

Legislative Oversight Committee
South Carolina House of Representatives
Post Office Box 11867
Columbia, South Carolina 29211
Telephone: (803) 212-6810 • Fax: (803) 212-6811



2016 Annual Restructuring Report Guidelines

PLEASE NOTE:

The information included in the agency's report will appear online for all legislators and the public to view.

Agency Name:
Date Report Submitted:
Date Report Re-Submitted:
Agency Head
First Name
Last Name:
Email Address:
Phone Number:

Retirement System Investment Commission
January 8, 2016
August 11, 2016
Chief Executive Officer
Michael
Hitchcock
mhitchcock@ic.sc.gov
803-737-7698

General Instructions

SUBMISSIONS	
What to submit?	Please submit this document in electronically only in both the original format (Excel) as well as in a PDF document. Save the document as "2016 - Agency ARR (<i>insert date agency submits report</i>)."
When to submit?	The deadline for submission is by the first day of session, January 12, 2016.
Where to submit?	Email all electronic copies to HCommLegOv@schouse.gov.

NOTE: If the agency enters its Name and the Date of Submission in the "Cover Page" tab, it should automatically populate at the top of each tab in this report.

WHERE INFORMATION WILL APPEAR	
Where will submissions appear?	The information included in the agency's report will appear online for all legislators and the public to view. On the South Carolina Statehouse Website it will appear on the Publications page as well as on the individual agency page, which can be accessed from the House Legislative Oversight Page.

QUESTIONS	
Who to contact?	House Legislative Oversight at 803-212-6810.

OTHER INFORMATION	
<i>House Legislative Oversight</i>	
Mailing	Post Office Box 11867
Phone	803-212-6810
Fax	803-212-6811
Email	HCommLegOv@schouse.gov
Web	The agency may visit the South Carolina General Assembly Home Page (http://www.scstatehouse.gov) and click on "Citizens' Interest" then click on "House Legislative Oversight Committee Postings and Reports."

Legal Standards

This is the first chart in the report because the legal standards which apply to the agency should serve as the basis for the agency's mission, vision and strategic plan.

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016

Instructions : List all state and federal statutes, regulations and provisos that apply to the agency ("Laws") and a summary of the statutory requirement and/or authority granted in the particular Law listed. If the agency grouped Laws together last year, they can continue to do so this year. However, please be aware that when the agency goes under study, the House Legislative Oversight Committee will ask it to list each Law individually. The Committee makes this request so the agency can then analyze each of the Laws to determine which current Laws may need to be modified or eliminated, as well as any new Laws possibly needed, to allow the agency to be more effective and efficient or to ensure the Law matches current practices and systems. Included below is an example, with a partial list of Laws which apply to the Department of Juvenile Justice. Please delete the example information before submitting this chart in final form. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Item #	Statute, Regulation, or Proviso Number	State or Federal	Summary of Statutory Requirement and/or Authority Granted	Is the law a Statute, Proviso or Regulation?
1	9-1-1310	State	Authority to invest and reinvest the Trust Fund as allowed by Constitution and Statute	Statute
2	9-1-1340	State	Prohibition of conflicts of interest	Statute
3	Title 9, Chapter 16	State	Duties and responsibilities of Commission, eligibility requirements, reporting requirements, considerations for investment of Trust Fund	Statute
4	Title 11, Chapter 57	State	Iranian Divestment Act	Statute
5	SC Constitution, Article X, Section XVI	State	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.	Constitution
6	Proviso 99.1	State	For Fiscal Year 2015-16, the provisions of Section 9-16-380 requiring the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by Section 9-16-380 of the 1976 Code shall be suspended. Any savings generated by not conducting the audit shall be used to conduct audits required by Section 9-4-40 of the 1976 Code.	Proviso
7	Proviso 99.2	State	The Retirement System Investment Commission shall be required to appear before the House Ways and Means Committee's, Legislative, Executive and Local Government Subcommittee on a semi-annual basis at the request of the subcommittee. The purpose of the meeting shall include, but not be limited to, the review of quarterly investment reports and agency operations.	Proviso
8	Proviso 99.3	State	The Retirement System Investment Commission shall retain twenty-five percent of the annual amount invoiced for its third-party administrator system for the purpose of ensuring the performance of the third-party administrator. The funds must be held in a retainage account and may only be distributed after verification of satisfactory performance by the Investment Commission and Procurement Services pursuant to the service agreement with the third-party administrator. All undistributed funds in the retainage account may be carried forward from the prior fiscal year and used for the same purpose.	Proviso
9	Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974)	Federal	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	Statute
10	Federal securities laws	Federal	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])	Statute
11	Certain laws overseen by the Commodity Futures Trading Commission	Federal	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	Statute

Mission, Vision and Goals

This is the second chart because the agency's mission and vision should have a basis in the legal standards, which the agency provided in the previous chart. After the agency knows the laws it must satisfy, along with its mission and vision, it can then set goals to satisfy those laws and achieve that vision (and the strategy and objectives to accomplish each goal - see next chart). To ensure accountability, one person below the head of the agency should be responsible for each goal. The same person is not required to be responsible for all of the goals.

