



FY23 Investment Performance

TRUST FUNDS

SOUTH DAKOTA INVESTMENT COUNCIL

AUGUST 22, 2023

Capital Markets Benchmark Return and Market Index Components

		<u>1st qtr</u>	<u>2nd qtr</u>	<u>3rd qtr</u>	<u>4th qtr</u>	<u>FY 2023</u>
Capital Markets Benchmark		-5.4%	6.2%	5.2%	3.6%	9.4%
<u>Benchmark Components</u>	<u>Weights</u>					
<u>Public Equity</u>	50%					
Public Equity Benchmark (MSCI AC IMI 3/4 + MSCI IMI US 1/4)		-5.8%	9.4%	7.4%	6.8%	18.2%
<u>Real Estate</u>	11%					
MSCI REITS		-10.0%	5.2%	2.7%	2.7%	-0.1%
<u>High Yield Debt</u>	7%					
FTSE High Yield		-0.7%	4.0%	3.6%	1.8%	9.0%
<u>Investment Grade Debt</u>	30%					
FTSE US Broad Investment Grade		-4.8%	1.9%	3.1%	-0.9%	-1.0%
<u>Cash</u>	2%					
FTSE 3 mo Treasury bills		0.5%	0.9%	1.1%	1.3%	3.7%

Time weighted rate-of-return

Actual to Benchmark Allocation Comparison

June 30, 2023

	<u>Actual Asset Allocation</u>	<u>Benchmark Asset Allocation</u>	<u>Difference</u>	<u>Permissible Range</u>
Public Equity	24%	50%	-26%	18% to 75%
Real Estate REIT/Core	1%	11%	-10%	0% to 20%
High Yield Corporate Debt	4%	7%	-3%	0% to 15%
Investment Grade Debt	14%	30%	-16%	13% to 60%
Cash	37%	2%	35%	0% to 45%
Private Equity	9%	0%	9%	0% to 11%
Opportunistic Real Estate	11%	0%	11%	0% to 14%
High Yield Real Estate Debt	0%	0%	0%	0% to 10%
Other Categories	0%	0%	0%	0% to 5%
Equity Like Risk	49%	63%	-14%	36% to 77%

Total Fund Performance Attribution

Dakota Cement Trust to Capital Markets Benchmark

FY 2023

DCT Total Fund Return	5.36%
Capital Markets Benchmark Return	9.44%
Difference	<u>-4.08%</u>

Primary Asset Allocation

Equity-Like Risk	-3.13%
Bond-Like Risk	0.07%
Cash-Like Risk	1.22%
Total Primary Asset Allocation	-1.85%

Secondary Asset Allocation

High Yield Debt	0.00%
REITS / Core	1.38%
Real Estate Opportunistic	-1.97%
Total Secondary Asset Allocation	-0.58%

Total Asset Allocation	-2.43%
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Portfolio Added Value (Alpha)

Global Equity	-0.11%
Investment Grade Debt	0.01%
Cash	-0.03%
High Yield Corporate Debt	-0.13%
REITS / Core	-0.01%
Real Estate Opportunistic	-0.79%
Private Equity	-1.22%
Total Portfolio Added Value (Alpha)	-2.28%

Total Explained Difference	-4.70%
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Other - interperiod trading/rounding	<u>0.63%</u>
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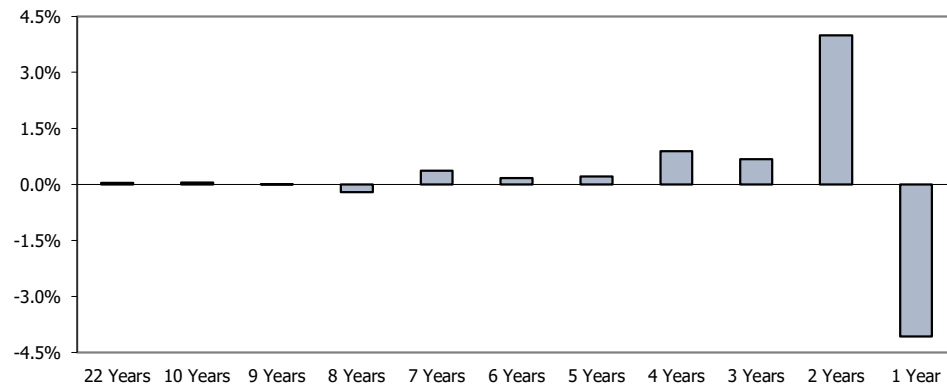
Total Difference	<u>-4.08%</u>
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Dakota Cement Trust Total Fund Return Comparison FY 2023

