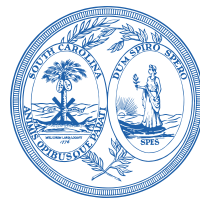


Popular Annual Financial Report

South Carolina Retirement Systems

For the fiscal year ended June 30, 2020

Pension trust funds of the state of South Carolina



PEBASM
SC Retirement Systems
and State Health Plan

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THIS REPORT CONTAINS AN ABBREVIATED DESCRIPTION OF THE RETIREMENT BENEFITS OFFERED BY THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY (PEBA). THE INFORMATION IN THIS REPORT IS MEANT TO SERVE AS A GUIDE FOR OUR MEMBERS AND DOES NOT CONSTITUTE A BINDING REPRESENTATION OF PEBA. TITLE 9 OF THE SOUTH CAROLINA CODE OF LAWS CONTAINS A COMPLETE DESCRIPTION OF THE RETIREMENT BENEFITS, THEIR TERMS AND CONDITIONS, AND GOVERNS ALL RETIREMENT BENEFITS OFFERED BY THE STATE. STATE STATUTES ARE SUBJECT TO CHANGE BY THE GENERAL ASSEMBLY. PLEASE CONTACT PEBA FOR THE MOST CURRENT INFORMATION.

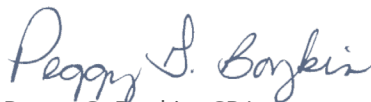
THE LANGUAGE USED IN THIS REPORT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND PEBA. PEBA RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS REPORT.

A message from leadership

Dear members:

We are pleased to present the South Carolina Public Employee Benefit Authority's (PEBA) *Popular Annual Financial Report (PAFR)* for the South Carolina Retirement Systems for the fiscal year ended June 30, 2020. This is the Systems' 17th consecutive annual popular report and it is intended to provide a summary of the Systems' annual financial information in an easily understandable format to supplement the more thorough *Comprehensive Annual Financial Report (CAFR)*.

Data presented in this report was derived from the fiscal year 2020 CAFR, which was prepared in accordance with Generally Accepted Accounting Principles. To learn more about the Systems' financial activities, the CAFR, which contains more detailed information, is available on the Facts and figures page of our website at peba.sc.gov. For any other questions, contact our Customer Contact Center at 803.737.6800 or 888.260.9430.



Peggy G. Boykin, CPA
Executive Director



Travis J. Turner, CPA, CISA
Chief Financial Officer



Tammy B. Nichols, CPA
Retirement Finance Director



Our vision

Serving those who serve South Carolina



Our mission

PEBA's mission is to provide competitive retirement and insurance benefit programs for South Carolina public employers, employees and retirees.



Our core values

Solutions oriented
Communication
Credibility
Collaboration
Responsive
Emotional intelligence
Ethical behavior

Profile of the Systems

PEBA, created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for providing retirement and insurance benefits to participants and beneficiaries of the state's employee benefit plans. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement System Investment Commission, created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets.

A defined benefit plan is a retirement plan in which contributions are made to fund a level of retirement income at a future retirement date. Monthly service retirement benefits, as well as disability benefits and death benefits are provided to eligible members and/or their surviving beneficiaries. The plans' terms specify the amount of pension benefits to be provided at a future date or after a certain period of time. Monthly benefits are calculated using a

formula that includes the member's average final compensation, years of service and a multiplier.

PEBA also sponsors the State Optional Retirement Program (State ORP), which is a defined contribution plan administered by four third-party service providers. State ORP is an alternative plan available to newly hired employees of state agencies, public higher education institutions, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. In addition, PEBA is responsible for the South Carolina Deferred Compensation Program, which offers 401(k) and 457 plans, and is administered by a third-party record keeper. Finally, PEBA administers and manages the state's employee insurance programs. State ORP, Deferred Compensation and employee insurance assets are not considered part of the Retirement Systems for financial statement purposes.

The PAFR contains information on these defined benefit pension trust funds:

- The South Carolina Retirement System (SCRS) was established July 1, 1945, to provide retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The South Carolina Police Officers Retirement System (PORS) was established July 1, 1962, to provide retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.
- The Retirement System for Members of the General Assembly of the State of South Carolina (GARS) was established January 1, 1966, to provide retirement and other benefits to members of the General Assembly. Retirement reform legislation closed the GARS plan to individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The Retirement System for Judges and Solicitors of the State of South Carolina (JSRS) was established July 1, 1979, to provide retirement and other benefits to state judges and solicitors. JSRS also covers circuit public defenders.
- The South Carolina National Guard Supplemental Retirement Plan (SCNG) was established July 1, 1975, to provide supplemental retirement benefits to members who served in the South Carolina National Guard. The Retirement Systems assumed administrative responsibility for this fund in 2006.

