

# 2026 Annual Accountability Report

**Retirement System Investment Commission**

**Agency Code: E190**

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| AGENCY NAME: | Retirement System Investment Commission | | |
|---|---|---|---|
| AGENCY CODE: | E190 | SECTION: | 099 |

# AGENCY'S DISCUSSION AND ANALYSIS

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.

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.

FOR THE FISCAL YEAR ENDING JUNE 30, 2026, RSIC ACHIEVED POSITIVE ANNUALIZED INVESTMENT PERFORMANCE OF 14.53%, 12.11%, 8.31%, AND 9.16% OVER THE TRAILING 1, 3, 5, AND 10-YEAR PERIODS RESPECTIVELY, WHICH RESULTED IN $7.33 BILLION, $16.68 BILLION, $18.92 BILLION, AND $34.56 BILLION IN CUMULATIVE INVESTMENT PERFORMANCE OVER THESE TIME PERIODS. THE INVESTMENT PERFORMANCE FOR ALL TIME PERIODS ALSO EXCEEDED RSIC'S POLICY BENCHMARK BY 55 BPS, 92 BPS, 171 BPS, AND 93 BPS RESPECTIVELY.

RSIC'S ASSETS UNDER MANAGEMENT INCREASED TO $58.01 BILLION, AFTER STARTING THE FISCAL YEAR AT $50.34 BILLION WHICH INCLUDES THE IMPACTS OF $7.3 BILLION IN INVESTMENT PERFORMANCE AND $343 MILLION IN NET BENEFIT PAYMENTS.

| AGENCY NAME: | Retirement System Investment Commission | | |
|---|---|---|---|
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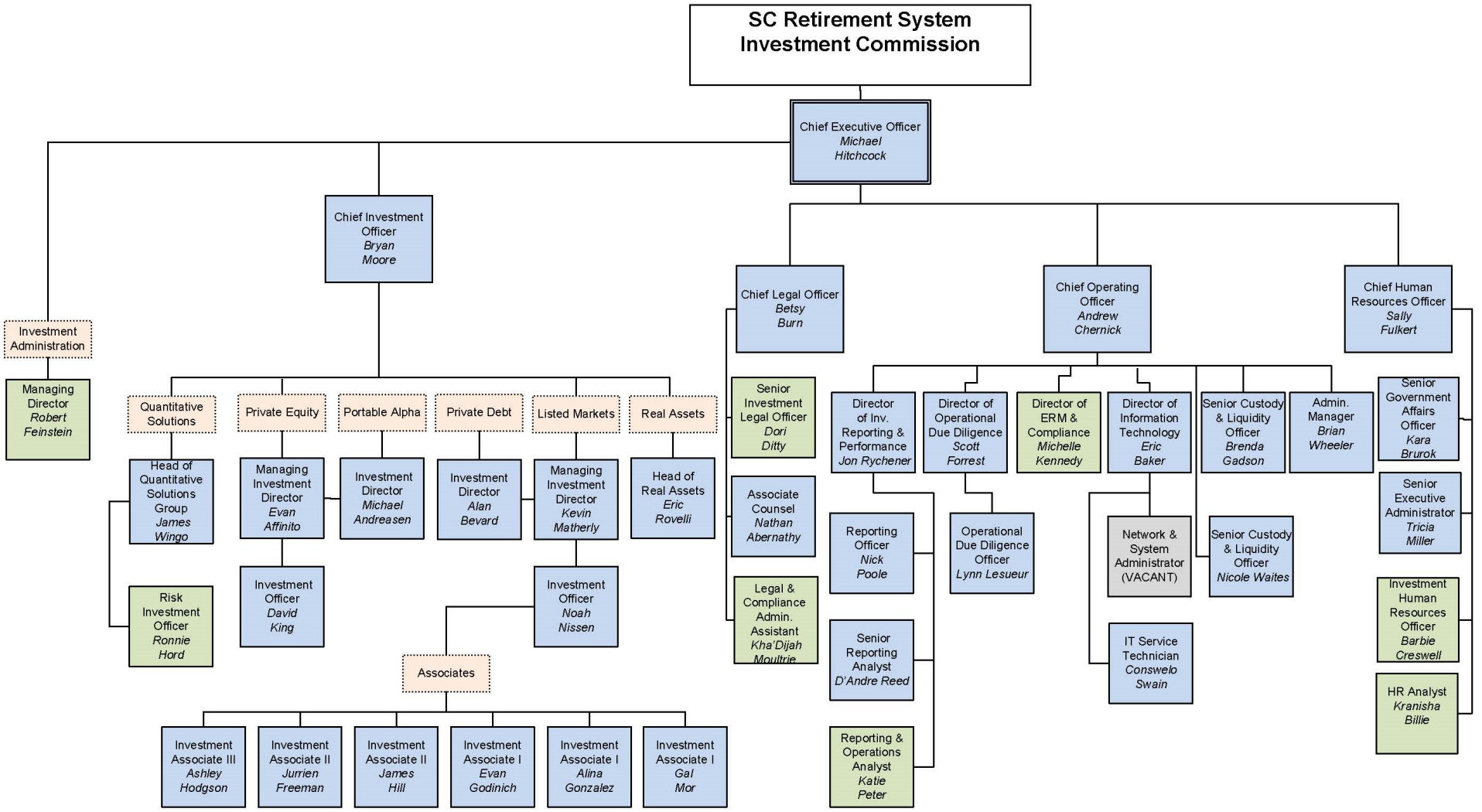
**Risk Assessment and Mitigation Section:**

