FY26 Investment Performance (unaudited)

SOUTH DAKOTA RETIREMENT SYSTEM

AUGUST 26, 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%

FY26 SDRS Return & Attribution (unaudited)

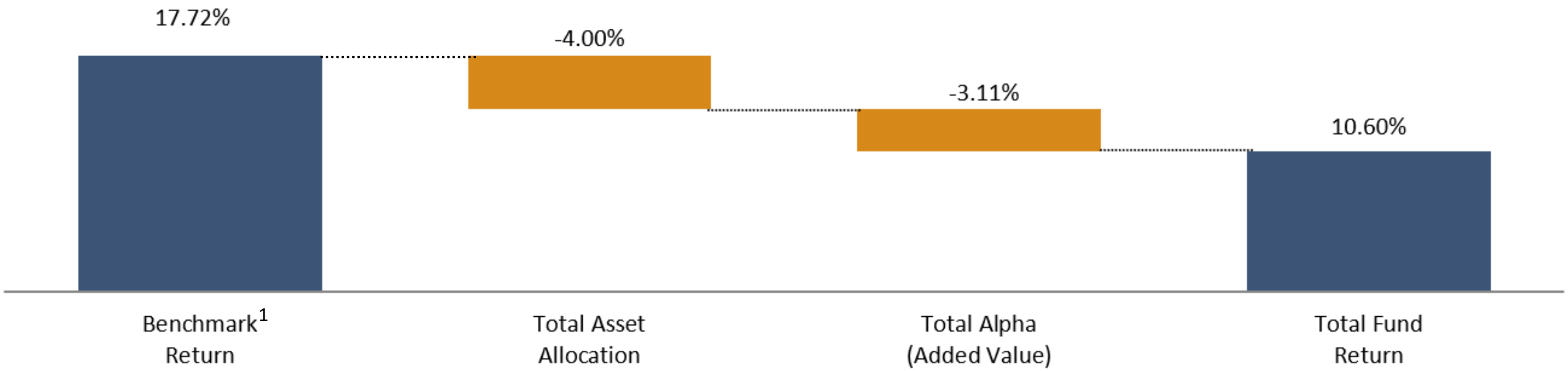
Underperformance due to cautious asset allocation and private investments

SDRS TOTAL FUND RETURN
10.60%

CAPITAL MARKETS BENCHMARK RETURN
17.72%

TOTAL DIFFERENCE (UNDERPERFORMANCE)
-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

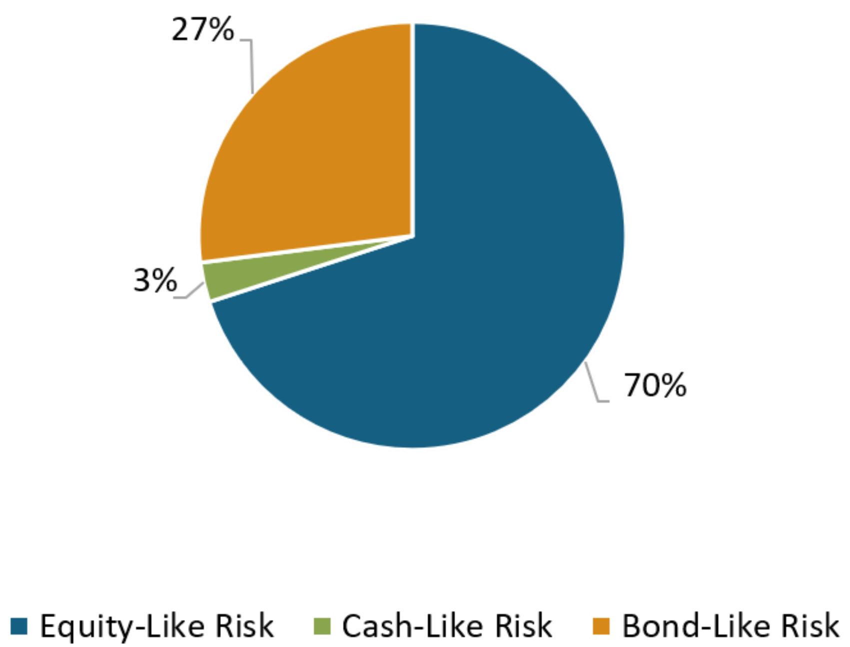
Public Equity	1.37%
Investment Grade Debt	-0.03%
Cash	-0.04%
High Yield Debt	0.16%
Real Estate Partnerships	-3.48%
Private Equity Partnerships	-1.23%
Hedge Funds	0.14%
Total Portfolio Added Value (Alpha)	**-3.11%**

