

WILLIAM (BILL) H. HANCOCK, CPA
CHAIR

PEGGY G. BOYKIN, CPA
COMMISSIONER

WILLIAM (BILL) J. CONDON, JR. JD, MA, CPA
COMMISSIONER

EDWARD N. GIOBBE, MBA
COMMISSIONER



RETIREMENT SYSTEM INVESTMENT COMMISSION

RONALD P. WILDER, PH. D
VICE-CHAIR ¹

REBECCA M. GUNNLAUGSSON, PH. D
COMMISSIONER

MELISSA (MISSY) B. SCHUMPERT, CPA
COMMISSIONER

REYNOLDS WILLIAMS, JD, CFP
COMMISSIONER

Commission Meeting Agenda

Thursday, June 2, 2022 at 9:30 a.m.

RSIC Presentation Center and Streaming Online at www.rsic.sc.gov

- I. Call to Order and Consent Agenda
 - A. Adoption of Proposed Agenda
 - B. Approval of April 2022 Minutes
- II. Chair's Report
 - A. Retiree Representative Election
 1. Executive Session – To discuss personnel matters pursuant to S.C. Code Section 30-4-70(a)(1) and receive advice from legal counsel pursuant to S.C. Code Section 30-4-70 (a)(2).
 2. Action Resulting from Executive Session
 - B. Chair and Vice Chair Elections
- III. CEO's Report
 - A. Legislative Update
 - B. Presentation and Recognition
- IV. CIO's Report
 - A. Investment Performance Update
- V. Delegated Investment Report
- VI. Executive Session – To discuss investment matters and specific private equity investments pursuant to S.C. Code Sections 9-16-80 and 9-16-320; to discuss negotiations incident to contractual arrangements for a general investment consultant contract; and receive advice from legal counsel pursuant to S.C. Code Section 30-4-70(a)(2).
- VII. Potential Action Resulting from Executive Session
- VIII. Adjourn

NOTICE OF PUBLIC MEETING

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**South Carolina Retirement System Investment Commission
Meeting Minutes**

**April 21, 2022
Capitol Center
1201 Main Street, 15th Floor
Columbia, South Carolina 29201
Meeting Location: 1201 Main Street, Ste. 1501 and
Video Presentation**

Commissioners Present:

Mr. William Hancock, Chair
Dr. Ronald Wilder, Vice Chair
Ms. Peggy Boykin, PEBA Executive Director (Absent)
Mr. William J. Condon, Jr.
Mr. Edward Giobbe
Dr. Rebecca Gunnlaugsson
Ms. Melissa Schumpert
Mr. Reynolds Williams (Absent)

I. Call to Order

Chair Mr. William H. Hancock called the meeting of the South Carolina Retirement System Investment Commission (“Commission”) to order at 9:31 a.m. Dr. Ronald Wilder moved to approve the proposed agenda as presented. Ms. Melissa Schumpert seconded the motion, which was approved unanimously.

Mr. Edward Giobbe made a motion to approve the minutes from the March 3, 2022 Commission meeting as presented. Dr. Wilder seconded the motion, which was approved unanimously.

II. Chair’s Report

The Chair noted that the Commission would need to select a new retiree representative soon, as well as selecting a new chair and vice-chair for new two-year terms. The Chair asked Mr. Michael Hitchcock, Chief Executive Officer (“CEO”) to review the process for nominating a retiree representative as well as the nomination process for chair and vice-chair of the Commission. Mr. Hitchcock noted that Dr. Wilder’s term on the Commission would expire on June 30, 2022, under state law. He explained the process previously used by the Commission to solicit nominations of retiree representatives and reminded the Commission that state law required the Commission to vote unanimously to select a retiree representative. Mr. Hitchcock and the Commission then discussed that any candidates that were put forth would be interviewed during the June 2022 meeting. Mr. Hitchcock informed the Commission

that if no qualified candidate was selected at the June 2022 meeting, Dr. Wilder may continue to hold over and serve until a qualified candidate is appointed.

Mr. Hitchcock then reminded the Commission that under the Governance Policy, the Commission would need to select a new chair and vice-chair for the term commencing on July 1, 2022, as Mr. Hancock and Dr. Wilder's terms would expire on June 30. He pointed out that almost the entire Commission was currently in a hold over position, or their terms were expiring soon. He then explained the Commission could decide to hold off on selecting a new chair and vice-chair to provide the appointing authorities time to re-appoint or appoint new Commissioners, as applicable. The Chair suggested that both issues be re-visited at the June Commission meeting. The Chair then concluded his report.

III. Committee's Report

The Chair recognized Dr. Rebecca Gunnlaugsson to provide a report on the activities of the Audit and Enterprise Risk Management Committee ("AERM"). Dr. Gunnlaugsson noted that the AERM Committee Report had been made available to the Commissioners for review prior to the meeting. Hearing no questions, she concluded her report.

IV. CEO's Report

The Chair recognized Mr. Hitchcock for his report. Mr. Hitchcock began his report by reminding the Commissioners that state law required that the Commission review or amend the Statement of Investment Objectives and Policies annually, and that the Commission must adopt an Annual Investment Plan by May 1st of each year. He noted that he had presented suggested edits to the Consolidated Annual Investment Plan and Statement of Investment Objectives and Policies ("AIP/SIOP") during the March 2022 meeting.

Subsequent to that meeting, Mr. Hitchcock and Mr. William J. Condon, Jr. had additional discussions regarding the AIP/SIOP. Based on those discussions and feedback from the March meeting, Mr. Hitchcock made additional suggested edits to the proposed AIP/SIOP. He then reviewed those suggested changes with the Commission.

Mr. Condon moved that the Commission (i) adopts the recommendation of the CEO and CIO to approve the proposed revisions to the Consolidated Annual Investment Plan and Statement of Investment Objectives ("AIP/SIOP") for fiscal year 2022-2023, as set forth in the red-numbered document pages 9 to 69, with an effective date of July 1, 2022, (ii) certifies that RSIC is in compliance with the Sudan Divestment Policy without taking additional action due to the method of implementation utilized in the Portfolio; and (iii) authorizes Staff to finalize the AIP/SIOP by making any technical revisions or formatting edits consistent with the action taken by the Commission. Ms. Shumpert seconded the motion, which passed unanimously.

A break was taken at 9:52 a.m. resuming at 10:00 a.m.

V. **Ukraine and Russia: Macro Trends and Investment Implications (KKR)**

After returning from a break, the Chair recognized Mr. Hitchcock who informed the Commission that Mr. Bryan Moore, Managing Director, had been asked to take over as the Interim Managing Director of Private Markets. Mr. Hitchcock thanked Mr. Moore for his continued great work.

The Chair then turned the introductions of the guest speakers over to Mr. Geoffrey Berg, Chief Investment Officer (“CIO”). Mr. Berg introduced Mr. Vance Serchuck, Executive Director and Managing Director, KKR Global Institute and Private Equity. Prior to his employment with KKR, Mr. Serchuck served as the senior national security advisor to Senator Liberman and as a professional staff member to the Senate Homeland Security and Governmental Affairs Committee. His work had focused on an array of international security issues, most notably those relating to Russia and Iran sanctions legislation.

Mr. Berg then introduced Mr. Ken Mehlman who is a Partner, Global Head of Public Affairs & Co-Head of KKR Global Impact. Mr. Mehlman spent a number of years in government service where he was campaign manager for President Bush’s 2004 re-election campaign and the 62nd Chairman of the Republican National Committee.

Next, Mr. Berg welcomed Mr. Henry McVey, a KKR Partner and the Head of Global Macro, Balance Sheet and Risk. Mr. McVey also serves as Chief Investment Officer for KKR’s balance sheet and oversees Firmwide Market Risk. Prior to joining KKR, Mr. McVey worked at Morgan Stanley Investment Management and Fortress Investment Group. Mr. McVey serves as a member of the financial sector advisory council for the Federal Reserve Bank of Dallas.

Mr. Berg asked if Mr. Serchuck could begin the presentation by focusing on the geopolitical situation in Eastern Europe as a result of the Russian invasion of Ukraine. For a link to the presentation, see below:

<https://www.youtube.com/watch?v=l6lyOu4fQrs&t=1404s>

After Mr. Serchuck concluded his remarks, Mr. Mehlman and Mr. McVey turned to a discussion of the potential impacts of the war in Ukraine on the economy generally and the financial markets. For a link to the presentation materials, click here and see pages 120-139: <https://www.rsic.sc.gov/documents/2022.04.21-commission-meeting-rnd.pdf>.

VI. **Macro-Economics Presentation – Torsten Slok (Apollo Chief Economist)**

Next, Mr. Berg introduced Mr. Torsten Slok, Ph.D., Chief Economist for Apollo Global Management, to provide the Commission with a macroeconomic update. Dr. Slok joined Apollo in 2020 and leads macroeconomic and market analysis for Apollo. Prior to joining Apollo, Dr. Slok worked at Deutsche Bank for 15 years as Chief Economist. He also worked with the International Monetary Fund (“IMF”) in Washington, and the Organization for Economic Cooperation and Development (“OECD”) in Paris.

To view the presentation, click here:

<https://www.youtube.com/watch?v=l6lyOu4fQrs&t=5395s>

To view the accompanying materials, click here and see pages 140-173: <https://www.rsic.sc.gov/documents/2022.04.21-commission-meeting-rnd.pdf>.

VII. Delegated Investment Report

The Chair recognized Mr. Berg for the delegated investment report. The following delegated investments were closed by Staff since the March 3, 2022 Commission meeting.

Asset Class	Investment	Investment Amount	Closing Date
Real Estate	Asana Partners III	\$ 50 M	March 7, 2022
Private Credit	KKR Lending Partners IV	\$150 M	March 15, 2022
Portable Alpha	Polymer Asia Fund LP	Up to 0.75% of Plan assets	March 30, 2022
Private Equity	Hg Saturn 3	\$50 M	March 31, 2022
Private Equity	Hg Genesis 10	Up to €44 M	April 11, 2022

VIII. Executive Session

Mr. Giobbe made a motion to recede into Executive Session to discuss investment matters and specific real estate investments pursuant to S.C. Code Section 9-16-80 and 9-16-320; to discuss negotiations incident to proposed contractual arrangements for a general investment consultant and to receive from legal counsel pursuant to S.C. Code Section 30-4-70(a)(2). Mr. Condon seconded the motion which passed unanimously. Executive Session began at 11:54 a.m.