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions: Provide the agency's mission, vision and laws (i.e. state and/or federal statutes) which serve as the basis for the agency's mission and vision.

Mission	Prudently managing all assets held in trust for the sole benefit of the participants and beneficiaries of the South Carolina Retirement Systems. It will seek superior long-term investment results at a reasonable level of risk.
Legal Basis for agency's mission	9-16-330
Vision	To be a world class investment organization that pursues strategies that contribute positively to the financial health of the Retirement System.
Legal Basis for agency's vision	9-16-340

Instructions:

- 1) Under the "Legal Responsibilities Satisfied" column, enter the legal responsibilities (i.e. state and/or federal statutes and provisos) the goal is satisfying. All of the laws mentioned in the previous chart (i.e. Legal Standards Chart) should be included next to one of the agency's goals. When listing the Legal Responsibilities Satisfied, the agency can group the standards together when applicable (i.e. SC Code 63-19-320 thru 63-19-450). Make sure it is clear whether the agency is referencing state or federal laws and whether it is a proviso or statute.
- 2) Under the "Goals and Description" column, enter the number and description of the goal which will help the agency achieve its vision (i.e. Goal 1 - Increase the number of job opportunities available to juveniles to 20 per juvenile within the next 2 years). The agency should have 3-4 high level goals.
- 3) Under the "Describe how the Goal is SMART" column, enter the information which shows the goal is Specific, Measurable, Attainable, Relevant and Time-bound.
- 4) Under the "Public Benefit/Intended Outcome" column, enter the intended outcome of accomplishing the goal.
- 5) Under the "Responsible Person" columns, provide information about the individual who has primary responsibility/accountability for each goal. The Responsible Person has different teams of employees beneath him/her to help accomplish the goal. The Responsible Person is the person who, in conjunction with his/her team(s) and approval from higher level superiors, determines the strategy and objectives to accomplish the goal. In addition, this is the person who monitors the progress and makes any changes needed to the strategies and objectives to ensure the goal is accomplished. Under the "Position" column, enter the Responsible Person's position/title at the agency.

Legal Responsibilities Satisfied	Goals & Description	Describe how the Goal is S.M.A.R.T.	Public Benefit/Intended Outcome	Responsible Person Name:	Number of months person has been responsible for the goal or objective:	Position:
(i.e. state and federal statutes or provisos the goal is satisfying)	(i.e. Goal 1 - insert description)	S pecific M easurable A ttainable R elevant T ime-bound	(Ex. Output = rumble strips are installed on the sides of a road; Outcome = incidents decrease and public perceives that the road is safer) Just enter the intended outcome			
Title 9 - Chapter 16; 9-1-1310 and 9-1-1340; Title 11, Chapter 57; SC Constitution, Article X, Section XVI; Various federal tax laws, ERISA (Employee Retirement Income Security Act of 1974), Federal securities laws and Certain laws overseen by the Commodity Futures Trading Commission	Goal 1 - Prudent, legal and transparent investment of Trust Funds	Measurable investment returns and risk levels, complete and easily accessible information and verifiable adherence to the law	Effective investment of the Fund with the utmost transparency and strict adherence to all legal requirements	Geoff Berg, Andrew Chernick, Betsy Burn	3, 15, 2	Acting Chief Investment Officer, Managing Director of Operations and Operational Due Diligence, Acting Chief Legal Officer
Proviso 99.1	N/A					
Proviso 99.2	N/A					
Proviso 99.3	N/A					

Strategy, Objectives and Responsibility

This is the next chart because once the agency determines its goals, and those responsible for each goal, it then needs to determine the strategy and objectives to accomplish each goal. To ensure accountability, one person should be responsible for each objective. This can be the same person responsible for

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions:

