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RSIC Announces an 11.88% Return For Fiscal Year 2017

Columbia, SC—August 17, 2017- South Carolina Retirement System Investment Commission (RSIC) returned a net 11.88% for the fiscal year ended June 30th, outperforming the plan’s policy benchmark and growing the fund by over \$2 billion net of fees and benefit payments to \$30.102 billion, announced Michael Hitchcock, CEO.

“I am encouraged to see that the changes we have made over the past eighteen months have already begun to improve our returns. We are continuing to challenge ourselves in order to build upon this momentum,” said Geoff Berg, CIO.

The past fiscal year represented year one of a three-year phase in of major asset allocation changes to the fund’s investment portfolio. The changes were adopted after an extensive review of the portfolio that occurred during the fall of 2015 and early 2016. During this time, the Commission and staff engaged in a “challenging convictions” exercise designed to take a zero-based budgeting approach to the portfolio with the goal of increasing the performance of the fund’s asset allocation.

By comparison, the policy performance of 11.82% for fiscal year 2017 represented a 125 bps increase over the prior asset allocation which would have yielded 10.57% for the fiscal year without the changes.

“We are pleased that we raised the performance bar for the plan and that our actual performance cleared the new hurdle we set for ourselves,” said Michael Hitchcock, CEO.

The pension fund’s best-performing asset class was global equity, which returned a net 18.86%, followed by private equity at 15.17%, and equity options at 11.49%.

RSIC also reported net three, five, and ten year annualized returns of 4.23%, 7.50%, and 4.34% respectively.

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About South Carolina Retirement System Investment Commission

The South Carolina Retirement System Investment Commission (RSIC) is responsible for investing and managing all assets held in trust for the participants and beneficiaries of the state’s five governmental defined benefit plans with over \$30 billion in AUM. RSIC’s primary investment objective is to achieve a high level of investment return consistent with a prudent level of portfolio risk. The assets of the Retirement System are invested in conformity with the requirements of South Carolina law and are designed to increase the probability of achieving the long-term objectives of the Retirement System.