

South Dakota Investment Council / VP Distributors
3rd Quarter Conference Call Minutes
November 7, 2024

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.

ASSETS	3Q24	2Q24
South Dakota (Advisor Sold)	\$77m	\$76m
South Dakota (Direct)	\$36m	\$35m
National (Advisor Sold)	\$740m	\$737m
Total Plan Assets	\$854m	\$848m

SALES	3Q24		2Q24	
	Gross	Net	Gross	Net
South Dakota (Advisor Sold)	\$708k	(\$2.6m)	\$653k	(\$823k)
South Dakota (Direct)	\$459k	(\$1m)	\$464k	\$207k
National (Advisor Sold)	\$4.6m	(\$33m)	\$4.3m	(\$11.4m)
Total Plan Assets	\$5.8m	(\$36.7m)	\$5.4m	(\$12m)

II. Virtus Multi-Asset – Quarterly Investment Portfolio Review

Performance of Portfolios –The age-based portfolios for younger children performed similar to their benchmarks, while the portfolios for age 14 and up outperformed the benchmarks modestly. The top contributors and detractors in key underlying funds were the American Funds New Perspective (-.76% alpha), Virtus NFJ Dividend Value (1.54%), Virtus Newfleet Multi-Sector Intermediate (-.78%), and Dodge & Cox Intl. Stock (2.72%). Individual Portfolio Performance standouts for the quarter were PIMCO All Asset Fund (2.10%), Virtus NFJ Dividend Value Fund (1.42%), Dodge & Cox Intl. Stock (2.61%) and Virtus Silvant Focused Growth Fund (-1.64%). Note: Different share classes may affect comparisons of identical funds within underlying portfolios and stand-alone funds.

III. Virtus detailed their guidelines for their manager watch list. The list is a tool for Virtus to notify SDIO that a particular fund has been chosen for extra monitoring and analysis. Reasons include qualitative & quantitative issues such as key personnel changes, process changes, violation of investment guidelines, and underperformance compared to peers without sufficient explanation. Currently, Virtus Dividend Value Fund is on the watch list due to performance issues.

IV. Two new ads for the winter/holiday season will appear in the Sioux Falls Woman & Black Hills Family Magazine

V. Virtus has completed updates to systems and forms for the Roth Rollover option allowed under Secure Act 2.0 for 529 plans. During the third quarter, 37 rollover transactions took place, totaling \$124,000.

VI. Virtus implemented a new customer relationship management system to help improve customer interactions and experience with call center reps. An email campaign was sent out in preparation for the tuition season. Virtus is working on allowing the mobile app to access all the features available on the desktop version of the web site.