Please refer to the appendix for all footnotes

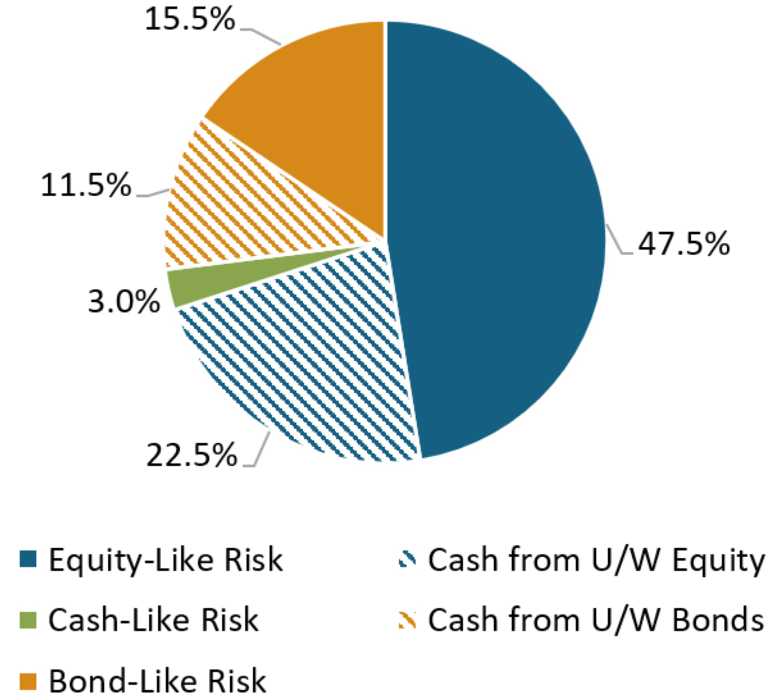
Benchmark vs. Actual Asset Allocation

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 Benchmark Risk Weights



6/30/26 Actual Allocation



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

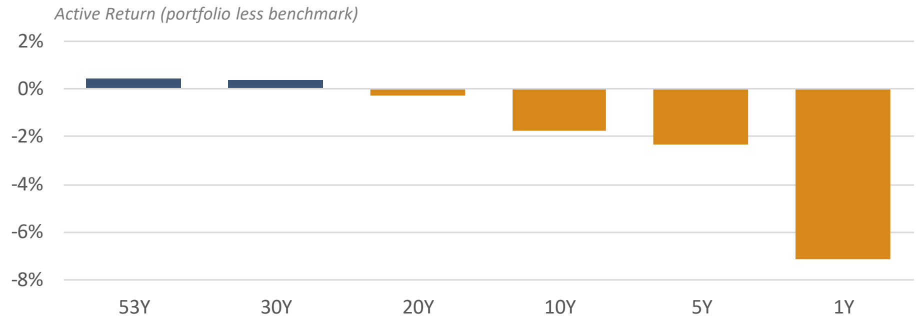
Category	FY26	FY25	FY24	FY23	FY22	5 yr Annualized	10 yr Annualized
Asset Allocation	-4.0%	-2.7%	-3.4%	-2.5%	2.3%	-1.4%	-1.4%
Private Partnerships	-4.7%	-2.4%	-3.5%	-2.0%	5.7%	-1.4%	-0.7%
Internal Equity Portfolios	1.4%	-1.9%	-0.7%	-0.1%	3.7%	0.5%	0.3%
Internal Fixed Income Portfolios	0.1%	-0.1%	-0.2%	-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

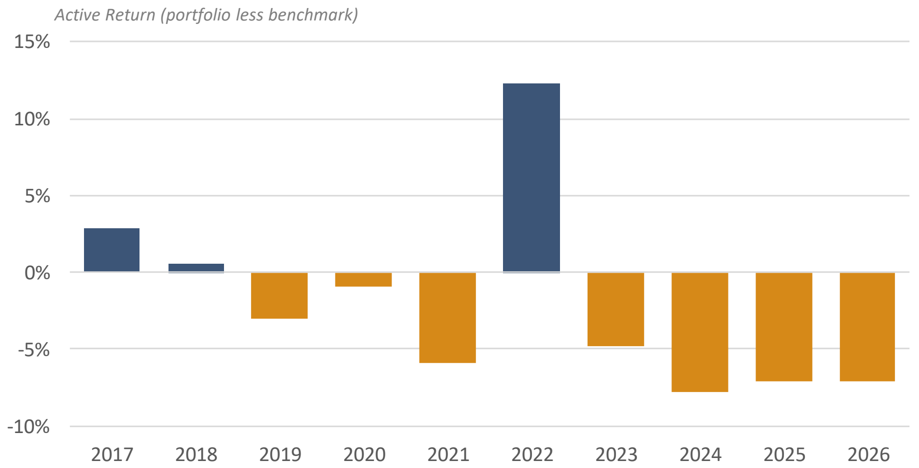
Annualized Returns[2]

