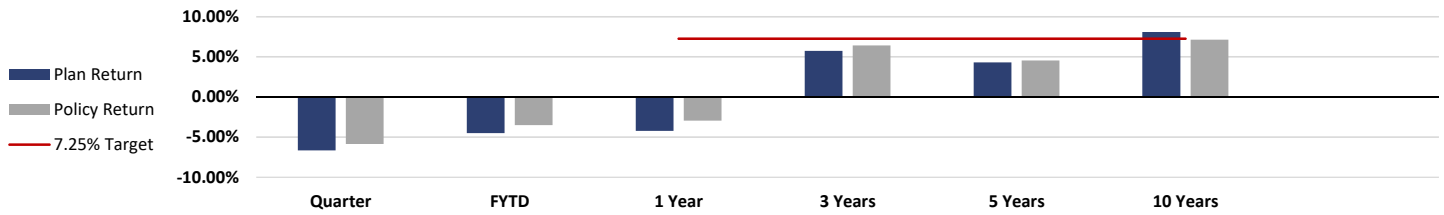


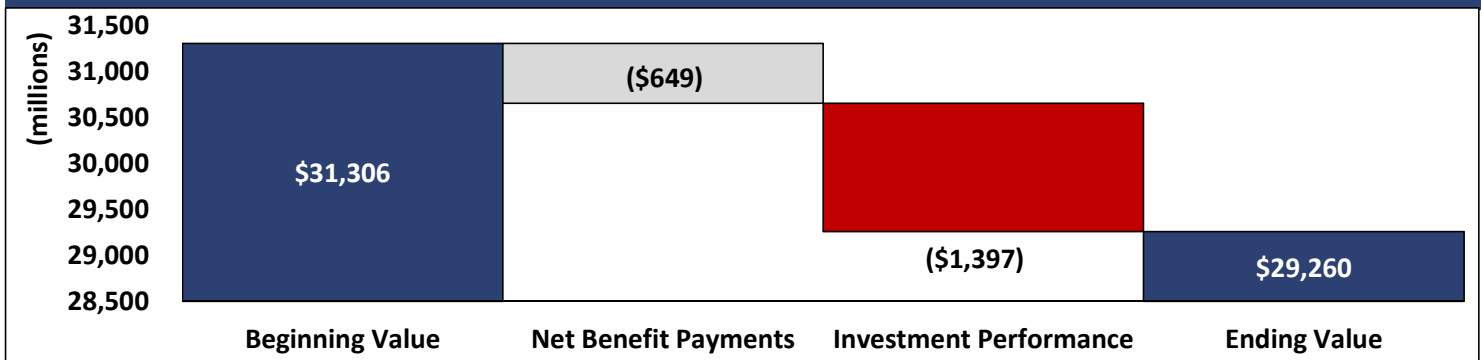
Net of Fee Returns by Time Period^{1,2}



| Rolling period performance as of December 31, 2018 ¹ | | | | Annualized | | | |
|---|-------------------------|---------------|---------------|---------------|--------------|--------------|--------------|
| Executive Summary | Market Value (millions) | Quarter | FYTD | 1 Year | 3 Years | 5 Years | 10 Years |
| Total Plan | \$29,260 | -6.65% | -4.47% | -4.20% | 5.75% | 4.33% | 8.06% |
| Policy Benchmark | | -5.84% | -3.49% | -2.94% | 6.41% | 4.55% | 7.13% |
| Net Benefit Payments (millions) | | (\$191) | (\$649) | (\$1,231) | (\$3,443) | (\$5,579) | (\$10,328) |