Annualized

	DCT Total Fund	DCT Capital Markets Benchmark	Over/Under Performance
22 Years	6.84%	6.80%	0.04%
10 Years	6.95%	6.90%	0.05%
9 Years	5.96%	5.96%	0.00%
8 Years	6.14%	6.35%	-0.21%
7 Years	7.02%	6.65%	0.37%
6 Years	6.28%	6.11%	0.17%
5 Years	6.18%	5.97%	0.21%
4 Years	6.21%	5.33%	0.89%
3 Years	6.78%	6.10%	0.68%
2 Years	1.79%	-2.21%	4.00%
1 Year	5.36%	9.44%	-4.08%

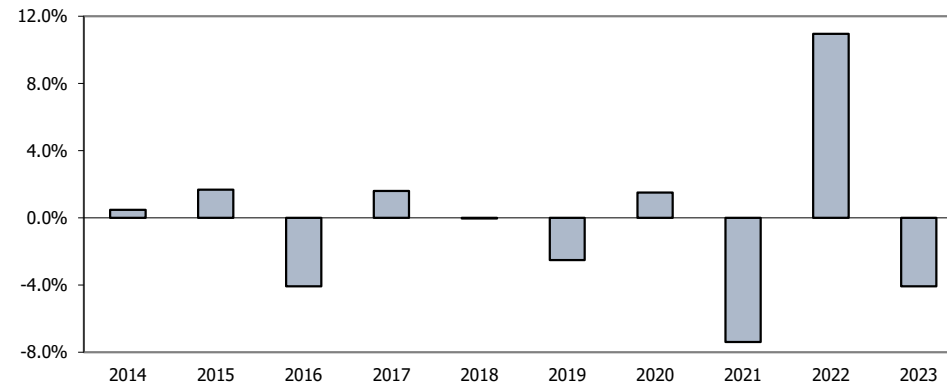
DCT Total Fund Over/Under Performance Chart



Annual Returns

	DCT Total Fund	DCT Capital Markets Benchmark	Over/Under Performance
2014	16.25%	15.77%	0.49%
2015	4.56%	2.89%	1.67%
2016	0.21%	4.30%	-4.08%
2017	11.55%	9.96%	1.59%
2018	6.78%	6.82%	-0.04%
2019	6.03%	8.56%	-2.53%
2020	4.53%	3.03%	1.50%
2021	17.52%	24.91%	-7.39%
2022	-1.67%	-12.62%	10.95%
2023	5.36%	9.44%	-4.08%

DCT Total Fund Over/Under Performance Chart



* Total Fund Return History
2002 - 2013 is gross-of-fee
2014 - 2023 is net-of-fee.

Total Fund Performance Attribution

Education Enhancement Trust to Capital Markets Benchmark

FY 2023

EET Total Fund Return	5.90%
Capital Markets Benchmark Return	9.67%
Difference	<u>-3.77%</u>

Primary Asset Allocation

Equity-Like Risk	-3.14%
Bond-Like Risk	0.09%
Cash-Like Risk	1.23%
Total Primary Asset Allocation	-1.82%

Secondary Asset Allocation

High Yield Debt	0.01%
Tax-Exempt Debt	-0.06%
REITS / Core	1.37%
Real Estate Opportunistic	-1.88%
Total Secondary Asset Allocation	-0.56%

Total Asset Allocation	-2.38%
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Portfolio Added Value (Alpha)

Global Equity	-0.11%
Investment Grade Debt	-0.01%
Cash	-0.03%
High Yield Corporate Debt	-0.08%
Tax-Exempt Debt	0.03%
REITS / Core	-0.01%
Real Estate Opportunistic	-0.69%
Private Equity	-1.10%
Total Portfolio Added Value (Alpha)	-2.00%

Total Explained Difference	-4.38%
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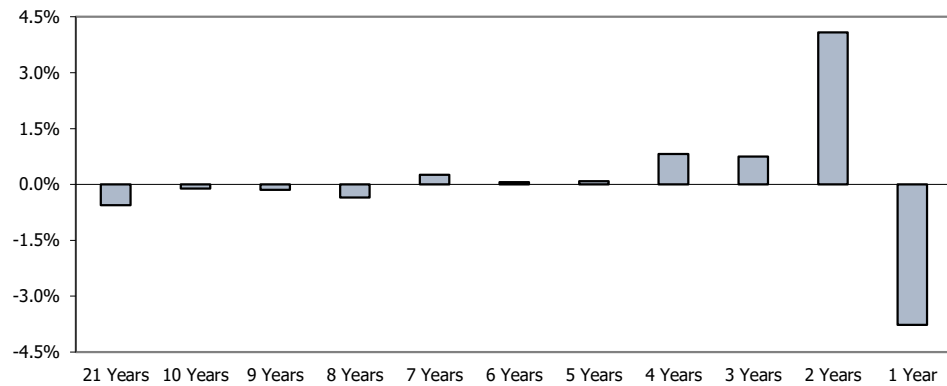
Other - interperiod trading/rounding	0.61%
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Total Difference	-3.77%
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Education Enhancement Trust Total Fund Return Comparison FY 2023

