Vanguard MStar Value Indx Institutional	0.03%	0.03%	0.00%	0.00%	0.03%	0.00%	0.03%
Vanguard Windsor II Admiral	0.24%	0.24%	0.00%	0.00%	0.24%	0.00%	0.24%
Mid Cap Core							
Vanguard Extended Market Index Instl	0.04%	0.03%	0.00%	0.01%	0.04%	0.00%	0.04%
Vanguard Strategic Equity Inv	0.17%	0.16%	0.00%	0.01%	0.17%	0.00%	0.17%
Small Cap Core							
Vanguard MStar Small Cap Index Instl	0.03%	0.02%	0.00%	0.01%	0.03%	0.00%	0.03%
Specialty							

Source: Morningstar, Inc. and Nationwide

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Expense Summary (continued)

STATE OF SOUTH DAKOTA-457
As of June 30, 2026

INVESTMENT OPTION	Prospectus gross expense ratio	Fund management fee	12b-1 fee	Other expenses	Prospectus net expense ratio	Nationwide administrative fee	Total expense to participants
Vanguard Real Estate Index Admiral	0.13%	0.11%	0.00%	0.02%	0.13%	0.00%	0.13%
Target Date							
Vanguard Target Ret Inc & Growth Tr II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2020 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2025 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2030 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2035 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2040 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2045 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2050 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2055 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2060 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2065 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement 2070 Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Vanguard Target Retirement Inc Trust II	0.07%	0.07%	0.00%	-	0.07%	0.00%	0.07%
Cash							
Empower Guaranteed Investment Contract	-	-	-	-	-	0.00%	-
Vanguard Federal Money Market Investor	0.11%	0.10%	0.00%	0.01%	0.11%	0.00%	0.11%

Source: Morningstar, Inc. and Nationwide

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Waivers

STATE OF SOUTH DAKOTA-457
As of June 30, 2026

Fund Name	Waiver	Waiver Type	Waiver Expiration Date

Source: Morningstar, Inc. and Nationwide

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Individual Fund Profiles

Investment Performance Ratings

The following pages illustrate each investment option's performance over the specified time periods versus a benchmark index and its respective Morningstar Category average. In addition, each option's Morningstar Ratings are shown.

The Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, Morningstar estimates where it will fall before assigning a more permanent category. When necessary, Morningstar may change a category assignment based on current information. It is not possible to invest directly in a Morningstar category.

Morningstar rates investments from one to five stars based on how well they've performed (excluding the effects of sales charges and loads) in comparison to similar investments. Within each Morningstar Category, the top 10% of investments receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Investments are rated for up to three time periods – 3, 5, and 10 years, and these ratings are combined to produce an overall rating. Investments with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying investments worthy of further research, but shouldn't be considered buy or sell recommendations.

Ratings are based on specific class performance of each fund. Current fund performance may be higher or lower, which may change a fund's star rating. Despite high ratings, funds may have experienced negative performance during the period. Performance may reflect a waiver of part of a fund's fees for certain periods since inception, without which returns would have been lower. A class share ratings no longer reflect sales charges. As of November 1, 2016, Morningstar no longer provides ratings for load-adjusted share classes.

Keep in mind that the rating is based solely on historical performance, and a highly rated offering may no longer have the portfolio manager responsible for that performance. Or – conversely – a lower-rated or non-rated offering might now employ a manager who produced excellent results with other managed investment products. Also, because ratings are based on performance within specific categories, it's important to note that not all five-star offerings are equal or even interchangeable. A five-star sector fund, for example, might have the best risk-adjusted return within its specific category, but it is probably far riskier than a highly rated diversified offering. Rather than choosing investments according to their ratings, investors should first decide on an overall portfolio strategy and then seek the best investments for each portion of their portfolio. The Morningstar Rating can then be used to identify possible candidates, but you should never make a buy or sell decision based solely on the rating.

For information on the number of funds in each option's respective Morningstar category, please consult the following Individual Fund Profiles.

American Funds Capital World Gr&Inc R5

Investment Strategy Summary

The investment seeks long-term growth of capital while providing current income. The fund invests primarily in common stocks of well-established companies located around the world, many of which have the potential to pay dividends. It invests, on a global basis, in common stocks that are denominated in U.S. dollars or other currencies. Under normal market circumstances the fund will invest a significant portion of its assets in a number of countries outside the United States, including in developing countries.

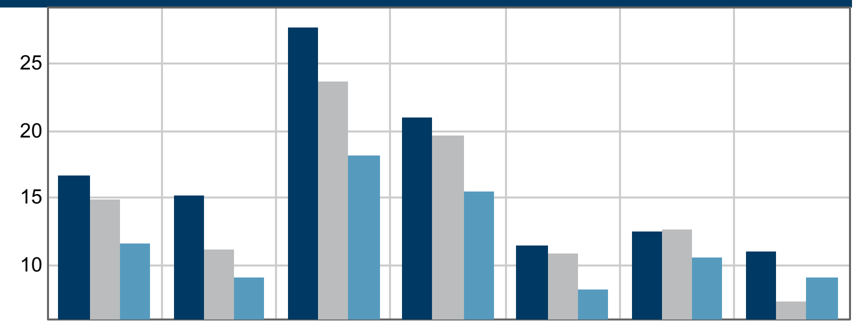
FUND INFORMATION

Fund	RWIFX
Inception Date	5/15/2002
Fund Family	CAPITAL WORLD GROWTH & INCOME FUND
Fund Subadviser	--
Portfolio Manager(s)	Sung Lee, Alfonso Barroso, Michael Cohen, et al.
Manager tenure (average)	9.4 years
Morningstar Category	Global Large-Stock Blend
Benchmark Index	MSCI AC World Index - Net Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★★★	★★★★	★★★★
	293	287	211

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
RWIFX	16.70	15.24	27.56	21.01	11.51	12.57	11.09
Benchmark	14.93	11.25	23.67	19.70	10.98	12.78	7.42
Category Avg	11.61	9.11	18.13	15.56	8.34	10.62	9.14
Category Percentile	-	-	11	10	16	27	-
Category Rank	-	-	36/324	29/293	46/287	57/211	-

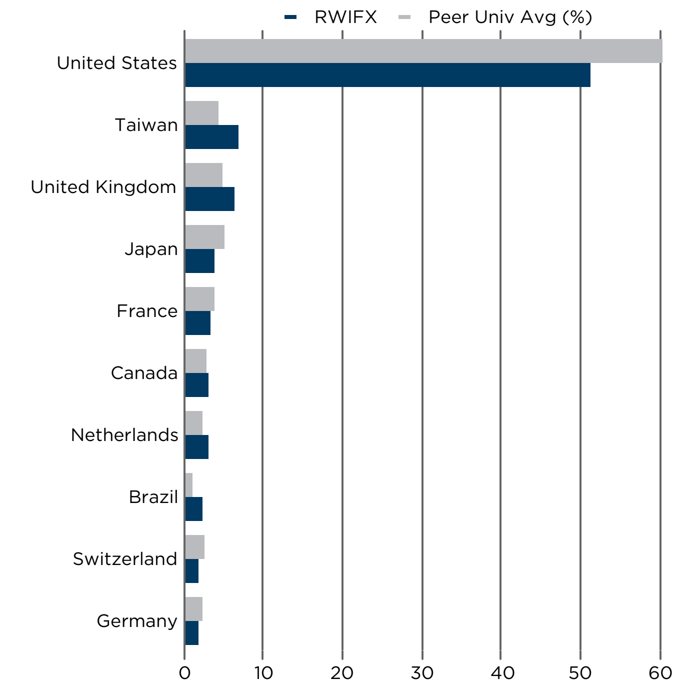
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RWIFX	25.07	14.21	21.15	-17.06	15.10	15.71	25.68	-10.01	25.01	6.80
Benchmark	22.34	17.49	22.20	-18.36	18.54	16.25	26.60	-9.41	23.97	7.86
Morningstar Category Avg	19.09	12.41	17.81	-16.85	16.95	13.59	25.30	-10.09	22.28	6.94
Morningstar Category Percentile	12	50	33	44	79	45	51	56	31	35
Morningstar Category Rank	40/335	180/359	121/367	144/327	736/932	419/932	475/932	522/932	289/932	326/932

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. **Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.** The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

American Funds Capital World Gr&Inc R5 (continued)

FUND COMPOSITION

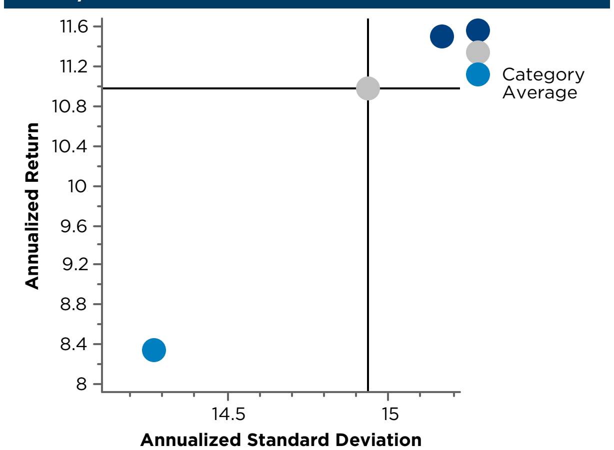


FUND STATISTICS	RWIFX	Peer Univ Avg
Total number of Holdings	334	336
Total Assets ($M)	411	11,417
P/E (12mo. trailing)	18.3	18.1
Price/Book	3.6	3.4
Market Cap ($M)	271,644	200,156
Turnover (%) (most recent avail)	44	32
Earnings Growth Rate (12mo. trailing)	9%	16%

TOP HOLDINGS	RWIFX
Taiwan Semiconductor Manufacturing Co Ltd	5.95
Broadcom Inc	3.85
Micron Technology Inc	2.72
NVIDIA Corp	2.30
Philip Morris International Inc	2.17
Alphabet Inc Class A	2.11
Alphabet Inc Class C	1.99
Amazon.com Inc	1.96
Apple Inc	1.83
ASML Holding NV	1.81
% of portfolio in Top 10	**26.70**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.13	-	-0.18	0.05	-	-0.16
Beta	0.98	-	0.92	1.00	-	0.95
R-Squared	96.53	-	97.58	96.38	-	98.54
Sharpe Ratio	1.30	1.19	0.92	0.52	0.49	0.33
Information Ratio	0.56	-	-2.01	0.18	-	-1.40
Standard Deviation	12.41	12.49	11.64	15.17	14.94	14.28
Up Capture	99.19	-	82.13	100.73	-	84.81
Down Capture	89.58	-	99.35	98.62	-	100.04

RISK/RETURN CHART - 5 YEAR



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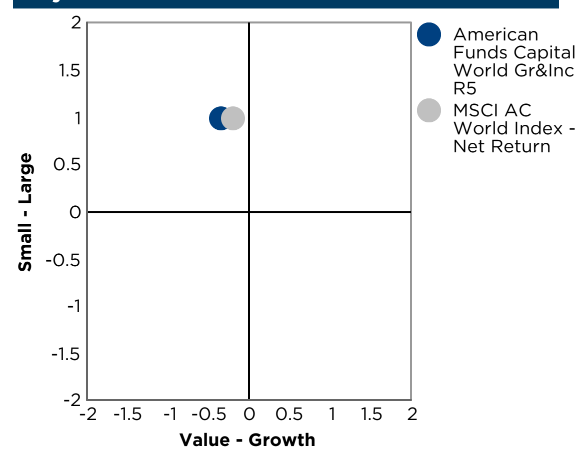


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

The Growth Fund Of America Class R-5 Shares

Investment Strategy Summary

The investment seeks growth of capital. The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest up to 25% of its assets in securities of issuers domiciled outside the United States. The investment adviser uses a system of multiple portfolio managers in managing the fund's assets. Under this approach, the portfolio of the fund is divided into segments managed by individual managers.

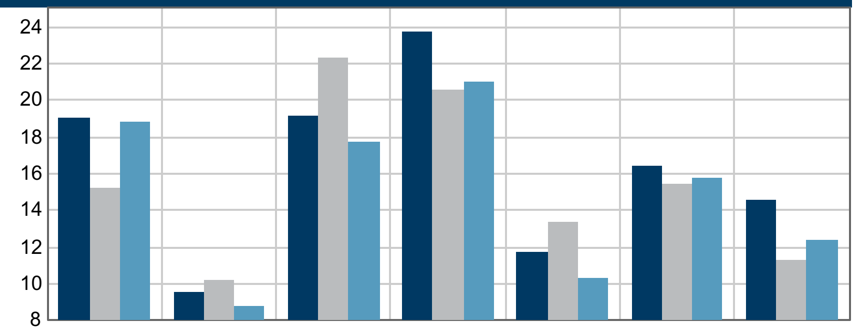
FUND INFORMATION

Fund	RGAFX
Inception Date	5/15/2002
Fund Family	Growth Fund of America Inc
Fund Subadviser	--
Portfolio Manager(s)	J. Frank, Martin Romo, Carl Kawaja, et al.
Manager tenure (average)	13.2 years
Morningstar Category	Large Growth
Benchmark Index	S&P 500 - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★	★★★★	★★★	★★★
	978	928	751

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
RGAFX	19.10	9.56	19.18	23.73	11.79	16.47	14.54
Benchmark	15.20	10.21	22.32	20.61	13.41	15.51	11.33
Category Avg	18.83	8.79	17.71	21.01	10.36	15.75	12.42
Category Percentile	-	-	39	30	41	47	-
Category Rank	-	-	413/1060	293/978	380/928	353/751	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RGAFX	20.23	28.77	37.57	-30.53	19.65	38.21	28.48	-2.66	26.44	8.75
Benchmark	17.88	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96
Morningstar Category Avg	15.81	28.16	35.98	-30.20	20.49	34.82	31.71	-2.18	27.84	3.19
Morningstar Category Percentile	19	54	51	55	64	35	80	54	58	10
Morningstar Category Rank	207/1088	648/1200	630/1235	680/1237	825/1289	476/1360	1124/1405	736/1363	849/1463	168/1681

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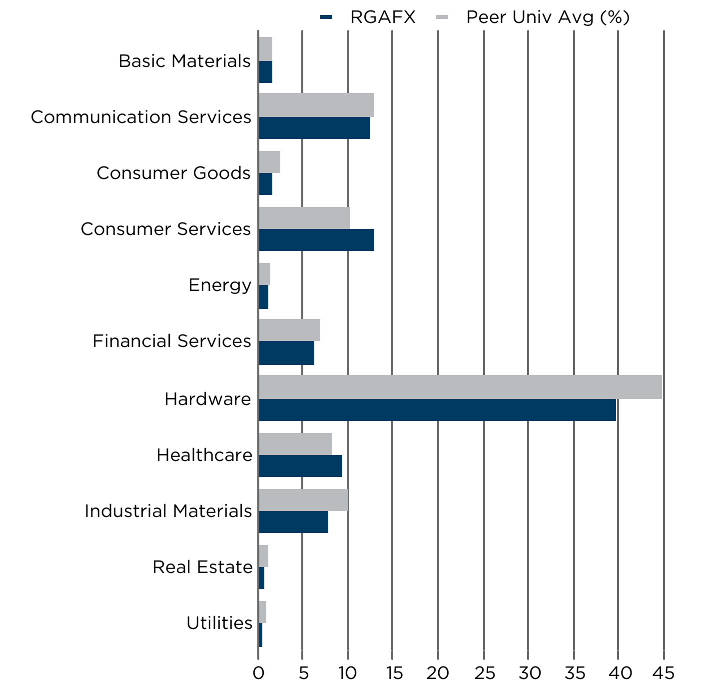
The Growth Fund Of America Class R-5 Shares (continued)

FUND COMPOSITION

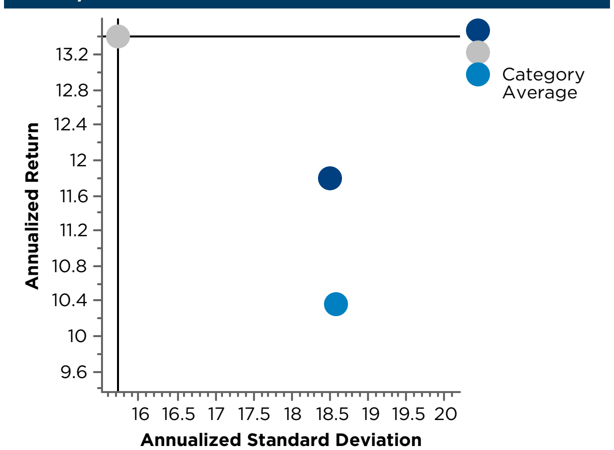


FUND STATISTICS	RGAFX	Peer Univ Avg
Total number of Holdings	333	100
Total Assets ($M)	3,092	17,703
P/E (12mo. trailing)	21.5	25.9
Price/Book	5.4	7.4
Market Cap ($M)	436,507	576,579
Turnover (%) (most recent avail)	17	42
Earnings Growth Rate (12mo. trailing)	16%	26%

TOP HOLDINGS	RGAFX
NVIDIA Corp	5.49
Broadcom Inc	4.38
Meta Platforms Inc Class A	3.83
Microsoft Corp	3.41
Micron Technology Inc	3.31
Amazon.com Inc	3.26
Eli Lilly and Co	2.81
Alphabet Inc Class C	2.79
Alphabet Inc Class A	2.76
Tesla Inc	2.51
% of portfolio in Top 10	**34.54**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.06	-	-0.27	-0.23	-	-0.35
Beta	1.19	-	1.20	1.13	-	1.14
R-Squared	94.55	-	94.41	91.86	-	93.43
Sharpe Ratio	1.20	1.22	1.01	0.44	0.62	0.36
Information Ratio	0.71	-	0.09	-0.29	-	-0.58
Standard Deviation	15.71	12.87	15.93	18.50	15.72	18.58
Up Capture	122.58	-	111.23	110.84	-	105.04
Down Capture	112.67	-	114.46	110.62	-	112.05

RISK/RETURN CHART - 5 YEAR



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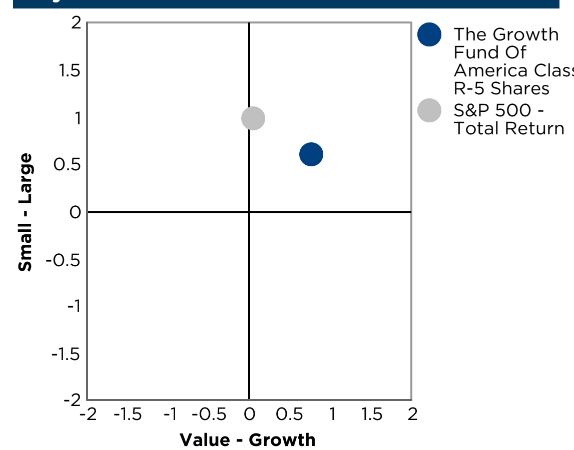


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Dodge & Cox Global Stock Fund

Investment Strategy Summary

The investment seeks long-term growth of principal and income. Under normal circumstances, the fund will invest at least 40% of its total assets in securities of non-U.S. companies and at least 80% of its total assets in equity securities, including common stocks, depositary receipts evidencing ownership of common stocks, certain preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks.