| Allocation / Exposure ^{3,5,6,7} | Exposure | | | FYTD | 1 Year | Annualized | |
|--|---------------|---------------|--------------|---------------|--------------|--------------|--------------|
| | Portfolio | Policy Target | Difference | | | 3 Years | 5 Years |
| Equities | 53.9% | 51.0% | 2.9% | | | | |
| Global Public Equity | 39.4% | 37.0% | 2.4% | -10.26% | -11.27% | 6.07% | 3.78% |
| Equity Options | 6.9% | 7.0% | -0.1% | -5.91% | -5.72% | n/a | n/a |
| Private Equity | 7.6% | 7.0% | 0.6% | 4.22% | 11.30% | 11.54% | 11.72% |
| Real Assets | 12.4% | 12.0% | 0.4% | | | | |
| Private Real Estate | 6.8% | 5.9% | 0.9% | 4.57% | 9.84% | 10.22% | 13.09% |
| Public Real Estate | 2.6% | 3.1% | -0.5% | -6.14% | -5.17% | n/a | n/a |
| Private Infrastructure | 0.2% | 0.2% | 0.0% | 8.40% | n/a | n/a | n/a |
| Public Infrastructure | 2.8% | 2.8% | 0.0% | -6.30% | -8.01% | n/a | n/a |
| Opportunistic | 9.1% | 8.0% | 1.1% | | | | |
| GTAA | 7.3% | 7.0% | 0.3% | -7.86% | -9.75% | 2.89% | 1.67% |
| Other Opportunistic | 1.9% | 1.0% | 0.9% | 2.16% | 5.73% | n/a | n/a |
| Credit | 15.1% | 15.0% | 0.1% | | | | |
| Mixed Credit | 4.4% | 5.2% | -0.8% | -0.87% | 0.28% | 5.68% | 2.73% |
| Emerging Markets Debt | 4.4% | 4.0% | 0.4% | -0.40% | -6.66% | 5.93% | 2.41% |
| Private Debt | 6.3% | 5.8% | 0.5% | -0.26% | 2.93% | 6.40% | 5.41% |
| Rate Sensitive | 9.6% | 14.0% | -4.4% | | | | |
| Core Fixed Income | 6.6% | 11.0% | -4.4% | 1.80% | 0.30% | 2.28% | 2.55% |
| TIPS | 1.5% | 2.0% | -0.5% | -1.26% | n/a | n/a | n/a |
| Cash and Short Duration (Net) | 1.5% | 1.0% | 0.5% | 1.06% | 1.40% | 1.14% | 0.82% |
| Portable Alpha Hedge Funds* | 9.8%* | 10.0% | -0.2% | -0.76% | 0.34% | 1.85% | 4.78% |
| Total Plan | 100.0% | 110.0% | | | | | |

FYTD Contributions to Plan Value⁴



¹All 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, adopted by the Commission, and have changed over time. The policy benchmark return history represents a blend of these past policies.

²Effective 10/1/2005, the State Retirement System Preservation and Investment Reform Act established the RSIC and devolved fiduciary responsibility for investment and management of the assets of the South Carolina Retirement Systems upon RSIC. Effective 7/1/2017 the actuarial assumed rate of return is 7.25% 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.

³Sub asset-class allocations and returns are based on values obtained from BNYM and adjusted for overlay exposures provided by Russell Investments. Sub-asset class percentages may not add up to asset class percentages and allocation percentages may not add up to 100% due to rounding.

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

⁵Global Public Equity, Public Real Estate, Mixed Credit target, and Public Infrastructure weights float based on their private market counterpart as conveyed in the Statement of Investment Objectives and Policies.

⁶"Cash" market value is the aggregate cash held at the custodian, Russell Investments, and strategic partnerships. Cash performance is estimated using the ICE BofAML US 3-Month Treasury Bill Index return.

⁷Total Hedge Fund exposure as of 12/31/18 comprised 10.5% and consisted of: 9.8% Portable Alpha Hedge Funds, 0.7% to a hedge fund in Mixed Credit.

*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. For benchmarking purposes, there is a 10% weight assigned to it in the Policy benchmark. 3 and 5 year Portable Alpha hedge fund returns are considered supplemental information provided by Staff to illustrate performance of these hedge funds even though they were classified under a different asset class during these periods. The cost of holding these assets is proxied using 3 month LIBOR.

This report was compiled by staff of the 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.