- Under the "Legal Responsibilities Satisfied" column, enter the legal responsibilities (i.e. state and/or federal statutes and provisions) the goal or objective is satisfying. For each goal, the agency can copy and paste the information from the Mission, Vision and Goals Chart. All of the legal standards mentioned for a particular goal should be included next to one of the objectives under that goal. When listing the Legal Responsibilities Satisfied, the agency can group the standards together when applicable (i.e. 63-19-320 thru 63-19-370). Make sure it is clear whether the agency is referencing state or federal laws and whether it is a proviso or statute.
- Under the "Strategic Plan Part and Description" column, enter the strategic plan part number and description (i.e. Goal 1 - Increase the number of job opportunities available to juveniles to 20 per juvenile within the next 2 years). For each goal, the agency can copy and paste the information from the Mission, Vision and Goals Chart. If the agency is still utilizing the same strategies and objectives it submitted as part of the Accountability Report, it can copy and paste those into the remainder of the columns. However, if the agency has trouble explaining how each objective is SMART, it may need to revise its objectives. In addition, if the agency has revised its strategic plan since submitting its last Accountability Report, please provide information from the most current strategic plan.
- Under the "Describe how it is SMART" column, enter the information which shows how each goal and objective is Specific, Measurable, Attainable, Relevant and Time-bound.
- Under the "Public Benefit/Intended Outcome" column, enter the intended outcome of accomplishing each goal and objective.
- Under the "Responsible Person" columns, provide information about the individual who has primary responsibility/accountability for each goal and objective. The Responsible Person for a goal has different teams of employees beneath him/her to help accomplish the goal. The Responsible Person for an objective has employees and possibly different teams of employees beneath him/her to help accomplish the objective. The Responsible Person for a goal is the person who, in conjunction with his/her team(s) and approval from higher level superiors, determines the strategy and objectives needed to accomplish the goal. The Responsible Person for an objective is the person who, in conjunction with his/her employees and approval from higher level superiors, sets the performance measure targets and heads the game plan for how to accomplish the objective for which he/she is responsible. Under the "Position" column, enter the Responsible Person's position/title at the agency. Under "Office Address" column, enter the address for the office from which the Responsible Person works. Under the "Department/Division" column, enter the department or division at the agency in which the Responsible Person works. Under the "Department/Division Summary" column, enter a brief summary (no more than 1-2 sentences) of what that department or division does in the agency.

Legal Responsibilities Satisfied:	Strategic Plan Part and Description	How it is S.M.A.R.T.:	Public Benefit/Intended Outcome:	Responsible Person Name:	Number of months person has been responsible for the goal or objective:	Position:	Office Address:	Department or Division:	Department or Division Summary:
(i.e. state and federal statutes or provisos the goal or objective is satisfying)	(i.e. Goal 1 - Insert description, Strategy 1.1 - Insert Description, Objective 1.1.1 - Insert Description)	Describe how each goal and objective is... Specific; Measurable; Attainable; Relevant; and Time-bound	(Ex. Output = rumble strips are installed on the sides of a road; Outcome = incidents decrease and public perceives that the road is safer) Just enter the intended outcome						
Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI	Goal 1 - Prudent, legal and transparent investment of Trust Funds.	Optimal investment returns and risk levels; complete and easily accessible information and verifiable adherence to the law.	Effective (acceptable total and relative returns) investment with the utmost transparency and strict adherence to all legal requirements.	Geoff Berg, Andrew Chernick	3, 15	Acting Chief Investment Officer, Managing Director of Operations and Operational Due Diligence	1201 Main Street, Suite 1510, Columbia, SC 29201	Investment and Operations	Investment and Operations
The agency does not need to insert the information for the rest of the columns for any strategy, type "n/a"	Strategy 1.1 - Construct and execute, upon Commission approval, appropriate asset allocation.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI; Proviso 99.1	Objective 1.1.1 - Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions.	The trust fund investment returns, measured at varying intervals, come in at or above the annual assumed rate of return while providing sufficient annual liquidity to assist in payment promised benefits.	Benefits are funded, state employees and the general public have confidence in the agency and the requisite contributions are held to a minimum.	Geoff Berg	3	Acting CIO	1201 Main Street, Suite 1510, Columbia, SC 29201	Investment	Investment
The agency does not need to insert the information for the rest of the columns for any strategy, type "n/a"	Strategy 1.2 - Select investment managers based upon quantifiable analysis of performance.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI; Proviso 99.1	Objective 1.2.1 - Identify specific asset managers with whom RSIC will place Fund assets in order to maximize the investment of those assets.	Managers easily are judged in their performance over various periods of time.	Actively managed investments earn premium returns, the total Fund return increases accordingly and all parties have confidence in RSIC activities.	Geoff Berg	3	Acting CIO	1201 Main Street, Suite 1510, Columbia, SC 29201	Investment	Investment
The agency does not need to insert the information for the rest of the columns for any strategy, type "n/a"	Strategy 1.3 - Ensure the efficient and effective delivery of services complimentary to the investment function.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9-1-1310; 9-1-1340; Title 9, Chapter 16; Title 11, Chapter 57; Proviso 99.1; Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974); Federal securities laws; Certain laws overseen by the Commodity Futures Trading Commission	Objective 1.3.1 - Providing support to the Investment Team, provide timely and accurate and robust reporting of plan performance, remain legally compliant.	Quarterly and annual statutory reporting requirements are met; public information is quickly uploaded to RSIC website; legal prescriptions are met.	The investment team has the tools to perform at the highest level; all fiduciaries and stakeholders have precise and relevant information; the Trust remains free of legal entanglement.	Andrew Chernick	15	Managing Director of Operations and Operational Due Diligence	1201 Main Street, Suite 1510, Columbia, SC 29201	Operations	Operations
The agency does not need to insert the information for the rest of the columns for any strategy, type "n/a"	Strategy 1.4 - Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9-1-1310; 9-1-1340; Title 9, Chapter 16; Title 11, Chapter 57; Proviso 99.1; Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974); Federal securities laws; Certain laws overseen by the Commodity Futures Trading Commission	Objective 1.4.1 - Systematic and disciplined approach to evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach.	The Commissioners' Audit Committee received regular reports on various agency activities and risk management efforts.	Stakeholders, policy makers and the general public enjoy independent verification of the propriety and efficiency of investments and operations.	Andrew Chernick	15	Managing Director of Operations and Operational Due Diligence	1201 Main Street, Suite 1510, Columbia, SC 29201	Operations	Operations