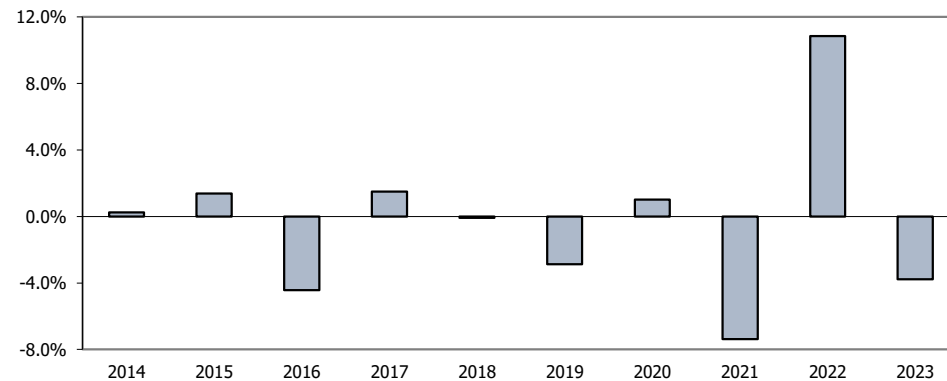
Annualized	EET Total Fund	EET Capital Markets Benchmark	Over/Under Performance
21 Years	6.44%	7.00%	-0.56%
10 Years	6.85%	6.96%	-0.11%
9 Years	5.86%	6.01%	-0.15%
8 Years	6.06%	6.41%	-0.35%
7 Years	6.97%	6.71%	0.26%
6 Years	6.23%	6.17%	0.06%
5 Years	6.11%	6.02%	0.09%
4 Years	6.24%	5.42%	0.82%
3 Years	7.11%	6.36%	0.75%
2 Years	2.11%	-1.98%	4.09%
1 Year	5.90%	9.67%	-3.77%

EET Total Fund Over/Under Performance Chart



Annual Returns	EET Total Fund	EET Capital Markets Benchmark	Over/Under Performance
2014	16.13%	15.88%	0.24%
2015	4.31%	2.92%	1.39%
2016	-0.09%	4.33%	-4.42%
2017	11.52%	10.01%	1.51%
2018	6.82%	6.90%	-0.09%
2019	5.60%	8.46%	-2.86%
2020	3.67%	2.65%	1.02%
2021	17.85%	25.21%	-7.37%
2022	-1.54%	-12.39%	10.85%
2023	5.90%	9.67%	-3.77%

EET Total Fund Over/Under Performance Chart



* Total Fund Return History
2003 - 2013 is gross-of-fee
2014 - 2023 is net-of-fee.

Total Fund Performance Attribution

Health Care Trust to Capital Markets Benchmark

FY 2023

HCT Total Fund Return	5.80%
Capital Markets Benchmark Return	9.44%
Difference	<u>-3.64%</u>

Primary Asset Allocation

Equity-Like Risk	-3.14%
Bond-Like Risk	0.07%
Cash-Like Risk	1.21%
Total Primary Asset Allocation	<u>-1.85%</u>

Secondary Asset Allocation

High Yield Debt	0.01%
REITS / Core	1.37%
Real Estate Opportunistic	-1.93%
Total Secondary Asset Allocation	<u>-0.55%</u>

Total Asset Allocation	<u>-2.41%</u>
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Portfolio Added Value (Alpha)

Global Equity	-0.12%
Investment Grade Debt	0.01%
Cash	-0.03%
High Yield Corporate Debt	-0.08%
REITS / Core	-0.01%
Real Estate Opportunistic	-0.66%
Private Equity	-0.94%
Total Portfolio Added Value (Alpha)	<u>-1.83%</u>