Membership and annuitant composition

The membership and annuitant data provided below is based on the July 1, 2019, actuarial valuations and the data provided to the Systems' actuary for preparation of the July 1, 2019, valuations.

	Active	Inactive	Retirees and beneficiaries ¹
SCRS	200,264	191,113	144,292
PORS	27,397	17,944	19,094
GARS	88	36	345
JSRS	160	6	218
SCNG	12,100	1,823	4,923

Category	Count
Active members	240,009
Inactive members	210,922
Retirees and beneficiaries	168,872

¹Represents members who retired, including those who returned to employment as a working retiree, and surviving beneficiaries of former members.

	SCRS	PORS	GARS	JSRS	SCNG
Active members					
Average age	45	39	59	57	32
Average years of service	10	10	17	15	10
Average annual salary	\$44,387	\$47,932	\$22,757	\$189,662	N/A ²
Annuitants and beneficiaries					
Average current age for service retirees	71	66	75	73	72
Average age at retirement for service retirees	59	55	61	60	60
Average years of service at retirement (all retirees)	22	18	20	23	26
Average AFC ³ at retirement (all retirees)	\$44,880	\$46,713	\$22,043	\$120,728	N/A
Average current annual benefit (all retirees) ⁴	\$20,615	\$20,852	\$18,486	\$112,493	\$907

²The South Carolina National Guard Supplemental Retirement Plan is non-contributory; therefore, active member salaries are not reported to the Systems.

³Average final compensation (AFC) is a component used in the formula for calculating annuity benefits.

⁴Includes benefit adjustments applied since retirement.

Fiscal year 2020 operational activities

In administering and managing the five defined benefit pension plans, PEBA's vision is to serve those who serve South Carolina and our mission is to provide competitive retirement and insurance benefit programs for South Carolina public employers, employees and retirees. The agency accomplishes this by focusing efforts and goals in areas that promote financially sound programs, encourage retirement awareness, enhance customer experience and responsibly manage risk. Initiatives during fiscal year 2020 included:

COVID-19

- PEBA responded swiftly to adjust our day-to-day operational focus and expectations in response to the pandemic.
- Critical business operations continued without interruption, and PEBA quickly implemented innovative solutions.
- Previous work to provide additional online functionality for members and employers allowed us to more effectively serve our stakeholders while most of our employees were working remotely.

Legislative

- The General Assembly postponed the scheduled 1 percent increase in SCRS and PORS employer contribution rates that was to go into effect on July 1, 2020.
- The General Assembly provided nonemployer contribution funding to SCRS and PORS to help offset a portion of the contribution requirements for some employers.
- The General Assembly committed additional funding to stabilize JSRS.

Benefits administration

- PEBA processed and paid the following benefit claims:
 - 5,607 service retirement applications;
 - 181 disability applications;
 - 11,283 refund requests; and
 - 5,775 death claims..
- PEBA worked diligently to improve member and employer education for a variety of topics through its *Navigating Your Benefits* educational series. New materials were developed to explain the funding and value of the retirement systems.
- Employer and member checklists were developed based on life events. These checklists include retirement and insurance benefit changes that can be made as a result of these events.

Information technology

- A newly designed website on an updated platform went live on July 1, 2020.
- Staff continued to enhance online functionality for transactions.
- PEBA continued to work with a client services vendor in preparation for replacing its existing legacy information systems.
- PEBA continued to work with a data conversion and bridging services vendor to cleanse operational data for the new system.
- PEBA defined, developed and released a request for qualification to procure a new benefits administration system.
- PEBA defined, developed and released a request for proposal for a new benefits administration system implementation in July 2019. The procurement is still in process.