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%

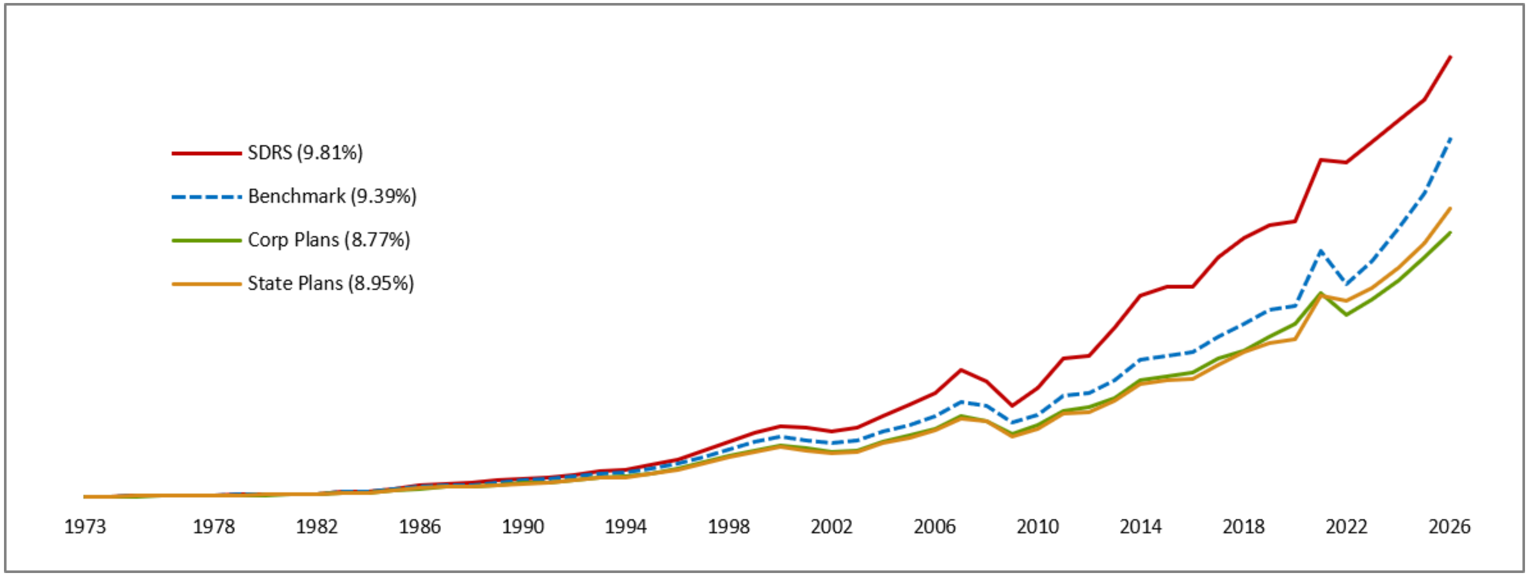


SDRS has outperformed benchmark and other state and corporate plans over the full 53-year history

