

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

September 12, 2024 9:30 a.m.

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

Mr. William J. Condon, Jr.

Mr. Kenneth F. Deon (via telephone)

Mr. Edward Giobbe

Dr. Holley H. Ulbrich

Mr. Reynolds Williams (absent)

Ms. Peggy Boykin, PEBA Executive Director (absent)

I. Call to Order and Consent Agenda

Chair William H. Hancock called the meeting of the South Carolina Retirement System Investment Commission (“Commission” or “RSIC”) to order at 9:32 a.m. Ms. Melissa Schumpert made a motion to adopt the agenda as presented. Dr. Holley H. Ulbrich seconded the motion, which was unanimously approved.

Mr. Edward Giobbe made a motion to approve the minutes of the Commission’s June 13, 2024, meeting. Ms. Schumpert seconded the motion, which was approved unanimously.

A link to the entire meeting is below:

[2024 09 12 Commission Meeting - YouTube](#)

II. Chair’s Report

Chair Hancock requested that Mr. Michael R. Hitchcock, Chief Executive Officer (“CEO”), address the status of the chair and vice-chair elections. Mr. Hitchcock reminded the Commissioners that the Commission’s Governance Policy requires that elections for chair and vice-chair be held every two years. The elections are to be held in the June timeframe with the terms commencing on July 1st. Mr. Hitchcock explained that the previous election had been delayed and was held in September of 2022, and the current terms for chair and vice-chair will expire as of September 30, 2024. He reminded the Commissioners that they had agreed in June of 2024 to hold the election in September of 2024 but treat the terms as commencing on July 1, 2024, in order to get back on the prescribed two-year cycle. Because a number of Commissioners are nearing the end of their appointed terms, Mr. Hitchcock stated that the Commission reached a consensus to keep the existing chair and vice-chair, Chair Hancock and Ms. Schumpert, in place for the next two-year term.

Dr. Ulbrich made a motion to elect Chair Hancock as chair of the Commission and Ms. Schumpert as vice-chair of the Commission for the term that commenced on July 1, 2024, and ending on June 30, 2026. Mr. Giobbe seconded the motion, which was approved unanimously.

Chair Hancock then requested Mr. Hitchcock to address the status of the Commissioners serving on the Commission's committees. Mr. Hitchcock stated that there was a unanimous consensus amongst the Commissioners to keep the committee assignments the same. He suggested that the Commission make a motion to reaffirm the existing committee assignments for the next two years.

Dr. Ulbrich made a motion to ratify the Chair's proposed slate of committee appointments as follows: (i) Audit and Enterprise Risk Management Committee ("AERMC"): Ms. Peggy Boykin, Mr. Kenneth Deon, and Mr. Bill Condon, Jr.; and (ii) Human Resources and Compensation Committee ("HRCC"): Ms. Schumpert, Chair Hancock and Dr. Ulbrich. Mr. Giobbe seconded the motion, which was approved unanimously. The Chair then concluded his report.

III. Committee Reports

Chair Hancock noted that the HRCC had met since the last Commission meeting and asked Ms. Schumpert for a report. Ms. Schumpert stated that the HRCC met on Wednesday, August 28th and that a report was made available to the Commissioners for review prior to the meeting. She also stated that there was an HRCC matter to be discussed during executive session. Mr. Kenneth Deon noted that the AERMC had not met since the last Commission meeting, and he had nothing to report.

IV. CEO's Report

Chair Hancock then recognized Mr. Hitchcock for the CEO's report. Mr. Hitchcock stated that there was a list of proposed meeting dates for the next year that generally track the Commission's strategic calendar. He noted that there was a deviation in relation to the April of 2025 meeting due to conflicts. Mr. Hitchcock stated that the dates for the Commissions' 2025 meetings would be approved at the upcoming December meeting.

Mr. Hitchcock then presented RSIC's proposed annual budget recommendation for fiscal year ("FY") 2025-2026, which totals \$16,503,000. He explained that the request does not include an increase from the prior year's request. However, Mr. Hitchcock stated that request would include re-allocating \$600,000 from other operating expenses into personal services and employer contribution. He explained that RSIC would be allocating \$400,000 to personal services and \$200,000 to employer contributions. Mr. Hitchcock then turned to the organizational chart and highlighted Ms. Sally Fulkert's new role as the Chief Human Resources Officer. After a brief discussion with the Commissioners, Mr. Hitchcock provided a total budget breakdown, a recent appropriations history, and the budget request summary. Mr. Hitchcock also noted a request to maintain RSIC's current provisos.

