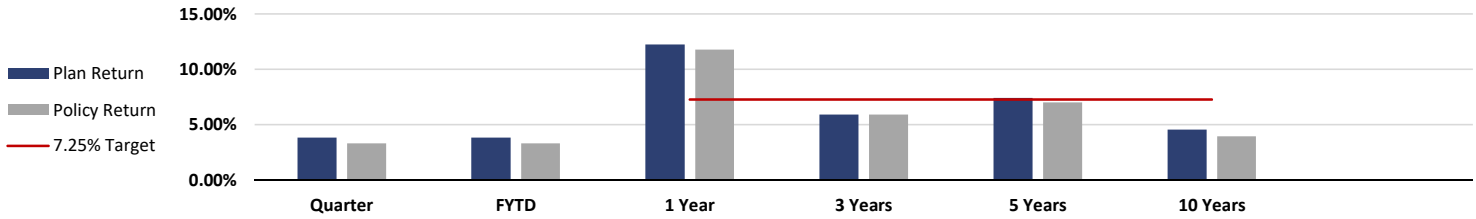


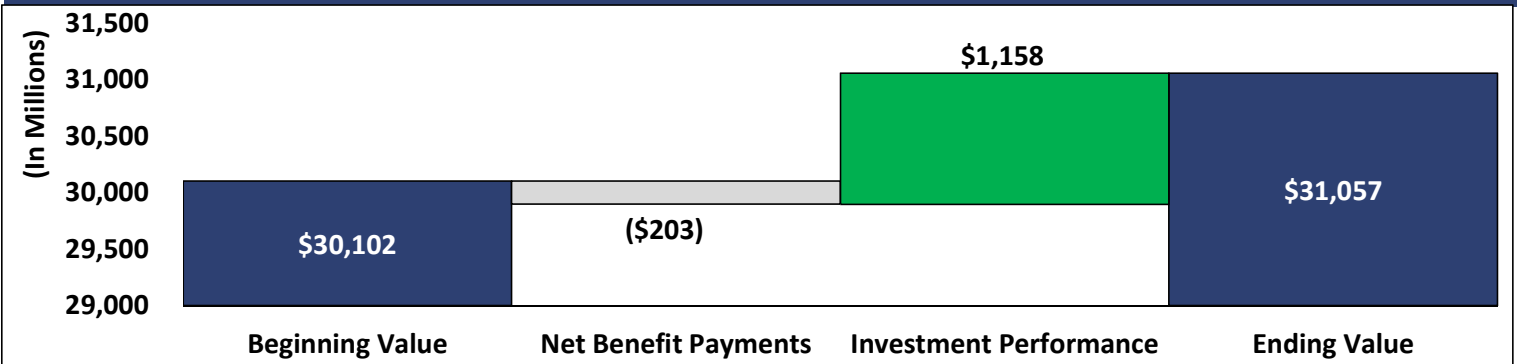
Net of Fee Returns by Time Period<sup>1,2</sup>



| Executive Summary               | Market Value (millions) | Performance <sup>1</sup> |              |               |              |              |              |
|---------------------------------|-------------------------|--------------------------|--------------|---------------|--------------|--------------|--------------|
|                                 |                         | Quarter                  | FYTD         | 1 Year        | 3 Years      | 5 Years      | 10 Years     |
| <b>Total Plan</b>               | <b>\$31,057</b>         | <b>3.84%</b>             | <b>3.84%</b> | <b>12.25%</b> | <b>5.90%</b> | <b>7.40%</b> | <b>4.55%</b> |
| Policy Benchmark                |                         | 3.29%                    | 3.29%        | 11.76%        | 5.91%        | 7.00%        | 3.95%        |
| Net Benefit Payments (millions) |                         | (\$203)                  | (\$203)      | (\$1,032)     | (\$3,166)    | (\$5,183)    | (\$9,685)    |