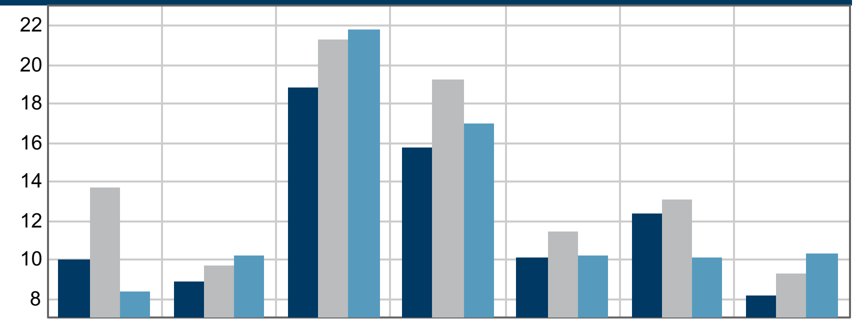
FUND INFORMATION

Fund	DODWX
Inception Date	5/01/2008
Fund Family	Dodge & Cox Funds
Fund Subadviser	--
Portfolio Manager(s)	Steven Voorhis, Lily Beischer, Roger Kuo, et al.
Manager tenure (average)	13.6 years
Morningstar Category	Global Large-Stock Value
Benchmark Index	MSCI World Index - Net Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★	★★★	★★★★
	139	135	115

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
DODWX	10.03	8.92	18.84	15.81	10.14	12.39	8.22
Benchmark	13.76	9.69	21.34	19.24	11.47	13.14	9.35
Category Avg	8.34	10.24	21.87	17.05	10.27	10.11	10.33
Category Percentile	-	-	64	61	59	16	-
Category Rank	-	-	93/145	85/139	80/135	18/115	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DODWX	25.18	5.10	20.26	-5.80	20.75	6.02	23.85	-12.65	21.51	17.10
Benchmark	21.09	18.67	23.79	-18.14	21.82	15.90	27.67	-8.71	22.40	7.51
Morningstar Category Avg	24.95	9.15	15.33	-8.71	17.46	2.58	20.80	-10.49	18.98	8.83
Morningstar Category Percentile	46	80	21	33	25	77	65	76	63	3
Morningstar Category Rank	71/155	129/161	36/171	56/171	233/932	718/932	606/932	708/932	587/932	28/932

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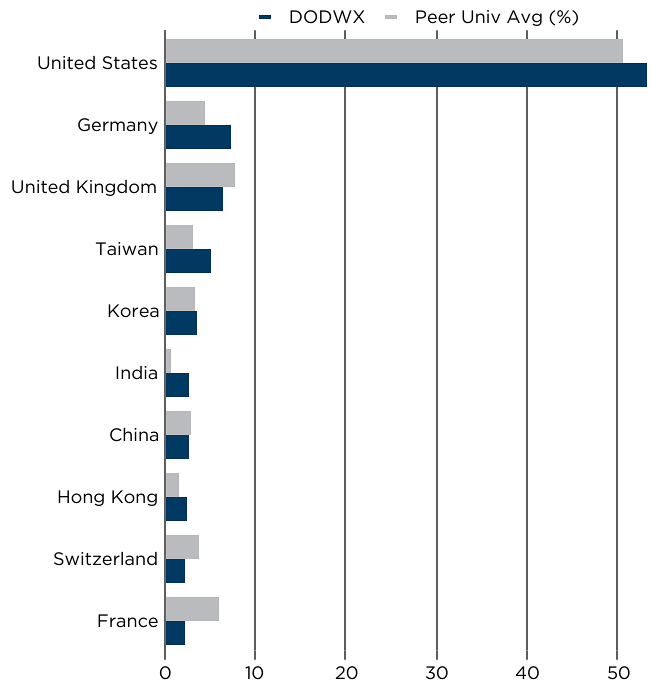
Dodge & Cox Global Stock Fund (continued)

FUND COMPOSITION

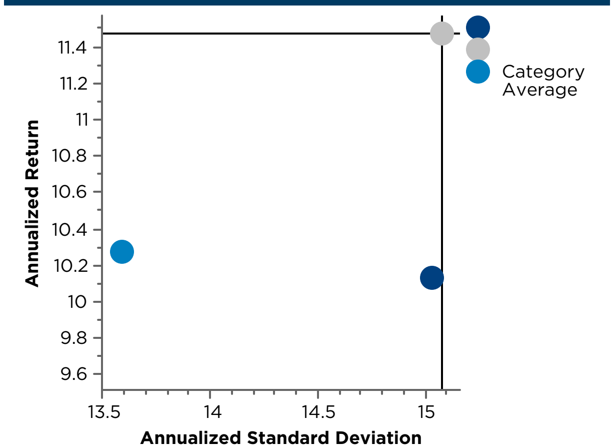


FUND STATISTICS	DODWX	Peer Univ Avg
Total number of Holdings	108	111
Total Assets ($M)	11,591	1,433
P/E (12mo. trailing)	13.9	14.5
Price/Book	2.3	2.3
Market Cap ($M)	109,861	92,117
Turnover (%) (most recent avail)	26	33
Earnings Growth Rate (12mo. trailing)	7%	8%

TOP HOLDINGS	DODWX
Taiwan Semiconductor Manufacturing Co Ltd	5.13
Alphabet Inc Class C	3.81
RTX Corp	2.79
Infineon Technologies AG	2.77
SK hynix Inc	2.54
Charles Schwab Corp	2.36
Humana Inc	2.12
Microsoft Corp	2.01
CVS Health Corp	1.95
Bayer AG	1.92
% of portfolio in Top 10	**27.40**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.00	-	0.18	0.05	-	0.07
Beta	0.84	-	0.77	0.85	-	0.82
R-Squared	71.48	-	76.62	72.69	-	82.37
Sharpe Ratio	0.90	1.17	1.12	0.43	0.52	0.48
Information Ratio	-0.50	-	-0.37	-0.16	-	-0.19
Standard Deviation	12.20	12.30	10.87	15.03	15.08	13.59
Up Capture	78.96	-	81.30	79.94	-	78.02
Down Capture	88.87	-	83.92	91.87	-	89.91

RISK/RETURN CHART - 5 YEAR



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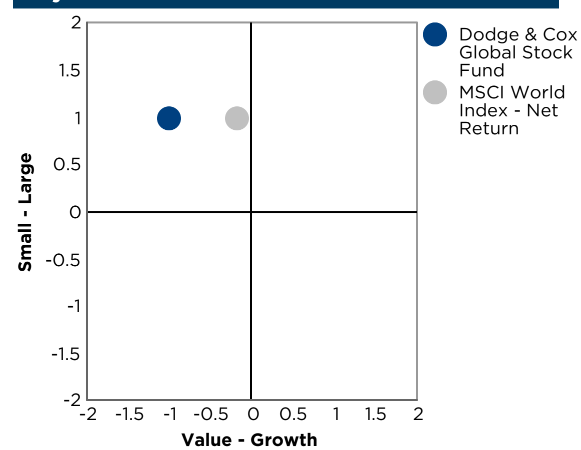


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Dodge & Cox International Stock Fund

Investment Strategy Summary

The investment seeks long-term growth of principal and income. Under normal circumstances, the fund will invest at least 80% of its total assets in equity securities of non-U.S. companies, including common stocks, depositary receipts evidencing ownership of common stocks, certain preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks. The fund typically invests in medium-to-large well-established companies based on standards of the applicable market.

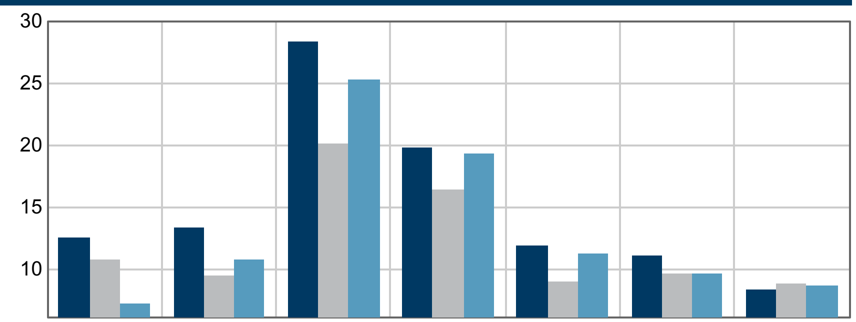
FUND INFORMATION

Fund	DODFX
Inception Date	5/01/2001
Fund Family	Dodge & Cox Funds
Fund Subadviser	--
Portfolio Manager(s)	Roger Kuo, Englebert Bangayan, Raymond Mertens, et al.
Manager tenure (average)	8.2 years
Morningstar Category	Foreign Large Value
Benchmark Index	MSCI EAFE - Net Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★	★★★	★★★★
	325	314	244

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
DODFX	12.55	13.37	28.49	19.82	11.94	11.08	8.28
Benchmark	10.82	9.44	20.23	16.44	9.05	9.66	8.78
Category Avg	7.14	10.75	25.37	19.30	11.24	9.58	8.73
Category Percentile	-	-	32	49	48	27	-
Category Rank	-	-	112/349	159/325	151/314	66/244	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DODFX	38.71	3.80	16.70	-6.78	11.03	2.10	22.78	-17.98	23.94	8.26
Benchmark	31.22	3.82	18.24	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00
Morningstar Category Avg	38.21	4.16	17.49	-9.24	11.77	1.01	18.03	-15.38	22.37	3.09
Morningstar Category Percentile	51	59	63	29	58	42	7	81	72	2
Morningstar Category Rank	189/371	224/380	223/354	101/348	204/352	145/346	22/315	257/317	243/337	7/358

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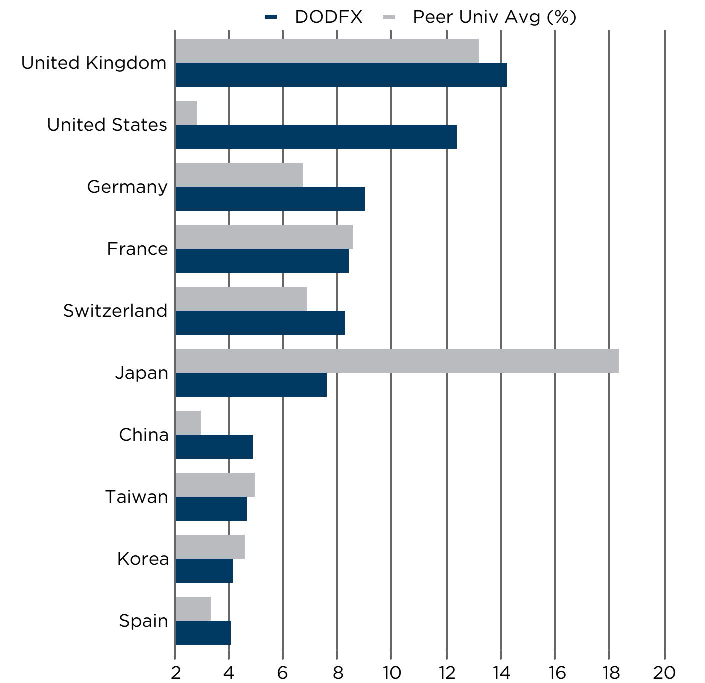
Dodge & Cox International Stock Fund (continued)

FUND COMPOSITION

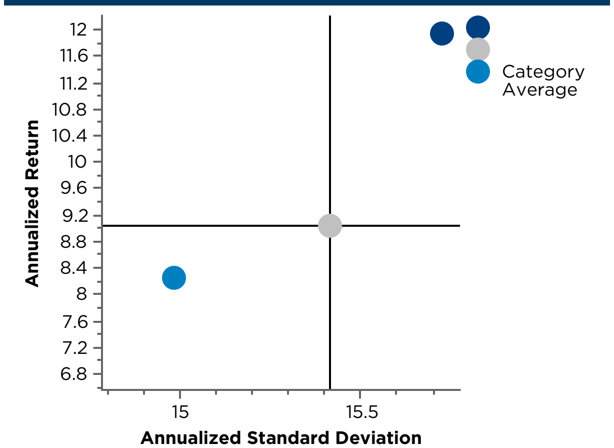


FUND STATISTICS	DODFX	Peer Univ Avg
Total number of Holdings	104	551
Total Assets ($M)	51,370	13,906
P/E (12mo. trailing)	13.7	15.1
Price/Book	2.1	2.3
Market Cap ($M)	87,796	76,193
Turnover (%) (most recent avail)	17	46
Earnings Growth Rate (12mo. trailing)	7%	14%

TOP HOLDINGS	DODFX
Taiwan Semiconductor Manufacturing Co Ltd	4.70
BNP Paribas Act. Cat.A	3.60
Johnson Controls International PLC Registered Shares	3.53
Infineon Technologies AG	3.03
SK hynix Inc	2.94
Banco Santander SA	2.94
Barclays PLC	2.69
GSK PLC	2.42
UBS Group AG Registered Shares	2.39
Itau Unibanco Holding SA Participating Preferred	2.24
% of portfolio in Top 10	**30.47**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.33	-	0.11	0.27	-	-0.04
Beta	0.93	-	0.92	0.94	-	0.96
R-Squared	87.32	-	98.01	84.71	-	97.87
Sharpe Ratio	1.13	0.87	0.95	0.52	0.35	0.30
Information Ratio	0.70	-	0.03	0.47	-	-0.35
Standard Deviation	13.24	13.27	12.28	15.73	15.41	14.98
Up Capture	111.19	-	95.10	107.25	-	91.60
Down Capture	94.35	-	93.28	94.25	-	98.11

RISK/RETURN CHART - 5 YEAR



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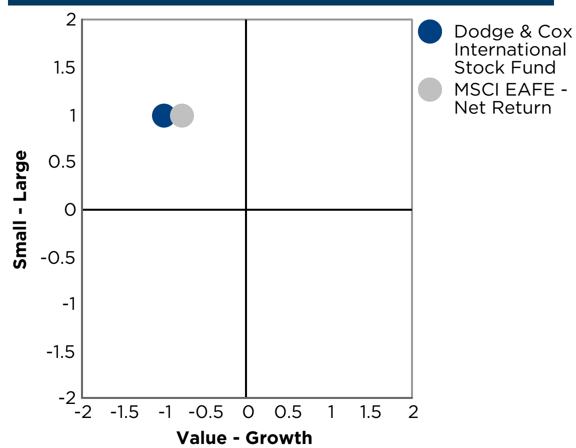


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

T. Rowe Price Real Assets Fund

Investment Strategy Summary

The investment seeks to provide long-term growth of capital. The fund invests at least 80% of its net assets (including any borrowings for investment purposes) in "real assets" and securities of companies that derive at least 50% of their profits or revenues from, or commit at least 50% of assets to, real assets and activities related to real assets. Real assets are defined broadly by the fund and are considered to include any assets that have physical properties.