IX. Potential Actions Resulting from Executive Session

The Commission reconvened in open session. The Chair announced that no action was taken by the Commission during executive session.

X. Adjourn

There being no further business, Ms. Schumpert moved that the Commission meeting adjourn, Dr. Wilder seconded the motion, which was unanimously approved. The meeting adjourned at 2:20 p.m.

[Staff Note: In compliance with S.C. Code Section 30-4-80, public notice of and the agenda for this meeting was delivered to the press and to parties who requested notice and were posted at the entrance, in the lobbies and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C. by 2:41P.M. on April 19, 2022]

NOTICE OF PUBLIC MEETING

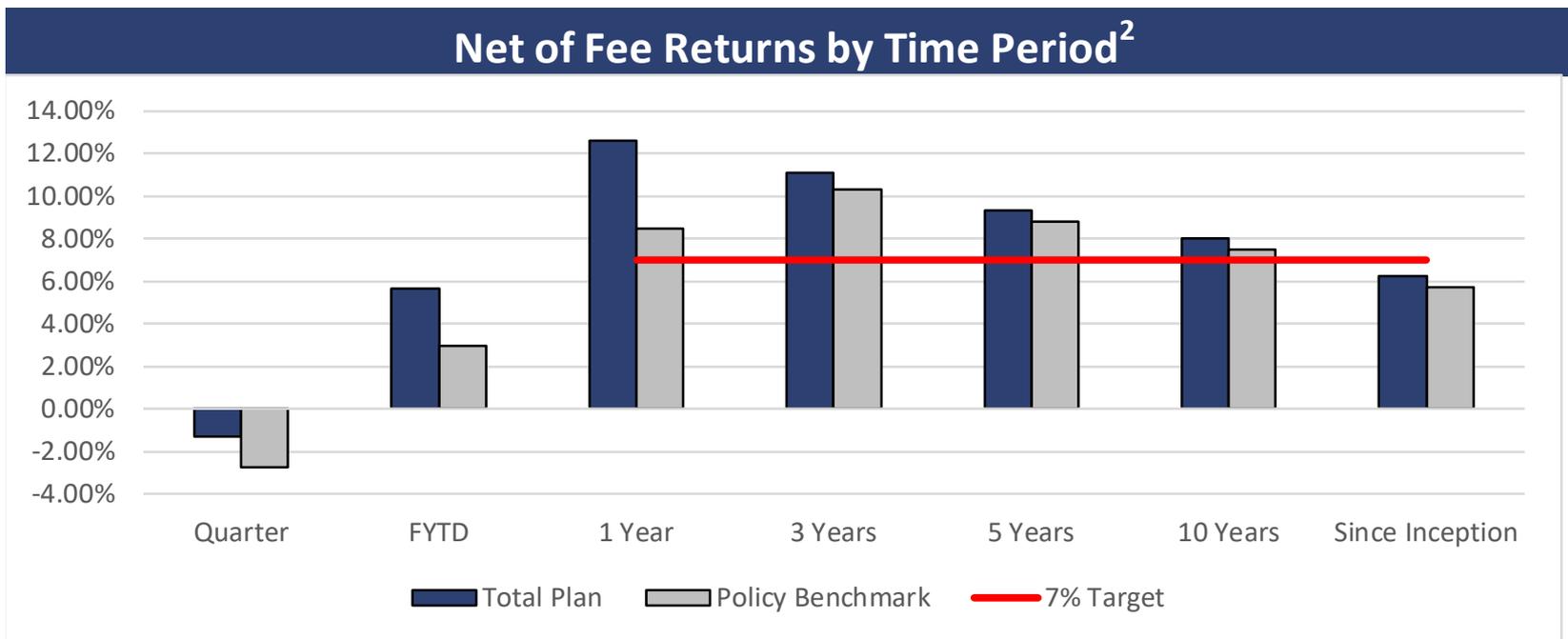
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Performance Review

Data as of March 31st, 2022

Performance - Plan & Policy Benchmark²

As of March 31, 2022



Rolling period performance as of March 31, 2022 ¹				Annualized				
Executive Summary	Market Value (millions)	Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Total Plan	\$40,958	-1.26%	5.64%	12.63%	11.12%	9.32%	8.03%	6.28%
Policy Benchmark		-2.74%	3.00%	8.50%	10.31%	8.77%	7.47%	5.71%
Excess Return		1.47%	2.64%	4.13%	0.82%	0.54%	0.55%	0.57%
Net Benefit Payments (millions)		(\$147)	(\$382)	(\$546)	(\$1,664)	(\$4,049)	(\$9,275)	(\$15,326)

Portfolio Performance Framework

As of March 31, 2022

Reference Portfolio		Policy Benchmark		Implementation Benchmark		Plan Return	
Quarter	-5.57%	Quarter	-2.74%	Quarter	-2.20%	Quarter	-1.26%
FYTD	-2.26%	FYTD	3.00%	FYTD	3.79%	FYTD	5.64%
1-Year	3.17%	1-Year	8.50%	1-Year	9.86%	1-Year	12.63%
3-Years	10.18%	3-Years	10.31%	3-Years	10.99%	3-Years	11.12%

Value from Diversification		Quality of Portfolio Structure		Quality of Manager Selection	
Quarter	2.84%	Quarter	0.54%	Quarter	0.93%
FYTD	5.26%	FYTD	0.79%	FYTD	1.85%
1-Year	5.33%	1-Year	1.36%	1-Year	2.76%
3-Years	0.12%	3-Years	0.68%	3-Years	0.14%

Actual vs Reference		Actual vs Policy	
Quarter	4.31%	Quarter	1.47%
FYTD	7.90%	FYTD	2.64%
1-Year	9.45%	1-Year	4.13%
3-Years	0.94%	3-Years	0.82%

Asset Class Performance^{1,3,4,5}

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As of March 31, 2022

Trailing Performance as of 03/31/2022	Portfolio Weight	Annualized				
		Quarter	FYTD	1 Year	3 Years	5 Years
Public Equity	44.4%	-5.32%	-0.52%	6.70%	13.55%	11.22%
<i>Benchmark</i>		<i>-5.47%</i>	<i>-0.82%</i>	<i>6.30%</i>	<i>13.30%</i>	<i>11.27%</i>
Bonds	20.1%	-4.64%	-3.90%	-1.59%	1.42%	1.95%
<i>Benchmark</i>		<i>-5.93%</i>	<i>-5.87%</i>	<i>-4.15%</i>	<i>0.47%</i>	<i>1.58%</i>
Private Equity	13.3%	5.80%	25.86%	46.17%	20.49%	16.61%
<i>Benchmark</i>		<i>4.45%</i>	<i>23.75%</i>	<i>37.34%</i>	<i>27.97%</i>	<i>20.25%</i>
Private Debt	8.5%	2.25%	9.59%	15.41%	7.47%	6.29%
<i>Benchmark</i>		<i>0.94%</i>	<i>4.30%</i>	<i>6.70%</i>	<i>7.13%</i>	<i>5.77%</i>
Real Assets	13.6%	6.02%	20.50%	25.30%	12.02%	10.84%
<i>Benchmark</i>		<i>7.17%</i>	<i>22.77%</i>	<i>27.29%</i>	<i>9.79%</i>	<i>8.93%</i>
Portable Alpha Hedge Funds	11.5%	4.64%	7.99%	11.21%	7.80%	5.31%
Total Plan	100.0%	-1.26%	5.64%	12.63%	11.12%	9.32%
<i>RSIC Policy Benchmark</i>		<i>-2.74%</i>	<i>3.00%</i>	<i>8.50%</i>	<i>10.31%</i>	<i>8.77%</i>

Policy
Benchmark

- **Policy Benchmark:** The return of the five-asset class target portfolio.

Allocation

- **Allocation effect:** isolates the impact of making overweight or underweight decisions to each of the five asset classes.

Implementation

- **Implementation effect:** measures the impact of decisions to construct each asset class portfolio differently than the benchmark.

Selection

- **Selection effect:** evaluates the impact of manager selection decisions.