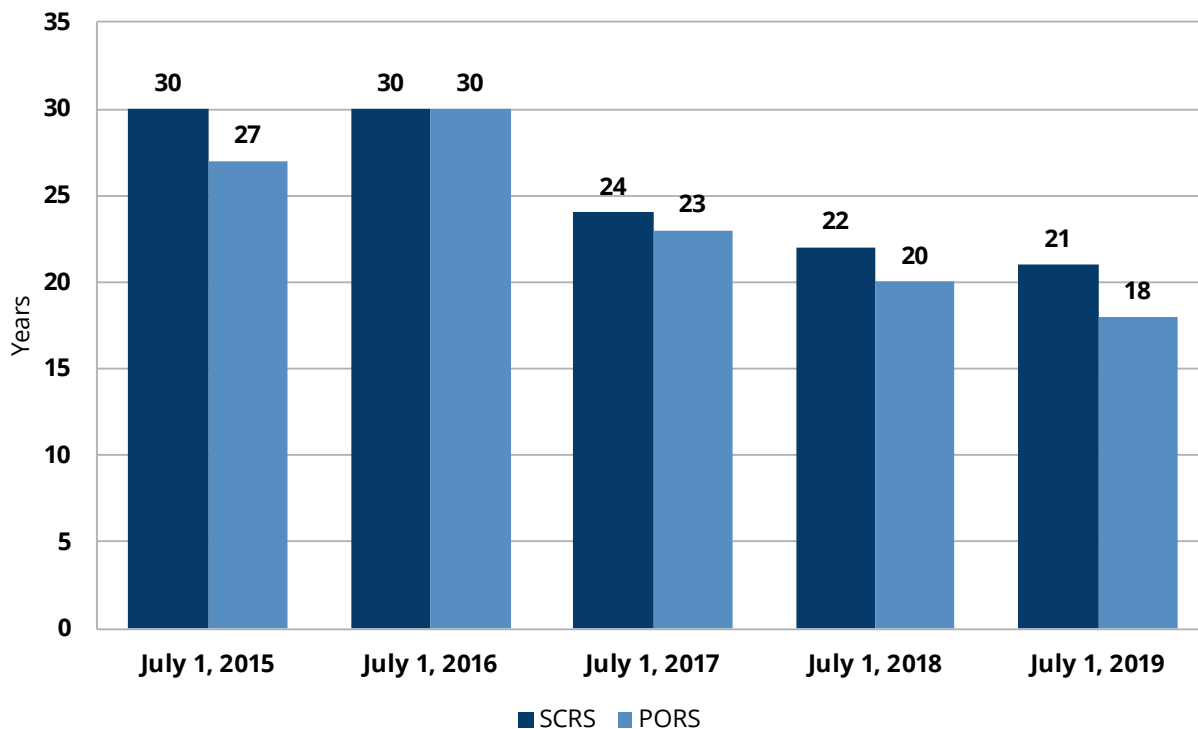
Summary of financial condition

The main funding objective of the pension trust funds is to meet future benefit obligations of retirees and beneficiaries through employee and employer contributions and investment earnings. Each year, the external consulting actuaries determine the actuarial soundness of the plans based on long term obligations and the sufficiency of current contribution levels to fund the liabilities of each plan over a reasonable time frame. In addition to contribution requirements, there are numerous measures used to monitor a plan's funding status including the funding period, the dollar amount of the unfunded actuarial accrued liability (UAAL) and the funded ratio.

The annual actuarial valuations dated July 1, 2019, determined the actuarial status of each plan and were adopted by PEBA's Board of Directors in December 2019.

The UAAL of each plan is paid down or amortized over a period of years, similar to a home mortgage, after which time the plan is expected to be fully funded. Pension funding reform legislation enacted in 2017 included a schedule for the funding period of SCRS and PORS to be reduced over a 10-year time period beginning in fiscal year 2018 to a maximum of 20 years by fiscal year 2028. The funding period for SCRS, which represents the largest membership of the five plans, decreased from 22 years in fiscal year 2018 to 21 years as of July 1, 2019. The funding period for PORS decreased from 20 years to 18 years for the same time period. The chart below illustrates the funding period over the past five fiscal years for SCRS and PORS.