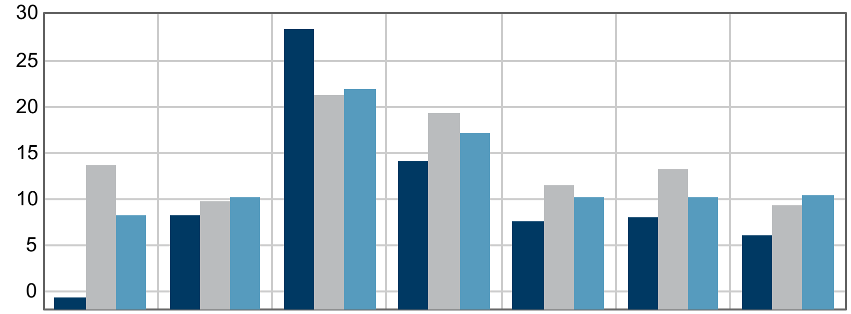
FUND INFORMATION

Fund	PRAFX
Inception Date	7/28/2010
Fund Family	T. Rowe Price Real Assets Fund, Inc.
Fund Subadviser	--
Portfolio Manager(s)	Richard Coghlan, Christopher Faulkner-MacDonagh
Manager tenure (average)	7.8 years
Morningstar Category	Global Large-Stock Value
Benchmark Index	MSCI World Index - Net Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★	★★	★★	★
	139	135	115

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
PRAFX	-0.52	8.31	28.45	14.05	7.66	7.97	6.14
Benchmark	13.76	9.69	21.34	19.24	11.47	13.14	9.35
Category Avg	8.34	10.24	21.87	17.05	10.27	10.11	10.33
Category Percentile	-	-	22	80	87	94	-
Category Rank	-	-	32/145	111/139	117/135	108/115	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PRAFX	29.47	0.33	6.60	-10.26	25.72	6.99	19.60	-11.52	10.47	21.02
Benchmark	21.09	18.67	23.79	-18.14	21.82	15.90	27.67	-8.71	22.40	7.51
Morningstar Category Avg	24.95	9.15	15.33	-8.71	17.46	2.58	20.80	-10.49	18.98	8.83
Morningstar Category Percentile	22	99	94	65	5	74	18	92	71	73
Morningstar Category Rank	34/155	159/161	161/171	111/171	47/932	690/932	168/932	857/932	662/932	680/932

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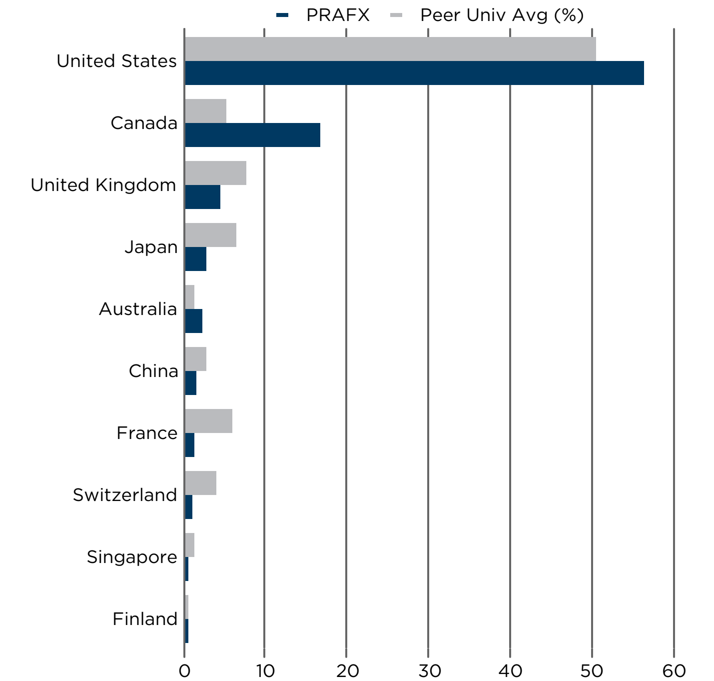
T. Rowe Price Real Assets Fund (continued)

FUND COMPOSITION

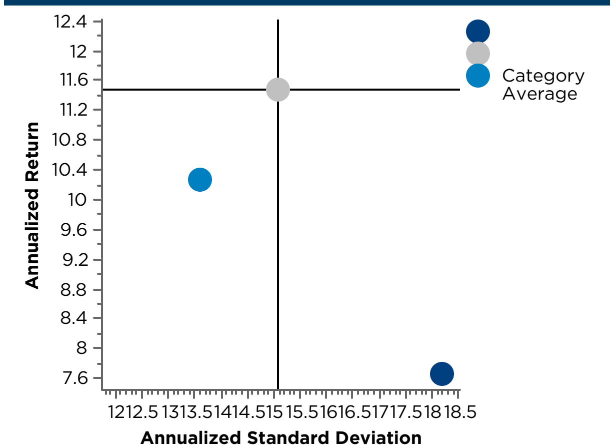


FUND STATISTICS	PRAFX	Peer Univ Avg
Total number of Holdings	298	111
Total Assets ($M)	95	1,433
P/E (12mo. trailing)	17.9	14.5
Price/Book	2.1	2.3
Market Cap ($M)	30,281	92,117
Turnover (%) (most recent avail)	48	33
Earnings Growth Rate (12mo. trailing)	2%	8%

TOP HOLDINGS	PRAFX
Welltower Inc	4.03
Equinix Inc	3.26
Prologis Inc	2.32
Aggregate Miscellaneous Equity	2.17
Bhp	1.90
Simon Property Group Inc	1.64
Agnico Eagle Mines Ltd	1.62
Freeport-McMoRan Inc	1.55
Ventas Inc	1.50
Franco-Nevada Corp	1.42
% of portfolio in Top 10	**21.41**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.10	-	0.18	-0.22	-	0.07
Beta	0.85	-	0.77	0.97	-	0.82
R-Squared	43.24	-	76.62	65.19	-	82.37
Sharpe Ratio	0.58	1.17	1.12	0.22	0.52	0.48
Information Ratio	-0.43	-	-0.37	-0.36	-	-0.19
Standard Deviation	15.91	12.30	10.87	18.21	15.08	13.59
Up Capture	91.70	-	81.30	96.73	-	78.02
Down Capture	122.72	-	83.92	110.40	-	89.91

RISK/RETURN CHART - 5 YEAR



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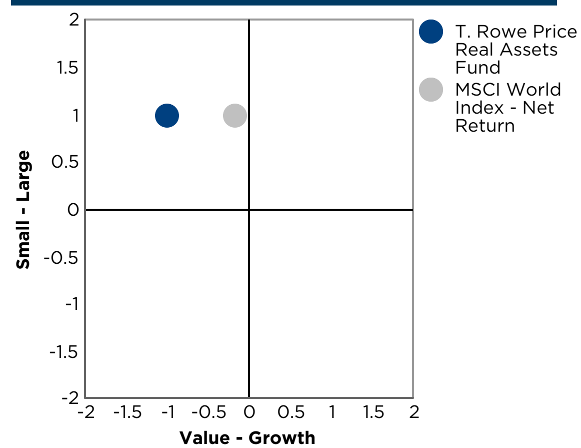


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Total Bond Market Index I Fund

Investment Strategy Summary

The investment seeks to track the performance of the Bloomberg U.S. Aggregate Float Adjusted Index. This index measures the performance of a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States-including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities-all with maturities of more than 1 year. All of the fund's investments will be selected through the sampling process, and at least 80% of its assets will be invested in bonds held in the index.

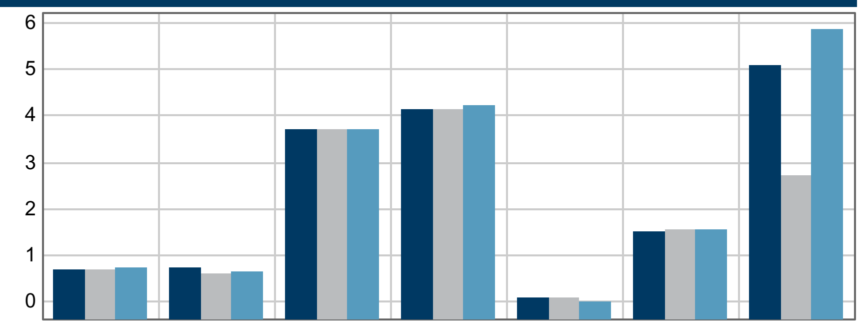
FUND INFORMATION

Fund	VBTIX
Inception Date	9/18/1995
Fund Family	Vanguard Bond Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Joshua Barrickman
Manager tenure (average)	13.3 years
Morningstar Category	Intermediate Core Bond
Benchmark Index	Bloomberg US Aggregate - Float Adjusted

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★	★★★	★★★	★★★
	417	383	285

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VBTIX	0.70	0.76	3.72	4.17	0.08	1.53	5.11
Benchmark	0.69	0.61	3.71	4.16	0.09	1.57	2.73
Category Avg	0.73	0.67	3.74	4.23	-0.01	1.56	5.88
Category Percentile	-	-	52	51	42	52	-
Category Rank	-	-	232/447	213/417	161/383	148/285	-

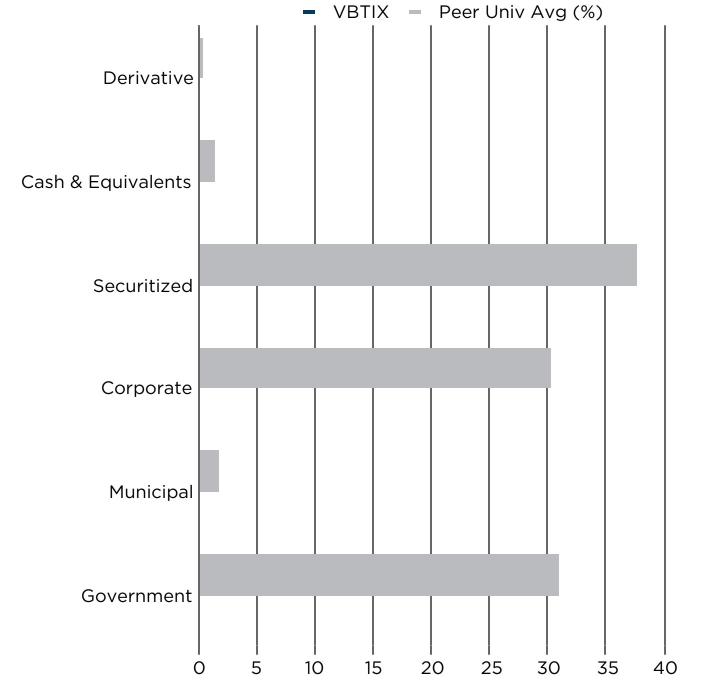
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VBTIX	7.17	1.25	5.72	-13.15	-1.65	7.74	8.73	-0.01	3.57	2.61
Benchmark	7.21	1.33	5.60	-13.07	-1.58	7.75	8.87	-0.08	3.63	2.75
Morningstar Category Avg	7.07	1.72	5.49	-13.34	-1.53	7.52	8.29	-0.52	3.76	3.24
Morningstar Category Percentile	49	73	44	40	50	45	33	30	55	62
Morningstar Category Rank	232/473	344/471	199/453	169/423	208/415	194/430	336/1019	296/986	542/985	646/1042

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Total Bond Market Index I Fund(continued)

FUND COMPOSITION

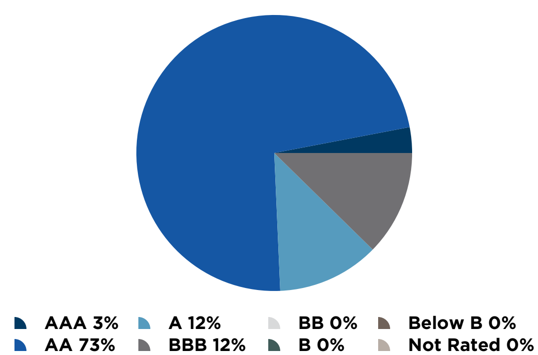


FUND STATISTICS	VBTIX	Peer Univ Avg
Total number of Holdings	17403	1874
Total Assets ($M)	44,836	15,458
Turnover (%) (most recent avail)	38	116

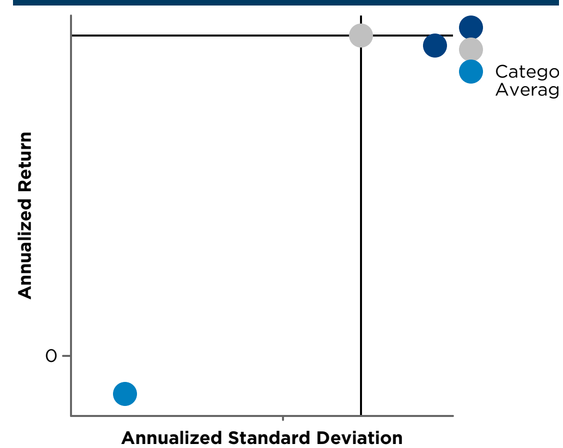
TOP HOLDINGS	VBTIX
United States Treasury Notes	0.47
United States Treasury Notes	0.41
United States Treasury Notes	0.41
United States Treasury Notes	0.41
United States Treasury Notes	0.41
United States Treasury Notes	0.40
United States Treasury Notes	0.40
United States Treasury Notes	0.40
United States Treasury Notes	0.39
United States Treasury Notes	0.39
% of portfolio in Top 10	**4.08**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.00	-	0.01	-0.00	-	-0.01
Beta	1.00	-	0.99	1.00	-	0.98
R-Squared	99.85	-	99.83	99.89	-	99.75
Sharpe Ratio	-0.13	-0.13	-0.12	-0.57	-0.58	-0.60
Information Ratio	0.06	-	0.30	-0.01	-	-0.29
Standard Deviation	5.38	5.35	5.29	6.27	6.23	6.13
Up Capture	101.22	-	99.40	101.37	-	97.04
Down Capture	101.53	-	97.97	100.93	-	98.94

QUALITY DISTRIBUTION



RISK/RETURN CHART - 5 YEAR



Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Extended Market Index Fund

Investment Strategy Summary

The investment seeks to track the S&P Completion Index that measures the investment return of small- and mid-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of S&P Completion Index, a broadly diversified index of stocks of small and mid-size U.S. companies. It invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. These characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

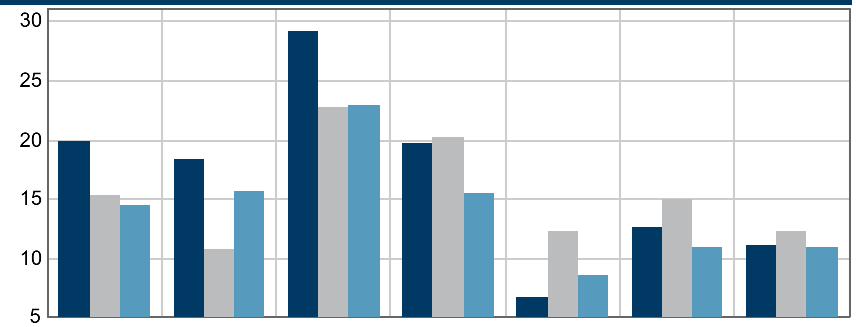
FUND INFORMATION

Fund	VIEIX
Inception Date	7/07/1997
Fund Family	Vanguard Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Michelle Louie, Nick Birkett, Walter Nejman
Manager tenure (average)	2.5 years
Morningstar Category	Mid-Cap Blend
Benchmark Index	Russell 3000 - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★	★★★★	★★	★★★
	365	345	264

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VIEIX	19.91	18.40	29.15	19.73	6.74	12.63	11.11
Benchmark	15.43	10.86	22.81	20.35	12.30	15.06	12.34
Category Avg	14.49	15.65	22.99	15.54	8.63	11.00	11.07
Category Percentile	-	-	21	18	81	20	-
Category Rank	-	-	87/414	66/365	279/345	53/264	-

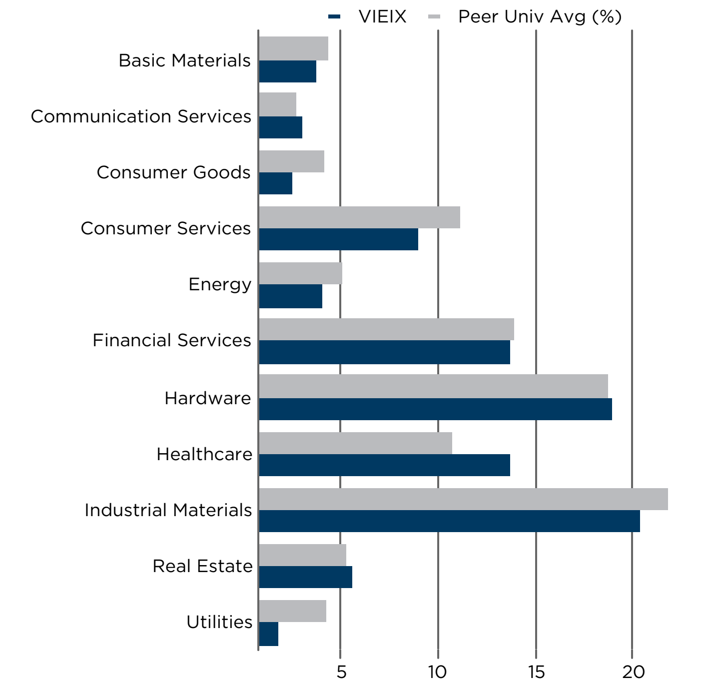
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VIEIX	11.42	16.91	25.41	-26.46	12.47	32.23	28.05	-9.35	18.12	16.15
Benchmark	17.15	23.81	25.96	-19.21	25.66	20.89	31.02	-5.24	21.13	12.74
Morningstar Category Avg	8.94	14.25	15.91	-14.14	23.57	12.20	25.87	-11.33	15.86	13.65
Morningstar Category Percentile	27	21	7	44	56	2	36	33	34	38
Morningstar Category Rank	109/403	88/420	28/405	172/391	228/407	8/404	167/464	146/443	145/427	164/432