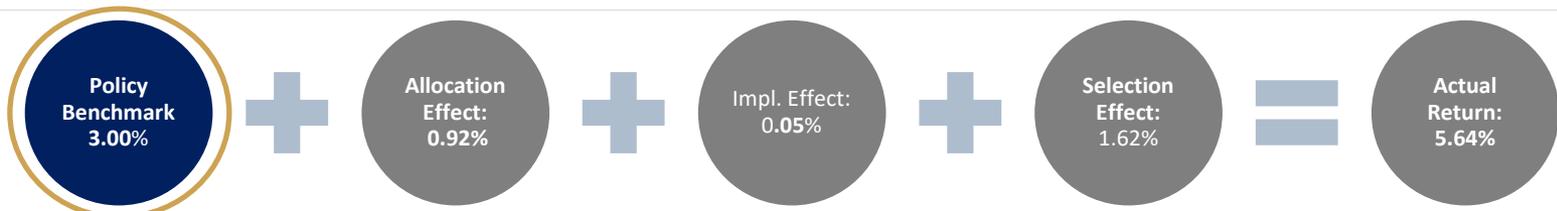
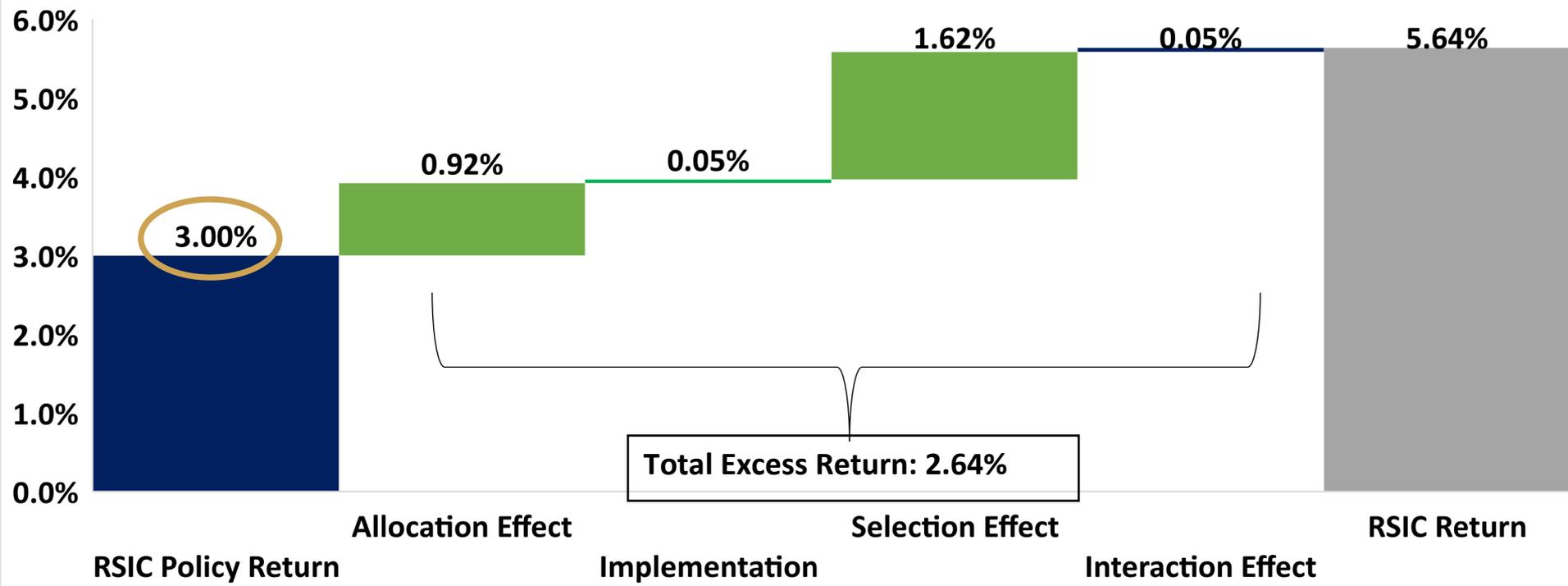
Actual
Return

- The **Actual return** reflects the sum of all of these impacts.

Attribution – FYTD – Return Bridge

FYTD March 31, 2022

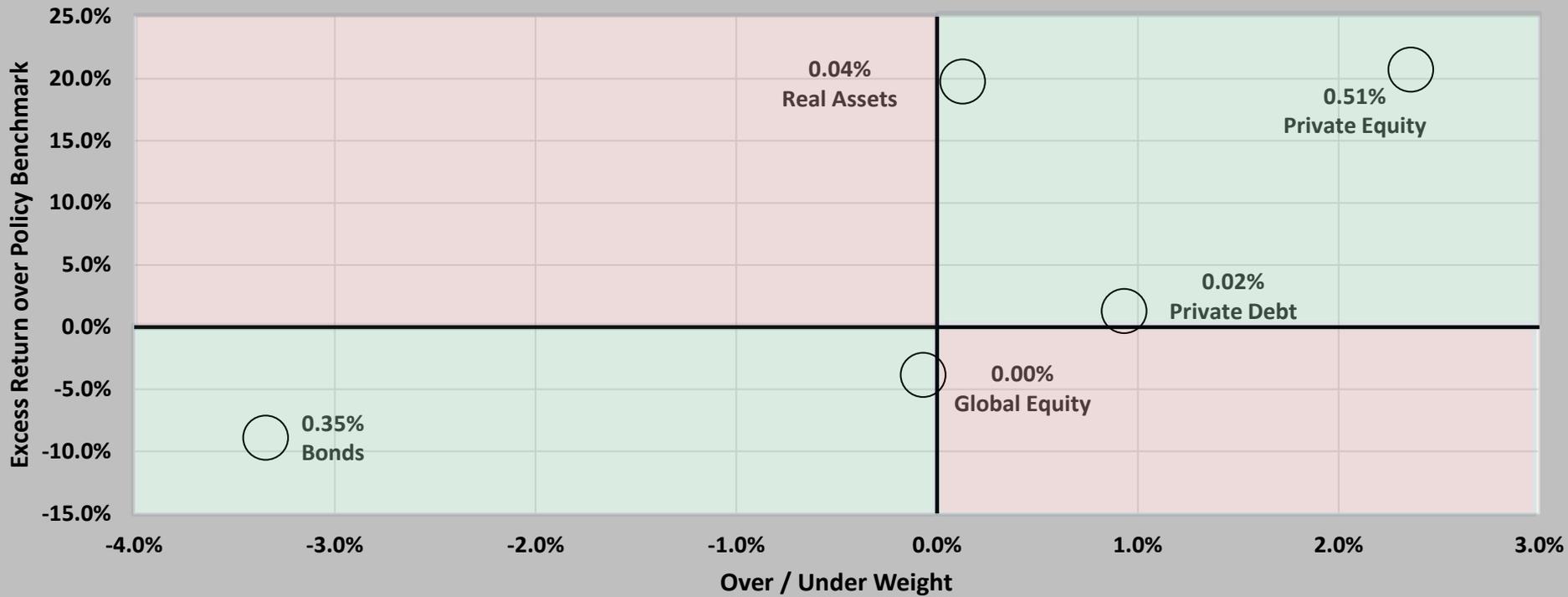
RSIC Excess Return Bridge



Attribution – FYTD – Allocation:

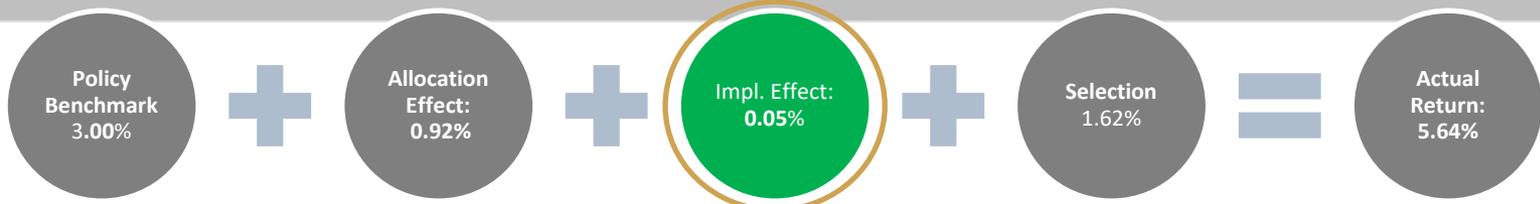
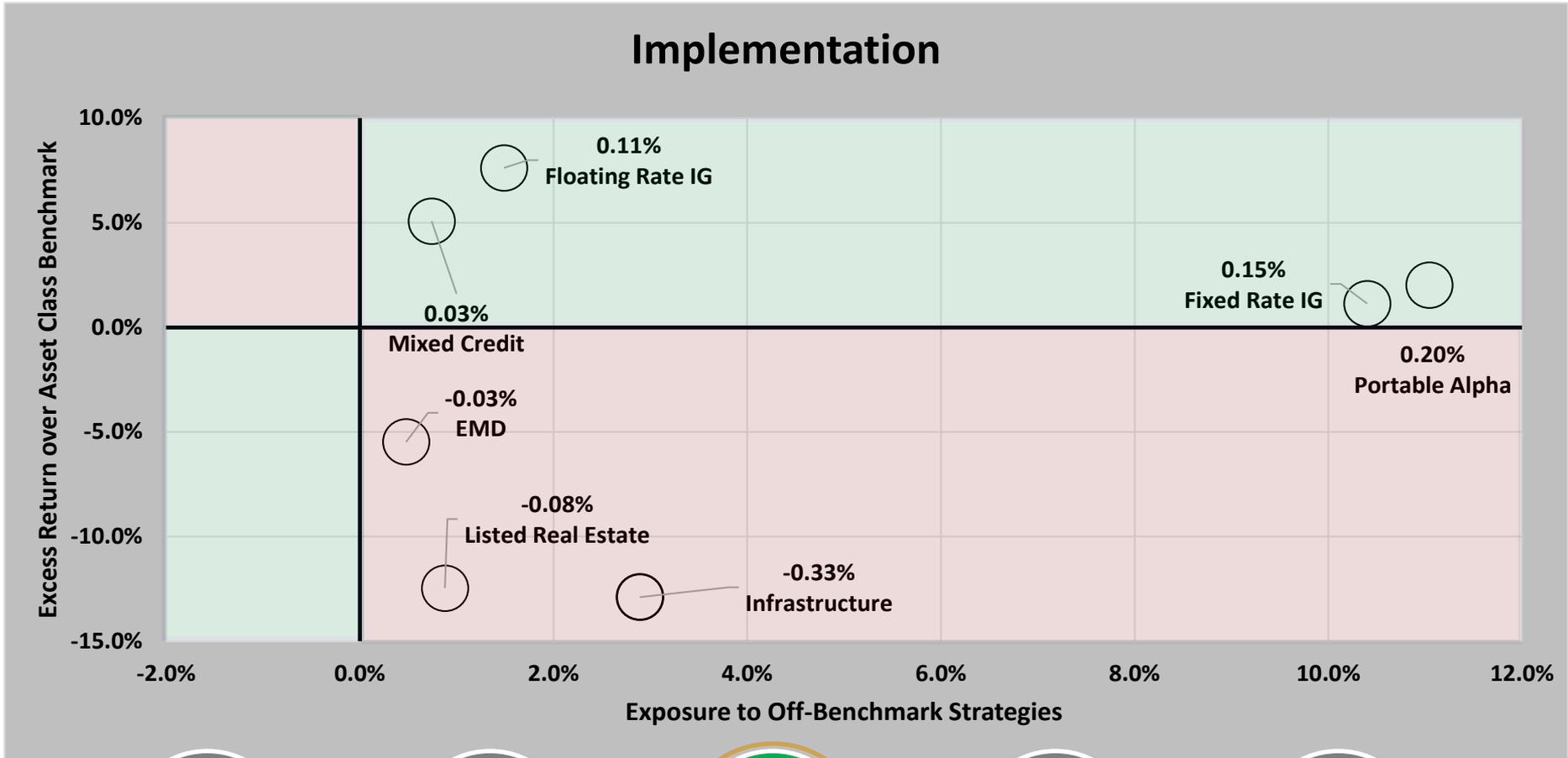
FYTD March 31, 2022