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

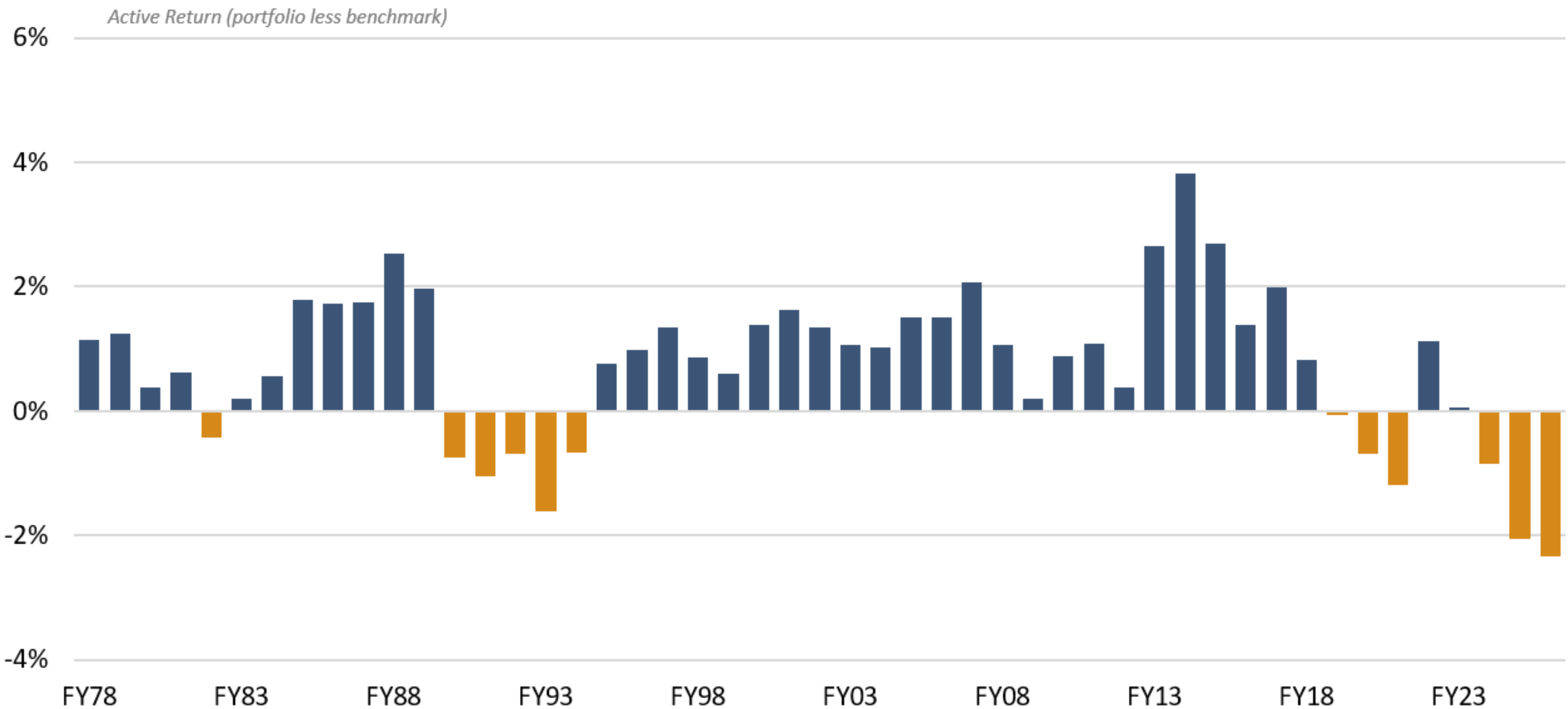
Please refer to the appendix for all footnotes

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.

