

South Carolina Retirement System Investment Commission

FY 2026-2027 Ways & Means Budget Hearing

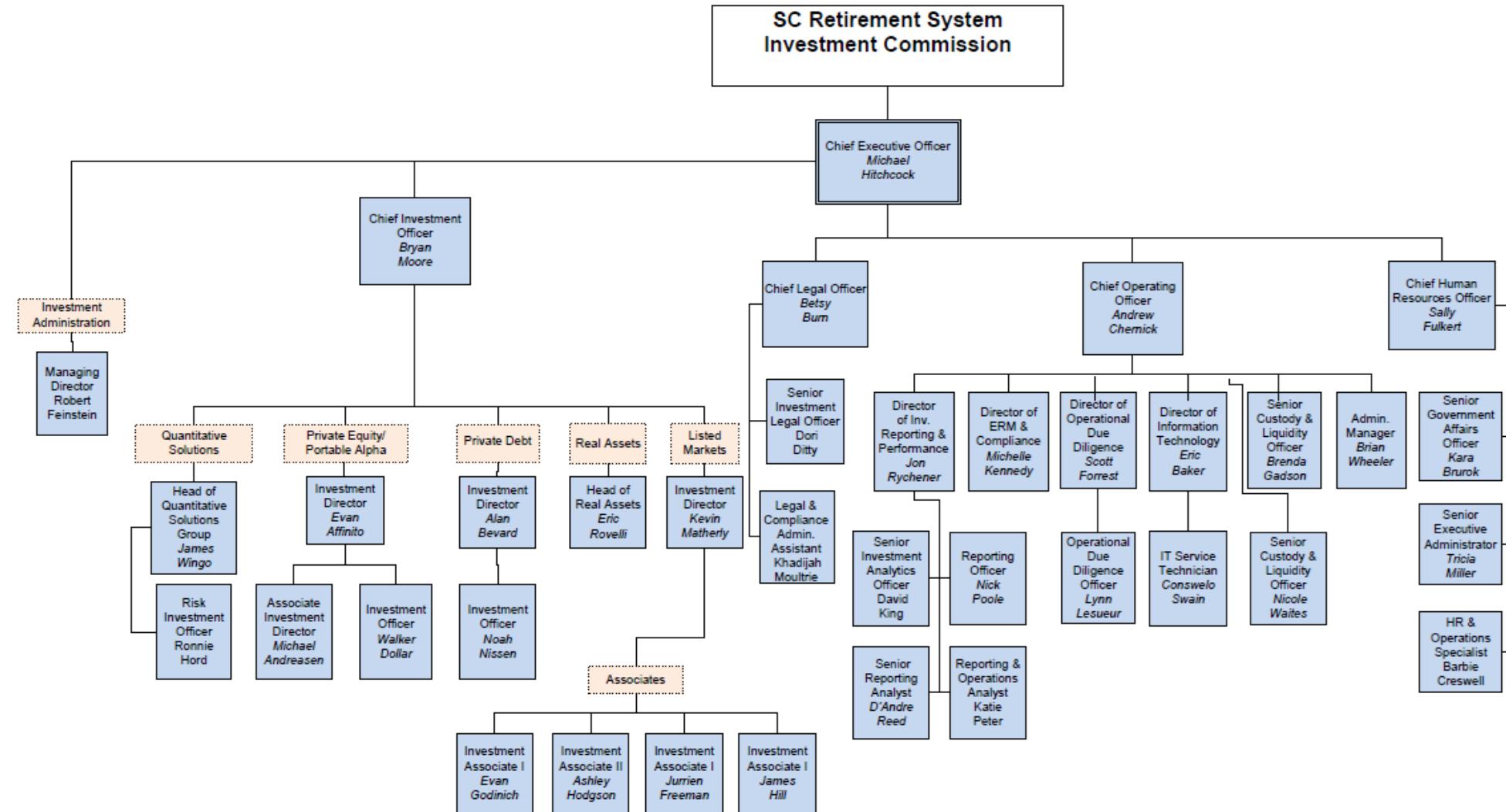
January 20, 2026



Attendees

- Michael Hitchcock, Chief Executive Officer
- Andrew Chernick, Chief Operating Officer
- Kara Brurok, Senior Government Affairs Officer