Allocation Effect

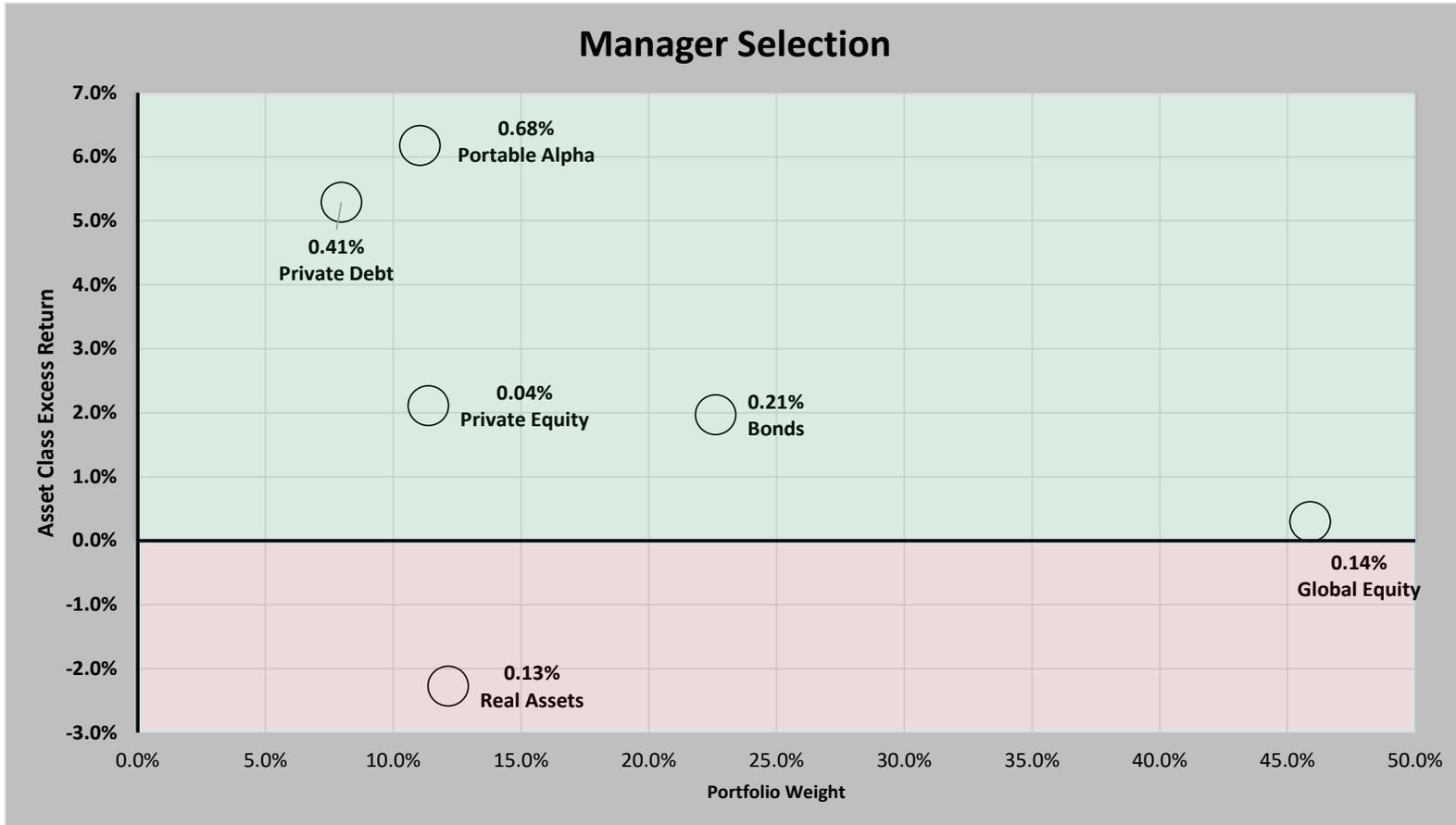


Attribution – FYTD – Implementation

FYTD March 31, 2022



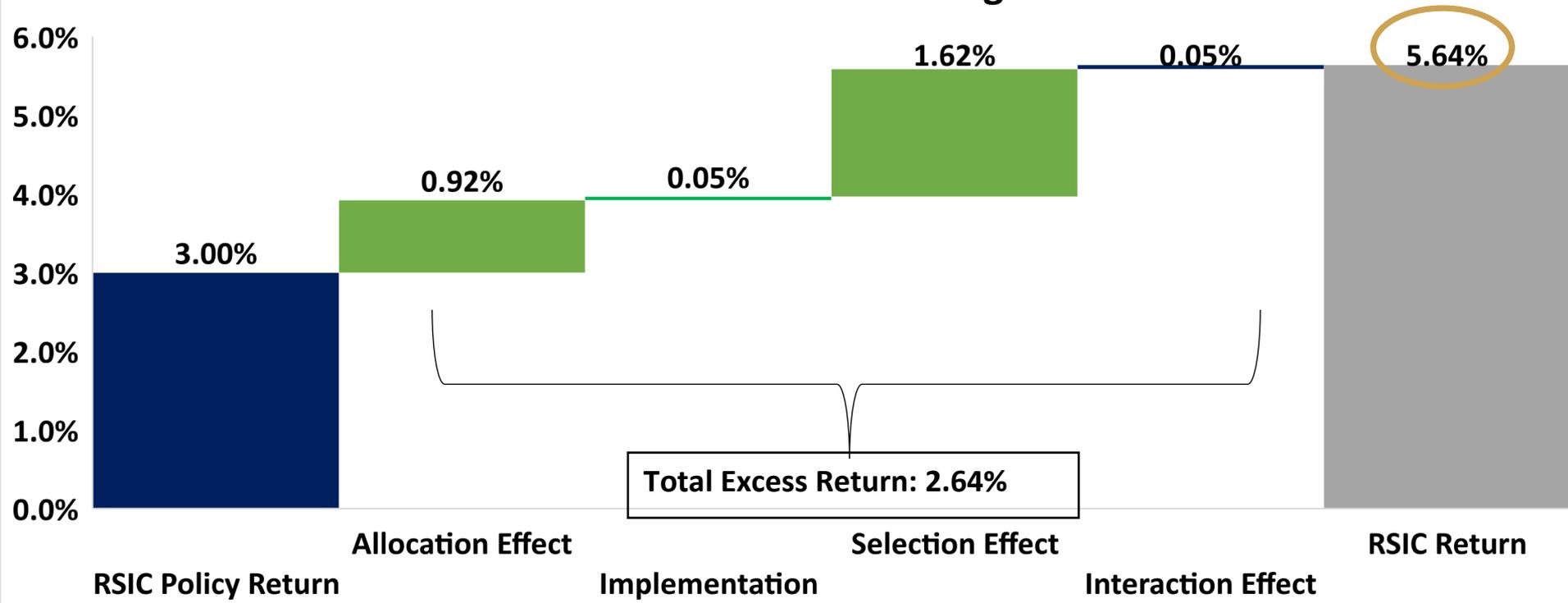
FYTD March 31, 2022



Attribution – FYTD – Return Bridge

FYTD March 31, 2022

RSIC Excess Return Bridge



STATE OF SOUTH CAROLINA

Attribution – FYTD – Attribution Heatmap

Attribution Table (BPS)	Allocation	Implementation	Selection	Total
Bonds	35	25	21	82
Private Debt	2	0	41	43
Global Equity	0	0	14	14
Private Equity	51	0	4	55
Real Assets	4	-41	13	-24
Portable Alpha	n/a	20	68	88
Total	92	5	162	259

- Sources of outperformance:
 - Portable Alpha (portfolio structure and manager selection)
 - Private Debt outperformed benchmark
 - Bonds underweight adding value as well as allocation to floating rate debt and fixed rate implementation.
- Sources of Underperformance:
 - Real Assets: Listed strategies continue to underperform

Equity

- Began current quarter underweight, partially offsetting Private Equity

RA

- *Overweight increased due to strong performance and net contributions*

Bonds

- Remained underweight due to overweights to private markets...Further reduced non-IG exposure during the quarter

PE

- *Overweight increased due to strong performance and net contributions*

PD

- *Overweight increased due to strong performance and net contributions*

PA

- Exposure reduction from profit distribution by top-performing strategy

Asset Allocation and SIOP Compliance⁵

FYTD March 31, 2022

Exposure Report as of 03/31/2022	Net Exposure	Policy Targets	Over / Under	Allowable Ranges	SIOP Compliance
Public Equity	44.4%	46.0%	-1.6%	30% - 60%	Yes
Bonds	20.1%	26.0%	-5.9%	15% - 35%	Yes
Private Equity	13.3%	9.0%	4.3%	5% - 13%	No
Private Debt	8.5%	7.0%	1.5%	3% - 11%	Yes
Real Assets	13.6%	12.0%	1.6%	6% - 18%	Yes
Portable Alpha Hedge Funds	11.5%	n/a	11.5%	0% - 12%	Yes
Total Plan	100.0%	100.0%	0.0%	n/a	Yes
Total Private Markets	34.0%	28.0%	6.0%	0% - 30%	No

Risk Estimates ¹				
Mar 2022 Exposures and Risk				
	Reference Portfolio	Policy ³	Implementation ³	Actual ⁵
Total Risk²	12.6%	12.3%	14.3%	14.4%
Relative Risk⁴	Reference vs Policy	Policy vs Implementation	Implementation vs Actual ⁵	
	1.5%	2.3%	0.5%	

Footnotes:

- 1 Estimates based on an equal weighted (no-decay) model employing three years of monthly data.
- 2 Total risk shown as volatility, or annualized standard deviation of returns based on current positioning
- 3 Private benchmarks proxied with public alternatives
- 4 Relative risk shown as relative volatility, or annualized standard deviation of the excess returns of one portfolio vs the other
- 5 Actual risk and actual vs implementation relative risk estimated from a set of assumptions and exposures