Associated Programs

This is the next chart because once the agency has determined its goals, strategies and objectives, the agency needs to determine which of its programs will help achieve those objectives and goals and which programs may need to be curtailed or eliminated. If one program is helping accomplish an objective that a lot of other programs are also helping accomplish, the agency should consider whether the resources needed for that program could be better utilized (i.e. so the agency can most effectively and efficiently accomplish all of its goals and objectives) if they were distributed among the other programs that are helping accomplish the same objective or among programs that are helping accomplish other objectives.

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2106
Fiscal Year for which information below pertains	2015-16

Instructions :

- 1) Under the "Name of Agency Program" column, enter the name of every program at the agency on a separate row.
- 2) Under the "Description of Program" column, enter a 1-3 sentence description of the agency program.
- 3) Under the "Legal Statute Requiring Program" column, enter the legal statute which requires (this is different than allows) the program, if the program is required by a state or federal statute or proviso. Make sure it is clear whether the agency is referencing state or federal laws and whether it is a proviso or statute. If the program is not required by a state or federal statute or proviso, enter "none."
- 3) Under the "Objective the Program Helps Accomplish" column, enter the strategic plan objective number and description. The agency can copy the Objective number and description from the first column of the Strategy, Objective and Responsibility Chart. Enter ONLY ONE objective per row. If an agency program helps accomplish multiple objectives, insert additional rows with that agency program information and enter each different objective it helps accomplish on a separate row.

Name of Agency Program	Description of Program	Legal Statute or Proviso Requiring the Program	Objective the Program Helps Accomplish (The agency can copy the Objective number and description from the first column of the Strategy, Objective and Responsibility Chart) List ONLY ONE strategic objective per row.
Asset Allocation	Apportion the portfolio's assets according to the goals, risk tolerance and investment horizon set out by the Commission.	Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI; Proviso 99.1	Objective 1.1.1 - Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions.
Manager Selection	Identification of specific investment managers with whom RSIC will place Fund assets in order to fulfill the overall asset allocation.	Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI; Proviso 99.1	Objective 1.2.1 - Identify specific asset managers with whom RSIC will place Fund assets in order to maximize the investment of those assets.
Operations	Ensure the efficient and effective delivery of services complimentary to the investment function.	9-1-1310; 9-1-1340; Title 9, Chapter 16; Title 11, Chapter 57; Proviso 99.1; Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974); Federal securities laws; Certain laws overseen by the Commodity Futures Trading Commission	Objective 1.3.1 - Providing support to the Investment Team, provide timely and accurate and robust reporting of plan performance, remain legally compliant.
Internal Audit	Ensure a systematic and rigorous approach to the evaluation and improvement of risk management, control and governance processes.	9-1-1310; 9-1-1340; Title 9, Chapter 16; Title 11, Chapter 57; Proviso 99.1; Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974); Federal securities laws; Certain laws overseen by the Commodity Futures Trading Commission	Objective 1.4.1 - Systematic and disciplined approach to evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach.

Strategic Budgeting

This is the next chart because once the agency determines its goals, strategies and objectives, as well as the programs that will best allow the agency to accomplish its objectives, the agency needs to determine how to allocate its funds to most effectively and efficiently accomplish the objectives. After allocating the funds to the objectives, the agency may decide to go back and revise which associated programs it will continue, curtail or eliminate in order to most effectively and efficiently accomplish its goals and objectives.

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-2016

IMPORTANT TIME SAVING NOTE: Please note that only one year of budgeted funds is requested. Once an agency is under study with the House Legislative Oversight Committee, the Committee may request information on how the agency budgeted and spent money for the previous five years. If an agency is chosen for study five years from now, the agency can quickly and easily combine the information from this chart for each of the last five years.

