



SOUTH DAKOTA INVESTMENT COUNCIL

4009 West 49th Street, Suite 300
Sioux Falls, SD 57106-3784 USA
Phone: (605) 362-2820

MEMORANDUM

TO: South Dakota Investment Council

FROM: Sherry Nelson *sm*

DATE: January 17, 2018

RE: HESP transfer agency services

Allianz Global Investors Distributors LLC (AGID), program manager for the higher education savings plan, currently retains Boston Financial Data Services (BFDS) to provide transfer agency services for the plan and State Street Bank and Trust Company (SSB) to provide a wide range of services to a variety of clients.

AGID, its affiliates, SSB and BFDS are looking to consolidate certain contracts to “promote efficiency and administrative simplicity” by entering into an agreement where SSB will replace BFDS as provider of transfer agency services to the plan. This change should have no effect on the services provided to the plan as SSB will immediately delegate transfer agent duties back to BFDS. If SSB chooses to delegate transfer agent services to another company in the future, AGID will keep us apprised.

After consultation with Doug Hajek, attorney for the Plan, it was determined that Section 2.3 of the Program Management Agreement with AGID requires Council approval for delegation of services to non-affiliated entities. The State Investment Office and I have reviewed the proposal and have no objections to their request.

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Enclosures

South Dakota Investment Council
4009 West 49th Street – Suite 300
Sioux Falls, SD 57106
Attention: Higher Education Savings Plan Administrator

January 10, 2018

Allianz Global Investors Distributors LLC
1633 Broadway
New York, NY 10019

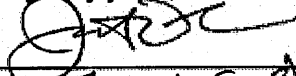
Dear Matthew,

Allianz Global Investors Distributors LLC (“AGID”) provides certain services to the Higher Education Savings Plan of South Dakota (the “Plan”) pursuant to the South Dakota Higher Education Savings Plan Program Management Agreement, dated as of December 11, 2007, between AGID and the South Dakota Investment Council (the “Program Management Agreement”). Currently, AGID retains Boston Financial Data Services, Inc. (“BFDS”) to provide transfer agency services to the Plan. AGID and its affiliates retain State Street Bank and Trust Company (“SSB”) and BFDS to provide a wide range of services to a variety of different clients. Recently, AGID, its affiliates, SSB and BFDS have undertaken an initiative to consolidate certain contracts and otherwise streamline their relationship. In connection with this initiative, AGID intends to enter into a novation agreement whereby SSB will replace BFDS as the named provider of transfer agency services to the Plan. SSB will, in turn, delegate its duties and obligations to provide such services to BFDS. BFDS will, therefore, continue to provide transfer agency services to the Plan. This transition is being undertaken solely to promote efficiency and administrative simplicity and should have no effect on the services provided to the Plan. In the future, if SSB seeks to delegate performance of its transfer agency services to a party other than BFDS, AGID will provide notice to the South Dakota Investment Council with reasonable promptness once AGID determines that such a transition will occur.

Although BFDS will continue to provide the same transfer agency services to the Plan as before, SSB will replace BFDS as transfer agent for contractual purposes and, for this reason, we ask that you kindly consent to the arrangement described above, as is contemplated in Section 2.3 of the Program Management Agreement, by executing the form of consent provided herewith and returning it to our attention.

If you have any questions, or if you need additional information, please do not hesitate to call Steve Pickara at 212-739-4130.

Very truly yours,


Name: Joseph S. Quirk
Title: ND/COO

CONSENT OF SOUTH DAKOTA INVESTMENT COUNCIL

Capitalized terms used but not defined in this Consent are used with the meanings set forth in the Agreement (as defined below).

Pursuant to Section 2.3 of the South Dakota Higher Education Savings Plan Program Management Agreement, dated December 11, 2007, by and between the South Dakota Investment Council (the "Council"), a body public and corporate established by the laws of the state of South Dakota, and Allianz Global Investors Distributors LLC ("AGID") (the "Agreement"), the undersigned, being duly authorized by the Council, hereby consents to the designation of State Street Bank and Trust Company to provide transfer agency services under the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date written below.

By: _____
Name: Matthew L. Clark
Title: State Investment Officer