<b>AGENCY NAME:</b>	RETIREMENT SYSTEMS INVESTMENT COMMISSION											
<b>AGENCY CODE:</b>	E190	SECTION:	099									

# Fiscal Year 2020–2021 Accountability Report

#### **SUBMISSION FORM**

I have reviewed and approved the data submitted by the agency in the following online forms:

- Reorganization and Compliance
- Strategic Plan Results
- Strategic Plan Development
- Legal
- Services
- Partnerships
- Report or Review

I have reviewed and approved the financial report summarizing the agency's budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	Signature on file.
(TYPE/PRINT NAME):	Mike Hitchcock
Board/Cmsn Chair (Sign and Date):	Signature on file.
(TYPE/PRINT NAME):	William H. Hancock

## FY 2020-2021 Agency Accountability Report Reorganization and Compliance Responses:

	These responses were submitted for the FY 2020-2021 Accountability Report by the												
	RETIREMENT SYSTEMS INVESTMENT COMMISSION												
Primary Contact:	rimary Contact:												
First Name	Last Name Role/Title Phone Email Address												
Kara	Brurok	Director of External Policy	803-737-6814	kbrurok@rsic.sc.gov									
Secondary Contac	et												
First Name	Last Name	Role/Title	Phone	Email Address									
Brian	Last raine Rolly ride I hole												

#### Agency Mission

The Retirement System Investment Commission (RSIC) has exclusive authority for investing and managing all assets held in trust for the participants and beneficiaries of the five state defined benefit plans. Those plans include the South Carolina Retirement System (SCRS), the Police Officers Retirement System (PORS), the Judges and Solicitors Retirement System (JSRS), the General Assembly Retirement System (GARS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG Plan). Each plan provides lifetime retirement annuities, disability benefits, and death benefits to eligible members and their beneficiaries.

Adopted in: 2005

#### **Agency Vision**

The vision of the Commission is to be a world class investment organization that pursues strategies that contribute positively to the financial health of the Retirement System. The Commission strives for an optimal mix of assets to best achieve long-term stated return objectives. Through active management of a mixture of assets against the current economic environment, business cycle, and market conditions, value is constantly added to the evolving portfolio. With the help of retained investment consultants, a central part of the Commission's investment approach is predicated on prudently managing costs and fees and ensuring a risk-focused and diversified investment portfolio.

Adopted in: 2005

Recommendations for reorganization requiring legislative change.

No

Please list significant	events related to the ag	ency that occurred in FY 2020-2021.		
			Agency Measures	
Month Started	Month Ended	Description of Event	Impacted	Other Impacts

Does the agency intend to make any other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in FY 2021-22?

Note: It is not recommended that agencies plan major reorganization projects every year. This section should remain blank unless there is a need for reorganization.

No

Is the agency in compliance with S.C. Code Ann. § 2-1-220, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? See also S.C. Code Ann. § 60-2-20.

Yes

If not, please explain why.

Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 20-1-10 through 20-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

Yes

#### These responses were submitted for the FY 2020-2021 Accountability Report by the

#### RETIREMENT SYSTEMS INVESTMENT COMMISSION

Does the law allow the agency to promulgate regulations?