Part A Instructions: Estimated Funds Available this Fiscal Year (2015-16)

1) Please enter each source of funds for the agency in a separate column. Group the funding sources however is best for the agency (i.e. general appropriation programs, proviso 18.2, proviso 19.3, grant ABC, grant XYZ, Motor Vehicle User Fees, License Fines, etc.) to provide the information requested below each source (i.e. state, other or federal funding; recurring or one-time funding; etc.). The agency is not restricted by the number of columns below so please delete or add as many as needed. **However the agency chooses to group its funding sources, it should be clear through Part A and B, how much the agency estimates it has available to spend and where the agency has budgeted the funds it has available to spend.**

Part B Instructions: How Agency Budgeted Funds this Fiscal Year (2015-16)

- 1) Enter each agency objective and description (i.e. Objective 1.1.1 - insert description of objective). The agency can insert as many rows as necessary so that all objectives are included.
- 2) After entering all of the objectives, enter each "unrelated purpose" for which money received by the agency will go (i.e. Unrelated Purpose #1 - insert description of unrelated purpose) on a separate row. An "unrelated purpose" is money the agency is legislatively directed to spend on something that is not related to an agency objective (i.e. pass through, carry forward, etc.).
- 3) Enter how much money from each source of funds the agency budgets to spend on each objective and unrelated purpose. The "Total budgeted to spend on objectives and unrelated purposes" for each source of funds in Part B should equal the "Amount estimated to have available to spend this fiscal year" in Part A.

Explanations from the Agency regarding Part A:

Insert any additional

PART A Estimated Funds Available this Fiscal Year (2015-16)	Source of Funds: Retirees Trust Fund	Totals	Retirees Trust Fund
	Is the source state, other or federal funding: Other	Totals	Other
	Is funding recurring or one-time? One-Time	Totals	Recurring
	\$ From Last Year Available to Spend this Year		
	Amount available at end of previous fiscal year	\$0	\$0
	Amount available at end of previous fiscal year that agency can actually use this fiscal year	\$0	\$0
	If the amounts in the two rows above are not the same, explain why :	Enter explanation for each fund to the right	
	\$ Estimated to Receive this Year		
	Amount budgeted/estimated to receive in this fiscal year:	\$17,809,132	\$17,809,132
	Total Actually Available this Year		
Amount estimated to have available to spend this fiscal year (i.e. Amount available at end of previous fiscal year that agency can actually use in this fiscal year PLUS Amount budgeted/estimated to receive this fiscal year)	\$17,809,132	\$17,809,132	

Strategic Budgeting

Explanations from the Agency regarding Part B:

Insert any additional explanations the agency

PART B How Agency Budgeted Funds this Fiscal Year	Source of Funds: (the rows to the left should populate automatically from what the agency entered in Part A)	Totals	Retirees Trust Fund
		Is source state, other or federal funding: (the rows to the left should populate automatically from what the agency entered in Part A)	Totals
	Restrictions on how agency is able to spend the funds from this source:	n/a	Budget Authorization
	Amount estimated to have available to spend this fiscal year: (the rows to the left should populate automatically from what the agency entered in Part A)	\$17,809,132	\$17,809,132
	Are expenditure of funds tracked through SCEIS? (if no, state the system through which they are recorded so the total amount of expenditures could be verified, if needed)	n/a	Yes
	Where Agency Budgeted to Spend Money this Year		
	Strategy 1.1 - Construct and execute, upon Commission approval, appropriate asset allocation.		\$2,653,793
	Strategy 1.2 - Select investment managers based upon quantifiable analysis of performance.		\$5,928,419
	Strategy 1.3 - Ensure the efficient and effective delivery of services complimentary to the investment function.		\$8,776,920
	Strategy 1.4 - Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.		\$450,000
	Total Budgeted to Spend on Objectives and Unrelated Purposes: (this should be the same as Amount estimated to have available to spend this fiscal year)		\$17,809,132

Objective Details

This is the next chart because once the agency determines the associated programs and amount of funds it is allocating to accomplish each objective, the agency needs to ensure it has proper performance measures established to

Agency Responding	Retirement System Investment Commission
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Instructions: Below is a template to **complete for each Objective** listed in the Strategy, Objectives and Responsibility Chart. It is recommended that the agency copy and paste the data in this tab into multiple other tabs, while it is still blank. The agency will then have a blank version to complete for each separate Objective. The agency needs to provide information in all the cells that are highlighted. Please save the information related to each Objective as a separate tab in the excel document. Label each Tab, "O__" and insert the applicable numbers in the blanks (For example "O1.1.1"). NOTE: Call House Staff if the agency has any questions or needs any assistance in completing the information below.