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Extended Market Index Fund (continued)

FUND COMPOSITION

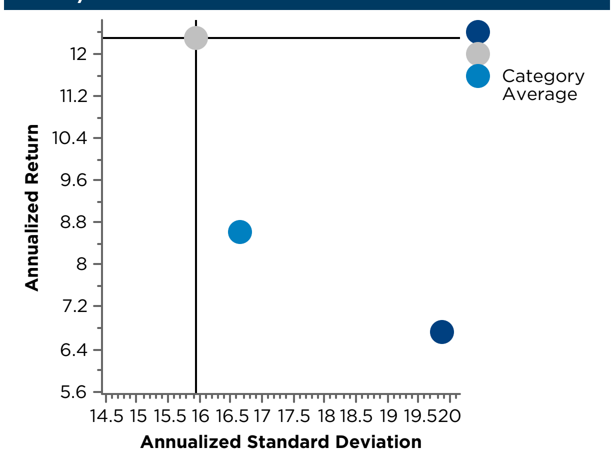


FUND STATISTICS	VIEIX	Peer Univ Avg
Total number of Holdings	3380	253
Total Assets ($M)	17,467	6,001
P/E (12mo. trailing)	18.1	18.5
Price/Book	2.5	3.0
Market Cap ($M)	9,187	25,053
Turnover (%) (most recent avail)	12	46
Earnings Growth Rate (12mo. trailing)	-14%	9%

TOP HOLDINGS	VIEIX
Space Exploration Technologies Corp Class A	1.14
Snowflake Inc Ordinary Shares	1.00
Bloom Energy Corp Class A	0.90
Cloudflare Inc	0.89
Astera Labs Inc	0.73
Rocket Lab Corp	0.59
Cheniere Energy Inc	0.57
Ferguson Enterprises Inc	0.52
Credo Technology Group Holding Ltd	0.50
Alnylam Pharmaceuticals Inc	0.45
% of portfolio in Top 10	**7.28**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.38	-	-0.30	-0.53	-	-0.23
Beta	1.25	-	0.99	1.15	-	0.97
R-Squared	82.37	-	78.68	84.30	-	85.48
Sharpe Ratio	0.82	1.17	0.73	0.15	0.54	0.30
Information Ratio	-0.08	-	-0.71	-0.68	-	-0.58
Standard Deviation	18.16	13.20	14.67	19.89	15.94	16.66
Up Capture	117.72	-	85.73	93.73	-	77.54
Down Capture	128.24	-	109.05	113.28	-	98.35

RISK/RETURN CHART - 5 YEAR



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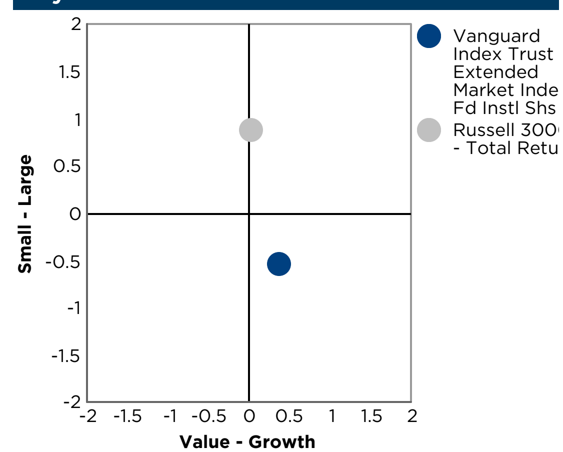


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Institutional Index Fund Institutional Plus Shares

Investment Strategy Summary

The investment seeks to track the performance of the S&P 500 Index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the S&P 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. It is non-diversified.

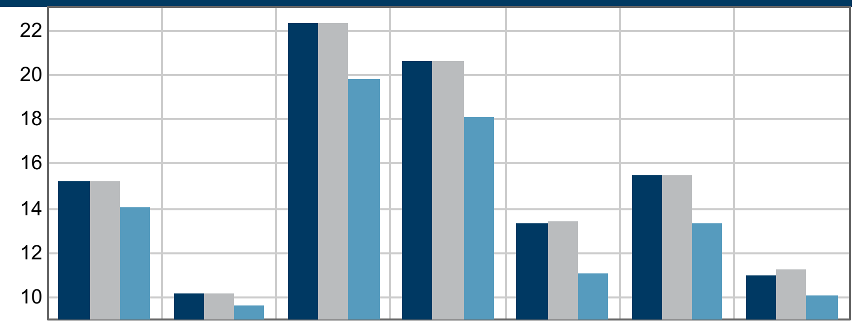
FUND INFORMATION

Fund	VIIIX
Inception Date	7/07/1997
Fund Family	Vanguard Institutional Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Michelle Louie, Nick Birkett, Aurélie Denis
Manager tenure (average)	4.2 years
Morningstar Category	Large Blend
Benchmark Index	S&P 500 - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★★	★★★★	★★★★
	1203	1123	889

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VIIIX	15.20	10.20	22.30	20.59	13.38	15.49	11.06
Benchmark	15.20	10.21	22.32	20.61	13.41	15.51	11.33
Category Avg	14.08	9.66	19.85	18.11	11.13	13.37	10.14
Category Percentile	-	-	34	26	20	17	-
Category Rank	-	-	444/1306	313/1203	225/1123	151/889	-

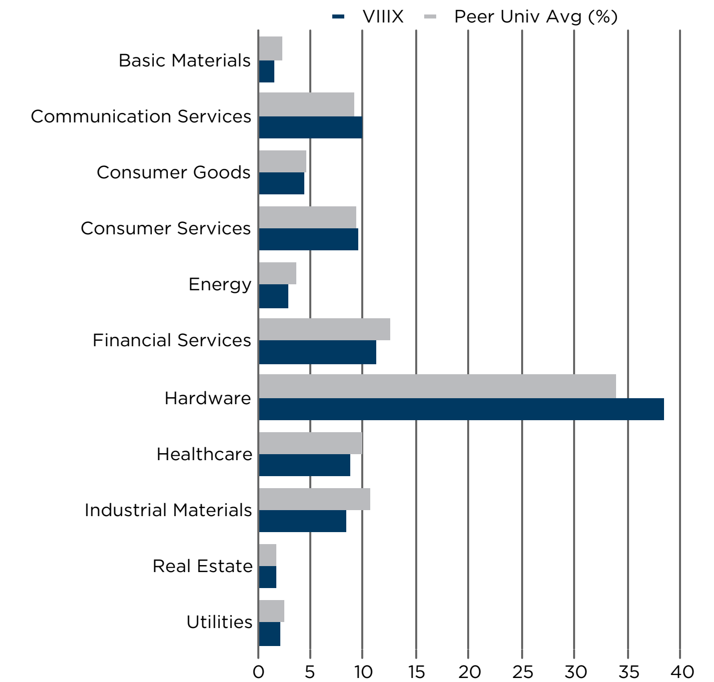
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VIIIX	17.86	24.99	26.26	-18.13	28.69	18.41	31.48	-4.41	21.82	11.95
Benchmark	17.88	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38	21.83	11.96
Morningstar Category Avg	15.56	20.70	22.14	-16.92	25.37	15.12	28.62	-6.24	20.45	10.06
Morningstar Category Percentile	24	23	26	51	23	36	23	25	28	26
Morningstar Category Rank	333/1386	329/1430	353/1358	705/1382	313/1363	499/1387	322/1402	349/1396	395/1409	418/1606

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Institutional Index Fund Institutional Plus Shares (continued)

FUND COMPOSITION

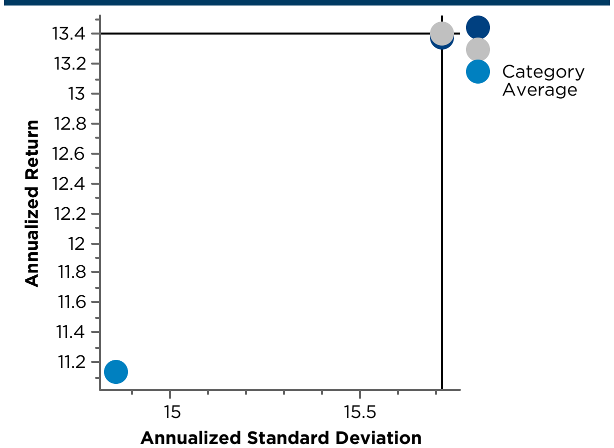


FUND STATISTICS	VIIIX	Peer Univ Avg
Total number of Holdings	517	299
Total Assets ($M)	218,708	27,481
P/E (12mo. trailing)	21.1	20.8
Price/Book	4.7	4.5
Market Cap ($M)	486,887	375,363
Turnover (%) (most recent avail)	4	58
Earnings Growth Rate (12mo. trailing)	10%	18%

TOP HOLDINGS	VIIIX
NVIDIA Corp	7.49
Apple Inc	6.57
Microsoft Corp	4.28
Amazon.com Inc	3.61
Alphabet Inc Class A	3.24
Broadcom Inc	2.77
Alphabet Inc Class C	2.58
Micron Technology Inc	2.01
Meta Platforms Inc Class A	1.91
Tesla Inc	1.83
% of portfolio in Top 10	**36.30**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.00	-	-0.10	-0.00	-	-0.11
Beta	1.00	-	0.95	1.00	-	0.94
R-Squared	100.00	-	98.51	100.00	-	99.00
Sharpe Ratio	1.22	1.22	1.08	0.62	0.62	0.50
Information Ratio	-5.38	-	-1.53	-5.07	-	-1.29
Standard Deviation	12.87	12.87	12.30	15.72	15.72	14.85
Up Capture	99.93	-	89.94	99.91	-	85.14
Down Capture	100.05	-	100.78	100.03	-	98.44

RISK/RETURN CHART - 5 YEAR



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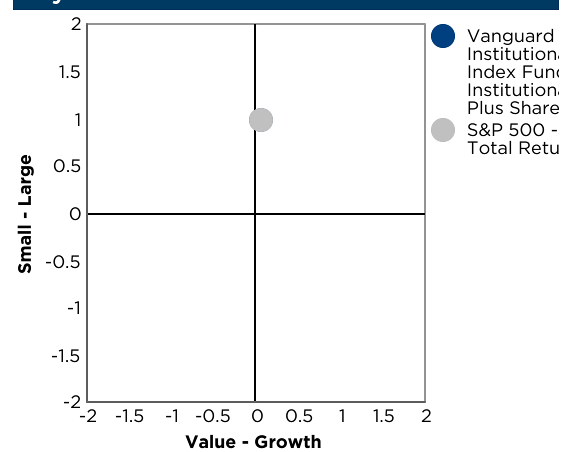


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard MStar Growth Indx Institutional

Investment Strategy Summary

The investment seeks to track the performance of the CRSP U.S. Large Cap Growth Index that measures the investment return of large-capitalization growth stocks. The fund manager employs an indexing investment approach designed to track the performance of the target index, a broadly diversified index made up of the growth stocks of large U.S. companies, as determined by the index provider. Under normal circumstances, it invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the stocks that make up the target index.

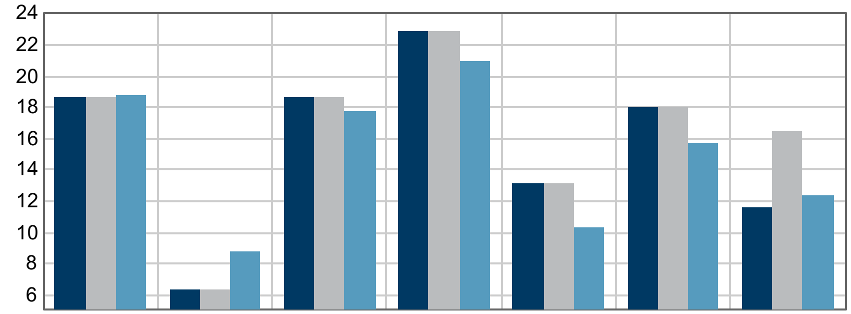
FUND INFORMATION

Fund	VIGIX
Inception Date	5/14/1998
Fund Family	Vanguard Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Aaron Choi, Jena Stenger
Manager tenure (average)	1.3 years
Morningstar Category	Large Growth
Benchmark Index	Morningstar US Large Cap Growth TR USD - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★	★★★★	★★★★
	978	928	751

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VIGIX	18.70	6.37	18.61	22.93	13.18	18.02	11.59
Benchmark	18.69	6.36	18.61	22.96	13.21	18.05	16.48
Category Avg	18.83	8.79	17.71	21.01	10.36	15.75	12.42
Category Percentile	-	-	41	35	29	23	-
Category Rank	-	-	435/1060	342/978	269/928	173/751	-

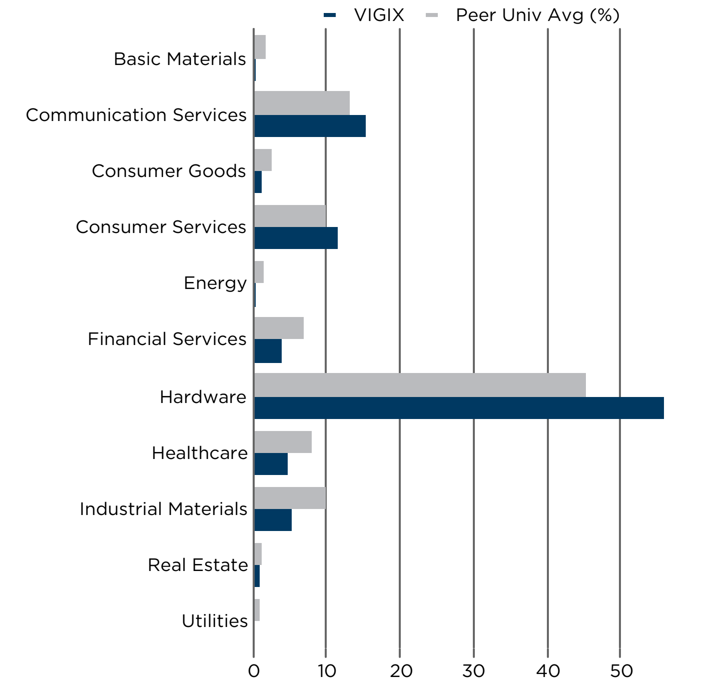
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VIGIX	19.44	32.68	46.78	-33.14	27.27	40.20	37.26	-3.33	27.81	6.13
Benchmark	19.48	32.73	46.86	-33.13	27.30	40.27	37.31	-3.34	27.86	6.16
Morningstar Category Avg	15.81	28.16	35.98	-30.20	20.49	34.82	31.71	-2.18	27.84	3.19
Morningstar Category Percentile	24	34	17	71	19	28	11	62	55	28
Morningstar Category Rank	261/1088	408/1200	210/1235	878/1237	245/1289	381/1360	155/1405	845/1363	805/1463	471/1681

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. **Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.** The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard MStar Growth Indx Institutional (continued)

FUND COMPOSITION

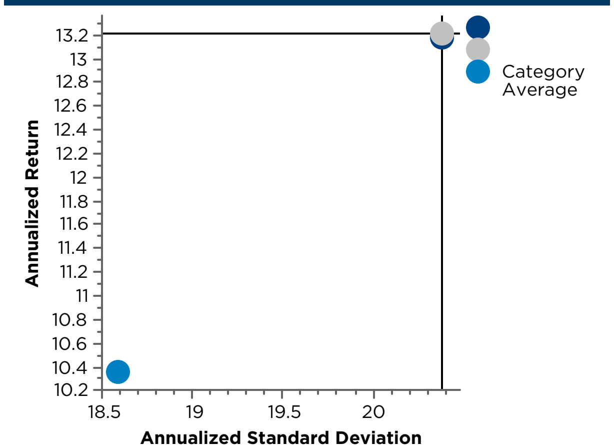


FUND STATISTICS	VIGIX	Peer Univ Avg
Total number of Holdings	151	101
Total Assets ($M)	48,061	17,692
P/E (12mo. trailing)	28.3	25.8
Price/Book	9.1	7.5
Market Cap ($M)	1,059,911	588,725
Turnover (%) (most recent avail)	12	42
Earnings Growth Rate (12mo. trailing)	24%	26%

TOP HOLDINGS	VIGIX
NVIDIA Corp	12.59
Apple Inc	11.64
Microsoft Corp	7.59
Alphabet Inc Class A	5.74
Alphabet Inc Class C	4.52
Amazon.com Inc	4.46
Broadcom Inc	4.27
Meta Platforms Inc Class A	3.40
Tesla Inc	3.26
Eli Lilly and Co	2.80
% of portfolio in Top 10	**60.27**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.00	-	0.01	-0.00	-	-0.12
Beta	1.00	-	0.91	1.00	-	0.90
R-Squared	100.00	-	96.76	100.00	-	97.49
Sharpe Ratio	1.05	1.05	1.01	0.47	0.47	0.36
Information Ratio	-2.03	-	-0.60	-1.73	-	-0.80
Standard Deviation	17.18	17.18	15.93	20.38	20.39	18.58
Up Capture	99.89	-	87.61	99.84	-	76.65
Down Capture	100.01	-	93.25	100.00	-	95.78

RISK/RETURN CHART - 5 YEAR



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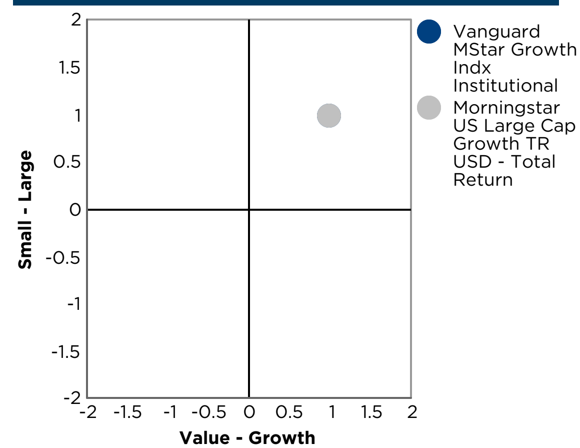


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard MStar Value Indx Institutional

Investment Strategy Summary

The investment seeks to track the performance of the CRSP U.S. Large Cap Value Index that measures the investment return of large-capitalization value stocks. The fund manager employs an indexing investment approach designed to track the target index, a broadly diversified index made up of the value stocks of large U.S. companies, as determined by the index provider. Under normal circumstances, it invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the stocks that make up the target index.