The agency's most significant risk is the potential for severe volatility in financial markets or for long-term investment returns to fall meaningfully short of expectations. Because the pension systems rely heavily on investment earnings to meet future benefit obligations, periods of sharp market fluctuations or sustained under performance can weaken the plans' funded status and may lead to higher required contribution rates.

To mitigate this risk, RSIC structures its investment program with a long-term perspective, broad diversification, and ongoing stress testing across varied market environments. The agency emphasizes disciplined decision-making, prudent risk management, and strong oversight to help maintain stability during periods of market turbulence. RSIC's strategic asset allocation, governance framework, and continuous risk-monitoring processes are all designed to help the plans endure market downturns and reduce the likelihood that additional contributions will be needed.

Further details can be found in our Consolidated Annual Investment Plan and our Statement of Investment Objectives and Policies, available on our website here: RSIC Consolidated AIP/SIOP

| AGENCY NAME: | Retirement System Investment Commission | | |
|---|---|---|---|
| AGENCY CODE: | E190 | SECTION: | 099 |




Denotes a staff member with two reporting supervisors.

As of September 1, 2026

# 2026

# Reorganization and Compliance

as submitted for the Accountability Report by:

**E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION**

**Primary Contact**

| First Name | Last Name | Role/Title | Email Address | Phone |
|---|---|---|---|---|
| Andrew | Chernick | Chief Operating Officer | achernick@rsic.sc.gov | 803-737-6083 |

**Secondary Contact**

| First Name | Last Name | Role/Title | Email Address | Phone |
|---|---|---|---|---|
| Brian | Wheeler | Administrative Manager | bwheeler@rsic.sc.gov | 803-737-6843 |

## Agency Mission

**Adopted in:** 2005

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.

## Agency Vision

**Adopted in:** 2005

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.

