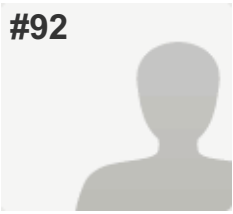


#92



COMPLETE

Collector: Web Link 1 (Web Link)

Started: Wednesday, September 14, 2016 9:06:02 PM

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Time Spent: 00:04:43

PAGE 2: About Agencies Scheduled for Study

Q1: Please share any comments, suggestions or concerns you may have about these agencies. Please note your responses may be included verbatim in a Committee report, which may be posted online.

Retirement System Investment Commission

In 2014, the Investment Commission made an awful mistake. Michael Hitchcock was appointed the Executive Director (now, Hitchcock is the Chief Executive Officer after his latest salary increase earlier this year) of this agency. Hitchcock is an unproven leader and it is highlighted in the Plan's performance track record. Please go to the Investment Commission website: <http://www.rsic.sc.gov/reporting/default.htm>. Please reference the current Quarterly Report dated June 30, 2016 (<http://www.rsic.sc.gov/Reporting/QuarterlyReports/PDFs/2016.06.30%20-%20Quarterly%20Report.pdf>) and the archived Quarterly Report dated June 30, 2014 (<http://www.rsic.sc.gov/Reporting/QuarterlyReports/PDFs/QR%202014.06.30.pdf>). Please notice the performance over the FYTD, 1-year, 3-year, and 5-year time frames for each report. Under its former leadership at both the Investment and Operational levels, this agency was actually beating its Policy Benchmark (the red line) with less equity risk than its peers. It would be remiss for the Legislative Oversight Committee (and the joint House-Senate study committee for pension reform) to not openly acknowledge the Plan's poor performance under Hitchcock's tenure. Additionally, in my opinion, the biggest risk during Hitchcock's leadership is the obvious pressure on the Acting Chief Investment Officer, Geoffrey Berg, to gear up the Plan's performance. Effectively, Hitchcock has incited Berg to risk up the Plan using more equity risk, put writing (derivatives), and portable alpha. What the hell is portable alpha? Now, this agency is simply chasing returns at quite possibly the highs of a multi-year equity bull market. Hitchcock seems to even be proactively preparing the legislature across the street for any selloffs by saying "we cannot control the tide, but we can choose where we sit in the boat". Well, it appears Hitchcock is sitting first-class on the RMS Titanic. Is Hitchcock's poor leadership what South Carolina deserves at one of its most important agencies?

PAGE 3: There are three questions seeking general information.

Q2: What is your age?

Prefer not to answer

Provide Input to the South Carolina House of Representatives' Legislative Oversight Committee

Q3: Which best describes your current role?

State employee of an agency currently under study by the House Legislative Oversight Committee (i.e., DOT, First Steps, DSS, DJJ, State Transportation Infrastructure Bank, School for the Deaf and Blind, Commission for the Blind, DPS, and Treasurer's Office)

Q4: In which county do you live?

Richland