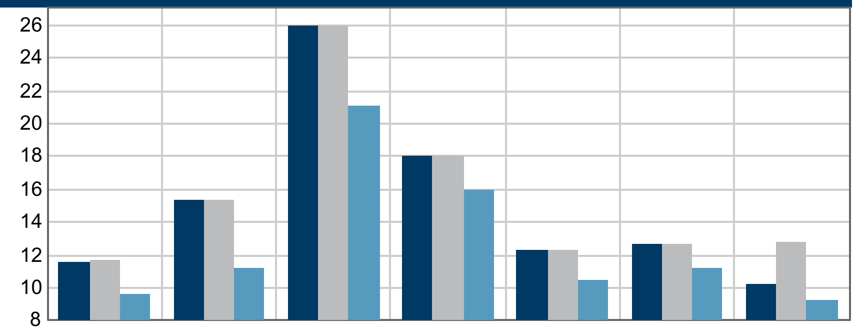
FUND INFORMATION

Fund	VIVIX
Inception Date	7/02/1998
Fund Family	Vanguard Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Aaron Choi, Jena Stenger
Manager tenure (average)	1.3 years
Morningstar Category	Large Value
Benchmark Index	Morningstar US Large Cap Value TR USD - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★★	★★★★	★★★★
	1054	991	830

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
● VIVIX	11.65	15.35	25.93	18.01	12.32	12.68	10.26
● Benchmark	11.66	15.38	25.97	18.00	12.32	12.68	12.82
● Category Avg	9.62	11.27	21.13	16.01	10.48	11.25	9.30
Category Percentile	-	-	24	28	18	22	-
Category Rank	-	-	265/1106	295/1054	178/991	183/830	-

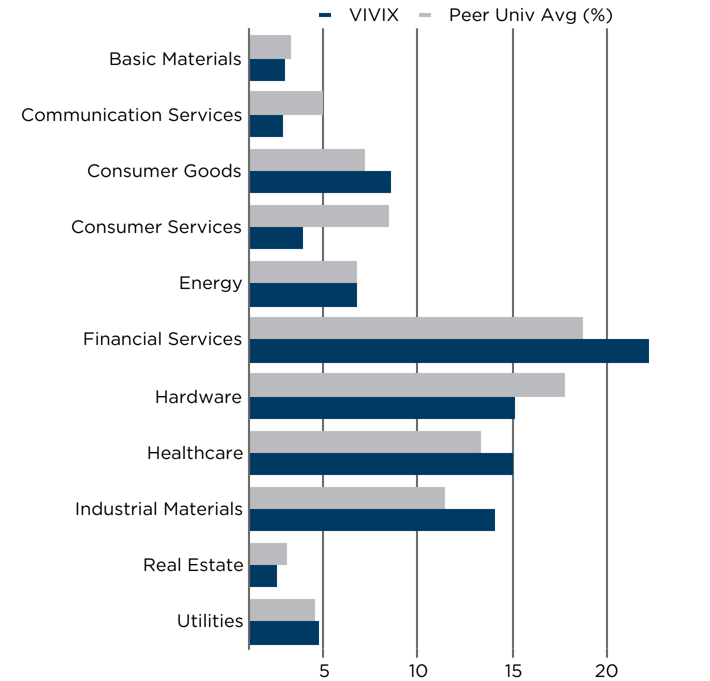
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VIVIX	15.29	15.98	9.26	-2.05	26.48	2.30	25.83	-5.42	17.14	16.87
Benchmark	15.31	16.00	9.17	-2.01	26.51	2.26	25.85	-5.40	17.16	16.93
Morningstar Category Avg	14.96	14.16	11.78	-6.02	26.08	2.68	24.99	-8.60	16.07	14.59
Morningstar Category Percentile	52	35	66	21	45	53	44	18	31	27
Morningstar Category Rank	608/1170	426/1217	811/1229	253/1207	540/1200	641/1209	547/1244	227/1260	393/1268	372/1378

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard MStar Value Indx Institutional (continued)

FUND COMPOSITION

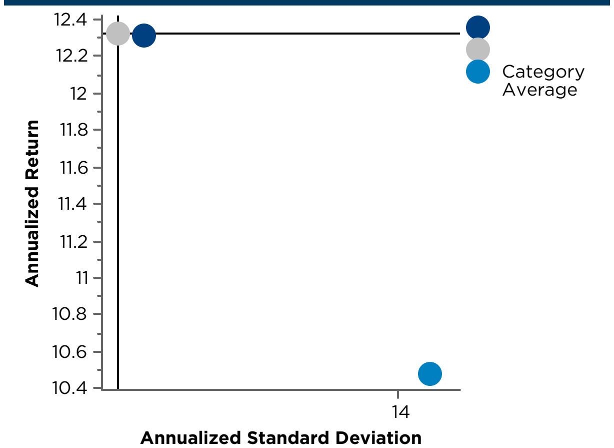


FUND STATISTICS	VIVIX	Peer Univ Avg
Total number of Holdings	326	127
Total Assets ($M)	21,582	11,281
P/E (12mo. trailing)	16.1	16.7
Price/Book	2.9	2.9
Market Cap ($M)	173,375	162,109
Turnover (%) (most recent avail)	8	46
Earnings Growth Rate (12mo. trailing)	3%	8%

TOP HOLDINGS	VIVIX
Micron Technology Inc	4.85
JPMorgan Chase & Co	3.04
Berkshire Hathaway Inc Class B	2.93
Johnson & Johnson	2.28
ExxonMobil Holdings Corp	2.11
Walmart Inc	1.85
Caterpillar Inc	1.83
AbbVie Inc	1.66
Cisco Systems Inc	1.55
UnitedHealth Group Inc	1.41
% of portfolio in Top 10	**23.51**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.00	-	-0.11	-0.00	-	-0.13
Beta	1.00	-	0.98	1.00	-	0.99
R-Squared	100.00	-	96.96	100.00	-	97.76
Sharpe Ratio	1.15	1.16	0.99	0.62	0.62	0.49
Information Ratio	0.10	-	-1.00	-0.14	-	-0.88
Standard Deviation	11.39	11.38	11.31	13.94	13.94	14.01
Up Capture	100.04	-	90.07	99.98	-	91.93
Down Capture	100.01	-	98.41	100.02	-	101.80

RISK/RETURN CHART - 5 YEAR



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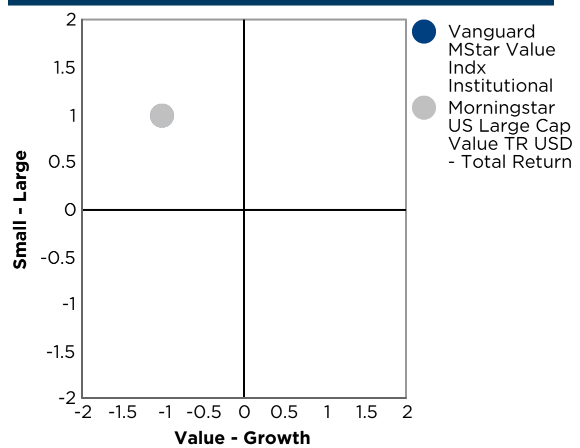


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Real Estate Index Fund - Admiral Shares

Investment Strategy Summary

The investment seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of the MSCI U.S. Investable Market Real Estate 25/50 Index that measures the performance of publicly traded equity REITs and other real estate-related investments. The fund invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the stocks that make up the Target Index. The advisor attempts to track the index by investing all, or substantially all, of its assets-either directly or indirectly through a wholly owned subsidiary. The fund is non-diversified.

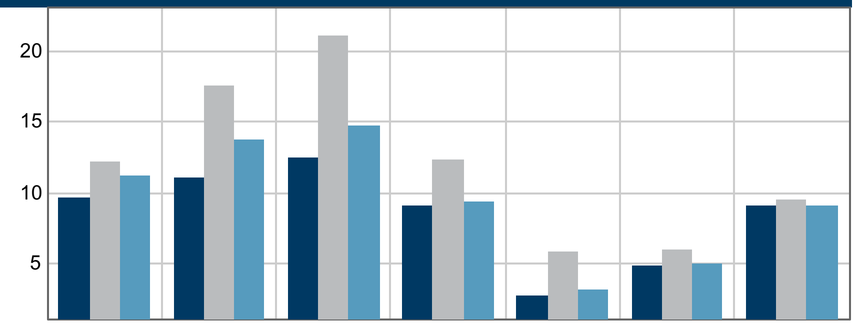
FUND INFORMATION

Fund	VGSLX
Inception Date	11/12/2001
Fund Family	Vanguard Specialized Funds
Fund Subadviser	--
Portfolio Manager(s)	Chris Nieves, Jena Stenger
Manager tenure (average)	1.3 years
Morningstar Category	Real Estate
Benchmark Index	MSCI US REIT INDEX - Gross Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★	★★★	★★	★★★
	199	191	149

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VGSLX	9.68	11.12	12.49	9.14	2.81	4.92	9.10
Benchmark	12.15	17.58	21.15	12.39	5.83	6.07	9.60
Category Avg	11.21	13.79	14.70	9.44	3.15	5.02	9.10
Category Percentile	-	-	71	57	68	65	-
Category Rank	-	-	147/207	113/199	130/191	97/149	-

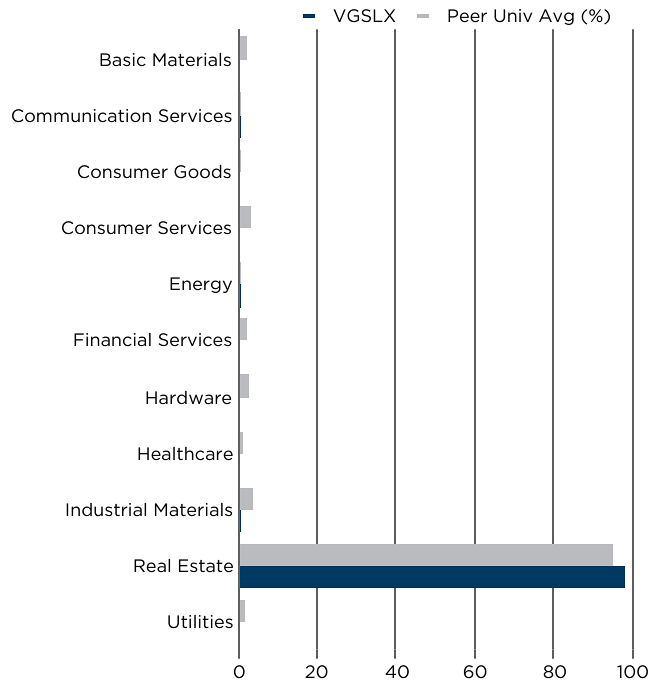
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VGSLX	3.19	4.92	11.81	-26.20	40.40	-4.65	28.94	-5.95	4.94	8.50
Benchmark	2.95	8.75	13.74	-24.51	43.06	-7.57	25.84	-4.57	5.07	8.60
Morningstar Category Avg	1.41	6.10	11.77	-25.77	38.51	-4.97	27.36	-6.10	5.75	6.65
Morningstar Category Percentile	21	66	52	61	59	44	29	58	57	18
Morningstar Category Rank	46/220	166/251	131/252	154/253	146/248	113/256	73/251	149/257	152/267	51/282

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. **Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower.** The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Real Estate Index Fund - Admiral Shares
(continued)

FUND COMPOSITION

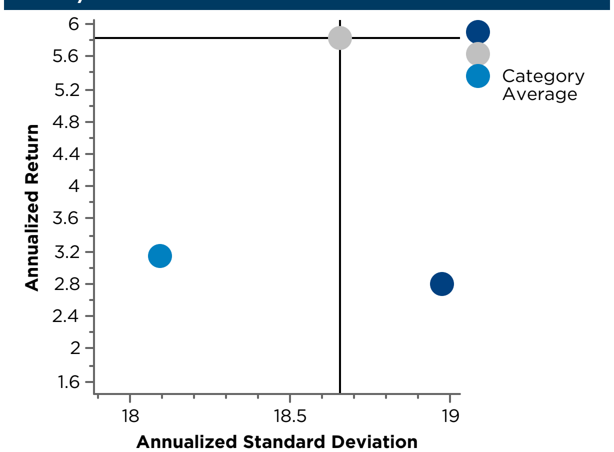


FUND STATISTICS	VGSLX	Peer Univ Avg
Total number of Holdings	157	52
Total Assets ($M)	21,512	2,810
P/E (12mo. trailing)	34.7	37.3
Price/Book	2.5	2.5
Market Cap ($M)	30,911	29,028
Turnover (%) (most recent avail)	7	64
Earnings Growth Rate (12mo. trailing)	6%	14%

TOP HOLDINGS	VGSLX
Vanguard Real Estate II Index	14.36
Welltower Inc	8.37
Prologis Inc	6.68
Equinix Inc	5.43
American Tower Corp	4.03
Simon Property Group Inc	3.84
Digital Realty Trust Inc	3.26
Realty Income Corp	3.03
Public Storage	2.66
Ventas Inc	2.23
% of portfolio in Top 10	**53.89**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	-0.24	-	-0.18	-0.24	-	-0.20
Beta	1.00	-	0.95	1.01	-	0.96
R-Squared	96.71	-	98.46	97.83	-	98.95
Sharpe Ratio	0.26	0.46	0.29	-0.05	0.11	-0.03
Information Ratio	-1.09	-	-1.43	-1.08	-	-1.36
Standard Deviation	16.49	16.23	15.60	18.98	18.66	18.10
Up Capture	88.67	-	84.78	89.71	-	84.17
Down Capture	102.57	-	98.01	102.38	-	99.83

RISK/RETURN CHART - 5 YEAR



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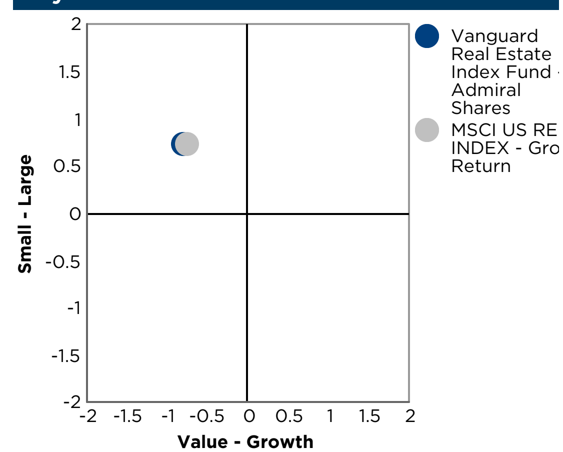


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard MStar Small Cap Index Instl

Investment Strategy Summary

The investment seeks to track the performance of the CRSP U.S. Small Cap Index that measures the investment return of small-capitalization stocks. The fund advisor employs an indexing investment approach designed to track the performance of the CRSP U.S. Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The advisor attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

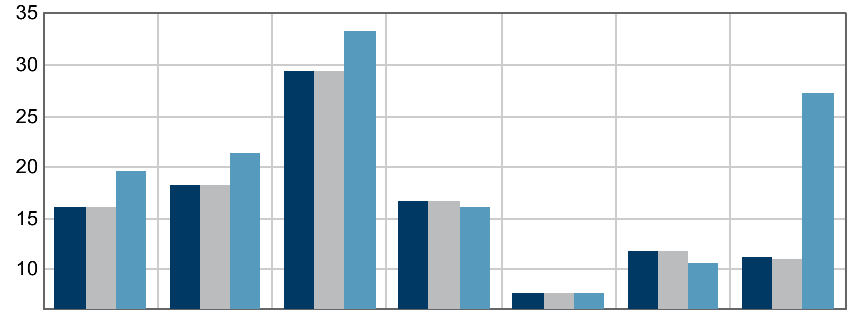
FUND INFORMATION

Fund	VSCIX
Inception Date	7/07/1997
Fund Family	Vanguard Index Funds
Fund Subadviser	--
Portfolio Manager(s)	Kenny Narzikul, Aaron Choi
Manager tenure (average)	2.3 years
Morningstar Category	Small Blend
Benchmark Index	Morningstar US Small Cap TR USD - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★	★★★	★★★★
	585	563	448

