South Dakota Investment Council / AGID/ AGI U.S. LLC
1st Quarter Conference Call Minutes
Friday, April 27, 2018

Attendees:

Sherry Nelson (SDIC)
Tammy Otten (SDIC)

Heather Bergman (AGI U.S.)
Steve Piekara (AGID)
Nicole Steiner (AGID)

I. AGI Distributors (AGID): Assets under management and sales update.

1. Plan Assets ($ millions)

	1Q18	**4Q17**
South Dakota (Advisor Sold)	$69M	$70M
South Dakota (Direct)	$30M	$30M
National (Advisor Sold)	$981M	$1,002M
Total Plan Assets	**$1,080M**	**$1,101M**

2. Plan Sales – ***March and April sales numbers are starting to improve.***

	1Q18		**4Q17**	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	$1.7M	$610k	$1.6M	$788k
South Dakota (Direct)	$533k	($247k)	$473k	($54k)
National (Advisor Sold)	$14.5M	($10.9M)	$12.1M	($14.9M)
Total Plan Assets	**$16.7M**	**($10.5M)**	**$12.1M**	**($14.2M)**

II. AGI U.S. LLC – Quarterly Investment Portfolio Review

Performance of Portfolios – 1Q 2018 – ***Quarterly performance for most of the portfolios was slightly positive versus the benchmarks. Dodge & Cox trailed its index by 70 bps for the quarter. Best Styles Int'l Equity, AllianzGi NFJ Dividend Value, and PIMCO Income outperformed their benchmarks by ~100 bps for the quarter. Commodities, REIT's and nominal bonds lagged while selection in non-US equities was positive***

III. Discuss Supplement and Audit Process – ***Allianz acknowledged the need to improve their communications. Going forward, the auditor (PwC) will provide us a schedule of upcoming deadlines so we can make sure our reviews are completed on time. Allianz will also give us a heads-up on any requested work so we can make sure to complete it by any deadlines they may have.***

IV. Automatic C Share to A Share Conversion -***There have been a lot of requests for "C" shares to convert to "A" shares. Many have been completed. For new accounts, "C" shares will convert to "A" shares after 7 years. Many providers already offer this feature.***

V. Some states are using a "Robo" Advisor. Millennials especially like to use this feature for advice when enrolling. Also mentioned was that Registered Investment Advisors (RIAs) change a flat 1% fee on 529s and other investments.