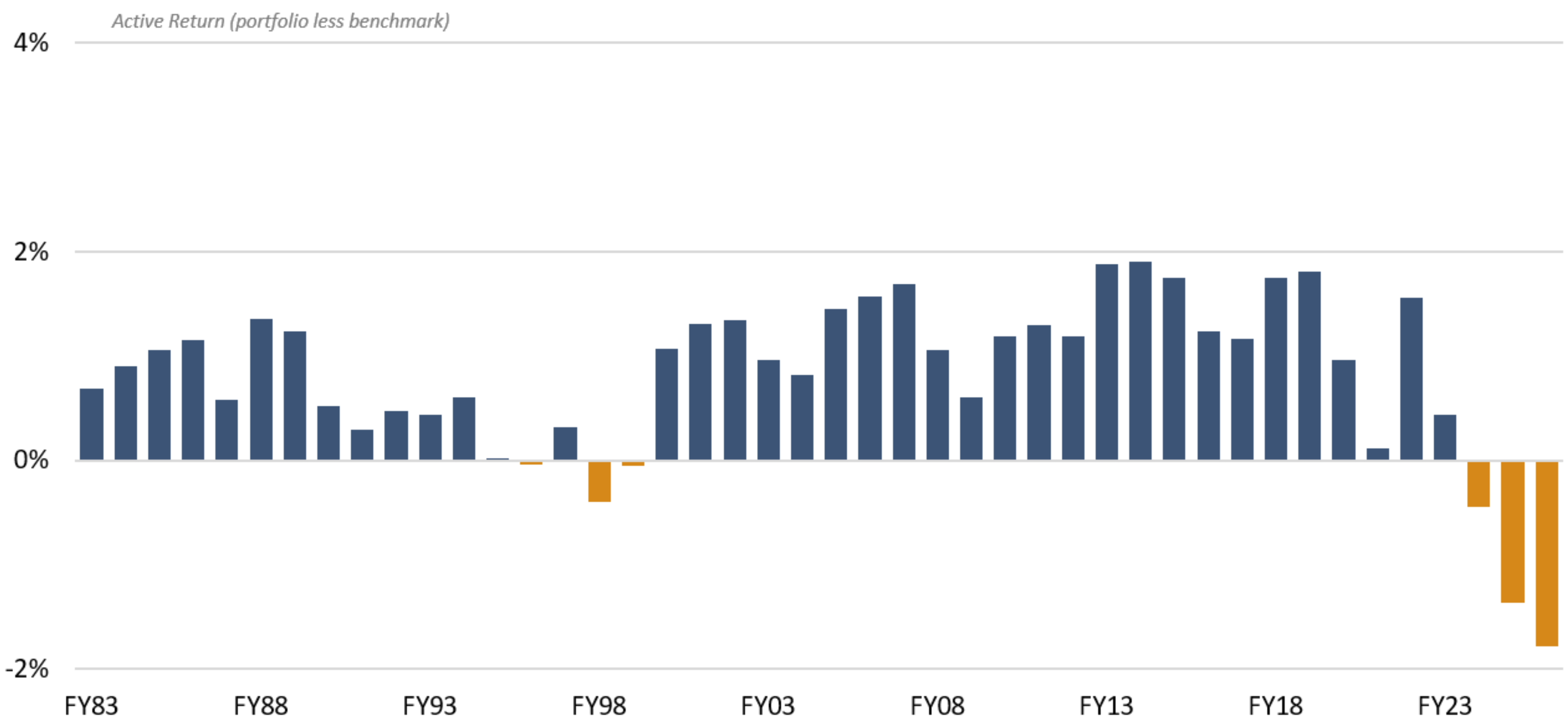


SDRS Relative Performance History

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.