No

<b>AGENCY NAME:</b>	RETIREMENT SYSTEMS INVESTMENT COMMISSION									
<b>AGENCY CODE:</b>	E190	SECTION:	099							

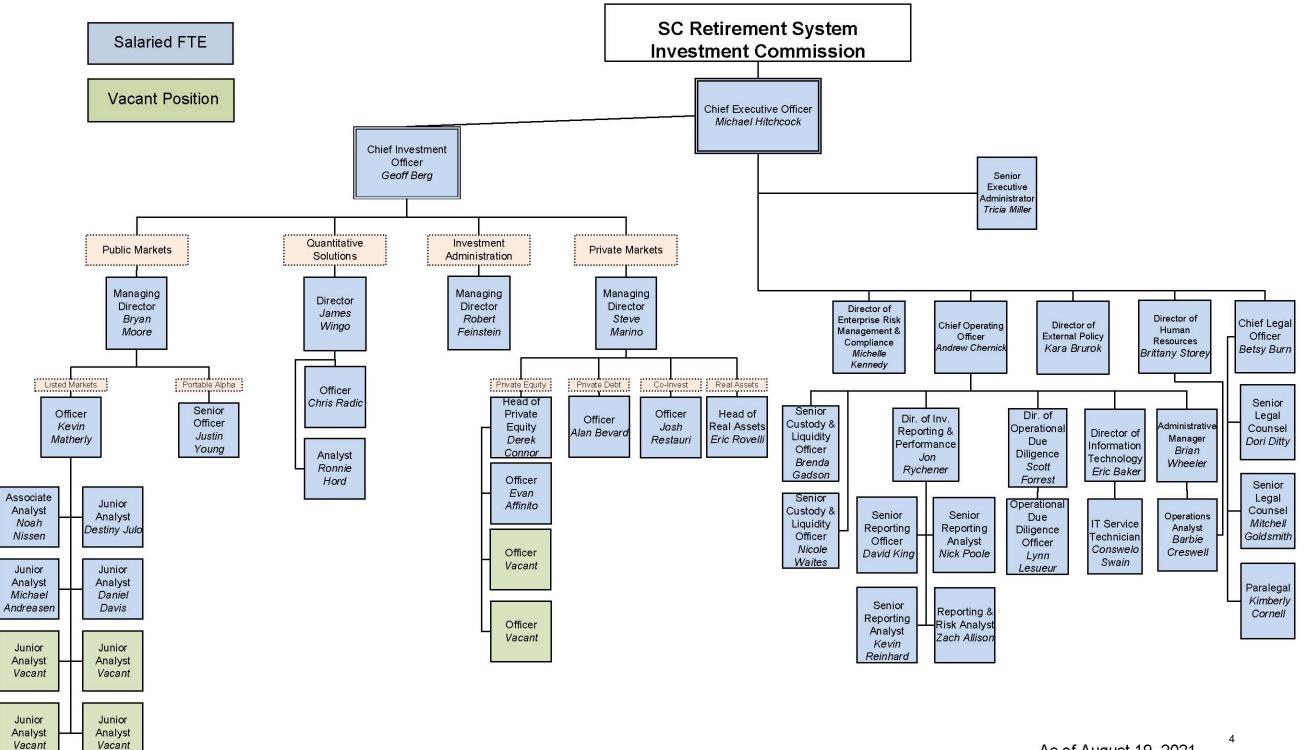
The South Carolina Retirement System Investment Commission ("RSIC") was established by South Carolina law for the purpose to have exclusive authority for investing and managing all assets held in trust for the participants and beneficiaries of five separate defined benefit plans: (1) South Carolina Retirement System; (2) South Carolina Police Officers Retirement System; (3) Retirement System for Judges and Solicitors of the State of South Carolina; (4) Retirement System for Members of the General Assembly of the State of South Carolina; and the (5) National Guard Retirement System.

The RSIC has an unwavering commitment to financial security. The long-term nature of the Retirement System reflects the long-term investing horizon strategy. Each of the defined benefit plans provide lifetime retirement annuities, disability benefits, and death benefits to eligible members and their beneficiaries.

The singular goal of the South Carolina Retirement System Investment Commission is the prudent, legal, and transparent investment of Trust Funds. The intended public benefit/outcome is the effective investment of the fund with the utmost transparency and strict adherence to all legal requirements. Effective investment of the fund results in exceptional total and relative returns while taking a prudent amount of risk. A failure to achieve the goal results in a lower funded level that requires additional funding resources for maintenance of the fund. RSIC relies on its credentialed and experienced Commissioners and staff to design the appropriate asset allocation and manager selection, as well as engaging outside investment consultants, investment partners and systems providers to assist it in achieving its goal.