## Recommendations for reorganization requiring legislative change:

None

| Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year: |
|---|
| None |

| Significant events related to the agency that occurred in FY2026 | | | | |
|---|---|---|---|---|
| **Description of Event** | **Start** | **End** | **Agency Measures Impacted** | **Other Impacts** |
| No significant events that affected performance measures | | | | |

| | |
|---|---|
| **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 |
| **Reason agency is out of compliance:** (if applicable) | |
| **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. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).** | Yes |
| **Does the law allow the agency to promulgate regulations?** | No |
| **Law number(s) which gives the agency the authority to promulgate regulations:** | |
| **Has the agency promulgated any regulations?** | No |
| **Is the agency in compliance with S.C. Code Ann. § 1-23-120 (J), which requires an agency to conduct a formal review of its regulations every five years?** | Yes |

**(End of Reorganization and Compliance Section)**

# FY2026

# Strategic Plan Results

as submitted for the Accountability Report by:

**E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION**

**Goal 1** Prudent, legal and transparent investment of Trust Funds

| Perf. Measure Number | Description | Base | Target | Actual | Value Type | Desired Outcome | Time Applicable | Calculation Method | Data Source | Data Location | Stakeholder Need Satisfied | Primary Stakeholder | State Funded Program Number Responsible | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1.1** | **Annually construct and execute, upon Commission approval, appropriate asset allocation.** | | | | | | | | | **State Objective:** | **Government and Citizens** | | | |
| 1.1.1 | Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions. | 14.53% | 7.00% | N/A | Percent | Equal to or greater than | State Fiscal Year | Final Net Asset Value Return | Investment Reports - RSIC (sc.gov) | Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | Quarterly reports are posted on the RSIC website as well as sent to the members of the State Fiscal Accountability Authority, Revenue and Fiscal Affairs Office, Executive Budget Office, the Speaker of the House of Representatives, the President of the Senate, and other appropriate officials and entities as defined by Section 9-16-90. |
| **1.2** | **Select investment managers based upon quantifiable analysis of performance.** | | | | | | | | | **State Objective:** | **Government and Citizens** | | | |
| 1.2.1 | Identify specific asset managers with whom RSIC will place fund assets in order to maximize the investment of those assets. | Underlying Asset class returns vs respective asset class benchmarks | Reported quarterly via our website, https://www.rsic.sc.gov/what-we-do/investment-reports.html | Reported quarterly via our website, https://www.rsic.sc.gov/what-we-do/investment-reports.html . | Percent | Equal to or greater than | State Fiscal Year | Underlying Asset class returns vs respective asset class benchmarks | Investment Reports - RSIC (sc.gov) | Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | Information reported in the Annual Investment Report. |
| **1.3** | **Ensure the efficient and effective delivery of services complementary to the investment function.** | | | | | | | | | **State Objective:** | **Government and Citizens** | | | |
| 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. | 5 | 5 | N/A | Count | Equal to or greater than | State Fiscal Year | Total # of 4 quarterly and 1 Annual , which is # of reports issued to be legally compliant | Investment Reports - RSIC (sc.gov) | Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | All reports produced by RSIC listed in Reports Section. |
| **1.4** | **Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.** | | | | | | | | | **State Objective:** | **Government and Citizens** | | | |
| 1.4.1 | Evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach. | 6 | 6 | On-going | Count | Equal to or greater than | State Fiscal Year | Total # of external reviews conducted by outside consultants/audit firms on RSIC practices | Presented at Audit & Enterprise Risk Management Committee | Minutes to Audit & Enterprise Risk Management Committee can be found on our website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | RSIC Board of Commissioners meets quarterly to regularly monitor the effectiveness and performance of the investment and management of the assets of the retirement system, consistent with the investment and other policies of the Commission. The Commission regularly monitors the effectiveness and efficiency of the administration of RSIC through a review of the Strategic Plan, approval and monitoring of the operating budget, and implementation of agency internal controls. Appropriate monitoring and reporting practices are established and documented within the RSIC and made available to Commission members. The Commission receives reports from the Audit and Enterprise Risk Management Committee regarding the results of audits of the RSIC and receives reports. RSIC also follows a Governance Policy and the Commission adopts a Statement of Investment Objectives and Policies annually. |

# FY2027

## Strategic Plan Development

as submitted for the Accountability Report by:

**E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION**

**Goal 1** Prudent, legal and transparent investment of Trust Funds

| Perf. Measure Number | Description | Base | Target | Value Type | Desired Outcome | Time Applicable | Calculation Method | Data Source | Data Location | Stakeholder Need Satisfied | Primary Stakeholder | State Funded Program Number Responsible | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1.1** | **Annually construct and execute, upon Commission approval, appropriate asset allocation.** | | | | | | | | **State Objective: Government and Citizens** | | | | |
| 1.1.1 | Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions. | 14.53% | 7.00% | Percent | Equal to or greater than | State Fiscal Year | Final Net Asset Value Return | Investment Reports - RSIC (sc.gov) | RSIC Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | |
| **1.2** | **Select investment managers based upon quantifiable analysis of performance.** | | | | | | | | **State Objective: Government and Citizens** | | | | |
| 1.2.1 | Identify specific asset managers with whom RSIC will place fund assets in order to maximize the investment of those assets. | Underlying Asset class returns vs respective asset class benchmarks | Reported quarterly via our website, https://www.rsic.sc.gov/what-we-do/investment-reports.html | Percent | Equal to or greater than | State Fiscal Year | Underlying Asset class returns vs respective asset class benchmarks | Investment Reports - RSIC (sc.gov) | RSIC Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | |
| **1.3** | **Ensure the efficient and effective delivery of services complementary to the investment function.** | | | | | | | | **State Objective: Government and Citizens** | | | | |
| 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. | 5 | 5 | Count | Equal to or greater than | State Fiscal Year | Total # of 4 quarterly and 1 Annual , which is # of reports issued to be legally compliant | Investment Reports - RSIC (sc.gov) | RSIC Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | |
| **1.4** | **Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.** | | | | | | | | **State Objective: Government and Citizens** | | | | |
| 1.4.1 | Evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach. | 6 | 6 | Count | Equal to or greater than | State Fiscal Year | Total # of external reviews conducted by outside consultants/audit firms on RSIC practices | RSIC (sc.gov) | RSIC Website | Current beneficiaries of the system and benefit payments to retirees. | Beneficiaries of the state retirement system. | 0100.000000.000 | |

# Budget Data

2026

as submitted for the Accountability Report by:

## E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION

| State Funded Program No. | State Funded Program Title | Description of State Funded Program | (Actual) General | (Actual) Other | (Actual) Federal | (Actual) Total | (Projected) General | (Projected) Other | (Projected) Federal | (Projected) Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 0100.000000.000 | Administration | E2 – Salaries and operating funds needed by the agency to provide services. | Do not receive. | $ 12,434,777.00 | Do not receive. | $ 12,434,777.00 | Do not receive. | $ 13,429,559.00 | Do not receive. | $ 13,429,559.00 |
| 9500.050000.000 | State Employer Contributions | E3 – Agency share of employer benefits. | Do not receive. | $ 2,495,000.00 | Do not receive. | $ 2,495,000.00 | Do not receive. | $ 2,694,000.00 | Do not receive. | $ 2,694,000.00 |

# 2026

## Legal Data

as submitted for the Accountability Report by:

**E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION**

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| 9-1-1310 | State | Statute | Authority to invest and reinvest the Trust Fund as allowed by Constitution and Statute. | Not related to agency deliverable. | | No Change |
| 9-1-1340 | State | Statute | Prohibition of conflicts of interest. | Not related to agency deliverable. | | No Change |
| Certain laws overseen by the Commodity Futures Trading Commission | Federal | Statute | There are certain elements of the federal commodities trading laws which the Investment Commission has to be mindful of in structuring and administering its investments. | Not related to agency deliverable. | | No Change |
| Federal Securities Laws | 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 Commission]). | Not related to agency deliverable. | | No Change |