Realized (Historical) vs Forward Risk Measurements ¹

Mar 2022 Risk

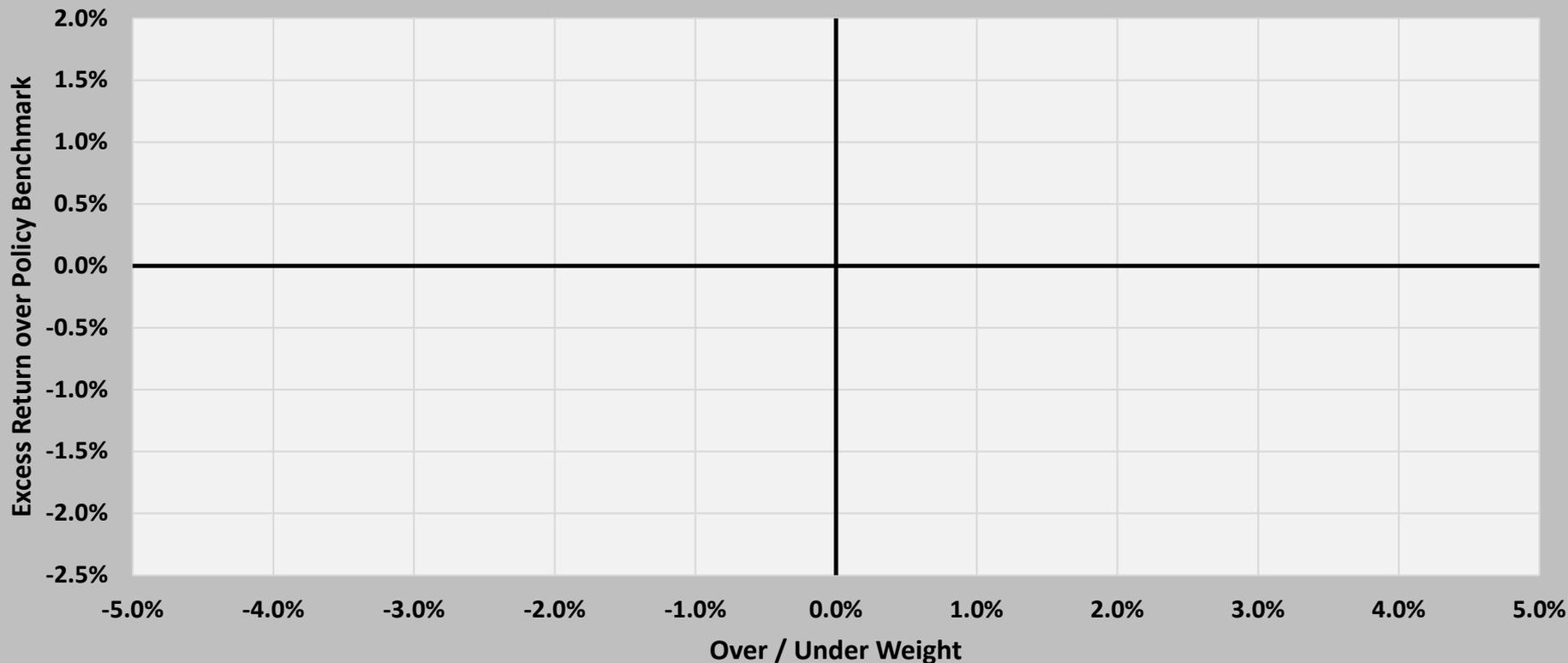
	Reference Portfolio	Policy	Implementation	Actual
Forward Risk	12.6%	12.3%	14.3%	14.4%
	↓	↓	↓	↓
Historical Risk ^{2,3}	12.6%	9.4%	10.4%	10.9%

Footnotes:

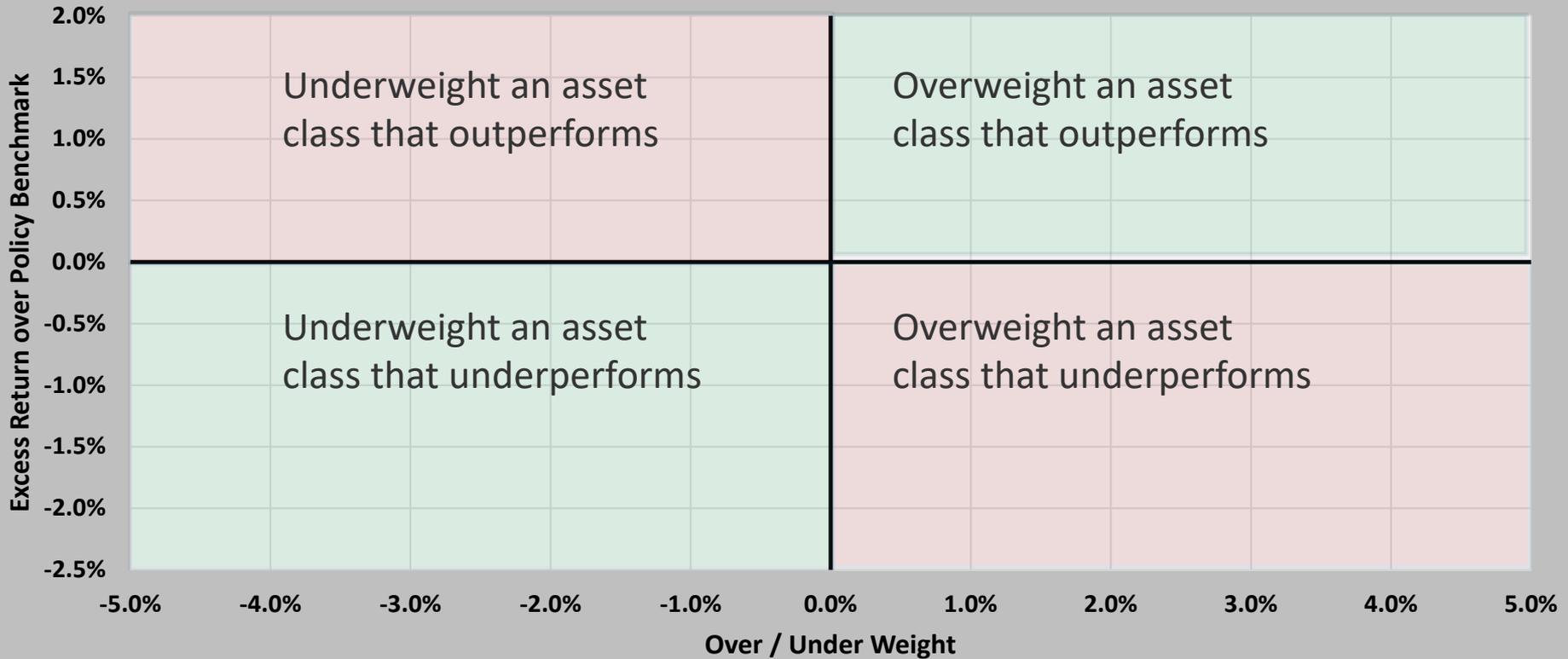
- 1 Historical risk reflects actual historical volatility (rather than expected volatility) for RSIC portfolio, using the past 3 years of monthly data
- 2 Historical risk reflects actual historical positioning (rather than current positioning)
- 3 Policy and Implementation portfolio risk calculated using underlying performance benchmarks (rather than public proxy-based risk benchmarks)

Appendix

Allocation Effect

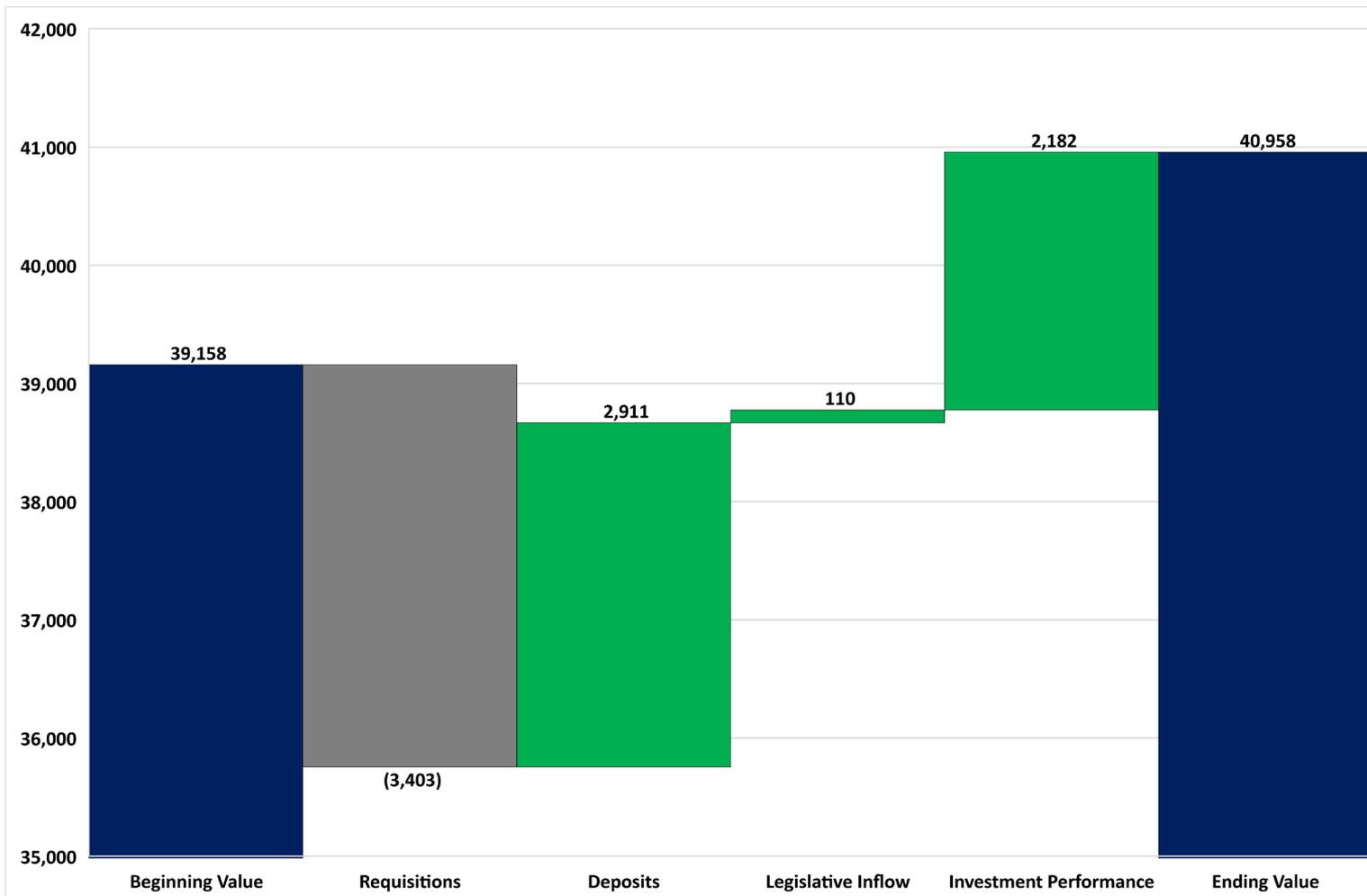


Allocation Effect



FYTD Benefits and Performance

As of March 31, 2022



*Requisitions and deposits include equal and offsetting flows for insurance benefits which cannot be disaggregated from retirement benefit flows. The net of requisitions and deposits represents the surplus or shortfall of retirement deposits in relation to retirement benefit payments.