Effective July 1, 2020, RSIC began implementing a simplified Policy Portfolio consisting of five asset classes: Public Equity, Private Equity, Bonds, Private Debt, and Real Assets. The Policy Portfolio reflects the Commission's long-term mix of assets it believes produces the investment return necessary to support benefit payments to our current and future retirees. RSIC staff also adds value by managing the mix of assets to take advantage of changing economic and market conditions. In addition, RSIC's investment approach is predicated upon prudently managing costs and fees and ensuring that our investment portfolio is risk-focused and diversified.

Narrative FY 2020-2021



## FY 2020-2021 Agency Accountability Report FY2020-21 Strategic Plan:

## These responses were submitted for the FY 2020-2021 Accountability Report by the RETIREMENT SYSTEMS INVESTMENT COMMISSION

Goal	Prudent,	legal and trans	parent investment	of Trust Funds
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Strategy 1.1	Statewide Enterprise Objective
Annually construct and execute, upon Commission approval, appropriate asset allocation.	Government and Citizens

https://www.rsic. guidelines, roles and responsibilities and delegation of authority Invest assets wisely, manage risk, ensure liquidity State Fiscal sc.gov/what-we- Beneficiaries of the for the management of plan assets. Additionally compliance with															
Measure Number Description  Base Target Actual Value Type Desired Outcome Time Actual Value Type Outcome Time Actual Desired Outcome Time Actual Desired Outcome Time Actual Desired Outcome Time Actual Description  Base Target Actual Value Type Outcome Time Actual Desired Outcome Ti	Annually cor	struct and execute, upon Commission approval, approp	priate asset allocati	on.							Government and	Citizens			
Investment Objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment and performance objectives, policies and https://www.rsic.  Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market  State Fiscal Final Net Asset  Final Net Asset  State Fiscal Final Net Asset  State retirement  Investment Objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment and performance objectives, policies and https://www.rsic.  State Fiscal State Fiscal Final Net Asset  State Fiscal Final Net Asset  State retirement  Annual Investment Objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment and performance objectives, policies and https://www.rsic.  State Fiscal Final Net Asset  State Fiscal Final Net Asset  State retirement  Annual Investment Objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment objectives, policies and https://www.rsic.  State Fiscal Final Net Asset  State Fiscal Final Net Ass		Description	Base	Target	Actual					Data Source	Data Location	Primary Stakeholder		Program Number	Notes
		and afford flexibility to react to changing market			Equal to or Year (July 1		Year (July 1 -	sc.gov/what-we- Final Net Asset do/investment-		state retirement		N/A N/A		Investment Objectives and Policies ("SIOP") and to review it annually. The SIOP, which is made public on our website, establishes investment and performance objectives, policies and guidelines, roles and responsibilties and delegation of authority for the management of plan assets. Additionally compliance with Annual Investment Plan, which has been consolidated with the	

						tability Report by	the							
							RETIREMEN	T SYSTEMS INVES	STMENT COMMIS	SION				
	Prudent, legal and transparent investment of Trust	Funds												
Strategy										Statewide Enter	prise Objective			
Select invest	tment managers based upon quantifiable analysis of pe	rformance.								Government and	Citizens			
Measure Number											Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
	Identify specific asset managers with whom RSIC will place fund assets in order to maximize the investment of those assets.	(	) (	0	0	(	State Fiscal Year (July 1 - ) June 30).	C	C	0	0			The Investment Team maintains investment due diligence policies to provide consistency and oversight to the investment process. The policies were reviewed and updated as appropriate and compliance with policies is tested annually as part of agreed upon procedure.