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VSCIX	16.03	18.24	29.49	16.73	7.69	11.76	11.17
Benchmark	16.03	18.24	29.48	16.70	7.65	11.72	10.91
Category Avg	19.62	21.45	33.35	16.11	7.71	10.59	27.31
Category Percentile	-	-	72	47	55	35	-
Category Rank	-	-	446/620	275/585	310/563	157/448	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VSCIX	8.85	14.23	18.22	-17.60	17.73	19.12	27.40	-9.32	16.25	18.32
Benchmark	8.82	14.22	18.09	-17.64	17.71	19.07	27.35	-9.33	16.24	18.26
Morningstar Category Avg	7.68	10.80	16.02	-16.35	23.85	10.69	23.51	-12.73	12.40	20.60
Morningstar Category Percentile	45	19	28	63	84	20	18	20	13	70
Morningstar Category Rank	281/624	117/615	171/611	397/630	564/671	140/702	138/769	160/802	98/750	546/780

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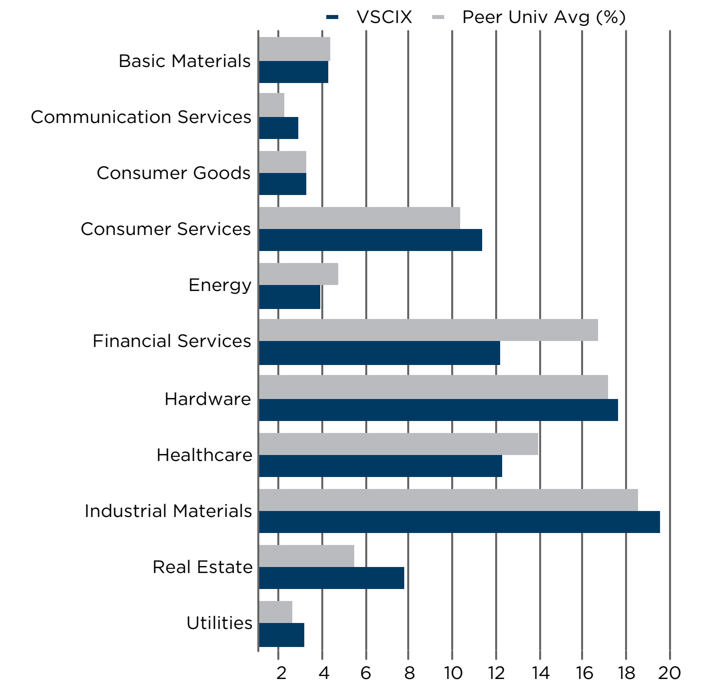
Vanguard MStar Small Cap Index Instl (continued)

FUND COMPOSITION

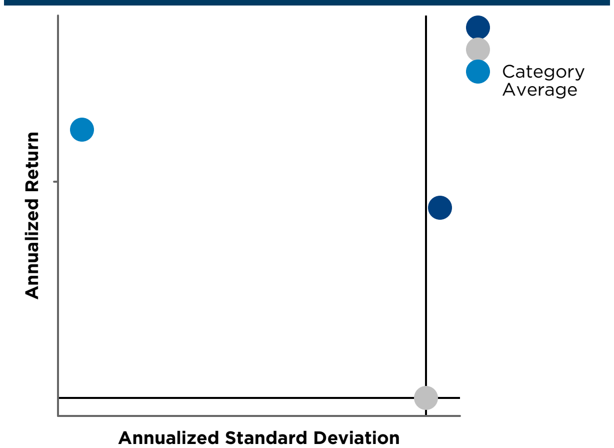


FUND STATISTICS	VSCIX	Peer Univ Avg
Total number of Holdings	1316	442
Total Assets ($M)	24,221	3,240
P/E (12mo. trailing)	17.4	17.0
Price/Book	2.4	2.3
Market Cap ($M)	10,391	5,254
Turnover (%) (most recent avail)	17	51
Earnings Growth Rate (12mo. trailing)	-7%	7%

TOP HOLDINGS	VSCIX
Credo Technology Group Holding Ltd	0.54
Jabil Inc	0.49
Revolution Medicines Inc Ordinary Shares	0.45
Astera Labs Inc	0.45
Natera Inc	0.44
EMCOR Group Inc	0.44
Twilio Inc Class A	0.38
NRG Energy Inc	0.37
MKS Inc	0.36
Flex Ltd	0.36
% of portfolio in Top 10	**4.27**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.00	-	-0.06	0.00	-	0.01
Beta	1.00	-	1.02	1.00	-	0.98
R-Squared	100.00	-	96.95	100.00	-	97.64
Sharpe Ratio	0.70	0.70	0.64	0.21	0.21	0.22
Information Ratio	1.52	-	-0.19	1.86	-	0.02
Standard Deviation	17.03	17.03	17.60	18.79	18.79	18.73
Up Capture	100.10	-	99.07	100.11	-	96.33
Down Capture	99.98	-	101.32	99.95	-	98.55

RISK/RETURN CHART - 5 YEAR



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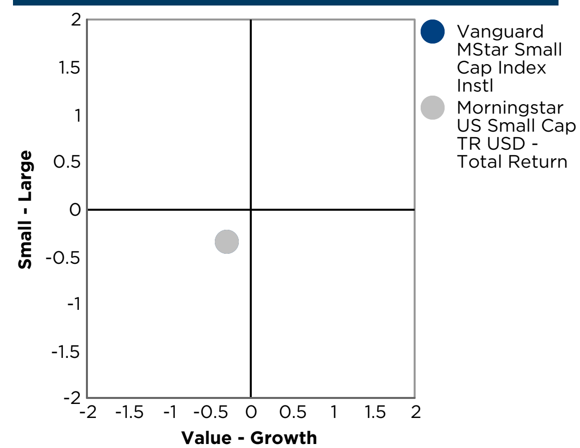


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Strategic Equity Fund

Investment Strategy Summary

The investment seeks long-term capital appreciation. The fund invests in small- and mid-capitalization domestic equity securities based on the advisor's assessment of the relative return potential of the securities. The advisor selects securities that the advisor believes offer an appropriate balance between strong growth prospects and reasonable valuations relative to their industry peers. The advisor does this by using a quantitative process to evaluate all of the securities in the benchmark, the MSCI U.S. Small + Mid Cap 2200 Index, while seeking to maintain a risk profile similar to that of the index.

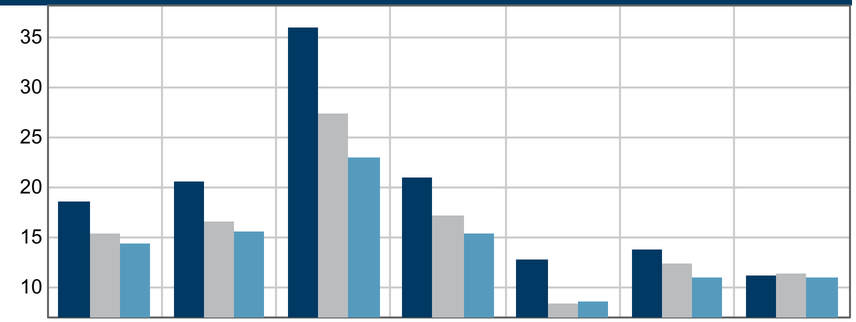
FUND INFORMATION

Fund	VSEQX
Inception Date	8/14/1995
Fund Family	Vanguard Horizon Funds
Fund Subadviser	--
Portfolio Manager(s)	Cesar Orosco
Manager tenure (average)	5.3 years
Morningstar Category	Mid-Cap Blend
Benchmark Index	MSCI US Small Cap + Mid Cap (2200) - Gross Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★★	★★★★★	★★★★
	365	345	264

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VSEQX	18.58	20.63	35.98	21.06	12.84	13.90	11.37
Benchmark	15.51	16.58	27.41	17.18	8.40	12.41	11.45
Category Avg	14.49	15.65	22.99	15.54	8.63	11.00	11.07
Category Percentile	-	-	12	12	8	10	-
Category Rank	-	-	50/414	44/365	28/345	26/264	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VSEQX	15.37	17.16	19.21	-11.80	30.86	10.27	26.75	-11.91	13.78	17.92
Benchmark	11.60	14.90	16.17	-17.27	22.90	19.54	28.75	-9.30	18.15	15.77
Morningstar Category Avg	8.94	14.25	15.91	-14.14	23.57	12.20	25.87	-11.33	15.86	13.65
Morningstar Category Percentile	13	18	21	27	6	60	49	66	73	26
Morningstar Category Rank	52/403	76/420	85/405	106/391	24/407	242/404	227/464	292/443	312/427	112/432

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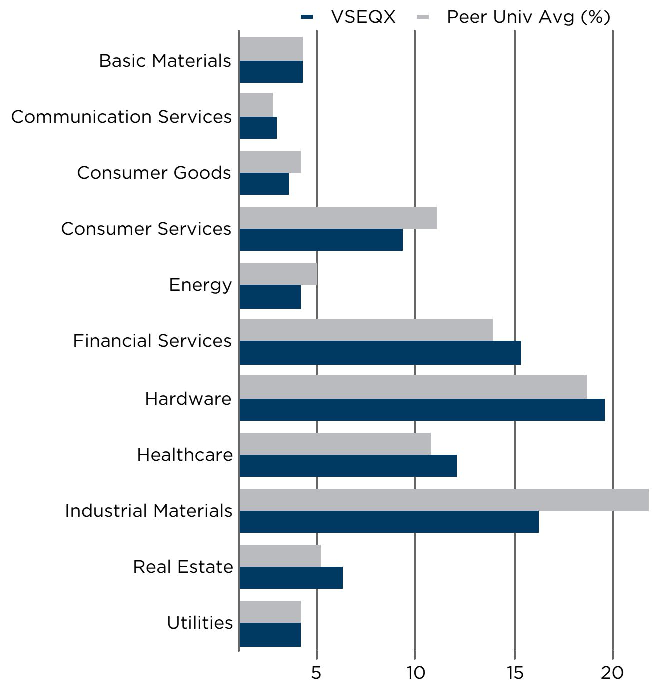
Vanguard Strategic Equity Fund (continued)

FUND COMPOSITION

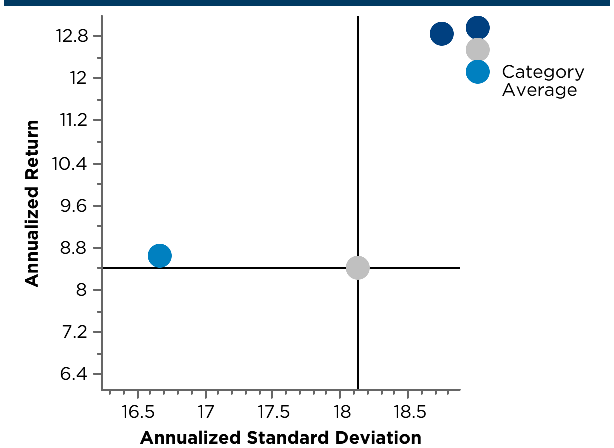


FUND STATISTICS	VSEQX	Peer Univ Avg
Total number of Holdings	641	253
Total Assets ($M)	12,157	6,001
P/E (12mo. trailing)	15.3	18.5
Price/Book	2.5	3.0
Market Cap ($M)	9,762	25,053
Turnover (%) (most recent avail)	30	46
Earnings Growth Rate (12mo. trailing)	8%	9%

TOP HOLDINGS	VSEQX
State Street Corp	0.97
Teradyne Inc	0.78
EMCOR Group Inc	0.73
Edison International	0.71
Extreme Networks Inc	0.68
Dollar General Corp	0.65
Popular Inc	0.64
Globe Life Inc	0.63
EnerSys	0.62
Applied Industrial Technologies Inc	0.61
% of portfolio in Top 10	**7.02**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.25	-	0.01	0.33	-	0.07
Beta	1.02	-	0.90	1.02	-	0.91
R-Squared	97.96	-	98.85	98.15	-	98.79
Sharpe Ratio	0.97	0.76	0.73	0.49	0.26	0.30
Information Ratio	1.60	-	-0.72	1.72	-	0.10
Standard Deviation	16.75	16.20	14.67	18.76	18.13	16.66
Up Capture	112.81	-	84.94	119.77	-	86.45
Down Capture	96.83	-	91.13	97.17	-	93.70

RISK/RETURN CHART - 5 YEAR



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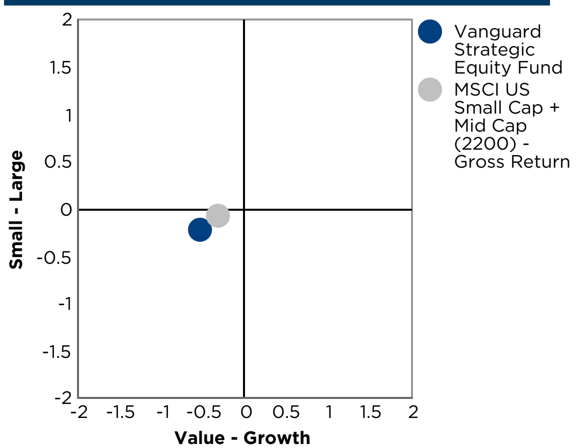


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Total Intl Stock Index I

Investment Strategy Summary

The investment seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and emerging markets, excluding the United States. The manager employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The fund invests all, or substantially all, of its assets in the common stocks included in its target index.

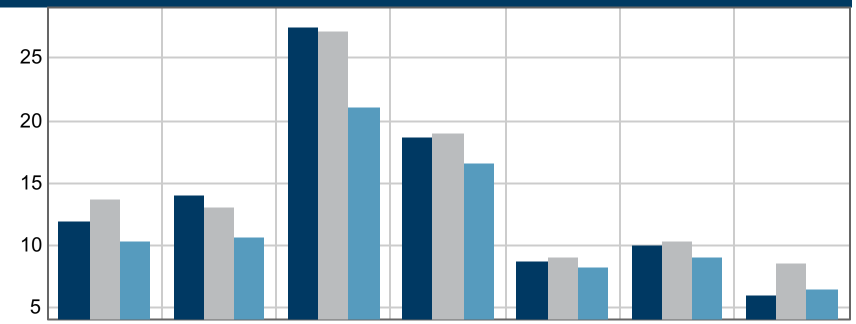
FUND INFORMATION

Fund	VTSNX
Inception Date	11/29/2010
Fund Family	Vanguard Star Funds
Fund Subadviser	--
Portfolio Manager(s)	Michael Perre, Christine Franquin, Jeffrey Miller
Manager tenure (average)	9.3 years
Morningstar Category	Foreign Large Blend
Benchmark Index	FTSE Global All Cap x US - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★	★★★★	★★★	★★★
	645	606	479

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VTSNX	12.01	13.97	27.41	18.72	8.79	9.96	5.98
Benchmark	13.71	13.11	27.11	18.97	9.01	10.30	8.61
Category Avg	10.40	10.71	21.13	16.50	8.25	9.07	6.54
Category Percentile	-	-	20	27	45	36	-
Category Rank	-	-	135/676	174/645	273/606	172/479	-

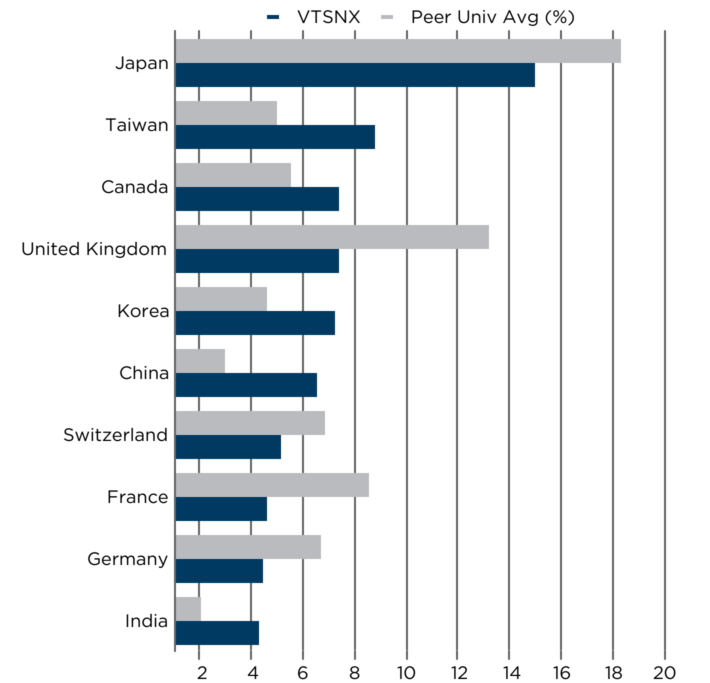
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VTSNX	32.23	5.18	15.53	-15.98	8.68	11.28	21.56	-14.39	27.55	4.70
Benchmark	32.37	5.86	16.17	-15.83	9.13	11.54	22.19	-14.36	27.77	5.04
Morningstar Category Avg	30.00	4.78	16.31	-15.82	9.79	8.90	21.46	-14.59	25.42	0.67
Morningstar Category Percentile	26	40	68	56	68	30	51	50	23	12
Morningstar Category Rank	182/699	298/744	506/744	430/767	534/785	220/732	378/741	378/756	175/762	95/788