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| Proviso 99.1 | State | FY25-26 Proviso | (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. | Not related to agency deliverable. | Suspends requirement for a fiduciary audit. | Reenacted |
| Proviso 99.2 | State | FY25-26 Proviso | 99.2. (RSIC: Unfunded Liability Study) The Retirement System Investment Commission will study and provide recommendations on viable alternative means of addressing the retirement system's unfunded liability that do not involve an increase in employer or employee contributions including, but not limited to, methods to refinance, restructure, securitize, or capitalize the system's obligations. RSIC shall submit a report to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by December 31st that provides a summary of any alternative method including the risks, benefits, and impact to the retirement system and RSIC's investment program, as well as the extent to which the method has been employed in other states and the realized impact of the particular method. RSIC may employ any expert, consultant, actuary, or other resource reasonably necessary to assist with this study and other state agencies will provide RSIC with any reasonable assistance and information needed to fulfill the requirements of this provision. | Not related to agency deliverable. | Added by Senate Finance | Repealed |

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| Proviso 117.115 | State | FY25-26 Proviso | 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.<br><br>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. | Not related to agency deliverable. | | Reenacted |
| SC Constitution, Article X, Section XVI | State | Statute | Notwithstanding the provisions of Section 11 of this article, the funds of the various state-operated retirement systems may be invested and reinvested in equity securities. | Not related to agency deliverable. | | No Change |
| Section 9-16-10 | State | Statute | Duties and responsibilities of Commission eligibility requirements, reporting requirements, considerations for investment of Trust Fund. | Not related to agency deliverable. | | No Change |
| Section 9-16-100 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-20 | State | Statute | RSIC given exclusive authority to invest & manage all assets; Mandates holding & investing all assets of the 5 systems in a group trust. | Not related to agency deliverable. | | No Change |

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| Section 9-16-30 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-315 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-320 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-330 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-335 | State | Statute | Assumed rate of return set by General Assembly at 7.25% as of 7/1/2017; provides mechanism for review and setting assumed rate every 4 years. | Not related to agency deliverable. | | No Change |
| Section 9-16-340 | 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 through the CIO, will invest and reinvest the assets. | Not related to agency deliverable. | | No Change |

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| Section 9-16-345 | State | Statute | Commission will strive to assure that minorities and minority-owned businesses are represented in hiring and procurement. | Not related to agency deliverable. | | No Change |
| Section 9-16-350 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-360 | State | Statute | Establishes standards of conduct for a fiduciary or employee of a fiduciary; breach of standards may result in dismissal of a Commissioner for conflict of interest, dismissal of an employee. | Not related to agency deliverable. | | No Change |
| Section 9-16-370 | State | Statute | Provides for defense and indemnification of Commission members, offices and management employees for acts arising out of official duties. | Not related to agency deliverable. | | No Change |
| Section 9-16-380 | State | Statute | Provides for a fiduciary audit of the Commission every four years. | Not related to agency deliverable. | | No Change |
| Section 9-16-40 | State | Statute | Standards for discharge of fiduciary duty by Commissioners and other fiduciaries. | Not related to agency deliverable. | | No Change |
| Section 9-16-50 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-55 | State | Statute | Sudan divestment requirement, prohibiting certain investments in companies with business operations in Sudan. | Not related to agency deliverable. | | No Change |

| Law number | Jurisdiction | Type | Description | Purpose the law serves: | Notes: | Changes made during FY2026 |
|---|---|---|---|---|---|---|
| Section 9-16-60 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-70 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-710 | State | Statute | ** Investment education services** - this statute applies to SCRS, not the Commission, related to SCRS may provide unbiased investment education services to employees. | Not related to agency deliverable. | | No Change |
| Section 9-16-80 | 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. | Not related to agency deliverable. | | No Change |
| Section 9-16-90 | 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. | Not related to agency deliverable. | | No Change |
| Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974) | Federal | Statute | There are certain elements of the federal tax laws and ERISA which the Investment Commission has to be mindful of in structuring and administering its investments. | Not related to agency deliverable. | | No Change |

