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MEMORANDUM

TO: South Dakota Investment Council

FROM: Makenzie Smook

DATE: October 22, 2025

RE: South Dakota Certificate of Deposit (CD) Program

On September 26th, 2025, at 11:00 a.m. (CT), the Certificate of Deposit rate was set at 3.89%, based on the one-year Treasury note yield plus a 0.15% liquidity and risk premium. This compares to a rate of 4.07% in the previous year.

Certificates of deposit totaling \$35 million were offered to 37 financial institutions, with 29 accepting full or partial allocations totaling \$19.566 million. No savings associations participated in this year's program. This compares with the previous year of 24 banks accepting \$24.459 million in 2024.

Funds are initially allocated to banks that indicate potential interest in participating in the current year's program. Any unclaimed allocations are subsequently reoffered to credit unions. Four credit unions accepted a total of \$1.75 million in CDs. This compares to two credit unions accepting \$500,000 last year.

In total, \$21.316 million in CDs were issued across 33 financial institutions.

The CDs were issued September 30, 2025, and mature in one year on September 30, 2026. Any CD larger than \$250,000 is 100% collateralized by government securities.

If you have any questions or would like to discuss, please feel free to give me a call.

Enclosed is a summary of the 2025 CD Program.