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Total Intl Stock Index I (continued)

FUND COMPOSITION

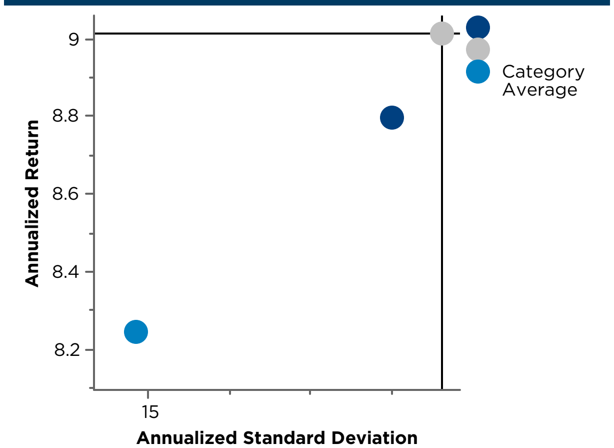


FUND STATISTICS	VTSNX	Peer Univ Avg
Total number of Holdings	8812	551
Total Assets ($M)	54,059	13,906
P/E (12mo. trailing)	14.6	15.1
Price/Book	2.1	2.3
Market Cap ($M)	54,974	76,193
Turnover (%) (most recent avail)	1	46
Earnings Growth Rate (12mo. trailing)	-13%	14%

TOP HOLDINGS	VTSNX
Taiwan Semiconductor Manufacturing Co Ltd	4.25
Samsung Electronics Co Ltd	2.27
SK Hynix Inc	2.17
ASML Holding NV	1.70
Tencent Holdings Ltd	0.77
HSBC Holdings PLC	0.72
Novartis AG Registered Shares	0.65
Royal Bank of Canada	0.64
Roche Holding AG Ordinary Shares new	0.64
AstraZeneca PLC	0.62
% of portfolio in Top 10	**14.43**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.10	-	0.01	-0.00	-	-0.02
Beta	0.91	-	0.87	0.98	-	0.95
R-Squared	97.41	-	93.95	97.44	-	95.23
Sharpe Ratio	1.09	1.03	0.95	0.33	0.35	0.30
Information Ratio	-0.10	-	-0.70	-0.09	-	-0.23
Standard Deviation	12.72	13.73	12.28	15.30	15.36	14.98
Up Capture	96.95	-	88.32	101.87	-	97.62
Down Capture	97.22	-	98.19	101.69	-	101.29

RISK/RETURN CHART - 5 YEAR



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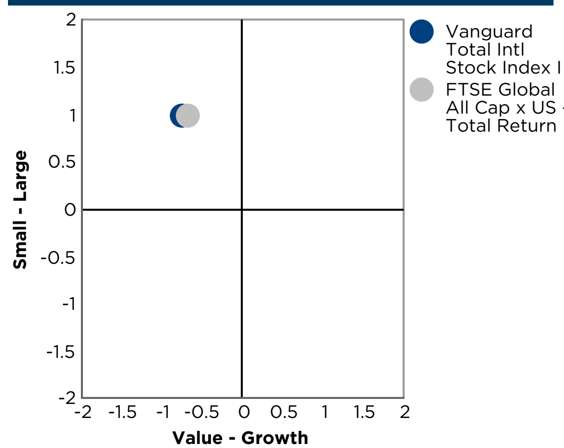


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Wellesley Income Fund Admiral Shares

Investment Strategy Summary

The investment seeks to provide long-term growth of income and a high and sustainable level of current income, along with moderate long-term capital appreciation. The fund employs an active management approach, typically investing 60% to 65% of its assets in investment-grade fixed income securities, including corporate, U.S. Treasury, and government agency bonds, as well as mortgage-backed securities. The remaining 35% to 40% of fund assets are invested in common stocks of companies that have a history of above-average dividends or expectations of increasing dividends.

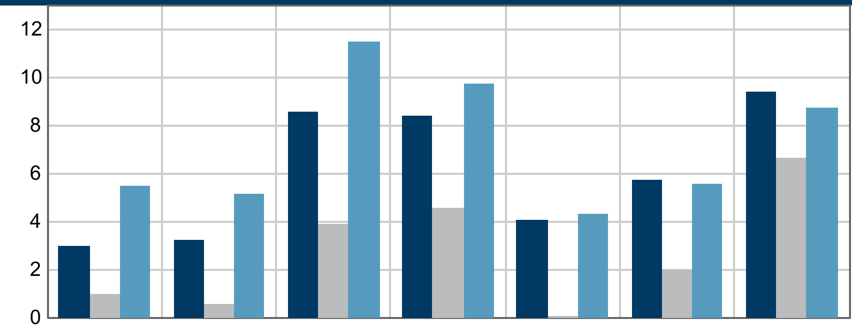
FUND INFORMATION

Fund	VWIAX
Inception Date	5/14/2001
Fund Family	Vanguard Wellesley Income Fund
Fund Subadviser	--
Portfolio Manager(s)	Loren Moran, Matthew Hand
Manager tenure (average)	7.0 years
Morningstar Category	Moderately Conservative Allocation
Benchmark Index	Bloomberg US Credit (A+)

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★	★	★★	★★★
	209	202	166

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VWIAX	3.01	3.31	8.65	8.44	4.13	5.80	9.49
Benchmark	1.05	0.65	3.94	4.66	0.13	2.01	6.71
Category Avg	5.58	5.23	11.53	9.81	4.35	5.66	8.77
Category Percentile	-	-	91	93	73	63	-
Category Rank	-	-	196/215	194/209	147/202	105/166	-

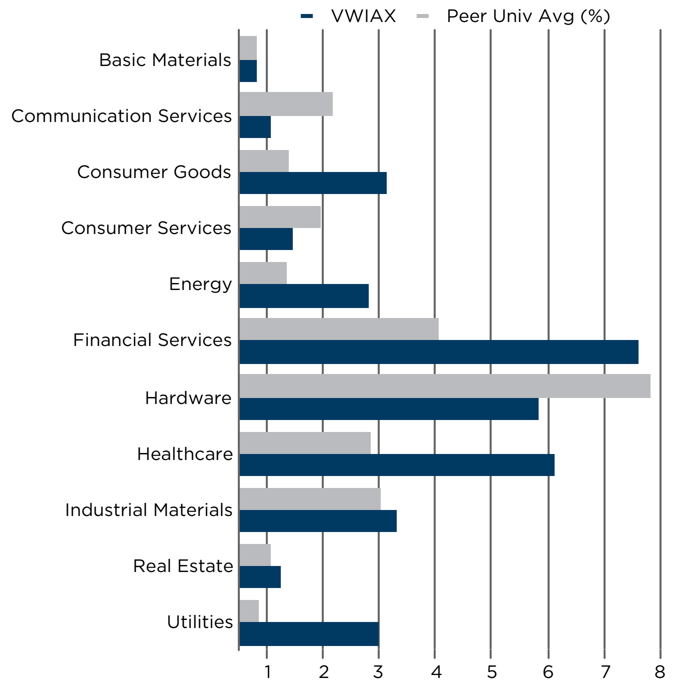
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VWIAX	11.09	5.97	7.10	-9.01	8.57	8.54	16.47	-2.49	10.26	8.16
Benchmark	7.57	1.52	7.23	-14.64	-1.68	9.42	11.53	-1.45	5.18	3.94
Morningstar Category Avg	11.31	7.73	10.53	-13.34	8.40	8.23	14.79	-4.97	9.63	6.72
Morningstar Category Percentile	53	85	91	7	36	58	24	9	48	23
Morningstar Category Rank	236/446	392/461	423/465	35/503	198/549	326/562	130/541	47/518	247/515	195/848

PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a contractual expense limitation for direct annual Fund expenses for all classes for certain periods since inception, without which returns would have been lower. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month, contact Nationwide Financial at 1-877-677-3678.

Vanguard Wellesley Income Fund Admiral Shares
(continued)

FUND COMPOSITION

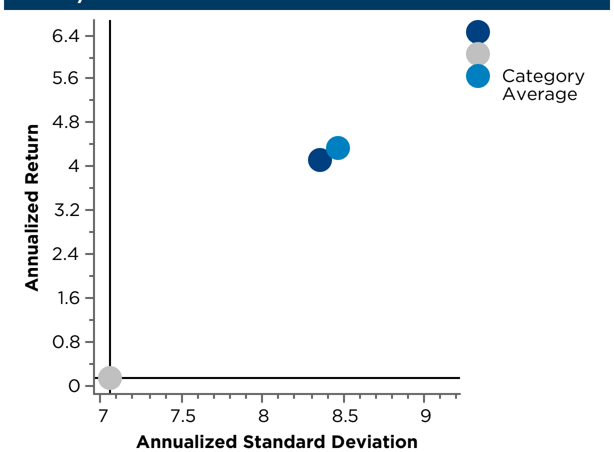


FUND STATISTICS	VWIAX	Peer Univ Avg
Total number of Holdings	1512	650
Total Assets ($M)	40,043	388
P/E (12mo. trailing)	16.5	17.9
Price/Book	2.7	3.3
Market Cap ($M)	93,656	178,900
Turnover (%) (most recent avail)	39	76
Earnings Growth Rate (12mo. trailing)	3%	15%

TOP HOLDINGS	VWIAX
Broadcom Inc	3.05
Merck & Co Inc	1.14
Diamondback Energy Inc	1.06
United States Treasury Notes	0.93
Johnson & Johnson	0.86
Bank of America Corp	0.84
Huntington Bancshares Inc	0.78
TE Connectivity PLC Registered Shares	0.76
Unilever PLC ADR	0.73
Keurig Dr Pepper Inc	0.68
% of portfolio in Top 10	**10.84**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.26	-	0.40	0.33	-	0.35
Beta	1.12	-	1.03	1.05	-	1.04
R-Squared	83.89	-	72.67	78.91	-	74.97
Sharpe Ratio	0.51	-0.03	0.71	0.05	-0.50	0.08
Information Ratio	1.30	-	1.40	1.04	-	0.99
Standard Deviation	7.05	5.79	7.01	8.35	7.06	8.46
Up Capture	149.24	-	152.38	145.50	-	144.03
Down Capture	107.58	-	90.37	93.21	-	90.52

RISK/RETURN CHART - 5 YEAR



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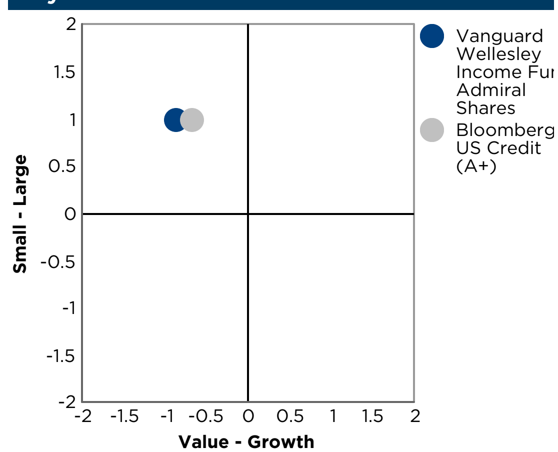


Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Vanguard Windsor Ii Fund Admiral Shares

Investment Strategy Summary

The investment seeks to provide long-term capital appreciation and income. The fund invests mainly in large- and mid-capitalization companies whose stocks are considered by an advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and that the advisor believes are trading at prices that are below average in relation to measures such as earnings and book value. These stocks often have above-average dividend yields. It uses multiple investment advisors.

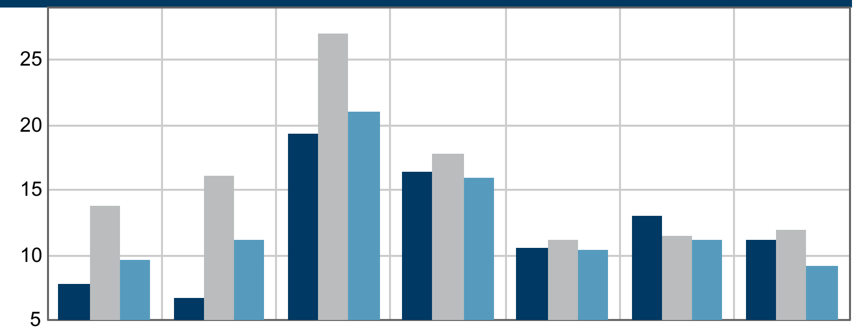
FUND INFORMATION

Fund	VWNAX
Inception Date	5/14/2001
Fund Family	Vanguard Windsor Funds
Fund Subadviser	--
Portfolio Manager(s)	George Davis, Lewis Sanders, John Mahedy, et al.
Manager tenure (average)	8.6 years
Morningstar Category	Large Value
Benchmark Index	Russell 1000 Value - Total Return

MORNINGSTAR RATING & FUNDS PER CATEGORY

Overall	3 YRS	5 YRS	10 YRS
★★★★	★★★	★★★	★★★★
	1054	991	830

TRAILING PERFORMANCE



	QTR	YTD	1 YR	3 YR	5 YR	10 YR	INCEPT.
VWNAX	7.87	6.70	19.37	16.48	10.54	13.08	11.17
Benchmark	13.84	16.23	27.09	17.78	11.17	11.52	11.95
Category Avg	9.62	11.27	21.13	16.01	10.48	11.25	9.30
Category Percentile	-	-	63	44	51	16	-
Category Rank	-	-	697/1106	464/1054	505/991	133/830	-

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VWNAX	18.69	14.29	21.07	-13.14	29.08	14.53	29.16	-8.53	16.89	13.49
Benchmark	15.91	14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34
Morningstar Category Avg	14.96	14.16	11.78	-6.02	26.08	2.68	24.99	-8.60	16.07	14.59
Morningstar Category Percentile	16	53	7	93	23	4	13	48	35	62
Morningstar Category Rank	187/1170	645/1217	86/1229	1123/1207	276/1200	48/1209	162/1244	605/1260	444/1268	854/1378

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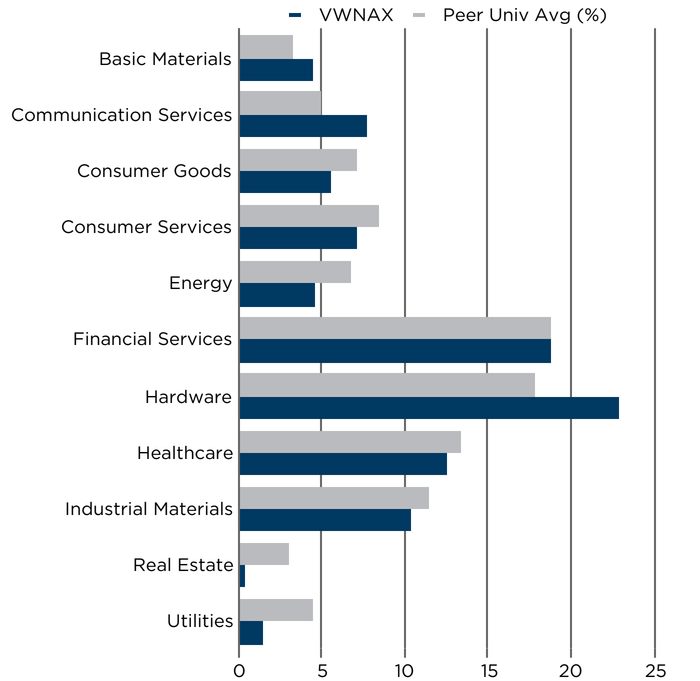
Vanguard Windsor Ii Fund Admiral Shares (continued)

FUND COMPOSITION

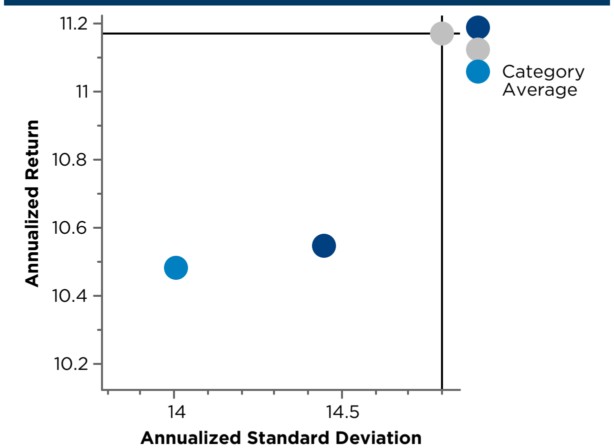


FUND STATISTICS	VWNAX	Peer Univ Avg
Total number of Holdings	183	127
Total Assets ($M)	53,633	11,281
P/E (12mo. trailing)	14.0	16.7
Price/Book	2.4	2.9
Market Cap ($M)	120,422	162,109
Turnover (%) (most recent avail)	35	46
Earnings Growth Rate (12mo. trailing)	5%	8%

TOP HOLDINGS	VWNAX
Alphabet Inc Class C	3.01
Taiwan Semiconductor Manufacturing Co Ltd ADR	2.74
Microsoft Corp	1.96
Amazon.com Inc	1.88
Elevance Health Inc	1.81
American International Group Inc	1.70
Corteva Inc	1.50
Samsung Electronics Co Ltd	1.47
Salesforce Inc	1.46
Delta Air Lines Inc	1.42
% of portfolio in Top 10	**18.95**

RISK STATISTICS	3 YRS			5 YRS		
	FUND	BENCH	CAT	FUND	BENCH	CAT
Alpha	0.12	-	0.01	0.01	-	-0.00
Beta	0.84	-	0.90	0.94	-	0.94
R-Squared	88.99	-	98.42	92.83	-	98.94
Sharpe Ratio	1.04	1.04	0.99	0.47	0.51	0.49
Information Ratio	-0.31	-	-0.93	-0.16	-	-0.41
Standard Deviation	11.14	12.47	11.31	14.45	14.80	14.01
Up Capture	83.19	-	86.85	87.95	-	88.82
Down Capture	83.28	-	92.07	94.85	-	95.64

RISK/RETURN CHART - 5 YEAR



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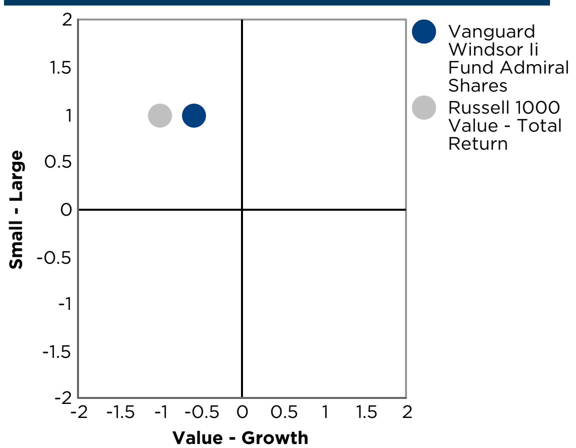

Source: FactSet and Morningstar. All data is as of 06/30/2026 unless otherwise noted. For more information on the terms used on these pages, please see the end of this presentation.