Funding Period in Years

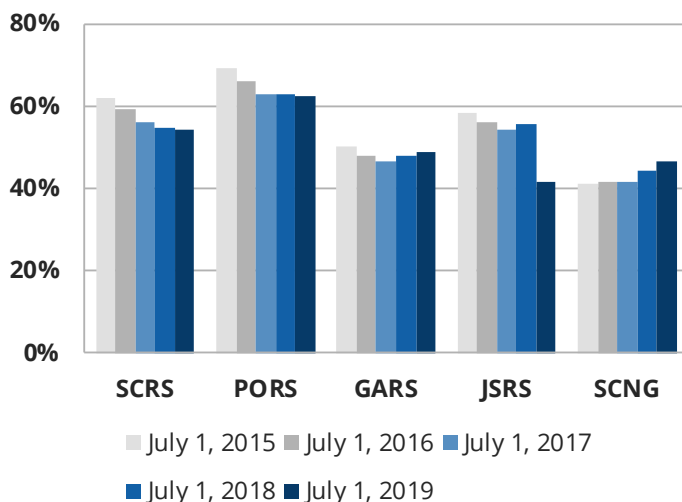


As of July 1, 2019, the dollar amount of the UAAL for SCRS increased from \$22 billion in the prior year to \$23 billion, and PORS increased from \$2.7 billion to \$2.9 billion. The largest source of increase was the annual accrual of interest on the UAAL and continual recognition of deferred investment losses. Actuarial smoothing techniques, which defer investment gains and losses, help to dampen the short-term volatility inherent in investment markets by using a systematic approach that allows only a portion of investment gains and losses to be recognized each year. Adjusting for a five-year smoothing phase, each plan recognized a net actuarial loss on investment returns for the valuation year.

The funded ratio is a measurement of a plan's funded status, and it is calculated as the ratio of the actuarial value of assets to the actuarial accrued liability. The funded ratios of the five plans as of July 1, 2019, range from a high of 62.7 percent for PORS to a low of 41.8 percent for JSRS. The funded ratio for SCRS decreased from 55 percent in fiscal year 2018 to 54.4 percent in 2019. The decrease resulted from the recognition of deferred investment losses from prior years, and because the contributions to the plan attributable to financing the UAAL were less than the interest on the unfunded liability.

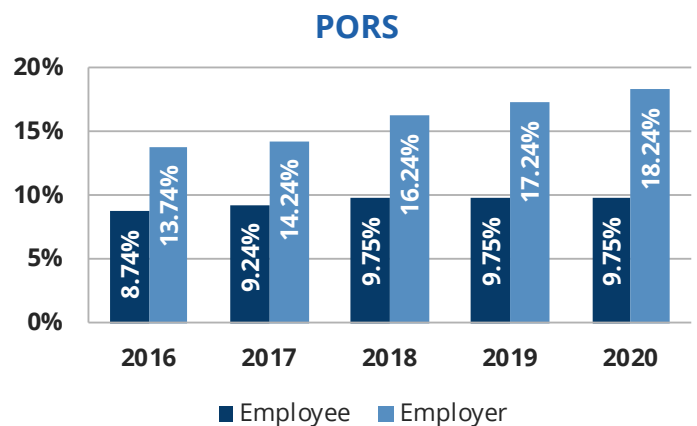
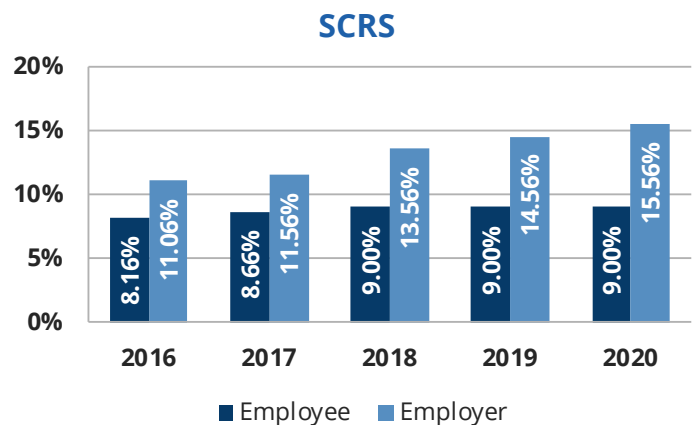
Actuarial Funded Ratios

Actuarial assets as a percentage of actuarial accrued liabilities



The 2017 legislation also set in statute a schedule of contribution increases to help lessen the impact if actual investment returns do not meet the assumed rate of return. Effective July 1, 2017, the legislation increased and established a ceiling for SCRS and PORS employee contribution rates. The employee rates increased to and were capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates for both SCRS and PORS by 2 percent effective July 1, 2017, and scheduled employer contribution rates to increase by 1 percent each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board of Directors can increase the employer contribution rates as necessary.

Contribution rates by fiscal year¹



¹Rates are inclusive of incidental death contributions and Accidental Death Program contributions where applicable.