FYTD as of March 31, 2022

Exposure Report as of 03/31/2022	Net Exposure	Policy Targets	Over / Under	Allowable Ranges	SIOP Compliance
Public Equity	44.4%	46.0%	-1.6%	30% - 60%	Yes
Bonds	20.1%	26.0%	-5.9%	15% - 35%	Yes
Investment Grade - Fixed	15.6%	26.0%	-10.4%	10% - 35%	Yes
Investment Grade - Floating	3.5%	n/a	3.5%	0% - 5%	Yes
EMD	0.1%	n/a	0.1%	0% - 6%	Yes
Mixed Credit	0.4%	n/a	0.4%	0% - 8%	Yes
Cash and Short Duration (Net)	0.5%	n/a	0.5%	0% - 7%	Yes
Private Equity	13.3%	9.0%	4.3%	5% - 13%	No
Private Debt	8.5%	7.0%	1.5%	3% - 11%	Yes
Real Assets	13.6%	12.0%	1.6%	6% - 18%	Yes
Private Real Estate	9.8%	9.0%	0.8%	n/a	Yes
Public Real Estate	0.8%	n/a	0.8%	n/a	Yes
Private Infrastructure	2.4%	3.0%	-0.6%	n/a	Yes
Public Infrastructure	0.6%	n/a	0.6%	n/a	Yes
Portable Alpha Hedge Funds	11.5%	n/a	11.5%	0% - 12%	Yes
Total Plan	100.0%	100.0%	0.0%	n/a	Yes
Total Private Markets	34.0%	28.0%	6.0%	0% - 30%	No

Performance – Plan & Asset Classes^{1,3,4,5}

FYTD as of March 31, 2022

Trailing Performance as of 03/31/2022	Portfolio Weight	Annualized				
		Quarter	FYTD	1 Year	3 Years	5 Years
Public Equity	44.4%	-5.32%	-0.52%	6.70%	13.55%	11.22%
<i>Benchmark</i>		<i>-5.47%</i>	<i>-0.82%</i>	<i>6.30%</i>	<i>13.30%</i>	<i>11.27%</i>
Bonds	20.1%	-4.64%	-3.90%	-1.59%	1.42%	1.95%
<i>Benchmark</i>		<i>-5.93%</i>	<i>-5.87%</i>	<i>-4.15%</i>	<i>0.47%</i>	<i>1.58%</i>
Investment Grade - Fixed	15.6%	-5.51%	-5.32%	-2.80%	1.63%	2.20%
Investment Grade - Floating	3.5%	-1.81%	1.65%	3.75%	n/a	n/a
EMD	0.1%	-5.99%	-10.06%	-5.43%	-0.11%	0.94%
Mixed Credit	0.4%	-0.46%	2.87%	5.46%	7.15%	5.85%
Cash and Short Duration (Net)	0.5%	0.09%	0.14%	0.20%	0.88%	1.29%
Private Equity	13.3%	5.80%	25.86%	46.17%	20.49%	16.61%
<i>Benchmark</i>		<i>4.45%</i>	<i>23.75%</i>	<i>37.34%</i>	<i>27.97%</i>	<i>20.25%</i>
Private Debt	8.5%	2.25%	9.59%	15.41%	7.47%	6.29%
<i>Benchmark</i>		<i>0.94%</i>	<i>4.30%</i>	<i>6.70%</i>	<i>7.13%</i>	<i>5.77%</i>
Real Assets	13.6%	6.02%	20.50%	25.30%	12.02%	10.84%
<i>Benchmark</i>		<i>7.17%</i>	<i>22.77%</i>	<i>27.29%</i>	<i>9.79%</i>	<i>8.93%</i>
Private Real Estate	9.8%	8.56%	26.48%	29.66%	12.40%	11.41%
Public Real Estate	0.8%	-3.82%	13.20%	27.49%	14.16%	11.95%
Private Infrastructure	2.4%	1.11%	4.13%	6.49%	5.95%	n/a
Public Infrastructure	0.6%	2.76%	10.76%	18.71%	11.38%	9.57%
Portable Alpha Hedge Funds	11.5%	4.64%	7.99%	11.21%	7.80%	5.31%
Total Plan	100.0%	-1.26%	5.64%	12.63%	11.12%	9.32%
<i>RSIC Policy Benchmark</i>		<i>-2.74%</i>	<i>3.00%</i>	<i>8.50%</i>	<i>10.31%</i>	<i>8.77%</i>

Footnotes

1. The Policy Benchmark is calculated quarterly using a blend of asset class policy benchmarks and the policy weights for the respective asset classes. Prior to 12/31/2020 the Policy Benchmark was calculated monthly. Asset class benchmarks represent current policy benchmarks blended with past policy benchmarks which may have changed over time. Some asset class policy benchmarks revise over time and these revisions are reflected in subsequent policy benchmark calculations. See Benchmark Disclosure page for current definitions.
2. Benefit payments are the net of Plan contributions and disbursements.
3. “Bonds” asset class includes Cash and Short Duration market value which is the aggregate cash held at the custodian, Russell Investments, and strategic partnerships, short duration within the portfolio, and hedge funds used in collateral pool for Portable Alpha program, net of the notional exposure in the overlay.
4. Asset class returns include Overlay returns as a blend of physical and synthetic returns. Synthetic returns are provided by Russell Investments gross of financing costs. To accommodate for financing costs, LIBOR is added to the synthetic returns and removed from the collateral return. Asset class returns calculated using Caissa, a third-party multi-asset class analytics system.
5. Asset class weights include Overlay exposures which are net notional exposures provided by Russell Investments. RSIC rebalances quarterly and reported exposures reflect any trades made at quarter end that have not settled yet.

Disclosures

- Plan Returns are provided by BNY Mellon. All returns are time-weighted, total return calculations. Net of fee performance is calculated and presented after the deduction of fees and expenses. Periods greater than one year are annualized. Past performance is no guarantee of future results. Asset class returns are based on values obtained from BNY Mellon and adjusted for overlay exposures provided by Russell Investments. Policy benchmark is the blend of asset class policy benchmarks using policy weights. Asset class benchmarks and policy weights are reviewed annually by the Commission’s consultant and adopted by the Commission and have changed over time. The policy benchmark return history represents a blend of these past policies.
- Overlay allocation detail is provided by Russell Investments.
- This report was compiled by the staff of the South Carolina Retirement System Investment Commission and has not been reviewed, approved or verified by the external investment managers. No information contained herein should be used to calculate returns or compare multiple funds, including private equity funds.
- Effective October 1, 2005, the State Retirement System Preservation and Investment Reform Act (“Act 153”) established the Commission and devolved fiduciary responsibility for investment and management of the assets of the South Carolina Retirement Systems upon RSIC.
- Allocation / exposure percentages might not add up to totals due to rounding.

Benchmarks

- **Core Fixed Income:** Bloomberg US Aggregate Bond Index
- **Global Public Equity Blend:** MSCI All Country World Index IMI
- **Private Equity Blend:** Burgiss All PE Benchmark
- **Private Debt :** S&P/LSTA Leveraged Loan Index + 150 basis points on a 3-month lag
- **Private Real Estate Blend:** NCREIF-Open Ended Diversified Core (ODCE) Index *Net of Fees*

Benchmarks Displayed in this report represent current policy benchmarks as of the SIOP effective 7/1/2020. Asset class benchmarks and policy weights are reviewed annually by the Commission's consultant and adopted by the Commission and have changed over time. The policy benchmark return history represents a blend of these past policies.