Total Explained Difference	<u>-4.23%</u>
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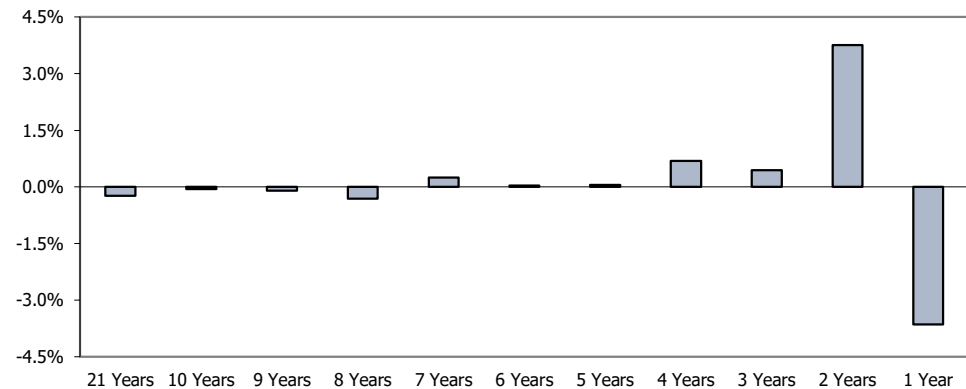
Other - interperiod trading/rounding	<u>0.59%</u>
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Total Difference	<u>-3.64%</u>
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Heath Care Trust Total Fund Return Comparison FY 2023

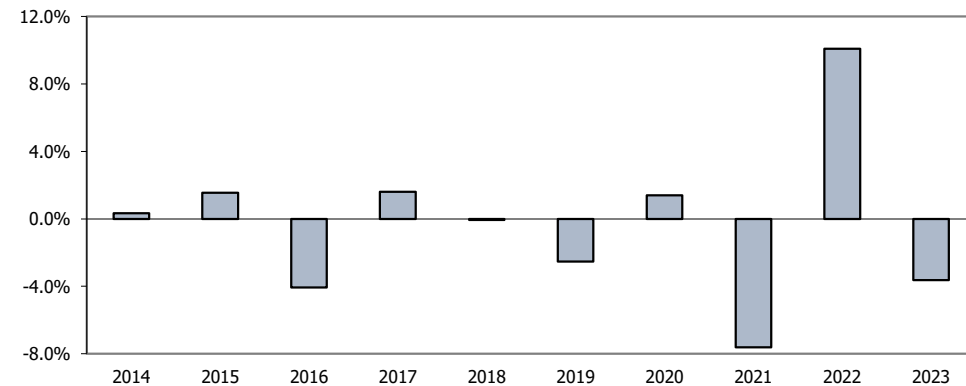
Annualized	HCT Total Fund	HCT Capital Markets Benchmark	Over/Under Performance
21 Years	6.80%	7.03%	-0.23%
10 Years	6.85%	6.90%	-0.06%
9 Years	5.86%	5.96%	-0.10%
8 Years	6.04%	6.35%	-0.31%
7 Years	6.90%	6.65%	0.25%
6 Years	6.14%	6.11%	0.03%
5 Years	6.02%	5.97%	0.05%
4 Years	6.01%	5.33%	0.69%
3 Years	6.55%	6.10%	0.44%
2 Years	1.55%	-2.21%	3.76%
1 Year	5.80%	9.44%	-3.64%

HCT Total Fund Over/Under Performance Chart



Annual Returns	HCT Total Fund	HCT Capital Markets Benchmark	Over/Under Performance
2014	16.11%	15.77%	0.34%
2015	4.43%	2.89%	1.54%
2016	0.23%	4.30%	-4.07%
2017	11.58%	9.96%	1.62%
2018	6.76%	6.82%	-0.06%
2019	6.03%	8.56%	-2.53%
2020	4.43%	3.03%	1.40%
2021	17.28%	24.91%	-7.62%
2022	-2.52%	-12.62%	10.10%
2023	5.80%	9.44%	-3.64%

HCT Total Fund Over/Under Performance Chart



* Total Fund Return History
2003 - 2013 is gross-of-fee
2014 - 2023 is net-of-fee.