	These responses were submitted for the FY 2020-2021 Accountability Report by the  RETIREMENT SYSTEMS INVESTMENT COMMISSION													
Goal	Prudent, legal and transparent investment of Trus	st Funds												
Strategy	1.3									Statewide Ente	prise Objective			
Ensure the	Sure the efficient and effective delivery of services complementary to the investment function.													
Measure Number Description Base Target Actual Value Type Desired Time Calculation Outcome Applicable Method Data Source											Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.3.1	Provide support to the investment team, provide accurate and robust reporting of plan performance on a quarterly and annual basis, remain legally compliant.	1	0	0	0 0	(	State Fiscal Year (July 1 - June 30).		0	0 (	) (			All statutorily required plan reporting during FY were completed. Additionally the Reporting department continues to deliver the Portfolio Reporting Framework to Commissioners on a quarterly basis which clarifies the value of investment decisions; diversification, portfolio structure, and implementation. Additional portfolio analytics is provided to investment team to assist them 0 in analyzing impact of investment decisions.
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					tability Report by	the contract the c								
Goal	Prudent, legal and transparent investment of Trus	t Funds				RETIREMEN	T SYSTEMS INVE	STMENT COMMIS	SSION					
Strategy		t i unac							Statewide Enterprise Objective					
Provide inde	pendent, objective assurance and recommendations de	esigned to add valu	e and improve RSI0	C performance	).				Government and	Citizens				
Measure Number	Description	Actual	Value Type	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes					
	Evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach.	c	0 0	c	0	State Fiscal Year (July 1 - June 30).	(	<b>5</b>	o c	(	o O	0 0	RSIC continues to devote significant resource and time to its Internal Audit and Enterprise Risk Management & Compliance ('ERMC') functions. The Internal Audit function continues to provide independent, objective, assurance and recommendations designed to add value and improve RSIC operations. The ERMC function continus to provide oversight related to identification and evaluation of major strategic, operational, regulatory, informational and external risk inherent in the business of RSIC and also for monitoring compliance with RSIC policies and applicable laws.	

#### FY 2020-2021 Agency Accountability Report

	FY2021-22 Strategic Plan:													
				These					tability Report by the					
	RETIREMENT SYSTEMS INVESTMENT COMMISSION													
Goal	oal Prudent, legal and transparent investment of Trust Funds													
Strategy														
	inually construct and execute, upon Commission approval, appropriate asset allocation.  Government and Citizens													
	Coveriment and Chizonic													
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.1.1	Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions.	28.57%	7.25%			greater	State Fiscal Year (July 1 - June 30).		https://www.rsic.sc.gov /what-we- do/investment- reports.html		Beneficiaries of the state retirement system.	N/A	N/A	0

				These					ntability Report by the					
					RI	TIREMENT	SYSTEMS INVE	STMENT COMMI	SSION					
Goal	Prudent, legal and transparent investment of Trus	st Funds												
Strategy	·													
Select inves	stment managers based upon quantifiable analysis of po	erformance.								Government and	Citizens			
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.2.1	Identify specific asset managers with whom RSIC will place fund assets in order to maximize the investment of those assets.	C	) C	)	0		State Fiscal Year (July 1 - June 30).	(	0	0 0	(		0 0	) 0

				These					ntability Report by the					
					Ri	ETIREMENT	SYSTEMS INVE	STMENT COMMI	SSION					
	Prudent, legal and transparent investment of Trus	t Funds												
Strategy	. ,													
Ensure the e	efficient and effective delivery of services complementa	ry to the investmen	t function.							Government and	Citizens			
Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.3.1	Provide support to the investment team, provide accurate and robust reporting of plan performance on a quarterly and annual basis, remain legally compliant.	0	0		0	C	State Fiscal Year (July 1 - June 30).		0	0 0	(		0 0	) (

				These					ntability Report by the					
Goal	Develope lovel and transported investment of Two	4 Eurolo			RI	IIREMENI	SYSTEMS INVI	ESTMENT COMMI	SSION					
	Prudent, legal and transparent investment of Trus  1.4	at runus								Statewide Enter	prise Objective			
	Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.  Gove													
Measure Number	leasure Desired Time Calculation									Data Location	Primary Stakeholder	Stakeholder Need Satisfied	State Funded Program Number Responsible	Notes
1.4.4	Evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach.	0	0		0	C	State Fiscal Year (July 1 - June 30).		0	0 0	0		o c	) 0
										+				