| Allocation / Exposure <sup>3,5,6</sup> | Exposure      |               |              | Performance <sup>1</sup> |              |            |            |
|--|---------------|---------------|--------------|--------------------------|--------------|------------|------------|
|  | Portfolio     | Policy Target | Difference   | FYTD                     | 1 Year       | 3 Years    | 5 Years    |
| <b>Global Equity</b>                   | <b>47.5%</b>  | <b>47.0%</b>  | <b>0.5%</b>  |                          |              |            |            |
| Global Public Equity                   | 34.9%         | 34.6%         | 0.3%         | 5.44%                    | 18.95%       | 7.43%      | 10.63%     |
| Equity Options                         | 5.2%          | 5.0%          | 0.2%         | 3.12%                    | 12.40%       | n/a        | n/a        |
| Private Equity                         | 7.4%          | 7.4%          | 0.0%         | 3.36%                    | 16.06%       | 9.61%      | 13.58%     |
| <b>Real Assets</b>                     | <b>9.6%</b>   | <b>10.0%</b>  | <b>-0.4%</b> |                          |              |            |            |
| Private Real Estate                    | 5.9%          | 5.9%          | 0.0%         | 3.26%                    | 9.68%        | 12.83%     | 15.33%     |
| Public Real Estate                     | 2.1%          | 2.1%          | -0.1%        | 2.32%                    | 0.85%        | n/a        | n/a        |
| World Infrastructure                   | 1.7%          | 2.0%          | -0.3%        | 2.50%                    | 6.61%        | n/a        | n/a        |
| <b>Opportunistic</b>                   | <b>13.0%</b>  | <b>13.0%</b>  | <b>0.0%</b>  |                          |              |            |            |
| GTAA                                   | 7.8%          | 8.0%          | -0.2%        | 2.90%                    | 7.66%        | 3.52%      | 4.42%      |
| Hedge Funds (Non-PA)                   | 1.5%          | 2.0%          | -0.5%        | 2.37%                    | 7.08%        | n/a        | n/a        |
| Other Opportunistic                    | 3.7%          | 3.0%          | 0.7%         | 1.48%                    | -0.07%       | n/a        | n/a        |
| <b>Diversified Credit</b>              | <b>17.8%</b>  | <b>18.0%</b>  | <b>-0.2%</b> |                          |              |            |            |
| Mixed Credit                           | 6.5%          | 6.9%          | -0.5%        | 1.75%                    | 7.85%        | 2.98%      | 4.31%      |
| Emerging Markets Debt                  | 5.2%          | 5.0%          | 0.2%         | 3.51%                    | 7.92%        | 4.92%      | 2.67%      |
| Private Debt                           | 6.1%          | 6.1%          | 0.0%         | 1.90%                    | 7.55%        | 4.28%      | 8.11%      |
| <b>Conservative Fixed Income</b>       | <b>12.1%</b>  | <b>12.0%</b>  | <b>0.1%</b>  |                          |              |            |            |
| Core Fixed Income                      | 9.9%          | 10.0%         | -0.1%        | 0.91%                    | 0.28%        | 2.59%      | 2.02%      |
| Cash and Short Duration (Net)          | 2.1%          | 2.0%          | 0.1%         | 0.26%                    | 0.66%        | 0.32%      | 0.22%      |
| <b>Portable Alpha Hedge Funds*</b>     | <b>9.5%*</b>  | <b>n/a</b>    | <b>n/a</b>   | <b>2.75%</b>             | <b>7.83%</b> | <b>n/a</b> | <b>n/a</b> |
| <b>Total Plan</b>                      | <b>100.0%</b> |               |              |                          |              |            |            |

FYTD Contributions to Plan Value<sup>4</sup>



<sup>1</sup>All returns are from Bank of New York Mellon (BNYM) and are time-weighted, total return calculations, net of fees and expenses. All returns are expressed in U.S. dollars. Periods greater than one year are annualized. Fiscal Year ends June 30th. Policy benchmark is the blend of the 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.

<sup>2</sup>Effective 10/1/2005, the State Retirement System Preservation and Investment Reform Act established the Commission and devolved fiduciary responsibility for investment and management

of the assets of the South Carolina Retirement Systems upon RSIC. The actuarial assumed rate of return is 7.25% starting with the assumed rate of returns after 7/1/2017, and is composed

of an assumed 2.25% inflation rate and an assumed 5.00% real rate of return, net of investment and administrative expenses.

<sup>3</sup>Total Plan allocations and returns are based on values obtained from BNYM and adjusted for overlay exposures based on information provided by Russell. Total Hedge Fund exposure as of 09/30/17 comprised: 11.7% and consisted of: 9.5% Portable Alpha Hedge Funds, 0.8% to a hedge fund in Mixed Credit, and 1.5% Hedge Funds (Non-PA). Global Public Equity, Public Real Estate, and Mixed Credit target weights float based on their private market counterpart as highlighted in the SIOP

<sup>4</sup>Values are in millions. Ending Value may differ slightly from Beginning Value plus Net Benefit Payments and Investment Performance due to rounding.

<sup>5</sup>Sub-asset class percentages may not add up to asset class percentages and allocation percentages may not add up to 100% due to rounding.

<sup>6</sup>"Cash" market value is the aggregate cash held at the custodian, Russell Investments, and strategic partnerships. Cash performance is estimated using the BofA Merrill Lynch 3-Month T-Bill rate. Asset class exposures and returns include blended physical and synthetic returns and notional values.

\*Portable Alpha Hedge Funds are expressed as gross exposure but, as collateral supporting the Overlay Program, net to zero when calculating total Plan market value.

This report was compiled by 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.