

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

**June 2, 2022 9:30 a.m.  
Capitol Center  
1201 Main Street, 15<sup>th</sup> Floor  
Columbia, South Carolina 29201  
Meeting Location: 1201 Main Street, 15<sup>th</sup> Floor, Ste. 1510 and Streaming Online at  
[www.rsic.sc.gov](http://www.rsic.sc.gov)**

**Commissioners Present:**  
Mr. William Hancock, Chair  
Dr. Ronald Wilder, Vice-Chair  
Ms. Peggy Boykin, PEBA Executive Director  
Mr. William J. Condon, Jr.  
Mr. Edward Giobbe  
Dr. Rebecca Gunnlaugsson  
Ms. Melissa Schumpert  
Mr. Reynolds Williams

**I. Call to Order**

Chair Mr. William H. Hancock called the meeting of the South Carolina Retirement System Investment Commission (“Commission”) to order at 9:32 a.m. Mr. Hancock recognized Mr. Michael Hitchcock, Chief Executive Officer (“CEO”), to discuss the proposed agenda. Mr. Hitchcock noted that, due to several guests attending the Commission meeting, the order of the agenda would need to be rearranged at certain points. He requested that the Commissioners be flexible in adjusting the order of the meeting as needed. Ms. Melissa Schumpert moved to approve the proposed agenda as amended and modified as needed during the meeting. Dr. Ronald Wilder seconded the motion, which was approved unanimously.

Dr. Wilder made a motion to approve the minutes from the April 21, 2022, Commission meeting as presented. Ms. Schumpert seconded the motion, which was approved unanimously.

**II. Chair’s Report**

The Chair recognized Mr. Hitchcock to discuss the status of the retiree representative election process. Mr. Hitchcock reminded the Commissioners that the Commission opened nominations for the retiree representative at the Commission’s April 21, 2022, meeting. He reported that Mr. Samuel Griswold, President of the South Carolina State Retiree’s Association, nominated Dr. Holley H. Ulbrich to serve as the retiree representative [the nomination letter, dated April 25, 2022, is attached to these Minutes]. Dr. Ulbrich is retired from Clemson University where she was a full professor of economics and was named alumni distinguished professor. Then, Dr. Wilder made a motion to recede into executive session to discuss personnel matters pursuant to S.C. Code Section 30-4-70(a)(1); to discuss investment matters and specific private equity investments pursuant to S.C. Code Section 9-16-80 and 9-16-320; to discuss

negotiations incident to proposed contractual arrangements for a general investment consultant; and to receive advice from legal counsel pursuant to S.C. Code Section 30-4-70(a)(2). Ms. Schumpert seconded the motion, which passed unanimously. The Commission recessed into executive session at 9:38 a.m.

The Commission reconvened in open session at 10:33 a.m. Dr. Rebecca Gunnlaugsson made a motion that the Commission unanimously approve Dr. Holley Ulbrich as the retiree representative for a term commencing on July 1, 2022, and ending on June 30, 2026, and find that the retiree representative is qualified to serve as required by S.C. Code section 9-16-315(D)(6). Ms. Schumpert seconded the motion, which passed unanimously. Dr. Gunnlaugsson then made a motion to resume executive session on the basis of the grounds articulated previously and invited Dr. Ulbrich to join as a Commissioner-elect. Dr. Wilder seconded the motion, which passed unanimously. The Commission recessed back into executive session.

The Commission reconvened in open session again at 1:12 p.m. The Chair recognized Mr. Hitchcock for a presentation recognizing former Commissioner Mr. Allen Gillespie. Mr. Hitchcock recognized Mr. Gillespie and his family for his years of commitment and service to the Commission. He presented Mr. Gillespie with a Resolution passed by the South Carolina House of Representatives to honor Mr. Gillespie's service to the Commission and the State of South Carolina. For a link to the presentation, see below:

<https://www.youtube.com/watch?v=tzwrRLyCCyE&list=PLWggBnJJX7ksfB95gcRpo3MfftYDIRmly&index=1&t=522s>

Dr. Gunnlaugsson then made a motion to recede back into executive session on the grounds previously articulated. Ms. Schumpert seconded the motion, which passed unanimously. The Commission went back into executive session at 1:25 p.m.

The Commission reconvened in open session at 2:54 p.m. Mr. Hitchcock noted that there was no reportable action taken during executive session. Mr. Edward Giobbe then made a motion to authorize the retention of Verus Advisory, Inc. as the Commission's general investment consultant and authorize the CEO or his designee to negotiate and execute any necessary documents to implement the Commission's decision within the limits discussed by the Commission in executive session and upon approval for legal sufficiency by RSIC Legal. Dr. Wilder seconded the motion, which passed unanimously.

The Chair then turned to the topic of the chair and vice-chair elections. Mr. Hitchcock stated that the consensus of the Commissioners was to defer this topic until the Commission's September 2022 meeting to give the new Commissioner the ability to participate in the discussion. He also noted that the Commission may have other new Commissioners by the time of that meeting. With that, the Chair's concluded his report.

### **III. CEO's Report**

The Chair then recognized Mr. Hitchcock for the CEO's Report. Mr. Hitchcock began by recognizing Mr. Bryan Moore, Managing Director, and Mr. Justin Young, Director

of Portable Alpha, for their hard work and dedication to RSIC, which resulted in RSIC being named “Public Plan of the Year” by Institutional Investor at its 2022 Hedge Fund Industry Awards, which was presented during the Institutional Hedge Fund Conference.