# FY 2020-2021 Agency Accountability Report Budget Responses:

#### These responses were submitted for the FY 2020-2021 Accountability Report by the

#### RETIREMENT SYSTEMS INVESTMENT COMMISSION

			FY 2020-21 Expe	enditures (Actual)			FY 2021-22 Expenditures (Projected)			
State Funded Program Number	State Funded Program Title	Description of State Funded Program	General	Other	Federal	TOTAL	General	Other	Federal	TOTAL
0100.000000.000	Administration	E2 – Salaries and operating funds needed by the agency to provide services.		\$10,268,806.00		\$10,268,806.00		\$13,303,000.00		\$13,303,000.00
9500.050000.000	State Employer Contributions	E3 – Agency share of employer benefits.		\$1,759,900.00		\$1,759,900.00		\$2,000,000.00		\$2,000,000.00

#### FY 2020-2021 Agency Accountability Report

## **Legal Responses:**

### These responses were submitted for the FY 2020-2021 Accountability Report by the

#### RETIREMENT SYSTEMS INVESTMENT COMMISSION

	-				la .
Description	Purpose	Law Number	Jurisdiction	Туре	Notes
Authority to invest and reinvest the Trust Fund as allowed by Constitution and					
Statute.		9-1-1310	State	Statute	
Prohibition of conflicts of interest.		9-1-1340	State	Statute	
		Certain laws			
		overseen by the			
There are certain elements of the federal commodities trading laws which the		Commodity			
Investment Commission has to be mindful of in structuring and administering		Futures Trading			
its investments.		Commission	Federal	Statute	
Certain elements of the federal securities laws can apply to or otherwise need					
to be considered by the Investment Commission, including the following:					
Securities Act of 1933 - Certain regulations promulgated thereunder (e.g.,					
qualified purchaser, qualified institutional buyer, Rule 506 of Regulation D, etc.					
); Securities and Exchange Act of 1934 - insider trading laws/cases; Investment					
Advisers Act of 1940 - Certain regulations (e.g., consent to assignment of					
contracts; 'pay to play' regulations [which apply to many types of investment					
management firms doing business with, or seeking to do business with, the		Federal Securities			
Commission]).		Laws	Federal	Statute	
117.132. (GP: Retirement System Assets and Custodial Banking Relationship					
Transfer) In order to facilitate the transfer of custodianship of the assets of					
the Retirement System to the Public Employee Benefit Authority and					
governance of the custodial banking relationship to the Retirement System					
Investment Commission, all portions of contracts, agreements, and					
exemptions from the Consolidated Procurement Code providing for and					
relating to custodial banking, general banking, accounting, or any other					
ancillary services are transferred to, and devolved upon, the Public Employee					
Benefit Authority and the Retirement System Investment Commission in					
accordance with the authority transferred to the respective agency.					
accordance with the authority transferred to the respective agency.					
As management of custodial banking is fully transitioned to RSIC, maintenance					
of these exemptions will allow for any necessary modifications to agreements,					
including but not limited to, the consolidation of custodial related services					
with BNYM as a sole provider, in order to create operational and fiscal					
efficiencies.		Proviso 117.132	Stato	FY 2019-20 Proviso	
Notwithstanding the provisions of Costian 11 of this article, the first of the			State	L1 7013-70 L10AI20	
Notwithstanding the provisions of Section 11 of this article, the funds of the		SC Constitution,			
various state-operated retirement systems may be invested and reinvested in		Article X, Section	Chaha	Chahuta	
equity securities.		XVI	State	Statute	

# These responses were submitted for the FY 2020-2021 Accountability Report by the RETIREMENT SYSTEMS INVESTMENT COMMISSION