Strategic Plan Context			
# and description of Goal the Objective is helping accomplish:	Goal 1 - Prudent, legal and transparent investment of Trust Funds.		
Legal responsibilities satisfied by Goal:	Title 9 - Chapter 16; 9-1-1310 and 9-1-1340; Title 11, Chapter 57; SC Constitution, Article X, Section XVI; Various federal tax laws, ERISA (Employee Retirement Income Security Act of 1974), Federal securities laws and Certain laws overseen by the Commodity Futures Trading Commission		
# and description of Strategy the Objective is under:	Strategy 1.1 - Construct and execute, upon Commission approval, appropriate asset allocation.		
Objective			
Objective # and Description:	Objective 1.1.1 - Invest assets wisely, manage risk, ensure liquidity and afford flexibility to react to changing market conditions.		
Legal responsibilities satisfied by Objective:	Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI; Proviso 99.1		
Public Benefit/Intended Outcome:	Benefits are funded, state employees and the general public have confidence in the agency and the requisite contributions are held to a minimum.		
Agency Programs Associated with Objective			
Program Names:	Asset Allocation		
Responsible Person			
Name:	Geoff Berg		
Number of Months Responsible:	3		
Position:	Acting CIO		
Office Address:	1201 Main Street, Suite 1510, Columbia, SC 29201		
Department or Division:	Investment		
Department or Division Summary:	Investment		
Amount Budgeted and Spent To Accomplish Objective			
Total Budgeted for this fiscal year:	\$8,601,879		
Total Actually Spent:	Agency will provide next year		
REVIEWS/AUDITS			
Instructions: Below please list all external or internal reviews, audits, investigations or studies ("Reviews") of the agency which occurred during the past fiscal year that relates/impacts this objective. Please remember to maintain an electronic copy of			
Matter(s) or Issue(s) Under Review	Reason Review was Initiated (outside request, internal policy, etc.)	Entity Performing the Review and Whether Reviewing Entity External or Internal	Date Review Began (MM/DD/YYYY) and Date Review Ended (MM/DD/YYYY)
SC Public Pensions	LAC Request	LAC	(03/01/2015), (12/22/2015)
PARTNERS			
Instructions: Under the column labeled, "Current Partner Entities" list all entities the agency is currently working with that help the agency accomplish this objective. Under the "Ways Agency works with Current Partners," enter the ways the agency			
Current Partner Entity	Ways Agency Works with Current Partner	Is the Partner a State/Local Government Entity; College, University; or Other Business, Association, or Individual?	
PEBA	Investment returns contribute to benefit payments; reporting data contribute to PEBA CAFR; PEBA Executive Director is a seated and non-voting Commissioner.		
State Treasurer	Treasurer is Fund custodian and controls the custodial relationship; Treasurer is a seated and voting Commissioner.		

This is the next chart because once the agency determines the associated programs and amount of funds it is allocating to accomplish each objective, the agency needs to ensure it has proper performance measures established to track

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Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions: Below is a template to **complete for each Objective** listed in the Strategy, Objectives and Responsibility Chart. It is recommended that the agency copy and paste the data in this tab into multiple other tabs, while it is still blank. The agency will then have a blank version to complete for each separate Objective. The agency needs to provide information in all the cells that are highlighted. Please save the information related to each Objective as a separate tab in the excel document. Label each Tab, "O__" and insert the applicable numbers in the blanks (For example "O1.1.1"). NOTE: Call House Staff if the agency has any questions or needs any assistance in completing the information below.

Strategic Plan Context	
# and description of Goal the Objective is helping accomplish:	Goal 1 - Prudent, legal and transparent investment of Trust Funds.
Legal responsibilities satisfied by Goal:	Title 9 - Chapter 16; 9-1-1310 and 9-1-1340; Title 11, Chapter 57; SC Constitution, Article X, Section XVI; Various federal tax laws, ERISA (Employee Retirement Income Security Act of 1974), Federal securities laws and Certain laws overseen by the Commodity Futures Trading Commission;
# and description of Strategy the Objective is under:	Strategy 1.2 - Select investment managers based upon quantifiable analysis of performance.
Objective	
Objective # and Description:	Objective 1.2.1 - Identify specific asset managers with whom RSIC will place Fund assets in order to maximize the investment of those assets.
Legal responsibilities satisfied by Objective:	Title 9 - Chapter 16; 9-1-1310 and 9-1-1340; Title 11, Chapter 57; SC Constitution, Article X, Section XVI; Various federal tax laws, ERISA (Employee Retirement Income Security Act of 1974), Federal securities laws and Certain laws overseen by the Commodity Futures Trading Commission; Provisos 99.2 and 99.3
Public Benefit/Intended Outcome:	Legal Compliance
Agency Programs Associated with Objective	
Program Names:	Manager Selection
Responsible Person	
Name:	Geoff Berg
Number of Months Responsible:	3
Position:	Acting Chief Investment Officer
Office Address:	1201 Main Street, Suite 1510
Department or Division:	Investment
Department or Division Summary:	Investment
Amount Budgeted and Spent To Accomplish Objective	
Total Budgeted for this fiscal year:	\$1,806,189
Total Actually Spent:	Agency will provide next year