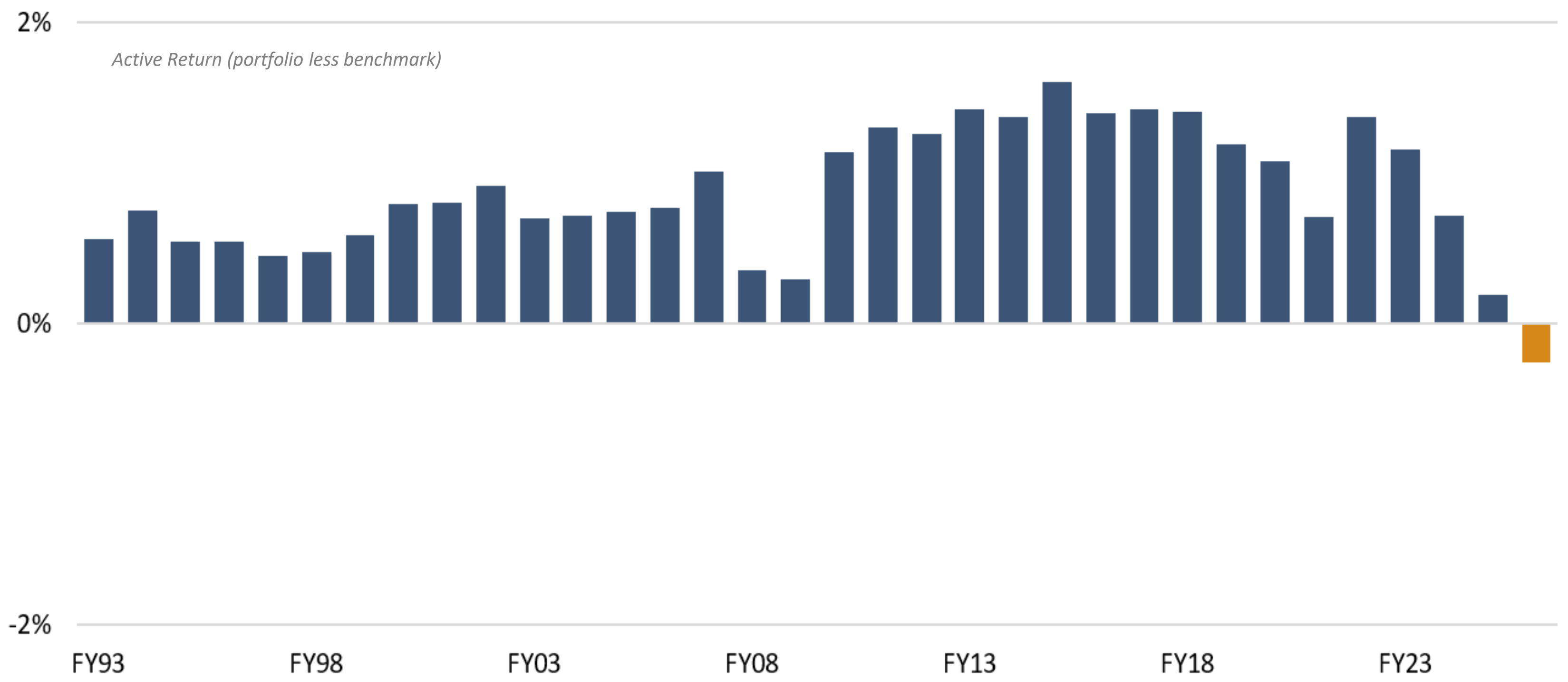


SDRS Relative Performance History

Rolling 20-year annualized periods

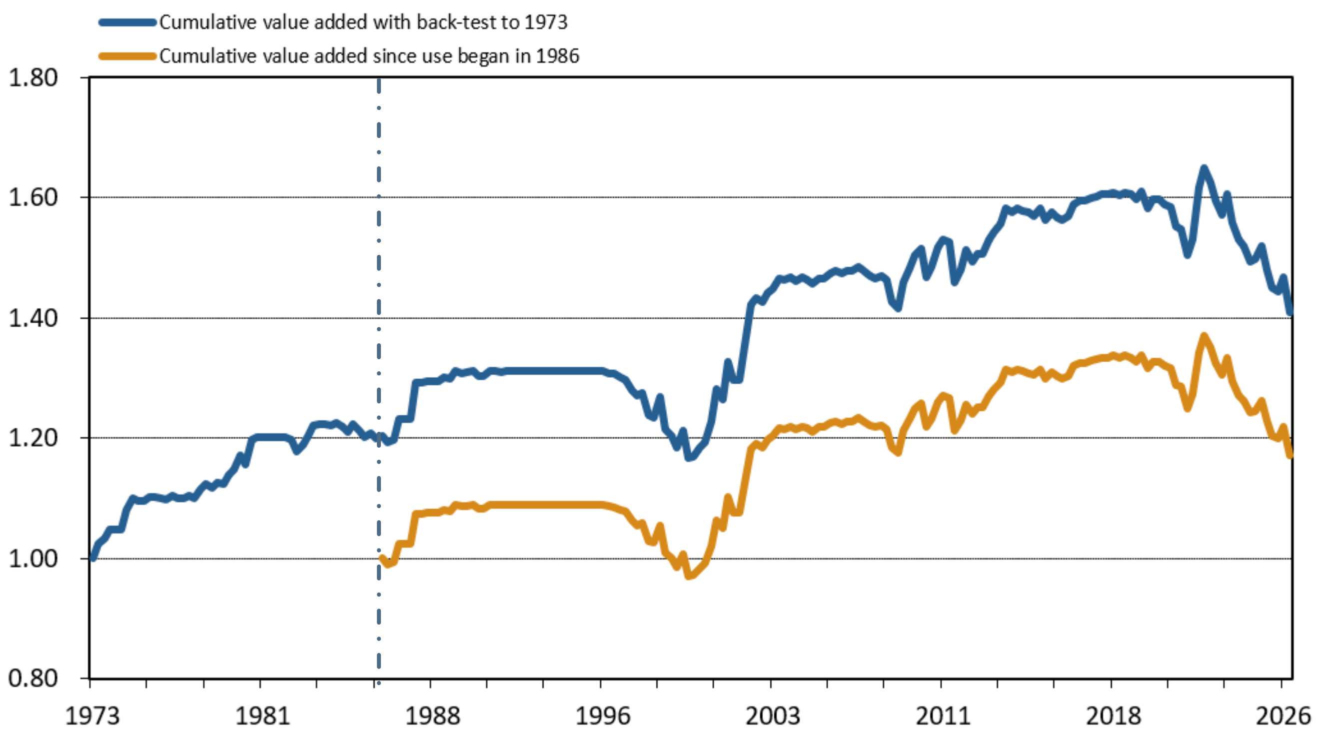
(FY26 unaudited)

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.