Description	Purpose	Law Number	Jurisdiction	Туре	Notes
Duties and responsibilities of Commission eligibility requirements, reporting					
requirements, considerations for investment of Trust Fund.		Section 9-16-10	State	Statute	
Statutory restriction on lobbyists contacting RSIC to solicit investments,					
restriction on investments made where placement agent is compensated for					
RSIC's participation; Commission may not investment in any entity in which a					
Commissioner or immediate family has any interest, excluding publicly traded					
securities.		Section 9-16-100	State	Statute	
RSIC given exclusive authority to invest & manage all assets; Mandates					
holding & investing all assets of the 5 systems in a group trust.		Section 9-16-20	State	Statute	
Duty of care of agents & permissible limitations of authority to agents;					
Commission may delegate functions that a prudent person acting in a like					
capacity could delegate; proxy votes must be case consistent with best interest					
of trust fund and most likely to maximize shareholder value.		Section 9-16-30	State	Statute	
Specifics for Commissioner educational and/or experience requirements to					
serve; term length established; employment of a CEO as chief administrative					
officer of agency; CEO shall employ a CIO and other necessary staff;					
administrative costs of RSIC to be paid from Trust; \$20k salary for					
Commissioners; RSIC may retain counsel for investment related matters.		Section 9-16-315	State	Statute	
Commission required to adopt annual investment plan by May 1 of each year;					
must review AIP quarterly; Commission may discuss, deliberate and make					
decisions on portion of the AIP or other related matters if disclosure would					
jeopardize ability to implement that portion of the plan or achieve investment					
objectives.		Section 9-16-320	State	Statute	
Requires Commission to provide CEO & CIO with statement of general					
investment objectives and statement of actuarial assumptions provided by					
actuary and approved by PEBA; provides for delegation of certain final					
investment authority to CIO; includes requirements for Annual Investment					
Plan.		Section 9-16-330	State	Statute	
Assumed rate of return set by General Assembly at 7.25% as of 7/1/2017;		0.46.005	s	s	
provides mechanism for review and setting assumed rate every 4 years.		Section 9-16-335	State	Statute	
Sets forth requirement of Commission to adopt an annual investment plan to					
be implemented through the CIO; also provides that the Commission, acting		6	GL . I	GL-1	
through the CIO, will invest and reinvest the assets.		Section 9-16-340	State	Statute	
Commission will strive to assure that minorities and minority-owned		Section 0.16.245	Ctata	Ctatuta	
businesses are represented in hiring and procurement.		Section 9-16-345	State	Statute	
Sets forth prohibition of any trustee/employee/etc. on using any Commission					
information for a self-benefit; violations of this provision is a felony.		Section 9-16-350	State	Statute	
Establishes standards of conduct for a fiduciary or employee of a fiduciary;		10000			
breach of standards may result in dismissal of a Commissioner for conflict of					
interest, dismissal of an employee.		Section 9-16-360	State	Statute	
		20000113 10 300	State	3.4.4.0	

# These responses were submitted for the FY 2020-2021 Accountability Report by the RETIREMENT SYSTEMS INVESTMENT COMMISSION