REVIEWS/AUDITS			
Instructions: Below please list all external or internal reviews, audits, investigations or studies ("Reviews") of the agency which occurred during the past fiscal year that relates/impacts this objective. Please remember to maintain an electronic copy of each			
Matter(s) or Issue(s) Under Review	Reason Review was Initiated (outside request, internal policy, etc.)	Entity Performing the Review and Whether Reviewing Entity External or Internal	Date Review Began (MM/DD/YYYY) and Date Review Ended (MM/DD/YYYY)
SC Public Pensions	LAC Request	LAC	(03/01/2015), (12/22/2015)

PARTNERS		
Instructions: Under the column labeled, "Current Partner Entities" list all entities the agency is currently working with that help the agency accomplish this objective. Under the "Ways Agency works with Current Partners," enter the ways the agency works		
Current Partner Entity	Ways Agency Works with Current Partner	Is the Partner a State/Local Government Entity; College, University; or Other Business, Association, or Individual?
PEBA	Investment returns contribute to benefit payments; reporting data contribute to PEBA CAFR; PEBA Executive Director is a seated and non-voting Commissioner.	
State Treasurer	Treasurer is Fund custodian and controls the custodial relationship; Treasurer is a seated and voting Commissioner.	

This is the next chart because once the agency determines the associated programs and amount of funds it is allocating to accomplish each objective, the agency needs to ensure it has proper performance measures established to track how

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions: Below is a template to **complete for each Objective** listed in the Strategy, Objectives and Responsibility Chart. It is recommended that the agency copy and paste the data in this tab into multiple other tabs, while it is still blank. The agency will then have a blank version to complete for each separate Objective. The agency needs to provide information in all the cells that are highlighted. Please save the information related to each Objective as a separate tab in the excel document. Label each Tab, "O___" and insert the applicable numbers in the blanks (For example "O1.1.1"). NOTE: Call House Staff if the agency has any questions or needs any assistance in completing the information below.

Strategic Plan Context

# and description of Goal the Objective is helping accomplish:	Goal 1 - Prudent, legal and transparent investment of Trust Funds.
Legal responsibilities satisfied by Goal:	Title 9 - Chapter 16; 9-1-1310 and 9-1-1340; Title 11, Chapter 57; SC Constitution, Article X, Section XVI; Various federal tax laws, ERISA (Employee Retirement Income Security Act of 1974), Federal securities laws and Certain laws overseen by the Commodity Futures Trading Commission;
# and description of Strategy the Objective is under:	Strategy 1.3 - Ensure the efficient and effective delivery of services complimentary to the investment function.

Objective	
Objective # and Description:	Objective 1.3.1 - Providing support to the Investment Team, provide timely and accurate and robust reporting of plan performance, remain legally compliant.
Legal responsibilities satisfied by Objective:	9-1-1310; 9-1-1340; Title 9, Chapter 16; Title 11, Chapter 57; Proviso 99.1; Various federal tax laws and ERISA (Employee Retirement Income Security Act of 1974); Federal securities laws; Certain laws overseen by the Commodity Futures Trading Commission
Public Benefit/Intended Outcome:	The investment team has the tools to perform at the highest level; all fiduciaries and stakeholders have precise and relevant information; the Trust remains free of legal entanglement

Agency Programs Associated with Objective	
Program Names:	Operations

Responsible Person	
Name:	Andrew Chernick
Number of Months Responsible:	15
Position:	Director of Operations and Operational Due Diligence
Office Address:	1201 Main Street, Suite 1510
Department or Division:	Operations
Department or Division Summary:	Operations

Amount Budgeted and Spent To Accomplish Objective	
Total Budgeted for this fiscal year:	\$6,970,731
Total Actually Spent:	Agency will provide next year

REVIEWS/AUDITS

Instructions: Below please list all external or internal reviews, audits, investigations or studies ("Reviews") of the agency which occurred during the past fiscal year that relates/impacts this objective. Please remember to maintain an electronic copy of each

Matter(s) or Issue(s) Under Review	Reason Review was Initiated (outside request, internal policy, etc.)	Entity Performing the Review and Whether Reviewing Entity External or Internal	Date Review Began (MM/DD/YYYY) and Date Review Ended (MM/DD/YYYY)
SC Public Pensions	LAC Request	LAC	(03/01/2015), (12/22/2015)

PARTNERS

Instructions: Under the column labeled, "Current Partner Entities" list all entities the agency is currently working with that help the agency accomplish this objective. Under the "Ways Agency works with Current Partners," enter the ways the agency works

Current Partner Entity	Ways Agency Works with Current Partner	Is the Partner a State/Local Government Entity; College, University; or Other Business, Association, or Individual?
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State Treasurer	Treasurer is Fund custodian and controls the custodial relationship; Treasurer is a seated and voting Commissioner.	

This is the next chart because once the agency determines the associated programs and amount of funds it is allocating to accomplish each objective, the agency needs to ensure it has proper performance measures established to track

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions: Below is a template to **complete for each Objective** listed in the Strategy, Objectives and Responsibility Chart. It is recommended that the agency copy and paste the data in this tab into multiple other tabs, while it is still blank. The agency will then have a blank version to complete for each separate Objective. The agency needs to provide information in all the cells that are highlighted. Please save the information related to each Objective as a separate tab in the excel document. Label each Tab, "O__" and insert the applicable numbers in the blanks (For example "O1.1.1"). NOTE: Call House Staff if the agency has any questions or needs any assistance in completing the information below.