Organizational Chart



As of January 13, 2026

Managing a Growing Portfolio

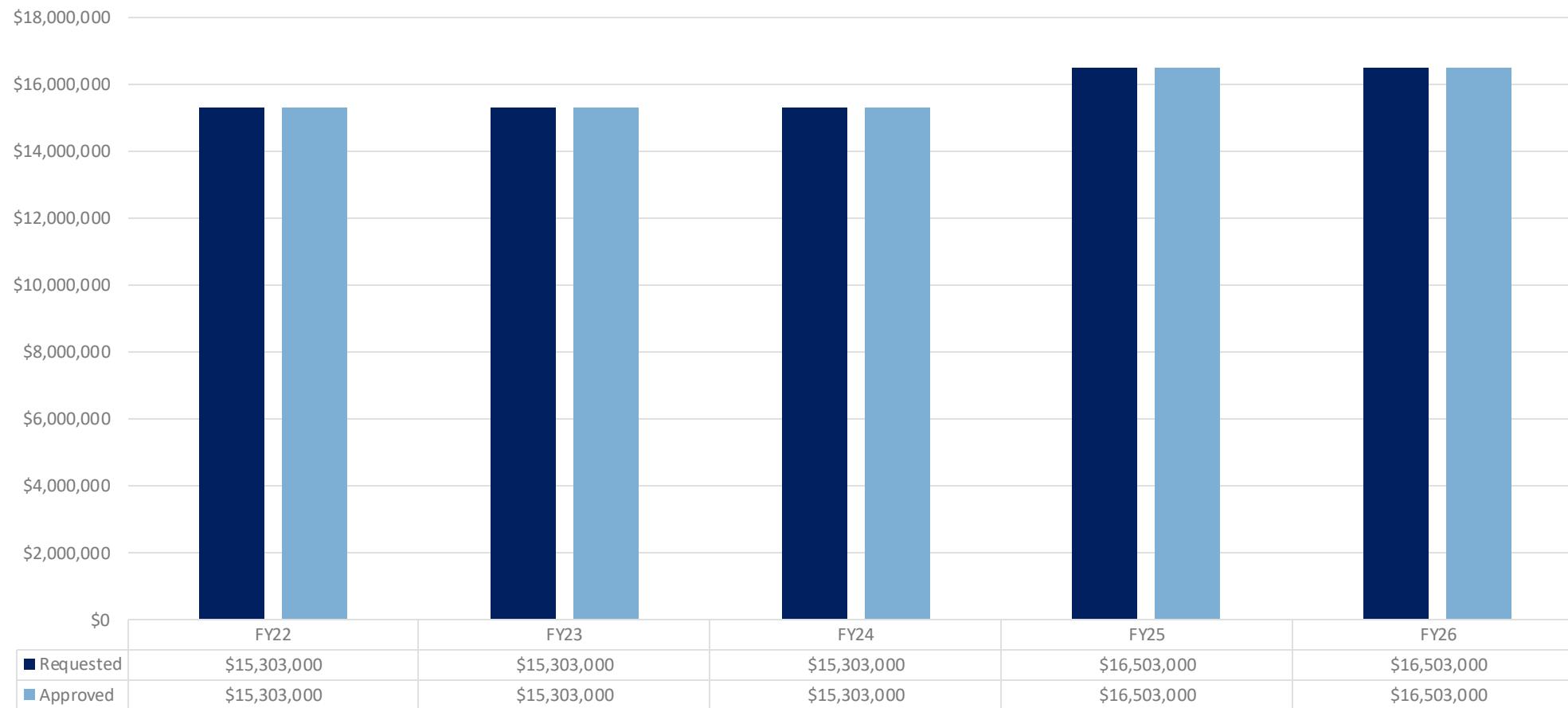
- Ten years ago, RSIC managed a **\$27.7 billion** portfolio (as of 9/30/2015).
- Now, RSIC manages a **\$52.6 billion** portfolio (as of 9/30/2025).
- Over the past ten years, the portfolio has earned **\$30.4 billion**.
- The portfolio has earned more over the past 10 years than the portfolio's total value in 2015.
- Much of the growth has come in the past five years.
- Over the past five years:
 - **\$21 billion** in investment return
 - **\$5.1 billion** in staff value-add over the policy benchmark
 - **less than \$70 million** expended in aggregate to operate