Description	Durnaga	Low Number	luriodiction	Tyroo	Notes
Description	Purpose	Law Number	Jurisdiction	Туре	Notes
Provides for defense and indemnification of Commission members, offices and		s .: 0.45.070	s	s	
management employees for acts arising out of official duties.			State	Statute	
Provides for a fiduciary audit of the Commission every four years.		Section 9-16-380	State	Statute	
Standards for discharge of fiduciary duty by Commissioners and other					
fiduciaries.		Section 9-16-40	State	Statute	
Investment & management considerations by Commission; diversification;					
verification of facts; requirement to adopt a statement of investment					
objectives & policies to be reviewed and changed or reaffirmed annually.		Section 9-16-50	State	Statute	
Sudan divestment requirement, prohibiting certain investments in companies					
with business operations in Sudan.		Section 9-16-55	State	Statute	
Commission's investment and management decisions will not be evaluated in					
isolation; Compliance with standard of case and delegation of functions to be					
determined in light of facts and circumstances at time of decision, not by					
hindsight.		Section 9-16-60	State	Statute	
Commissioner or other fiduciary may be liable for breach of duty for any losses					
resulting from the breach, fiduciaries subject to removal and other equitable					
remedies; retirement system may insure a trustee or other fiduciary; trustees					
may self-insure, but must disclose terms of any such policy.		Section 9-16-70	State	Statute	
** Investment education services** - this statute applies to SCRS, not the					
Commission, related to SCRS may provide unbiased investment education					
services to employees.		Section 9-16-710	State	Statute	
Commission may meet in executive session to deliberate about, or make					
tentative or final decisions on, investments or other financial matters if					
disclosure would jeopardize the ability to implement a decision or to achieve					
investment objectives.		Section 9-16-80	State	Statute	
Quarterly investment reports required and provided to the State Fiscal					
Accountability Authority, Revenue and Fiscal Affairs Office and the Executive					
Budget Office, Speaker of House of Representatives, President Pro Tempore of					
Senate and other entities; annual report also required to contain descriptions					
of any material interest held by Commissioner; schedule of rates of return, net					
of total investment expenses, manager fees and expenses on assets of the					
system overall, schedule of total investment expenses and manager fees,					
schedule of all assets held for investment purposes, schedule of delegated					
investment decisions.			State	Statute	
		Various federal tax			
		laws and ERISA			
		(Employee			
There are certain elements of the federal tax laws and ERISA which the		Retirement Income			
Investment Commission has to be mindful of in structuring and administering		Security Act of			
its investments.		1974)	Federal	Statute	

## FY 2020-2021 Agency Accountability Report Services Responses:

#### These responses were submitted for the FY 2020-2021 Accountability Report by the

#### RETIREMENT SYSTEMS INVESTMENT COMMISSION

Description of Service	Description of Direct Customer	Customer Name	Others Impacted By the Service	Agency unit providing the service	Description of agency unit	Primary negative impact if service not provided
Investment Returns	Age: All Gender: All Economic Requirements: All incomes Other Required Conditions: State Plan Beneficiary	State Retirement Plan Beneficiaries		Investment	Asset Allocation	
Investment Returns	Age: All Gender: All Economic Requirements: All incomes Other Required Conditions: State Plan Beneficiary	State Retirement Plan Beneficiaries		Investment	Manager Selection	
Investment Returns	Age: All Gender: All Economic Requirements: All incomes Other Required Conditions: State Plan Beneficiary	State Retirement Plan Beneficiaries		Operations	Operations	
Investment Returns	Age: All Gender: All Economic Requirements: All incomes Other Required Conditions: State Plan Beneficiary	State Retirement Plan Beneficiaries		Operations	Internal Audit and Compliance	

# FY 2020-2021 Agency Accountability Report Agency Partnerships Responses: These responses were submitted for the FY 2020-2021 Accountability Report by the RETIREMENT SYSTEMS INVESTMENT COMMISSION

Name of Partner Entity	Type of Partner Entity	Description of Partnership
		Investment returns contribute to benefit payments; reporting data contribute to PEBA CAFR; PEBA director is a seated and non-voting Commissioner. PEBA has custodianship of
SC Public Employee Benefits Authority	State Government	the system assets and governance of the custodial banking relationship is under the auspice of RSIC.
SC State Fiscal Accountability Authority	State Government	Commissioner appointing authorities and co-trustees

#### FY 2020-2021 Agency Accountability Report **Reports Responses:**

## These responses were submitted for the FY 2020-2021 Accountability Report by the Retirement System Investment Commission

