

**South Dakota Investment Council / VP Distributors**  
**3rd Quarter Conference Call Minutes**  
November 14, 2023

**Attendees:**

Tammy Otten (SDIC)  
Sherry Nelson (SDIC)

Heather Bergman (Virtus Multi-Asset)  
Michael Sebesta, (Virtus Investment Partners)  
Michelle Gallo (Virtus Investment Partners)

I. Virtus Investment Partners: Assets under management and sales update.

<b>ASSETS</b>	<b>3Q23</b>	<b>2Q23</b>
South Dakota (Advisor Sold)	\$69M	\$73M
South Dakota (Direct)	\$32M	\$34M
National (Advisor Sold)	\$691M	\$745M
<b>Total Plan Assets</b>	<b>\$793M</b>	<b>\$852M</b>

<b>SALES</b>	<b>2Q23</b>		<b>2Q23</b>	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$620k	(\$2.2M)	\$584k	(\$104k)
South Dakota (Direct)	\$419k	(\$994k)	\$461k	\$168k
National (Advisor Sold)	\$5.1M	(\$36.4M)	\$4.4M	(\$12M)
<b>Total Plan Assets</b>	<b>\$6.1M</b>	<b>(\$39.6M)</b>	<b>\$5.5M</b>	<b>(\$11.9M)</b>

II. AGI U.S. Multi-Asset – Quarterly Investment Portfolio Review

Performance of Portfolios –All of the age-based portfolios underperformed their benchmarks for the quarter. The top contributors and detractors in key underlying funds were the Virtus Global Allocation Fund (-2.02% alpha) and Dodge & Cox International Stock (+2.79% alpha), PIMCO Income (+2.69% alpha), and Virtus Newfleet Multi-sector intermediate (+2.77%). Individual Portfolio Performance standouts for the quarter were Dodge & Cox Intl Stock (+2.57% alpha), PIMCO Income (+2.54% alpha), and Virtus Global Allocation (-2.36% alpha). Note: Different share classes may affect comparisons of identical funds within underlying portfolios and stand-alone funds.

III. Paul and Heather traveled to Chicago on September 27 for the Morningstar annual update meeting with our Morningstar analyst. Matt, Tammy & Sherry joined by Zoom. The updated Morningstar rating was recently released with a negative rating for process (down from neutral last year), negative for people, neutral for parent and negative for price. SDIC & Virtus were very disappointed by the ratings, especially the one for process. Virtus is planning to follow up with Morningstar and ask for their reasoning for the downgrade.

IV. Virtus presented a marketing update, highlighting a new firm-wide phone system which should improve client experience. Sherry encouraged Virtus to prioritize working with their bank to provide full on-line sign-up capability.