South Carolina Retirement System Investment Commission

March 31, 2022

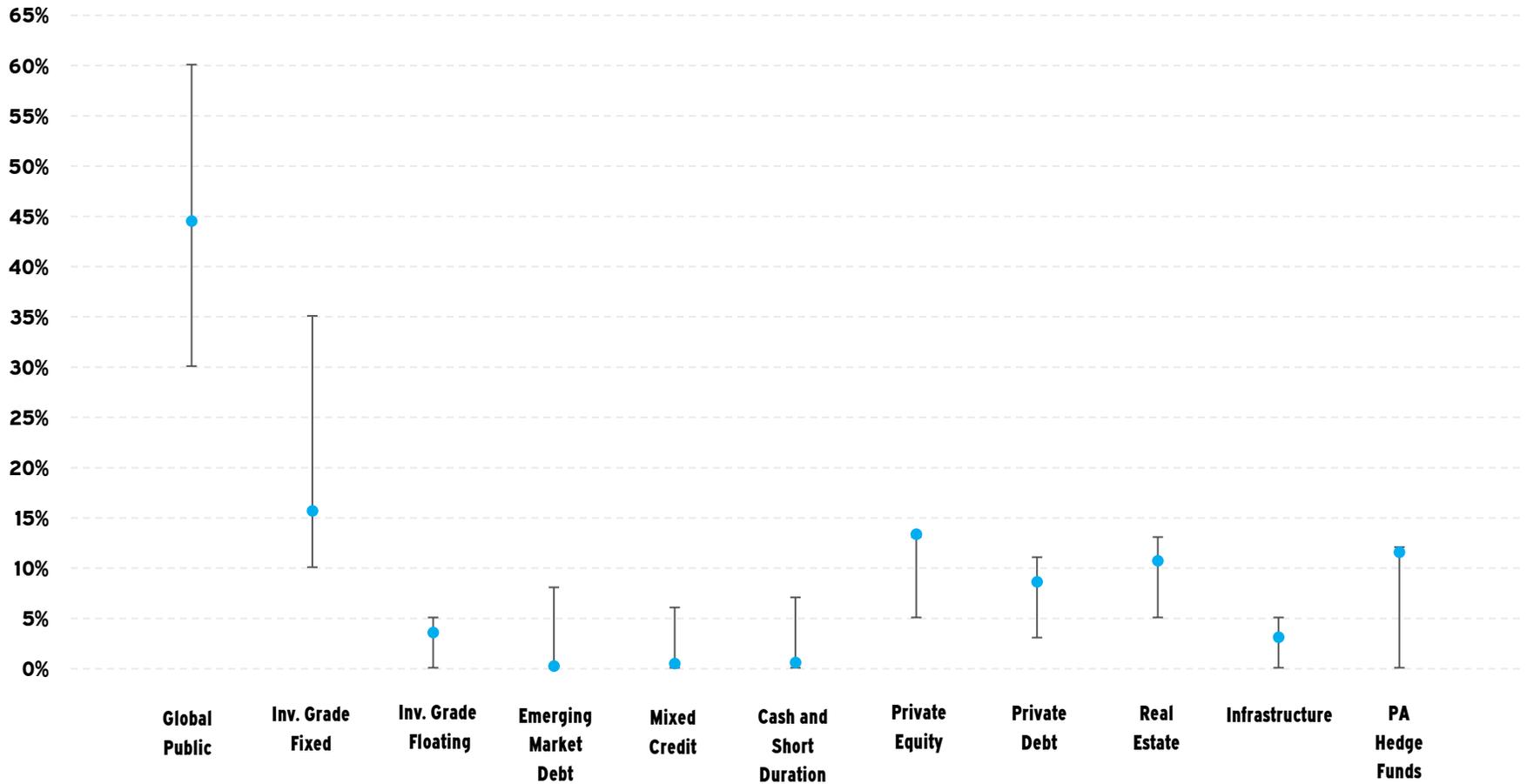
Performance Report

Allocation vs. Targets and Policy								
	MV at 3/31/2022	Overlay Exposures	Net Position	% of Total System	% of Total System (Net)	Policy Targets	Allowable Ranges	SIOP Compliance?
Total System	40,958,278,478	-	40,958,278,478	100%	100%	100%	-	-
Public Equity	18,188,174,991	-	18,188,174,991	44%	44%	46%	30%-60%	Yes
Public Equity	18,188,174,991	-	18,188,174,991	44%	44%	46%	30%-60%	Yes
Bonds	3,551,535,899	4,697,906,312	8,249,442,211	9%	20%	26%	15%-35%	Yes
Investment Grade - Fixed	617,454,297	5,770,593,530	6,388,047,827	2%	16%	26%	10%-35%	Yes
Investment Grade - Floating	1,429,856,289		1,429,856,289	3%	3%	0%	0-5%	Yes
Emerging Market Debt	59,506,966	-	59,506,966	0%	0%	0%	0-8%	Yes
Mixed Credit	163,021,137	-	163,021,137	0%	0%	0%	0-6%	Yes
Cash and Short Duration	1,281,697,210	(1,072,687,218)	209,009,992	3%	1%	0%	0-7%	Yes
Private Equity	5,438,778,514	-	5,438,778,514	13%	13%	9%	5-13%	No
Private Debt	3,492,825,440	-	3,492,825,440	9%	9%	7%	3-11%	Yes
Real Assets	5,589,057,322	-	5,589,057,322	14%	14%	12%	6-18%	Yes
Real Estate	4,349,213,910	-	4,349,213,910	11%	11%	9%	5-13%	Yes
Infrastructure	1,239,843,412	-	1,239,843,412	3%	3%	3%	0-5%	Yes
Portable Alpha Hedge Funds	4,697,906,312	(4,697,906,312)	-	11%	0%	0%	0-12%	Yes

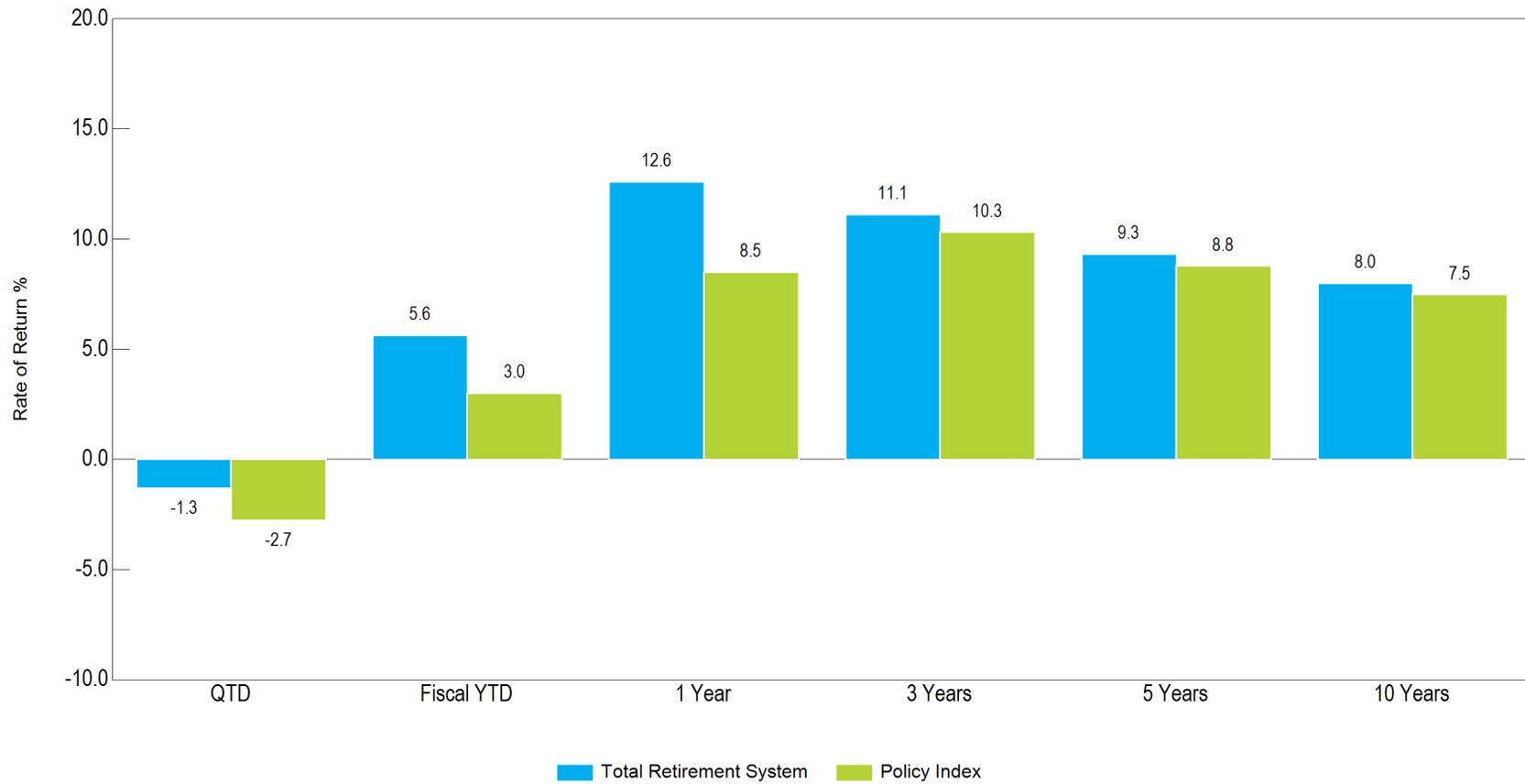
Includes cash in the Russell Overlay separate account.

Percentages may not sum to 100% due to rounding.

Actual vs. Policy Ranges: (Including Overlay)

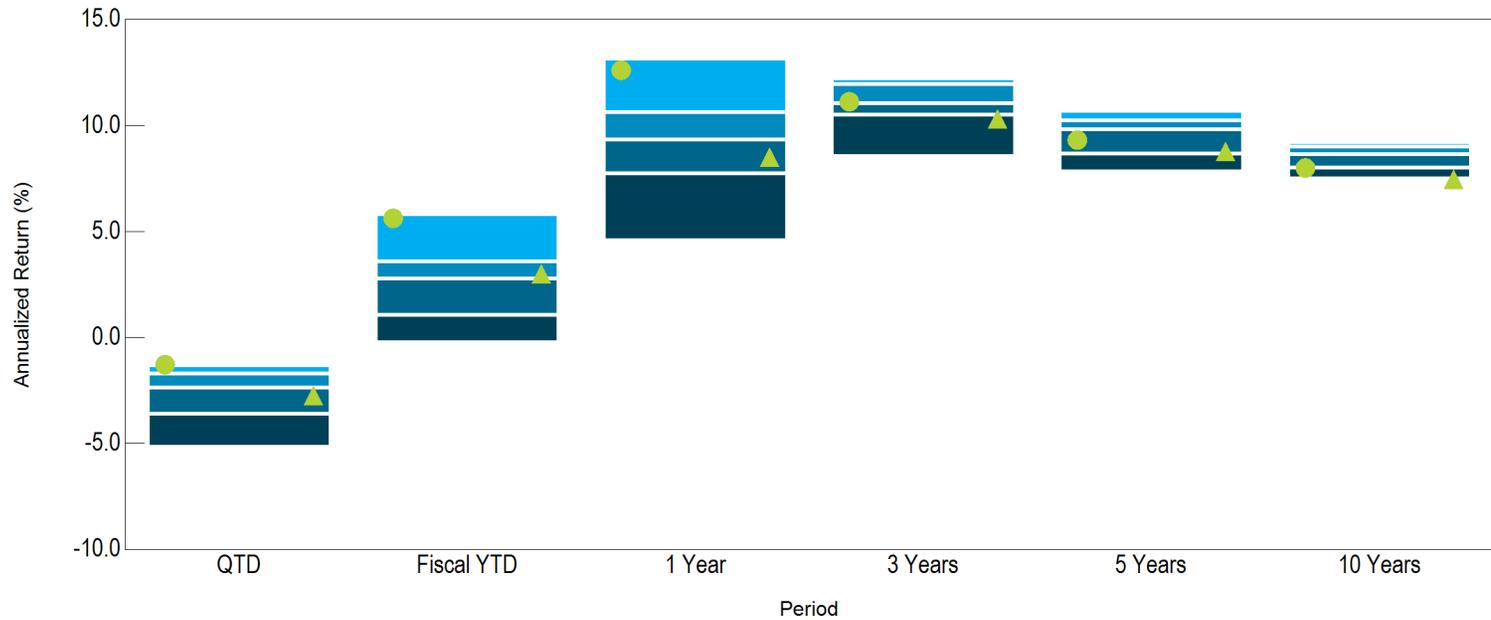


Net Return Summary Ending March 31, 2022



Returns for periods greater than one year are annualized.