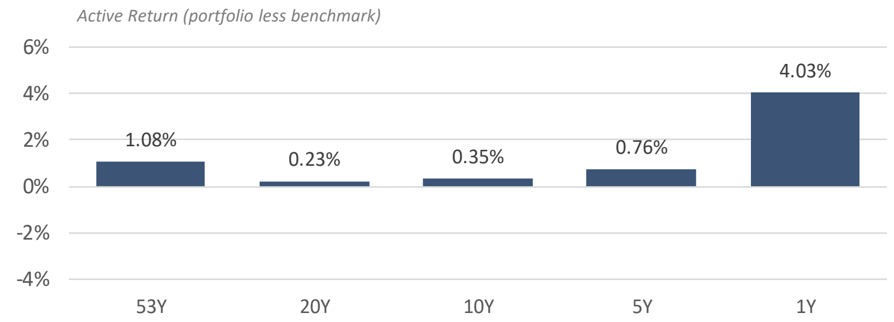
Annualized Returns	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr
Opportunistic Real Estate (RE)[3]	**-3.87%**	**-3.33%**	**1.67%**	**6.81%**	**8.42%**
MSCI US REIT Index	**21.15%**	**12.39%**	**5.83%**	**6.07%**	**6.71%**
Difference (RE – Index)	-25.02%	-15.73%	-4.16%	0.74%	1.71%

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.

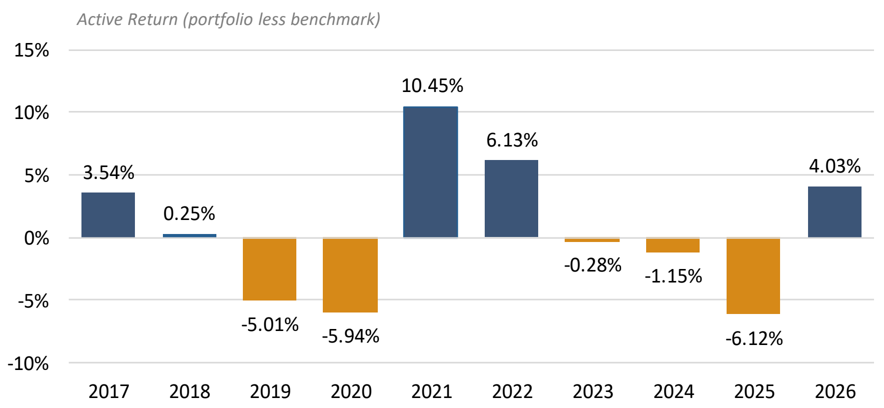
Annualized Returns

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%

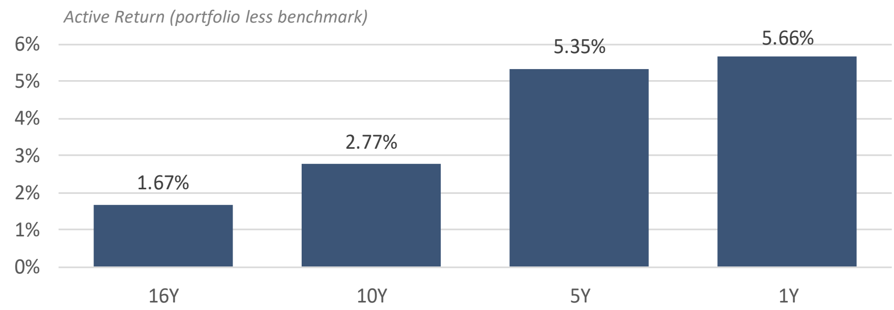


Internal Small-Mid Equity vs Benchmark (FY26 unaudited)