Strategic Plan Context			
# and description of Goal the Objective is helping accomplish:	Goal 1 - Prudent, legal and transparent investment of Trust Funds.		
Legal responsibilities satisfied by Goal:	Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI		
# and description of Strategy the Objective is under:	Strategy 1.4 - Provide independent, objective assurance and recommendations designed to add value and improve RSIC performance.		
Objective			
Objective # and Description:	Objective 1.4.1 - Systematic and disciplined approach to evaluate and improve the economy, efficiency and effectiveness of the organization's risk management, control, and governance approach.		
Legal responsibilities satisfied by Objective:	Title 9 - Chapter 16, 9-1-1310, 9-1-1340 and SC Constitution, Article X, Section XVI		
Public Benefit/Intended Outcome:	Stakeholders, policy makers and the general public enjoy independent verification of the propriety and efficiency of investments and operations.		
Agency Programs Associated with Objective			
Program Names:	Internal Audit		
Responsible Person			
Name:	Andrew Chernick		
Number of Months Responsible:	15		
Position:	Managing Director of Operations and Operational Due Diligence		
Office Address:	1201 Main Street, Suite 1510, Columbia, SC 29201		
Department or Division:	Operations		
Department or Division Summary:	Operations		
Amount Budgeted and Spent To Accomplish Objective			
Total Budgeted for this fiscal year:	\$430,333		
Total Actually Spent:	Agency will provide next year		
REVIEWS/AUDITS			
Instructions: Below please list all external or internal reviews, audits, investigations or studies ("Reviews") of the agency which occurred during the past fiscal year that relates/impacts this objective. Please remember to maintain an electronic copy of each			
Matter(s) or Issue(s) Under Review	Reason Review was Initiated (outside request, internal policy, etc.)	Entity Performing the Review and Whether Reviewing Entity External or Internal	Date Review Began (MM/DD/YYYY) and Date Review Ended (MM/DD/YYYY)
SC Public Pensions	LAC Request	LAC	(03/01/2015), (12/22/2015)
PARTNERS			
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Reporting Requirements

Agency Responding	Retirement System Investment Commission
Date of Submission	January 8, 2016
Fiscal Year for which information below pertains	2015-16

Instructions:

List all reports, if any, the agency is required to submit to a state, federal or outside entity on a regular basis. Insert the name of each report in a separate column and answer the questions below it. Add as many columns as needed.
 PLEASE NOTE: All information the agency provides in the rows below the row labeled, "Date the Report was last submitted," should apply to when the agency most recently submitted the report (i.e. date report was last submitted).

Agency Responding	RSIC	RSIC	RSIC	RSIC
Report #	1	2	3	4
Report Name:	Restructuring Report	Accountability Report	Annual Investment Report	Quarterly Investment Report
Why Report is Required				
Legislative entity requesting the agency complete the report:	House Legislative Oversight Committee	Executive Budget Office	State Budget and Control Board, the Speaker of the House of Representatives, members of the House of Representatives or Senate, but only upon their request, the President Pro Tempore of the Senate, and other appropriate officials and entities of the investment status of the retirement systems	State Budget and Control Board, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and other appropriate officials and entities
Law which requires the report:	1-30-10(G)(1)	1-1-820	SECTION 9-16-90	SECTION 9-16-90
Agency's understanding of the intent of the report:	Increased Efficiency	Reporting	Reporting	Reporting
Year agency was first required to complete the report:	2015	2008-2009	FY 2006	FY 2006
Reporting frequency (i.e. annually, quarterly, monthly):	Annually	Annually	Annually	Quarterly
Information on Most Recently Submitted Report				
Date Report was last submitted:	3/31/2015	2/5/2015	2/5/2015	11/19/2015
Timing of the Report				
Month Report Template is Received by Agency:	February	N/A	N/A	N/A
Month Agency is Required to Submit the Report:	March	January	When Complete	When Complete
Where Report is Available & Positive Results				
To whom the agency provides the completed report:	House Oversight Committee	Executive Budget Office	State Budget and Control Board, the Speaker of the House of Representatives, members of the House of Representatives or Senate, but only upon their request, the President Pro Tempore of the Senate, and other appropriate officials and entities of the investment status of the retirement systems	State Budget and Control Board, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and other appropriate officials and entities
Website on which the report is available:	SCStatehouse	RSIC	RSIC	RSIC
If it is not online, how can someone obtain a copy of it:				
Positive results agency has seen from completing the report:	Compliance	Compliance	Compliance	Compliance

Information in all these rows should be for when the agency completed the report most recently