

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

April 18-19, 2024

Capitol Center

1201 Main Street, 15th Floor

Columbia, South Carolina 29201

**Meeting Location: 1201 Main Street, 15th Floor, Ste. 1510 & Streaming Online at
www.rsic.sc.gov**

Commissioners Present:

Mr. William Hancock, Chair

Ms. Melissa Schumpert, Vice Chair

Ms. Peggy Boykin, PEBA Executive Director

Mr. William J. Condon, Jr.

Mr. Kenneth F. Deon

Mr. Edward Giobbe

Dr. Holley H. Ulbrich

Mr. Reynolds Williams (Via Telephone)

I. Call to Order and Consent Agenda

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

Ms. Schumpert made a motion to approve the minutes of the Commission’s March 7, 2024, meeting. Mr. Edward Giobbe seconded the motion, which was approved unanimously.

A link to the entire meeting is below:

[2024 04 18 Commission Meeting - YouTube](#)

II. Chair’s Report

Chair Hancock stated that he had nothing to report.

III. Committee Reports

There were no committee meetings since the last Commission meeting.

IV. CEO’s Report

Chair Hancock recognized Mr. Michael Hitchcock, Chief Executive Officer (“CEO”) for his update on the proposed Consolidated Annual Investment Plan and Statement of Investment Objectives and Policies (“AIP/SIOP”). Mr. Hitchcock began his report by mentioning that he had presented a summary of the proposed edits to the AIP/SIOP

to the Commissioners during the prior meeting. He reminded the Commissioners that at the previous meeting he had walked through the various recommended changes to the AIP/SIOP. Mr. Hitchcock had also discussed the proposed changes to the governance policies. He mentioned that most of those changes were technical in nature and conforming rather than substantive. Mr. Hitchcock also reminded the Commissioners of the method of implementation and compliance with the Sudan Divestment Policy, which would be reflected in the proposed motion to approve the AIP/SIOP. Chair Hancock then opened the floor for a discussion of the proposed changes.

After a brief discussion, Mr. Kenneth Deon made a motion to adopt the recommendation of the CEO and Chief Investment Officer (“CIO”) to approve the proposed revisions to the AIP/SIOP for fiscal year 2024-2025, as set forth in the red-numbered document pages 63-114, with an effective date of July 1, 2024; (ii) approve the proposed edits to the Governance Policies, as set forth in the red-numbered document pages 144-168, with an effective date of July 1, 2024; (iii) certify 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 (iv) authorize Staff to finalize the AIP/SIOP by making any technical revisions or formatting edits consistent with the action taken by the Commission. Dr. Ulbrich seconded the motion, which was approved unanimously.

At 9:40 a.m., Mr. Reynolds Williams joined the meeting.

A link to the CEO’s Report is below:

<https://www.youtube.com/watch?v=OcimHirH6ZI&list=PLWggBnJJX7ksfB95gcRpo3MfttYDIRmly&index=1&t=156s>

V. Delegated Investment Report

Chair Hancock then recognized Mr. Geoffrey Berg, CIO, for the delegated investment report. The following delegated investments were closed by Staff following the March 7, 2024, Commission meeting.

Delegated Investments (March 7, 2024 to April 17, 2024)			
Asset Class	Investment	Investment Amount	RSIC Commitment Date
PA Hedge Funds	Bayview MSR Opportunity Domestic Fund	\$200 M	March 29, 2024
Private Equity	Industry Ventures Partnership Holdings VII	\$75 M	April 4, 2024

VI. Executive Session

Ms. Schumpert made a motion to recede into Executive Session to discuss investment matters and specific real asset and private credit investments, and

certain portions of the AIP/SIOP, pursuant to S.C. Code Sections 9-16-80 and 9-16-320; to discuss negotiations incident to proposed contractual arrangements pursuant to S.C. Code Section 30-4-70(a)(2); to discuss personnel matters and to receive advice from legal counsel pursuant to S.C. Code Ann. Section 30-4-70(a)(1)-(2). Mr. Giobbe seconded the motion, which was approved unanimously. The Commission recessed into Executive Session at 9:42 a.m.

VII. Potential Actions Resulting from Executive Session

Upon returning to open session at 11:34 a.m., Mr. Hitchcock noted that the Commission did not take any action while in executive session.

VIII. End of Business Meeting

The business meeting concluded at 11:55 a.m. The Commissioners reconvened at 12:20 a.m. to begin a special education session.

IX. Special Education Session

Chair Hancock then recognized Mr. Mark Brubaker and Mr. Mike Patalsky of Verus Advisory, Inc., (“Verus”) to present a Special Education Session. The first session presented was a Governance Review that focused on best practices for fiduciaries as well as a review of RSIC’s delegation of responsibilities between the Commission, Staff, and other parties. Verus gave a brief overview of risk tolerance and the importance of assessing enterprise risk tolerance as well as a discussion of the role of board members and other related topics.

Next, Mr. Brubaker and Mr. Patalsky presented a session on Institutional Investment Basics. They reviewed the institutional investing process and discussed the importance of asset allocation as the driver of the bulk of returns to the Plan. They also reviewed the role of asset classes in a portfolio and touched on various topics related to the asset allocation process and RSIC’s asset allocation in particular. Verus also presented a discussion on asset classes/strategy primers, reviewing the role of public equity, fixed income and private markets investments.

X. Recess (End of Day One)

The meeting recessed at 4:05 p.m., to reconvene at 9:00 a.m., on Friday, April 19, 2024.

Friday, April 19, 2024 at 9:00 a.m.

Commissioners Present:

Mr. William Hancock, Chair
Ms. Melissa Schumpert, Vice Chair
Ms. Peggy Boykin, PEBA Executive Director (Absent)
Mr. William J. Condon, Jr.
Mr. Kenneth F. Deon
Mr. Edward Giobbe
Dr. Holley H. Ulbrich
Mr. Reynolds Williams (Via Telephone)

XI. Call to Order

Chair Hancock reconvened the meeting at 9:00 a.m., on Friday, April 19, 2024.

XII. Special Education Session (Continued)

Mr. Patalsky and Mr. Brubaker continued their presentations on asset class/strategy primers. The presenters gave an overview of hedge funds and discussed private market investments with the Commissioners.

Next, Mr. James Wingo, Head of the Quantitative Solutions Group, discussed the changes made since the Commission's last Strategic Asset Allocation review in 2019-2020. He gave an overview of the changes in the Plan's funded status since 2019-2020 and presented a deep dive into how the Plan's liability structure has evolved. Next, he discussed whether asset class return expectations or correlations have changed materially since the last review in 2019-2020. He concluded with a session on how our unique Plan needs inform the Commission's asset allocation strategy.

XIII. Adjournment

There being no further business, the Commission adjourned by acclamation at 11:32 a.m.

[Staff Note: In compliance with S.C. Code Section 30-4-80, public notice of and the agenda for this meeting were 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 4:46 p.m., on April 16, 2024.]