Total Fund Performance Attribution

School & Public Lands to Capital Markets Benchmark

FY 2023

SPL Total Fund Return	5.95%
Capital Markets Benchmark Return	9.44%
Difference	<u>-3.50%</u>

Primary Asset Allocation	
Equity-Like Risk	-3.13%
Bond-Like Risk	0.08%
Cash-Like Risk	1.26%
Total Primary Asset Allocation	<u>-1.79%</u>

Secondary Asset Allocation	
High Yield Debt	0.01%
REITS / Core	1.37%
Real Estate Opportunistic	-1.85%
Total Secondary Asset Allocation	<u>-0.47%</u>

Total Asset Allocation	<u>-2.26%</u>
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Portfolio Added Value (Alpha)	
Global Equity	-0.11%
Investment Grade Debt	0.01%
Cash	-0.03%
High Yield Corporate Debt	-0.10%
REITS / Core	0.00%
Real Estate Opportunistic	-0.69%
Private Equity	-1.07%
Total Portfolio Added Value (Alpha)	<u>-1.99%</u>

Total Explained Difference	<u>-4.25%</u>
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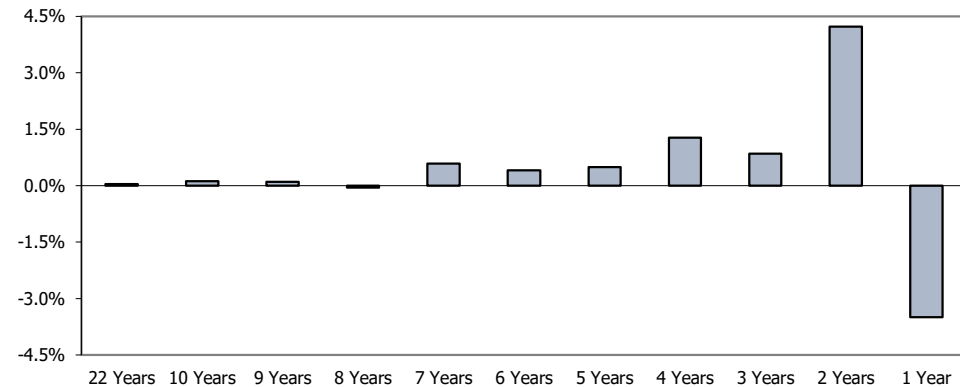
Other - interperiod trading/rounding	<u>0.75%</u>
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Total Difference	<u>-3.50%</u>
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School & Public Lands Total Fund Return Comparison FY 2023

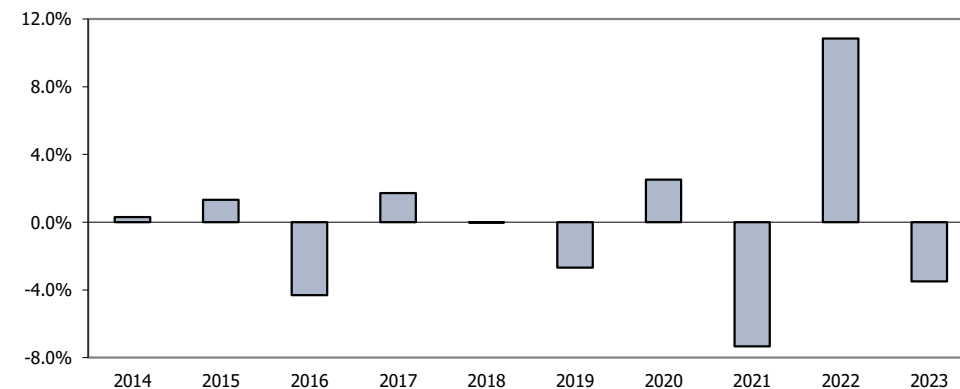
Annualized	SPL Total Fund	SPL Capital Markets Benchmark	Over/Under Performance
22 Years	6.68%	6.63%	0.04%
10 Years	7.03%	6.90%	0.12%
9 Years	6.07%	5.96%	0.10%
8 Years	6.30%	6.35%	-0.05%
7 Years	7.24%	6.65%	0.59%
6 Years	6.51%	6.11%	0.41%
5 Years	6.46%	5.97%	0.49%
4 Years	6.60%	5.33%	1.28%
3 Years	6.96%	6.10%	0.85%
2 Years	2.02%	-2.21%	4.22%
1 Year	5.95%	9.44%	-3.50%

SPL Total Fund Over/Under Performance Chart



Annual Returns	SPL Total Fund	SPL Capital Markets Benchmark	Over/Under Performance
2014	16.07%	15.77%	0.30%
2015	4.20%	2.89%	1.31%
2016	-0.01%	4.30%	-4.31%
2017	11.68%	9.96%	1.72%
2018	6.80%	6.82%	-0.02%
2019	5.87%	8.56%	-2.69%
2020	5.55%	3.03%	2.52%
2021	17.56%	24.91%	-7.34%
2022	-1.77%	-12.62%	10.85%
2023	5.95%	9.44%	-3.50%

SPL Total Fund Over/Under Performance Chart



* Total Fund Return History
2002 - 2013 is gross-of-fee
2014 - 2023 is net-of-fee.