**InvMetrics Public DB > \$5B Net Return Comparison
Ending March 31, 2022**



	QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years	
5th Percentile	-1.3		5.8		13.2		12.2		10.7		9.2	
25th Percentile	-1.7		3.6		10.7		12.0		10.3		9.0	
Median	-2.4		2.8		9.4		11.1		9.8		8.7	
75th Percentile	-3.6		1.1		7.8		10.5		8.7		8.0	
95th Percentile	-5.1		-0.2		4.6		8.6		7.9		7.5	
# of Portfolios	22		21		21		21		21		20	
● Total Retirement System	-1.3	(5)	5.6	(8)	12.6	(13)	11.1	(49)	9.3	(66)	8.0	(79)
▲ Policy Index	-2.7	(59)	3.0	(47)	8.5	(61)	10.3	(77)	8.8	(75)	7.5	(96)

Quarterly Excess Performance vs. Policy Benchmark



Net Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Retirement System	40,958,278,479	100.0	-1.3	5.6	12.6	11.1	9.3	8.0	6.3	Oct-05
<i>Policy Index</i>			-2.7	3.0	8.5	10.3	8.8	7.5	5.6	Oct-05
Public Equity	18,188,174,991	44.4	-5.4	-0.6	6.6	12.3	10.3	9.0	6.6	Oct-05
<i>Public Equity Blended Benchmark</i>			-5.5	-0.8	6.3	13.3	11.3	9.8	7.7	Oct-05
Bonds	3,155,024,847	7.7	-2.0	-0.6	1.1	3.0	2.7	2.2	3.6	Oct-05
<i>Bonds Blended Benchmark</i>			-5.9	-5.9	-4.2	1.7	2.1	2.2	--	Oct-05
Investment Grade-Fixed	617,454,297	1.5	-4.8	-4.3	-2.4	3.7	3.5	--	3.3	Jul-15
Investment Grade-Floating	1,429,856,289	3.5	-1.8	1.7	3.8	--	--	--	7.8	Jul-20
Mixed Credit	163,021,137	0.4	-0.5	2.9	5.5	7.2	5.9	5.4	6.6	May-08
<i>50% S&P LSTA Leveraged Loan Index/50% Barclays High Yield Index</i>			-2.5	-0.8	1.3	4.4	4.4	4.7	5.6	May-08
Emerging Market Debt	59,506,966	0.1	-6.0	-10.1	-5.4	0.1	0.9	1.8	3.9	Jul-09
<i>50% JP Morgan EMBI Global Diversified (USD)/50% JP Morgan EMBI Global Diversified</i>			-8.2	-11.3	-8.0	-0.5	1.0	1.5	3.9	Jul-09
Cash and Overlay	885,186,158	2.2	-0.5	-0.5	-0.3	1.3	1.4	1.0	0.0	Oct-05
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.1	0.1	0.8	1.1	0.6	1.2	Oct-05
Short Duration	426,738,622	1.0	-1.0	-0.6	-0.1	2.0	2.1	1.8	1.9	Mar-10
<i>Bloomberg US Govt/Credit 1-3 Yr. TR</i>			-2.5	-3.0	-2.9	1.0	1.3	1.1	1.2	Mar-10
Private Equity	5,438,778,514	13.3	5.8	25.9	46.2	20.5	16.6	14.9	10.2	Apr-07
<i>Private Equity Blended Benchmark</i>			4.5	23.8	37.3	28.0	20.3	18.1	12.7	Apr-07
Private Debt	3,492,825,440	8.5	2.2	9.5	15.4	7.5	6.3	7.7	7.1	Jun-08
<i>S&P LSTA Leveraged Loan Index + 150 bps 3- mo lag</i>			0.9	4.3	6.7	7.1	5.8	6.2	5.4	Jun-08

Return calculations are rounded to the nearest tenth of percent and may differ slightly from BNYM reported returns.

South Carolina Retirement System Investment Commission

Total Retirement System | As of March 31, 2022

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Assets	5,589,057,323	13.6	6.1	20.6	25.4	12.0	10.8	12.7	7.9	Jul-08
<i>Real Assets Blended Benchmark</i>			7.1	22.8	27.3	9.8	8.9	6.5	4.4	Jul-08
Private Real Estate	4,013,822,518	9.8	8.6	26.5	29.7	12.4	11.4	13.3	8.3	Jul-08
<i>Private Real Estate Blended Benchmark</i>			7.1	22.8	27.3	10.8	9.6	10.7	6.4	Jul-08
Public Real Estate	335,391,392	0.8	-3.8	13.2	27.5	14.2	12.0	--	9.6	Jul-16
<i>FTSE NAREIT Equity REIT</i>			-3.9	12.9	26.5	11.1	9.6	9.8	7.7	Jul-16
Private Infrastructure	974,102,891	2.4	1.3	4.3	6.7	6.0	--	--	6.5	Jul-18
<i>DJ Brookfield Global Infrastructure</i>			3.2	9.9	17.5	8.6	8.0	8.6	9.0	Jul-18
Public Infrastructure	265,740,521	0.6	2.8	10.8	18.7	11.4	9.6	--	8.9	Jun-16
<i>DJ Brookfield Global Infrastructure</i>			3.2	9.9	17.5	8.6	8.0	8.6	8.5	Jun-16
Hedge Funds Portable Alpha	4,697,906,312	11.5	4.8	8.2	11.5	8.8	6.7	7.2	8.3	Jul-07
<i>HFRI Conservative Fund of Funds less LIBOR</i>			0.4	2.0	4.1	5.0	3.2	2.9	0.9	Jul-07

Return calculations are rounded to the nearest tenth of percent and may differ slightly from BNYM reported returns.

Statistics Summary						
5 Years Ending March 31, 2022						
	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Retirement System	9.3%	9.3%	0.2	1.1	0.9	2.5%
Policy Index	8.8%	8.2%	--	1.0	0.9	0.0%
Public Equity	10.3%	15.9%	-0.4	1.0	0.6	1.7%
Public Equity Blended Benchmark	11.3%	15.5%	--	1.0	0.7	0.0%
Bonds	2.7%	8.3%	-0.1	1.4	0.0	6.3%
Bonds Blended Benchmark	2.1%	4.0%	--	1.0	0.1	0.0%
Mixed Credit	5.9%	6.8%	0.9	0.9	0.8	2.7%
50% S&P LSTA Leveraged Loan Index/50% Barclays High Yield Index	4.4%	7.0%	--	1.0	0.5	0.0%
Emerging Market Debt	0.9%	10.8%	0.0	1.1	0.0	2.4%
50% JP Morgan EMBI Global Diversified (USD)/50% JP Morgan EMBI Global Diversified	1.0%	9.6%	--	1.0	0.0	0.0%
Cash and Overlay	1.4%	8.4%	-0.4	-6.5	-0.4	8.5%
ICE BofA 91 Days T-Bills TR	1.1%	0.3%	--	1.0	0.2	0.0%
Short Duration	2.1%	1.6%	0.5	0.5	0.6	1.6%
Bloomberg US Govt/Credit 1-3 Yr. TR	1.3%	1.2%	--	1.0	0.2	0.0%
Private Equity	16.6%	7.1%	-0.2	0.1	2.2	17.2%
Private Equity Blended Benchmark	20.3%	16.7%	--	1.0	1.1	0.0%
Private Debt	6.3%	4.4%	0.1	-0.1	1.2	8.6%
S&P LSTA Leveraged Loan Index + 150 bps 3-mo lag	5.8%	6.7%	--	1.0	0.7	0.0%

	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Real Assets	10.8%	4.9%	0.4	0.5	2.0	5.1%
Real Assets Blended Benchmark	8.9%	7.1%	--	1.0	1.1	0.0%
Private Real Estate	11.4%	3.8%	0.4	0.4	2.7	4.8%
Private Real Estate Blended Benchmark	9.6%	5.8%	--	1.0	1.5	0.0%
Public Real Estate	12.0%	16.9%	1.0	0.9	0.6	2.5%
FTSE NAREIT Equity REIT	9.6%	17.9%	--	1.0	0.5	0.0%
Private Infrastructure	--	--	--	--	--	--
DJ Brookfield Global Infrastructure	8.0%	14.1%	--	1.0	0.5	0.0%
Public Infrastructure	9.6%	13.2%	0.8	0.9	0.7	2.2%
DJ Brookfield Global Infrastructure	8.0%	14.1%	--	1.0	0.5	0.0%
Hedge Funds Portable Alpha	6.7%	4.6%	1.2	0.8	1.3	3.2%
HFRI Conservative Fund of Funds less LIBOR	3.2%	4.5%	--	1.0	0.5	0.0%

Disclaimer

Disclaimer

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Delegated Investments (April 22, 2022 to June 1, 2022)

Asset Class	Investment	Investment Amount	Closing Date
Private Equity	Nordic Capital XI, L.P.	Up to € 50 M	April 25, 2022
Private Equity	Brighton Park Capital II	Up to \$75 M	April 26, 2022
Private Equity	Brookfield Capital Partners VI	Up to \$100 M	April 29, 2022
Real Estate	Greystar Equity Partners XI	Up to \$150 M	May 26, 2022