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**The South Carolina Retirement System Investment Commission Reports
a Net Investment Return of -0.89% for Fiscal Year 2021-2022**

Columbia, S.C. – The South Carolina Retirement System Investment Commission (RSIC) today announced a -0.89% net return for the 2021-2022 fiscal year. The fund began the fiscal year with a market value of \$39.16 billion and ended the fiscal year at \$38.29 billion, which includes the impact of \$356.82 million in negative investment performance and \$514 million in net benefit payments.

Despite the overall negative investment return, the portfolio substantially exceeded its policy benchmark return of -5.19% by a solid 4.3%. The 3, 5, and 10 year returns of 7.84%, 7.43%, and 7.47% respectively, also exceeded the policy benchmark return for the applicable time periods as well as the 7% assumed rate of return.

“Obviously, we never like to see a negative performance year, however, given the turbulence in markets during the back half of the fiscal year, we are quite pleased with how the portfolio held up,” said Michael Hitchcock, CEO.

“While markets proved difficult this year (stocks down 16%; bonds down 10%), I am proud of the fact that our portfolio was down less than 1%. That said, our focus remains on investing with a *long-term* perspective so we can generate the returns necessary to provide our plan participants with benefits for decades to come,” remarked Geoff Berg, CIO.

The combined effects of rising inflation, equity market valuations, and geopolitical unrest had a significant impact on public markets. However, RSIC’s -16.12% Public Equity return exceeded the benchmark return of -16.52% (*MSCI ACWI IMI*) and the -7.94 % Bonds return exceeded the benchmark return of -10.29% (*Bloomberg US Aggregate Bond Index*).

By contrast, the negative impact of public markets was offset by strong absolute and relative performance in the private markets and hedge fund portfolios. Private Equity lead all other asset classes in absolute performance with a return of 29.85% versus a benchmark return of 23.46% (*Burgiss All PE Universe*). Notwithstanding a strong absolute return of 25.36%, Real Assets was the only asset class that trailed its benchmark return of 28.36% (*NCREIF NFI-ODCE Net Index*). The Private Debt and Portable



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Alpha Hedge Fund portfolios also exhibited strong absolute and relative performance with Private Debt returning 11.63% against a benchmark return of 4.75% (*S&P LSTA +150 bps 3-month lag*) and with Portable Alpha Hedge Funds returning 11.47% over *LIBOR*.

RSIC staff will provide its board of trustees with a more in-depth review of investment performance at the Commission's meeting on September 8, 2022.

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