

**Meeting Minutes**  
South Dakota Department of Labor  
Employees' Retirement Board Meeting  
Kneip Building, Conference Room 3  
Thursday, August 28, 2014 at 10 a.m. (CDT)

The South Dakota Department of Labor Employees' Retirement Board (ERB) met on August 28, 2014 with DDN locations in Aberdeen, Rapid City, and Sioux Falls.

**Members Present:** Bob Riter, Jason Dilges, Marcia Hultman, Mike O'Brien, and Jim Fansler

**Members Absent:** None

**Others Present:** Tom Hart, Lyle Harter, David Fee, Amber Mulder, Derek Gustafson, and Morgan Ness

Chairman Riter called the meeting to order, and roll call was taken by Derek Gustafson.

Lyle Harter gave an update on the IRS determination letter. This letter was submitted to minimize the risk for the IRS disqualifying the plan during an audit. Harter has not heard anything and at this time does not anticipate on an audit taking place.

Jim Fansler MOVED to approve the minutes from May 9, 2014, ERB meeting as written and was SECONDED by Mike O'Brien. MOTION CARRIED.

The item of business, Global Multi-Strategy Portfolio, was presentation by David Fee of Principal Investment Co.

Principals Investment proposed to add to the existing contract between Principal and SD DOL, a new portfolio to our investment strategy called the Multiple-Strategy Portfolio. This portfolio would include a mix of strategies that are not specifically oriented to either of the bond market or the stock market. These strategies are liquid hedge fund type of strategies that have daily liquidity. The objective of this new strategy is to diversify the fixed income investments by creating a portfolio that has similar total return and risk of the bond market, but is not directly correlated to how the bond market reacts.

The board will meet again in eight to twelve weeks to discuss the Principal Global Multi-Strategy Portfolio and the current investment plan now in place.

No new business was presented.

Jason Dilges MOTIONED to adjourn, SECONDED by Mike O'Brien. MOTION CARRIED.