Mr. Hitchcock then gave a brief legislative update, including an update on the process for RSIC’s budget being approved. A link to his discussion is below:

<https://www.youtube.com/watch?v=tzwrRLyCCyE&list=PLWqgBnJJX7ksfB95gcRpo3MfttYDIRmly&index=1&t=1235s>

#### **IV. CIO’s Report**

The Chair introduced Mr. Geoffrey Berg, Chief Investment Officer (“CIO”), for the quarterly investment performance report through March 31, 2022. For the quarter, he stated that the Portfolio return was negative, but it significantly outperformed the benchmark by approximately 1.5 percent. Mr. Berg stated that fiscal year-to-date, the Portfolio’s return was 5.6 percent, which was 2.6 percent ahead of the benchmark. He then reviewed net benefit payments, noting the significant improvement in the trailing one-year amount, which he attributed to the funding changes made in the 2017 Pension Reform legislation. He noted that as of March 31, 2022, the net benefit figure for the trailing one year was \$546 million, or 1.33 percent of the Plan, while five years ago (prior to the 2017 legislation), this figure was approaching 4 percent of the Plan.

Mr. Berg turned to a review of the performance framework and pointed out that a diversified asset allocation had significantly outperformed the 70/30 Reference Portfolio recently, which marked a reversal from recent years. Mr. Berg explained that the negative returns experienced by stocks and bonds during the fiscal year helped to explain why the Reference Portfolio had been struggling.

He also shared that the outperformance in the Plan had come from both portfolio structure decisions and from RSIC’s manager selection. He noted that the Portfolio had excess returns in almost all asset classes except real assets fiscal year-to-date and highlighted the strong performance of the portable alpha hedge fund portfolio, both during a challenging first quarter of 2022 as well as the fiscal year to date.

Mr. Berg then reviewed allocation and attribution effects and manager selection effects. Mr. Berg highlighted that the private assets not only outperformed during the quarter, but also called more capital than they distributed during the quarter. He also highlighted that even though equities were down for the quarter, RSIC further reduced equity exposure at the end of March 2022 to a 2 percent underweight. This was done in part to offset the overweight to private equity. He explained that because the alternative asset classes had been outperforming the traditional asset classes by a considerable magnitude, the private equity portfolio was now above its range, as was total private markets exposure. In response, Mr. Berg informed the Commission that Staff would limit the pace of investments for the remainder of the year and evaluate the potential impact on future years’ capital deployments. He concluded with a brief risk review and asked for questions.

For a link to the full presentation, please see below:

<https://youtu.be/tzwrRLyCCyE>

## V. Delegated Investment Report

The Chair recognized Mr. Berg for the delegated investment report. The following delegated investments were closed by Staff since the April 21, 2022, Commission meeting:

<b>Asset Class</b>	<b>Investment</b>	<b>Investment Amount</b>	<b>Closing Date</b>
Private Equity	Nordic XI, L.P.	Up to €50 M	April 25, 2022
Private Equity	Brighton Park Capital II	Up to \$75 M	April 26, 2022
Private Equity	Brookfield Capital Partners IV	Up to \$100 M	April 29, 2022
Real Estate	Greystar Equity Partners XI	Up to \$150 M	May 26, 2022

## VI. Executive Session

[Executive session was conducted during Section II of the Chair's Report – please refer to that section for details]

## VII. Potential Actions Resulting from Executive Session

[See Section II – Chair's Report for details]

## VIII. Adjourn

Upon completion of the delegated investment report, Dr. Wilder expressed his appreciation to Commissioners and Staff as he concluded his service as a Commissioner. Ms. Schumpert then made a motion to adjourn, which was seconded by Dr. Gunnlaugsson and approved unanimously. The meeting adjourned at 3:27 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 15<sup>th</sup> Floor Presentation Center at 1201 Main Street, Columbia, S.C. by 3:35 p.m., on May 31, 2022]

### NOTICE OF PUBLIC MEETING

*This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.*

J. Samuel Griswold, Ph.D.  
1225 Methodist Park Road  
West Columbia, SC 29170  
[sgriswold1@att.net](mailto:sgriswold1@att.net)  
April 25, 2022

Mr. Michael R. Hitchcock  
Chief Executive Officer  
Retirement System Investment Commission  
1201 Main Street, Suite 1510  
Columbia, SC 29201

Dear Mike:

Thank you for your letter of April 25, 2022, regarding the end of Ron Wilder's term as the Retiree Representative on the RSIC. Ron has served us all very well.

I am pleased to offer the name of Dr. Holley H. Ulbrich as our nominee. Dr. Ulbrich is retired from Clemson University where she was a full professor of economics and was named Alumni Distinguished Professor. She has published a number of books and articles and has had a very productive career. This is summarized in the enclosed resume. I believe Dr. Ulbrich can offer a valuable perspective on our investing strategies. Please feel free to contact her for further information and to get to know her.

Thank you for your kind invitation to receive a nominee from our Association. Please do not hesitate to contact me if I can be of further assistance.

Yours truly,



J. Samuel Griswold  
President  
SC State Retirees Association