Mr. Giobbe made a motion to authorize the CEO to submit a proposed FY 2026 detail

budget substantially similar to the draft budget presented for inclusion in the Governor's annual budget. Dr. Ulbrich seconded the motion, which was approved unanimously.

A link to the CEO's Report is below:

<https://www.youtube.com/watch?v=W978JizsU7w&t=39>

V. CIO's Report

Chair Hancock introduced Mr. Geoffrey Berg, Chief Investment Officer ("CIO"), for the investment performance review for the prior fiscal year. Mr. Berg stated that he would give a brief presentation, followed by comments from Verus Advisory ("Verus"). Mr. Berg reported that for the year ending June 30, 2024, the Plan outperformed the Policy Benchmark by 1.28 percent, with a total Plan return of 10.49 percent. He pointed out that the net benefit payments were positive on a one-year basis in the amount of \$33 million. He compared that to five years ago, when net benefit payments were approximately negative \$1.08 billion, or 3.5 percent of the Plan's assets at that time. He noted that this represented a tremendous improvement in the liquidity profile of the system as a whole. After a brief discussion with the Commissioners, Mr. Berg went on to discuss the Portfolio Performance Framework. He stated that for the fiscal year, the Reference Portfolio outperformed the Policy Benchmark, Implementation Benchmark, and Plan Return, but noted that over a three-year period, the Plan return had outperformed all of the above. Next, Mr. Berg reviewed asset class performance, before summarizing compliance matters. He reported that (a) the private equity portfolio, which in the quarter ended March 31 had moved back into range, ended the fiscal year just over the 13 percent upper end of the range, and (b) the amount of total private markets continued to exceed the 28 percent notification threshold. After a brief discussion with the Commissioners, Mr. Berg concluded his report. Mr. Berg then introduced Mr. Mark Brubaker from Verus to provide additional commentary regarding the Plan's fiscal year performance.

A link to the CIO's Report is below:

<https://www.youtube.com/watch?v=W978JizsU7w&t=1067s>

VI. Five Year Strategic Asset Allocation Review Discussion

After Mr. Brubaker concluded his remarks on the FYU performance, he turned to the topic of the five-year strategic asset allocation review. In order to help prepare the Commission for the upcoming asset allocation review discussion, he provided the Commissioners with a brief educational presentation on asset liability studies. After a discussion with the Commissioners, he concluded his remarks.

A link to the discussion is below:

<https://www.youtube.com/watch?v=W978JizsU7w&t=1748s>

VII. Delegated Investment Report

Chair Hancock then recognized Mr. Berg for the delegated investment report. The following delegated investments were closed by Staff following the June 13, 2024, Commission meeting.

Delegated Investments (June 13, 2024 to September 11, 2024)			
Asset Class	Investment	Investment Amount	RSIC Commitment Date
Private Credit	FP Credit III	\$40 M	June 25, 2024
Private Equity	Avesi Partners Fund II	\$50 M	June 26, 2024
Private Equity	Kingswood Capital Opportunities III	\$40 M	June 27, 2024
Private Equity	Mill Point Capital Partners III	\$75 M	June 28, 2024
Real Assets	Sculptor Real Estate V	Up to \$100 M	August 23, 2024

VIII. Executive Session

Dr. Ulbrich made a motion to recede into executive session to discuss investment matters pursuant to S.C. Code Sections 9-16-80 and 9-16-320, including particular matters related to the Public Equity and Portable Alpha Portfolios, and certain portions of the Consolidated Annual Investment Plan and Statement of Investment Objectives and Policies; to discuss personnel matters pursuant to S.C. Code Ann. Section 30-4-70(a)(1); and to receive advice from legal counsel pursuant to S.C. Code Ann. Section 30-4-70(a)(2). Ms. Schumpert seconded the motion, which was approved unanimously. The Commission receded into executive session at 10:59 a.m.

IX. Potential Action Resulting from Executive Session

Upon returning to open session, Ms. Schumpert made a motion that, based on the outcome of the performance review conducted in executive session, the Commission authorizes the compensation increase for Mr. Hitchcock as discussed in executive session and directs that RSIC's Human Resources Department and other necessary parties to take all necessary actions to implement this decision as approved by the Commission and directs that the salary increase will be disclosed to the public and in the official minutes after the increase has been communicated to Mr. Hitchcock. Dr. Ulbrich seconded the motion, which was approved unanimously. Mr. Hitchcock's annual salary effective as of September 17, 2024, is \$502,400.

X. Adjournment

There being no further business, the Commissioners adjourned by acclamation at 3:33 p.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 10:25 a.m., on September 10, 2024.]