RSIC is Highly Efficient

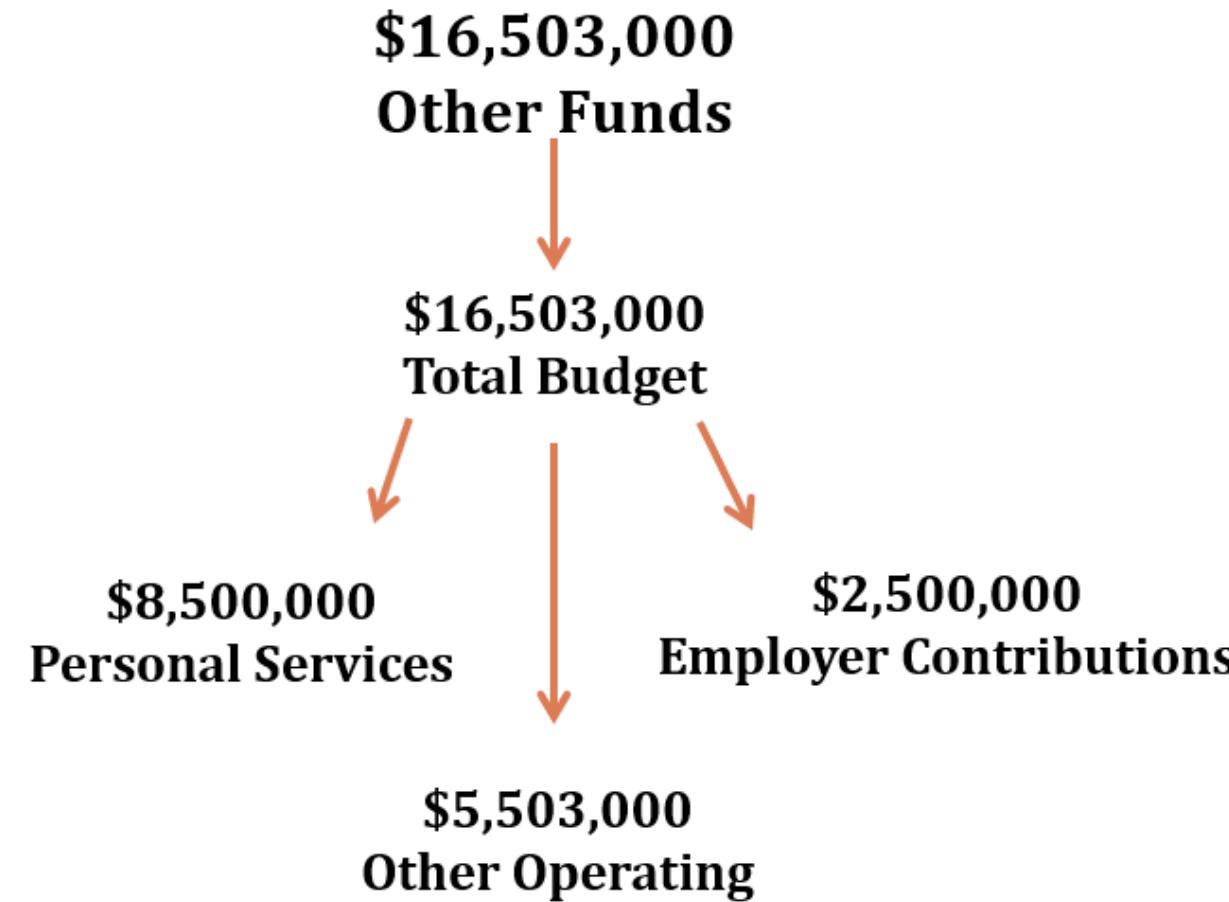
RSIC is highly efficient in how the organization's resources are managed, but additional other fund authorization is needed.

- Over ten years, total assets have grown by 90%, but the annual budget has decreased from \$17.8 million (FY 2015-2016) to \$16.5 million (current).
- At \$18.5 million, total authorization would only grow by \$700,000 over the previous highwater mark.
- This equates to ten-year aggregate budget growth of 4% or 0.04% annualized.
- If the annual budget amount kept pace with portfolio growth, the current budget would be \$33.8 million.
- The portfolio is likely to grow to \$75 billion in five years.
- If the annual budget amount kept pace with growth to \$75 billion, the budget would increase to \$48.2 million.
- We do not believe that amount of budget growth will be necessary.
- However, RSIC is still resourced like a \$30 billion plan.

Recent Appropriations History



FY 2025-2026 CURRENT BUDGET



FY 2026-2027 Budget Request

Total Budget (Other Funds)

\$18,503,000

Personal Services	\$9,500,000
Other Operating Expenses	\$5,703,000
Employer Contributions	\$3,300,000

FY 2026-2027 Budget Request Summary

RSIC is requesting an additional other fund authorization of **\$2,000,000** to meet the organization's growing needs.

- **\$1,000,000** increase to Personal Services is necessary to:
 - Meet additional staffing needs to manage a potential \$75 billion portfolio in 5 years.
 - Meet our compensation plan objectives:
 - Maximize staff retention as we continue to compete with the private investment sector for talent.
 - Provide long-term incentives for staff to exceed individual investment performance goals.
- **\$800,000** increase to Employer Contributions is necessary to cover additional health insurance, retirement, and social security costs associated with increased Personal Services authorization.
- **\$200,000** increase to Other Operating Expenses is necessary to meet the need for AI implementation and other systems/resources to enhance efficiencies.

Full Time Employee Status

- Authorized: 48
- Filled: 37
- Vacant: 11
 - 4 Investment Officers
 - 4 Investment Associates
 - 3 Additional Vacancies
- RSIC is not requesting any additional FTEs for FY 2026-2027 and has plans to fill vacant FTEs necessary to meet our investment portfolio growth needs.
- RSIC returned 3 FTEs pursuant to the FY 2025-2026 Appropriations Bill.

Provisos Request

RSIC requests maintaining the agency's current provisos:

- **99.1 (RSIC: Fiduciary Audit)** *For Fiscal Year 2025-26, Section 9-16-380, relating to the solicitation and the bid for a fiduciary audit, is suspended. (Update fiscal year to reflect 2026-2027.)*
- **117.116 (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.*