Report Name	Law Number (If required)	Summary of Information Requested in the Report	Most Recent Submission Date	Reporting Frequency	Type of Entity	Method to Access the Report	Direct access hyperlink or agency contact
		(1) A description of a material interest held by a trustee, fiduciary, or an employee who is a fiduciary with respect to the investment and management of assets of the system, or by a related person, in a material transaction with the system within the last three years or proposed to be effected (2) A schedule of the rates of return, net of total investment expense, on assets of the system overall and on assets aggregated by category over the most recent one-year, three-year, five-year, and ten-year periods, to the extent available, and the rates of return on appropriate benchmarks for assets of the system overall and for each category over each period (3) A schedule of the sum of total investment expense and total general administrative expense for the fiscal year expressed as a percentage of the fair value of assets of the system on the last day of the fiscal year, and an equivalent percentage for the preceding five fiscal years; (4) A schedule of all assets held for investment purposes on the last day of the fiscal year aggregated and identified by issuer, borrower, lessor, or similar party to the transaction stating, if relevant, the asset's maturity date, rate of interest, par or maturity value, number of shares, costs, and fair value and identifying an asset that is in default or classified as					https://www.rsic.sc.gov/_doc
2019-2020 Annual Investment Report	Section 9-16-90	uncollectible.		Annually	State	Online	uments/Reporting/2020- annual-report.pdf
Accountability Report	Section 1-1-820	RSIC's mission, objectives to accomplish the mission, and performance measures show the degree to which objectives are being met; key program area descriptions and expenditures and links these to key financial and performance results measures.		Annually	State	Online	https://www.scstatehouse.go v/reports/reports.php
Agreed Upon Procedures (The Hobbs Group, PA)		Through the use of an AUP performed by The Hobbs Group, PA, RSIC has coverage around whether procedures covering the areas of cash receipts, cash disbursements, payroll, journal entries, and the Appropriations Act are being followed.		Annually	Other	Hard copy available upon request	

## These responses were submitted for the FY 2020-2021 Accountability Report by the Retirement System Investment Commission

	Law Number		Most Recent Submission			Method to Access the	Direct access hyperlink
Report Name	(If required)	Summary of Information Requested in the Report	Date	Frequency	Type of Entity	Report	or agency contact
Agreed Upon Procedures CliftonLarsonAllen		Through the use of an Agreed Upon Procedures (AUP) performed by CliftonLarsonAllen LLP (CLA), RSIC has coverage around whether procedures covering the areas of investment due diligence (initial and ongoing), investment valuations, and staff compliance are being followed.		Annually	Outside Organization	Available Upon Request	Available Upon Request
Fiduciary Performance Audit		Funston Advisory Services LLC was selected by the SC Office of the State Auditor to conduct the 2018 RSIC fiduciary performance audit. The primary purpose of this audit is to evaluate the progress made in implementing the recommendations resulting from the 2014 fiduciary performance audit of RSIC. While the focus of this audit is on progress based on the 2014 report, the Office of the State Auditor also requested that the review identify any areas of weakness in current operational policies and practices. In addition, recommendations addressing weaknesses or regarding better practices and other observations should be articulated and prioritized according to significance, urgency, and, where feasible, should include an analysis of potential costs or benefits associated with implementation. The audit is performed every 4 years. The next audit will be completed FY					https://osa.sc.gov/wp- content/uploads/2018/11/RSI C-Fiduciary-Performance-
(Funston Advisory Services LLC)	Section 9-16-380	22-23.		Every 4 Years	Outside Organization	Online	Audit-2018.pdf
Quarterly Investment Report	Section 9-16-90	Investment performance		Quarterly	State	Online	http://www.ic.sc.gov/what- we-do/investment- reports.html
SCRSIC Internal Audit Review - Business Continuity and Disaster Recovery Planning Review (Deloitte & Touche LLP)		Scope of work was a review of RSIC's business continuity and disaster recovery procedures, including testing to see if management's recovery plans will work in a given situation.		Other	Other	Hard copy available upon request	
SCRSIC Internal Audit Review -Review of Performance Reporting System Implementation (Interim Report) (Deloitte & Touche LLP)		Scope of work was an embedded assurance review to advise on control design and implementation efforts for RSIC's new performance reporting system: Caissa.		Other	Other	Hard copy available upon request	
Verification and Total Fund Performance Examination (ACA Compliance Associates, LLC)		Through the use of a Verification and Total Fund Performance Examination, RSIC has coverage that its reporting practices are in compliance with the Global Investment Reporting Standards (GIPS).		Annually	Other	Hard copy available upon request	