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MEMORANDUM

TO: South Dakota Investment Council

FROM: Makenzie Smook

DATE: October 30, 2026

RE: South Dakota Certificate of Deposit (CD) Program

On September 28th, 2026, at 10:00 a.m. (CT), the Certificate of Deposit rate was set at 4.83%, based on the one-year Treasury note yield plus a 0.15% liquidity and risk premium. This compares to a rate of 3.89% in the previous year.

Certificates of deposit totaling $35 million were offered to 37 financial institutions, with 12 accepting full or partial allocations totaling $8.998 million. No savings associations participated in this year's program. This compares with the previous year of 29 banks accepting $19.566 million in 2025.

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. For this year, two credit unions accepted a total of $500,000 in CDs. This compares to four credit unions accepting $1.75 million in the prior year.

In total, $9.498 million in CDs were issued across 14 financial institutions. The CDs were issued on September 30, 2026, and mature in one year and one day on October 1, 2027, as we transition the maturity of CDs to October 1 for upcoming years to better align with collateralization schedules. 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 2026 CD Program & historical overview.