Glossary

Alpha: A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Beta: A measure of a fund's sensitivity to market movements. A portfolio with a beta greater than one is more volatile than the market, and a portfolio with a beta less than one is less volatile than the market.

Information Ratio: A ratio of portfolio returns above the returns of a benchmark index to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait.

Market Cap ($M): Indicates the overall "size" of a stock fund's portfolio by averaging the geometric mean of the market capitalization for all of the stocks it owns. It is calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization expressed in millions of U.S. Dollars.

Price/Book Ratio: The price of a share of stock divided by book value per share.

Price/Earnings Ratio: The price of a share of stock divided by earnings per share.

R-Squared: A measure that indicates the percentage of a fund's movements that can be explained by movements in it benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index, and a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index.

Sharpe Ratio: A ratio developed to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate – such as that of the 3-month U.S. Treasury bond – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

Standard Deviation: A statistical measure of the volatility of the fund's returns.

Turnover: A measure of the trading activity in a fund's investment portfolio; in essence, how often securities are bought and sold by a fund. A turnover ratio of 100% means that on average, all of a fund's portfolio holdings are bought and sold once a year.

Up/Down Market Capture: A statistical measure of a fund's overall performance in up- or down-markets relative to an index during periods when the market is up (Up Market Capture) or down (Down Market Capture). The ratio is calculated by dividing the manager's returns by the returns of the index during the up- or down-market, and multiplying that factor by 100.

A Word about Morningstar Ratings

Morningstar rates investments from one to five stars based on how well they've performed (excluding the effects of sales charges and loads) in comparison to similar investments. Within each Morningstar Category, the top 10% of investments receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Investments are rated for up to three time periods – 3, 5, and 10 years, and these ratings are combined to produce an overall rating. Investments with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They're a useful tool for identifying investments worthy of further research, but shouldn't be considered buy or sell recommendations.

Keep in mind that the rating is based solely on historical performance, and a highly rated offering may no longer have the portfolio manager responsible for that performance. Or — conversely — a lower-rated or non-rated offering might now employ a manager who produced excellent results with other managed investment products. Also, because ratings are based on performance within specific categories, it's important to note that not all five-star offerings are equal or even interchangeable. A five-star sector fund, for example, might have the best risk-adjusted return within its specific category, but it is probably far riskier than a highly rated diversified offering. Rather than choosing investments according to their ratings, investors should first decide on an overall portfolio strategy and then seek the best investments for each portion of their portfolio. The Morningstar Rating can then be used to identify possible candidates, but you should never make a buy or sell decision based solely on the rating.

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Vanguard Target Retirement Trusts (Collective Investment Trust Series), managed by Vanguard Fiduciary Trust Company

Because the trusts invest substantially all of their assets in underlying Vanguard funds, they are subject to underlying fund risk. This means that the trusts are exposed to all of the risks associated with the investment strategies and policies of the underlying Vanguard funds, including the risk that the underlying funds will not meet their investment objectives. The trusts are subject to several stock and bond market risks, any of which could cause an investor to lose money. The trusts' current allocations between stocks and bonds determine the level of asset class risk; the greater the amount of stocks vs. bonds, the greater the asset class risk. The trusts also are subject to asset allocation risk, which is the chance that the selection of underlying funds and the allocation of fund assets will cause the fund to underperform other funds with a similar investment objective.

Note on frequent trading restrictions

Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to vanguard.com Participant Services at 800-523-1188 for additional information.

This investment is not a mutual fund. It is a collective trust available only to tax-qualified plans and their eligible participants. This collective trust is managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., and is not a mutual fund. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.

Risk/Return Metrics:

Standard Deviation is a measure of the volatility of an investment's returns. The greater the standard deviation, the larger the differences between the investment's actual returns and average return. **Beta** measures a fund's volatility relative to its market. A positive beta indicates movement in the same direction of the market. A negative beta indicates movement inverse to the market. **R-Squared** is a measure of how closely an investment's performance correlates with the performance of its market and, thus, may be explained by the market's performance. **Sharpe Ratio** measures reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance.

Risks:

The **principal risks** associated with the CIT are: asset allocation risk, call or prepayment risk, credit risk, emerging markets investment risk, foreign investment risk, value stock risk, growth stock risk, high yield securities risk, interest rate risk, liquidity risk, management techniques risk, mortgage-backed and asset-backed securities risk, market risk, portfolio turnover risk, small and medium capitalization stock risk, and U.S. government securities risk. The non-principal risks associated with the CIT include: convertible securities risk, counterparty risk, derivatives risk, political and economic risk and securities lending risk. **Please refer to the Risk Matrix for a detailed description of the risks associated with this investment.**

Risks:

Asset allocation risk – Asset allocation risk is the risk that the selection of the Underlying Funds and the allocation of Fund assets among them will cause a Fund to lose money or to underperform other funds with similar investment objectives. In addition, there is the risk that the asset classes favored by the allocations will not perform as expected.

Bank fund risk – As a bank-maintained collective investment fund, the Fund and its Units are not registered under federal and state securities laws in reliance upon applicable exemptions. Because the fund is not a mutual fund, it is governed by different regulations, restrictions and disclosure requirements.

Equity securities risk – Stock markets are volatile. The price of an equity security fluctuates based on changes in a company's financial condition and overall market and economic conditions.

Foreign securities risk – Foreign securities may be more volatile, harder to price and less liquid than U.S. securities. The prices of foreign securities may be further affected by other factors, such as changes in the exchange rates between the U.S. dollar and the currencies in which the securities are traded.

Fund of Funds risk – Each Fund's investment in another fund is subject to the risks associated with that fund's portfolio of securities. For example, if the fund holds common stocks, the Fund also would be exposed to the risk of investing in common stocks. In addition, when the Fund purchases shares of another fund, the Fund will indirectly bear its proportionate share of the advisory fees and other operating expenses of the purchased fund. The fees and expenses of the other fund are in addition to the Fund's own fees and expenses.

Interest rate risk – Generally, when interest rates go up, the value of fixed-income securities goes down. Prices of longer-term securities generally change more in response to interest rate changes than prices of shorter-term securities.

Market risk – Market risk is the risk that one or more markets in which a Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictable**.**

Liquidity risk – When there is little or no active trading market for specific types of securities or instruments, it can become more difficult to sell the securities or instruments at or near their perceived value. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Liquidity risk also includes the risk that the Fund will experience significant net redemptions of its Units at a time when it cannot fund willing buyers for its portfolio securities or instruments or can sell its portfolio securities or instruments only at a material loss. To meet redemption requests, the Fund may be forced to sell other securities or instruments that are more liquid, but at unfavorable times and conditions.

If you have any questions, please contact 1-877-677-3678.

SDRS Supplemental Retirement Plan
Investment Options as of June 30, 2026

Guaranteed Interest Account

Guaranteed Interest Account – a stable value insurance product designed to provide safety of principal, liquidity and a stable rate of return.

Vanguard Target Retirement Trusts

Trust Option	Yrs. to Retirement	Stocks %	Bonds %
Target Retirement Income Trust	0	30	70
Target Retirement Trust 2020	0	35	65
Target Retirement Trust 2025	0	50	50
Target Retirement Trust 2030	About 5	60	40
Target Retirement Trust 2035	About 10	65	35
Target Retirement Trust 2040	About 15	75	25
Target Retirement Trust 2045	About 20	80	20
Target Retirement Trust 2050	About 25	90	10
Target Retirement Trust 2055	About 30	90	10
Target Retirement Trust 2060	About 35	90	10
Target Retirement Trust 2065	About 40	90	10
Target Retirement Trust 2070	About 45	90	10

Index Funds

Vanguard Extended Market Index Fund – tracks the return of the S&P Completion Index that measures the return of small- and mid-capitalization US stocks.
Vanguard Federal Money Market Fund – seeks to provide current income while maintaining liquidity by investing primarily in short-term securities issued by the U.S. Treasury and agencies of the U.S. government, and repurchase agreements collateralized by such securities.
Vanguard Institutional Index Fund – seeks to track the performance of the S&P 500 Index which measures the return of large-capitalization stocks.
Vanguard Small Cap Index Fund – seeks to replicate the CRSP U.S. Small Cap Index by holding all the stocks in the same capitalization weight as the index.
Vanguard Total Bond Market Index Fund – tracks the Bloomberg U.S. Aggregate Bond Index and seeks to provide current income by investing in a mix of bonds – corporate, government, and mortgage-backed – that represent the total universe of public investment-grade bonds in the U.S. with maturities over one year.
Vanguard Total International Stock Index Fund – tracks the returns of the FTSE Global All Cap ex U.S. Index. The fund holds a sampling of stocks that matches certain characteristics of its target index such as country weightings, market capitalization, and industry sector diversification.
Vanguard Growth Index Fund – tracks the performance of the CRSP US Large Cap Growth Index, an index primarily made up of growth stocks of large U.S. companies.
Vanguard Value Index Fund – tracks the performance of the CRSP US Large Cap Value Index, an index primarily made up of value stocks of large U.S. companies.
Vanguard Real Estate Index Fund – tracks the performance of MSCI US Investable Market Real Estate 25/50 Index, an index primarily made up of large, mid-size, and small US companies within the real estate sector.

Specialty Investment Options

Balanced Income Fund – Vanguard Wellesley Income Fund
International/Global Equity Funds – American Funds Capital World Growth & Income Fund, Dodge & Cox International Stock Fund, Dodge & Cox Global Stock Fund, T. Rowe Price Real Assets Fund
Large Cap Equity Funds – American Funds Growth Fund of America, Vanguard Windsor II Fund
Mid/Small Cap Equity Fund – Vanguard Strategic Equity Fund

South Dakota Retirement System

Supplemental Retirement Plan Analysis

Prepared by the South Dakota Investment Council Staff

August 20, 2026

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Executive Summary

The South Dakota Supplemental Retirement Plan (SRP) offers members of the South Dakota Retirement System the opportunity to save additional dollars for retirement on either a pre-tax or after-tax (Roth) basis.

The goal is to offer an array of diversified investment options to allow participants to increase the value of their investment assets in a manner consistent with varying levels of risk tolerance and investment decision-making acumen. The SRP offers a guaranteed interest account, a series of target retirement trusts, a core group of index funds and a selection of actively managed mutual funds. The actively managed mutual funds are chosen from a group of respected and successful managers that the Investment Council Staff regularly monitors. A list of investment options grouped by type can be found on the following page. The Investment Review provides information on each of the investment options offered by the plan, including investment strategy, performance and fund composition.

Separately, the quarterly report prepared by Nationwide Retirement Solutions as of June 30, 2026, provides information on the number of participants and amount of plan assets in the SRP. That report also shows plan participation statistics, new enrollments and final withdrawals for the year.

SRP investment options and potential alternatives are evaluated at least annually to assess performance, fit with the overall fund choices, adherence to the stated investment style, manager stability and other criteria. In fiscal year 2026, the available investment options performed in-line with expectations given their style allocations. The funds with heavier growth and technology tilts (specifically in semiconductors) outperformed their benchmarks.

The Dodge & Cox Global Stock Fund has underperformed in recent years due to underexposure to the technology sector. Despite the recent lagging results, the fund's historical contrarian approach and favorable long-term performance support continued confidence in the strategy.

Furthermore, the American Funds Capital World Growth & Income Fund has experienced elevated manager turnover. However, performance and positioning have remained consistent with expectations.

Finally, the Vanguard Target Retirement series successfully transitioned into Trusts, which save half a basis point on fees and will allow for further savings in the future as the balances grow.

The State Investment Officer and Investment Council Staff are recommending no changes at this time to the SRP investment options.

The South Dakota Supplemental Retirement Plan (SRP) is covered under section 457 of the Internal Revenue Code – Deferred compensation plans of state and local governments and tax-exempt organizations. SDCL 3-13-49 through 3-13-55.1 states "…The state investment officer shall be held to the standard of conduct of a fiduciary and shall carry out all functions solely in the interests of the participants and benefit recipients and for the exclusive purpose of providing benefits…"

SDRS Supplemental Retirement Plan
Investment Options as of June 30, 2026

Guaranteed Interest Account

Guaranteed Interest Account – a stable value insurance product designed to provide safety of principal, liquidity and a stable rate of return.

Vanguard Target Retirement Trusts

Trust Option	Yrs. to Retirement	Stocks %	Bonds %
Target Retirement Income Trust	0	30	70
Target Retirement Trust 2020	0	35	65
Target Retirement Trust 2025	0	50	50
Target Retirement Trust 2030	About 5	60	40
Target Retirement Trust 2035	About 10	65	35
Target Retirement Trust 2040	About 15	75	25
Target Retirement Trust 2045	About 20	80	20
Target Retirement Trust 2050	About 25	90	10
Target Retirement Trust 2055	About 30	90	10
Target Retirement Trust 2060	About 35	90	10
Target Retirement Trust 2065	About 40	90	10
Target Retirement Trust 2070	About 45	90	10

Index Funds

Vanguard Extended Market Index Fund – tracks the return of the S&P Completion Index that measures the return of small- and mid-capitalization US stocks.
Vanguard Federal Money Market Fund – seeks to provide current income while maintaining liquidity by investing primarily in short-term securities issued by the U.S. Treasury and agencies of the U.S. government, and repurchase agreements collateralized by such securities.
Vanguard Institutional Index Fund – seeks to track the performance of the S&P 500 Index which measures the return of large-capitalization stocks.
Vanguard Small Cap Index Fund – seeks to replicate the CRSP U.S. Small Cap Index by holding all the stocks in the same capitalization weight as the index.
Vanguard Total Bond Market Index Fund – tracks the Bloomberg U.S. Aggregate Bond Index and seeks to provide current income by investing in a mix of bonds – corporate, government, and mortgage-backed – that represent the total universe of public investment-grade bonds in the U.S. with maturities over one year.
Vanguard Total International Stock Index Fund – tracks the returns of the FTSE Global All Cap ex U.S. Index. The fund holds a sampling of stocks that matches certain characteristics of its target index such as country weightings, market capitalization, and industry sector diversification.
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Mid/Small Cap Equity Fund – Vanguard Strategic Equity Fund

Guaranteed Interest Account

The Guaranteed Interest Account (GIA) is a stable value insurance product designed to provide safety of principal, liquidity and a stable rate of return. The current interest-crediting rate is 3% which is also the minimum rate. The safety of principal contributed, and accumulated interest is backed by the Prudential Insurance Company of America (PICA) as well as reinsured and administered by Empower Annuity Insurance Company of America (EAICA). The interest rate is guaranteed for at least one quarter and can never be less than the minimum rate.

Contributions are deposited in the EAICA general account. Part of the assets within EAICA are managed to support both its guarantees and its liabilities. The bulk of the EAICA general account is invested in short- to intermediate-term fixed income securities with investments in private placement bonds, mortgage loans, public corporate bonds, and asset-backed securities.

The acquisition of Prudential's full-service retirement business by Empower Retirement (a subsidiary of Great-West Lifeco) closed in 2022. The migration of the former Prudential Guaranteed Interest Account to the Empower Platform was officially completed in 2023. There have been no changes to the account since the migration.

Portfolio Data	**03/31/2026**
Net Book Value of Assets	$26.4B
Book Value of Liabilities	$25.3B
Financial Strength (S&P/Moody's/Fitch/AM Best)	AA/Aa3/AA-/A+
Portfolio Asset Allocation	
Public Corporate Bonds	39%
Private Securities	24%
Mortgage Loans	14%
MBS	12%
Cash and Short-Term	4%
Other	7%