# 2026

# Services Data

as submitted for the Accountability Report by:

## E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION

| Description of Service | Description of Direct Customer | Customer Name | Others Impacted by Service | Division or major organizational unit providing the service. | Description of division or major organizational unit providing the service. | Primary negative impact if service not provided. | Changes made to services during FY2026 | Summary of changes to services |
|---|---|---|---|---|---|---|---|---|
| Investment Returns | Age: All<br>Gender: All<br>Economic Requirements: All incomes<br>Other Required Conditions: State Plan Beneficiary | State Retirement Plan Beneficiaries | | Investment | Asset Allocation | RSIC's primary investment objective is to design an investment program that produces a long-term rate of return that when added to contributions, funds current and future benefit payments | No Change | |
| Investment Returns | Age: All<br>Gender: All<br>Economic Requirements: All incomes<br>Other Required Conditions: State Plan Beneficiary | State Retirement Plan Beneficiaries | | Investment | Manager Selection | RSIC's primary investment objective is to design an investment program that produces a long-term rate of return that when added to contributions, funds current and future benefit payments | No Change | |
| Investment Returns | Age: All<br>Gender: All<br>Economic Requirements: All incomes<br>Other Required Conditions: State Plan Beneficiary | State Retirement Plan Beneficiaries | | Operations | Operations | RSIC's primary investment objective is to design an investment program that produces a long-term rate of return that when added to contributions, funds current and future benefit payments | No Change | |
| Investment Returns | Age: All<br>Gender: All<br>Economic Requirements: All incomes<br>Other Required Conditions: State Plan Beneficiary | State Retirement Plan Beneficiaries | | Operations | Internal Audit and Compliance | RSIC's primary investment objective is to design an investment program that produces a long-term rate of return that when added to contributions, funds current and future benefit payments | No Change | |

# 2026

## Partnerships Data

as submitted for the Accountability Report by:

**E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION**

| Type of Partner Entity | Name of Partner Entity | Description of Partnership | Change to the partnership during the past fiscal year |
|---|---|---|---|
| State Government | SC Public Employee Benefits Authority | Investment returns contribute to benefit payments; reporting data contribute to PEBA ACFR; PEBA director is a seated and non-voting Commissioner. PEBA has custodianship of the system assets and governance of the custodial banking relationship is under the auspice of RSIC. | No Change |
| State Government | SC State Fiscal Accountability Authority | Commissioner appointing authorities and co-trustees | No Change |

# 2026

# Reports Data

as submitted for the Accountability Report by:

## E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION

| Report Name | Law Number (if applicable) | Summary of information requested in the report | Date of most recent submission DURING the past fiscal year | Reporting Frequency | Type of entity/entities | Method to access the report | Direct access hyperlink or agency contact (if not provided to LSA for posting online) | Changes to this report during the past fiscal year | Explanation why a report wasn't submitted |
|---|---|---|---|---|---|---|---|---|---|
| 2024-2025 Annual Investment Report | Section 9-16-90 | (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<br>(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<br>(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;<br>(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 uncollectible. | December 2025 | Annually | South Carolina state agency or agencies | Available on agency's website | Investment Reports - RSIC | No Change | |
| 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<br>financial and performance results measures. | September 2025 | Annually | Governor or Lt. Governor AND Legislative entity or entities AND South Carolina state agency or agencies | Provided to LSA for posting online | Provided to LSA from EBO. | No Change | |
| 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. | April 2026 | Annually | Outside Organization | Available on another website | RSIC Staff | No Change | |
| Agreed Upon Procedures Crowe, LLP | | Through the use of an Agreed Upon Procedures (AUP) performed by Crowe LLP (Crowe), RSIC has coverage around whether procedures covering the areas of investment due diligence (initial and ongoing), investment valuations, staff compliance, securities lending, vendor oversight and co-investments are being followed. | December 2025 | Annually | Outside Organization | Available Upon Request | No | No Change | |
| Fiduciary Performance Audit | Section 9-16-380 | 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 was performed every 4 years, but the requirement was suspended by Proviso 99.1 of the FY 24-25 budget. | Report submitted calendar year 2022. Submitted every 4 years. As of FY 2024, the report would be not be due until 2026. Proviso 99.1 of the FY 25-26 budget, suspends the requirement of this report. | Every 4 Years | Outside Organization | Online | https://www.rsic.sc.gov/what-we-do/investment-reports.html | No Change | Proviso 99.1 of the FY 26-27 budget, suspends the requirement of this report. |
| Quarterly Investment Report | Section 9-16-90 | Investment Performance | June 2026 | Quarterly | State | Online | Investment Reports - RSIC (sc.gov) | No Change | |
| SCRSIC Internal Audit Review - The scope of this review encompassed an assessment of RSIC's performance reporting practices to examine the design and effectiveness of controls in place to manage performance and reporting obligations and mitigate key risks (Deloitte) | | The scope of this review encompassed an assessment of RSIC's performance reporting practices to examine the design and effectiveness of controls in place to manage performance and reporting obligations and mitigate key risks | December 2025 | Other | Other | Hard copy available upon request | RSIC Staff | Add | |