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

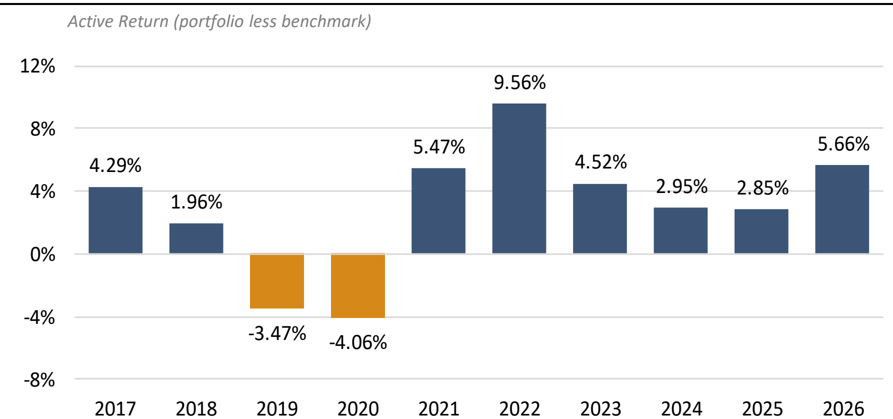
Annualized Returns

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%

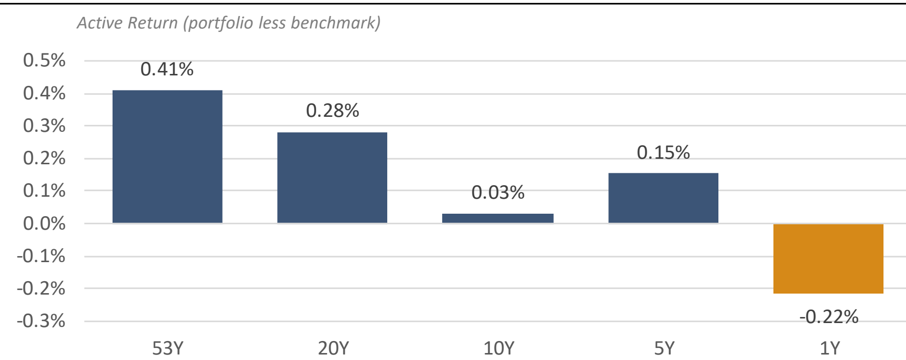


Investment Grade Bond Composite (FY26 unaudited)

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

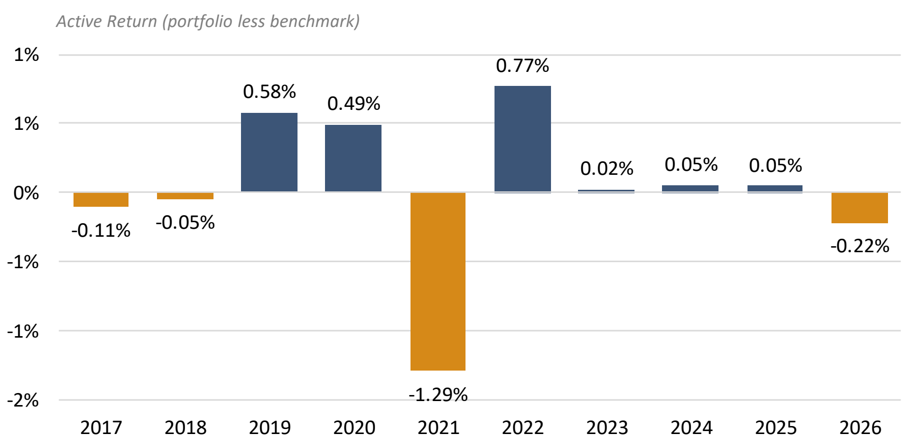
Annualized Returns

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%

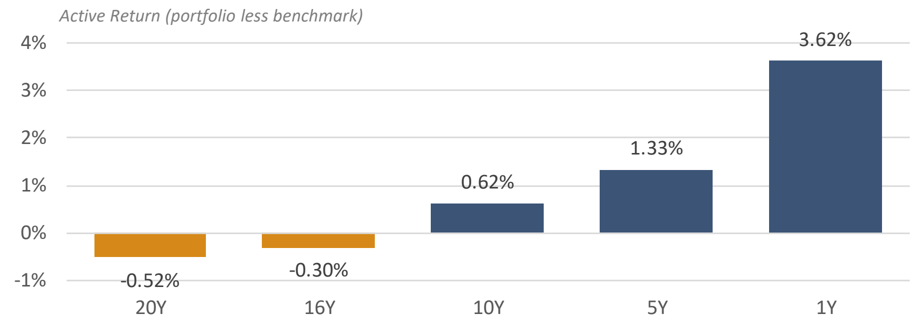


Internal High Yield Bond Composite (FY26 unaudited)

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

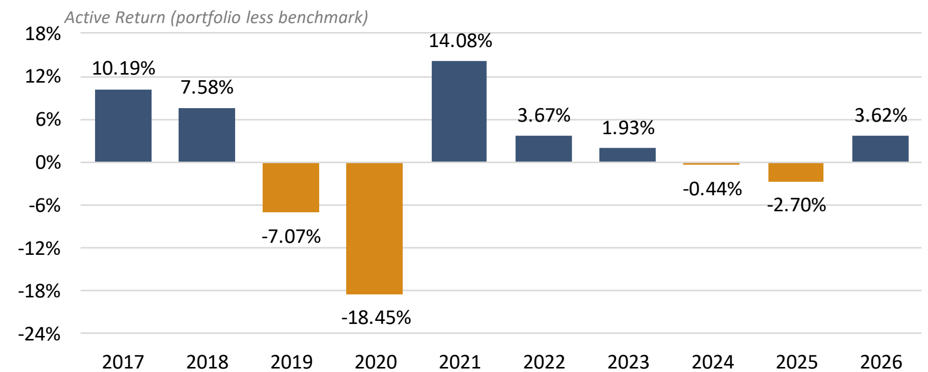
Annualized Returns

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