

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

December 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 (via telephone)

Ms. Peggy Boykin, PEBA Executive Director (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” or “RSIC”) to order at 9:35 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.

Dr. Ulbrich made a motion to approve the minutes of the Commission’s September 12, 2024, meeting. Mr. William J. Condon, Jr. seconded the motion, which was unanimously approved.

A link to the entire meeting is below:

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

II. Chair’s Report

Chair Hancock stated that he had nothing to report.

III. Committee Reports

Chair Hancock stated that RSIC’s Human Resources and Compensation Committee (“HRCC”) had not met since the last Commission meeting, and had nothing to report. Mr. Michael R. Hitchcock, Chief Executive Officer (“CEO”), noted that RSIC’s Audit and Enterprise Risk Management Committee (“AERMC”) had met since the last Commission meeting, and the AERMC Report was made available to the Commissioners for review prior to the meeting.

IV. CEO's Report

Chair Hancock then recognized Mr. Hitchcock for the CEO's report. Mr. Hitchcock began by suggesting that the Commission move its March of 2025 meeting date to early February of 2025. He noted the change was needed in order to provide Staff sufficient time to receive the actuarial valuation data and incorporate it into the asset allocation analysis. Mr. Hitchcock also explained that this change would provide the Commission with sufficient time to review all options and meet statutory deadline to adopt the Annual Investment Plan and Statement of Investment Policies and Procedures ("AIP/SIOP") by May 1, 2025. He noted that he would provide the meeting date to the Commissioners after an agreement had been made. The Commission agreed by acclamation to move the March of 2025 meeting to February of 2025 with the date to be posted as soon as available.

A link to the CEO's Report is below:

<https://www.youtube.com/watch?v=ABa8aZi3uzM&t=118s>

V. CIO's Report

Mr. Geoffrey Berg, Chief Investment Officer ("CIO"), introduced Mr. Bryan Moore, Deputy Chief Investment Officer, for the investment performance review through September 30, 2024. Mr. Moore gave the following three performance takeaways: (a) Staff has generated approximately \$3 billion of additional value to the Plan over the past three years relative to the Policy Benchmark; (b) the portfolio has experienced a reduction in active risk given the limited dispersion today; and (c) the Plan has ample liquidity to take advantage of future opportunities. Mr. Moore reviewed performance. One-year returns were extremely strong, at 17.69 percent. The Plan's five-year return was 8.97 percent, and the ten-year return was 7.24 percent. Mr. Moore summarized changes that had been made to the performance report. He reported that the Plan's market value at September 30, 2024 was an all-time high of \$47 billion dollars. Mr. Moore then reviewed asset class performance. He stated that the three- and five-year performance was driven by rising rates and higher inflation. These factors benefited most of the portfolio, with the exception of real estate and bonds.

Mr. Moore reviewed the portfolio performance framework. He discussed the value of diversification and reasons for its recent underperformance. He stated that the diversified portfolio had not added value recently given the strong performance of equities but would benefit RSIC in the future. Mr. Condon asked a question regarding diversification. After a brief discussion with the Commissioners, Mr. Moore turned to performance attribution. He reviewed the fiscal year to date performance attribution for the quarter ending September 30, 2024, noting the strong public markets performance as the Federal Reserve began a rate cutting cycle, and a modest detractor from cash and an overweight to private equity. Mr. Moore then turned to the three-year performance attribution, pointing out that excess returns were generated across all asset classes and that diversification within the asset classes had proved beneficial.

Mr. Moore reviewed plan level risk monitoring and its ranges, as well as a total portfolio risk assessment. The Commissioners offered feedback regarding the format of the revised presentation report. There being no additional questions, this concluded Mr.

Moore’s report. A link to the CIO’s Report is below:

<https://www.youtube.com/watch?v=ABa8aZi3uzM&t=351s>

VI. Strategic Asset Allocation Review

Chair Hancock then introduced Mr. Mark Brubaker, Mr. Dan Hougard, and Mr. Mike Patafsky from Verus Advisory, Inc. (“Verus”). They provided the Commissioners with a brief educational presentation on asset liability studies which included Verus’s 2025 10-year capital market assumptions, allocations, and recommendations.

A link to the discussion is below:

<https://www.youtube.com/watch?v=ABa8aZi3uzM&t=2800s>

VII. Delegated Investment Report

Chair Hancock then recognized Mr. Berg for the delegated investment report. The following delegated investments were closed by Staff since the September 12, 2024, Commission meeting.

Delegated Investments (September 12, 2024 to December 11, 2024)			
Asset Class	Investment	Investment Amount	RSIC Commitment Date
Private Debt	D.E. Shaw Dioptr Fund II	\$50 M	October 31, 2024
Private Equity	Unity Partners Fund I	\$50 M	November 1, 2024
Private Debt	Eagle Point Defensive Income Fund III	\$50 M	December 6, 2024

VIII. Executive Session

Dr. Ulbrich made a motion to recede into executive session to discuss investment matters, including specific private debt investments and certain portions of the Consolidated Annual Investment Plan and Statement of Investment Objectives and Policies, pursuant to S.C. Code Sections 9-16-80 and 9-16-320; 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). Mr. Kenneth F. Deon seconded the motion, which was approved unanimously. The Commission receded into executive session at 11:24 a.m.

IX. Potential Action Resulting from Executive Session

Upon returning to open session at 2:55 p.m., Chair Hancock noted that the Commission did not take any action while in executive session.

X. Adjournment

There being no further business, Dr. Ulbrich made a motion to adjourn. Mr. Deon seconded the motion, which was approved unanimously. The Commission adjourned at 2:56 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 9:24 a.m., on December 10, 2024.]