| Report Name | Law Number (if applicable) | Summary of information requested in the report | Date of most recent submission DURING the past fiscal year | Reporting Frequency | Type of entity/entities | Method to access the report | Direct access hyperlink or agency contact (if not provided to LSA for posting online) | Changes to this report during the past fiscal year | Explanation why a report wasn't submitted |
|---|---|---|---|---|---|---|---|---|---|
| SCRSIC Internal Audit Review - The scope of this Internal Audit Remediation Review encompassed an assessment of RSIC's implementation of management action plans, including findings and enhancement considerations, from reviews performed between FY 2020 – FY 2024 (Deloitte) | | The scope of this Internal Audit Remediation Review encompassed an assessment of RSIC's implementation of management action plans, including findings and enhancement considerations, from reviews performed between FY 2020 – FY 2024 | October 2025 | Other | Other | Hard copy available upon request | RSIC Staff | Add | |
| 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). | December 2025 | Annually | Other | Available on agency's website | Investment Reports - RSIC (sc.gov) | No Change | |
| SCRSIC - Internal Audit Review - Vulnerability Management Review (Deloitte) | | The scope of this review encompassed an assessment of RSIC's Vulnerability Management program, focusing on the design and effectiveness of controls to identify and remediate system vulnerabilities | November 2025 | Other | Other | Hard copy available upon request. | RSIC Staff | Add | |
| SCRSIC - Internal Audit Review - AI Review & Copilot Assessment (Soteria) | | This review focused on RSIC planned deployment of Microsoft 365 Copilot and to evaluate RSIC's readiness to introduce AI tools into its environment, establish appropriate governance practices and to equip RSIC with a repeatable framework for evaluating future AI products. | May 2026 | Other | Other | Hard copy available upon request. | RSIC Staff | Add | |

| AGENCY NAME: | Retirement System Investment Commission | | |
|---|---|---|---|
| AGENCY CODE: | E190 | SECTION: | 099 |

# 2026
# Accountability Report

## SUBMISSION FORM

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

- Data Template
  - Reorganization and Compliance
  - FY2026 Strategic Plan Results
  - FY2027 Strategic Plan Development
  - Legal
  - Services
  - Partnerships
  - Report or Review
  - Budget
- Discussion Template
- Organizational Template

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** | **Signature Received:** 9/14/2026 |
| *(TYPE/PRINT NAME)*: | Michael R. Hitchcock, CEO | |

| | | |
|---|---|---|
| BOARD/CMSN CHAIR *(SIGN AND DATE)*: | **SIGNATURE ON FILE** | **Signature Received:** 9/14/2026 |
| *(TYPE/PRINT NAME)*: | William H. Hancock, Commission Chairman | |