Statement of fiduciary net position

The Statement of Fiduciary Net Position below presents the Systems' assets and liabilities and the resulting net position restricted for pensions. This statement reflects a year-end snapshot of the Systems' investments, at fair value, along with cash and short-term investments, receivables and other assets and liabilities.

Total fiduciary net position for all five defined benefit plans of the Systems combined, decreased more than 3 percent from the prior year's net position. It is important to note that growth in fiduciary net position depends on both investment performance and contributions from employers and employees. The plans are in a net cash outflow position with benefit payments exceeding contributions; therefore, investment performance must first make up this gap before fiduciary net position can grow. Although increased contributions generated net cash outflow improvements, investment underperformance contributed to the Plan's net position decline from

\$32.3 billion to \$31.3 billion.

The Systems' investment portfolio participates in a securities lending program, managed by BNY Mellon, whereby securities are loaned for the purpose of generating additional income. Securities lending revenue net of borrower rebates was \$2.75 million, a decrease from \$3.05 million in the prior year. As reported by BNY Mellon, at June 30, 2020, the fair value of securities on loan was \$63.37 million, the fair value of the invested cash collateral was \$20.45 million, and the securities lending obligations were \$65.02 million. The reported difference in the value of the invested cash collateral and the securities lending obligations in the securities lending program, is reflected within "Other liabilities" on the Retirement Systems' Statement of Fiduciary Net Position, consistent with information reported on accounting statements provided by BNY Mellon as both the custodial bank and securities lending agent.

South Carolina Retirement Systems Fiduciary Net Position as of June 30

Amounts expressed in thousands

	2020	2019	Increase/(Decrease)	
			Amount	Percent
Assets				
Cash/cash equivalents, receivables and prepaid expenses	\$5,249,820	\$4,323,924	\$925,896	21.41%
Investments, at fair value	28,875,414	29,547,472	(672,058)	(2.27%)
Securities lending cash collateral invested	20,452	41,327	(20,875)	(50.51%)
Capital assets, net of accumulated depreciation	2,156	2,232	(76)	(3.41%)
Total assets	34,147,842	33,914,955	232,887	0.69%
Liabilities				
Deferred retirement benefits		70	(70)	(100.00%)
Obligations under securities lending	20,452	41,327	(20,875)	(50.51%)
Other liabilities	2,874,001	1,587,595	1,286,406	81.03%
Total liabilities	2,894,453	1,628,992	1,265,461	77.68%
Net position restricted for pensions	\$31,253,389	\$32,285,963	(\$1,032,574)	(3.20%)

Statement of changes in fiduciary net position

The Statement of Changes in Fiduciary Net Position on Page 11 presents information showing how the Systems' net position restricted for pensions changed during the year. This statement includes additions for employee, employer, nonemployer and state appropriated contributions and net investment income. It also includes deductions for retirement benefit payments for annuities, refunded contributions and death benefit payments, and administrative expenses.

The dollar amount of employee and employer contributions collected increased compared to the prior year, and the rise is primarily attributable to increased contribution rates plus some limited payroll growth. For fiscal year 2020, employee rates remained capped at 9 percent for SCRS and 9.75 percent for PORS; however, employer contribution rates for both SCRS and PORS increased by 1 percent of pay to 15.56 percent and 18.24 percent, respectively.

For the fiscal year ended June 30, 2020, the net of fee investment performance return on a time-weighted basis as reported by the custodial bank, BNY Mellon, was negative 1.58 percent. This return reflects performance of the Systems, at the aggregate for the pooled investments of the consolidated pension trust funds, after the deduction for manager fees and/or expenses. This fiscal year's negative performance was much lower than the prior year's positive return of 5.84 percent. Additionally, since the actuarial assumed rate of return is 7.25 percent, the plan experienced actuarial losses in both fiscal years.

Annuity benefits for the five defined benefit plans, taken as a whole, increased 2.8 percent from the prior fiscal year. Among other factors, the increase resulted from the required annual benefit adjustment equal to the lesser of 1 percent or \$500 granted to eligible SCRS and PORS annuity benefit recipients effective July 1, 2019, as well as a slight increase in the number of annuitants. The increase also reflects the 35.8 percent increase in the monthly retirement benefits for retirees in JSRS beginning July 1, 2019.



South Carolina Retirement Systems Changes in Fiduciary Net Position as of June 30

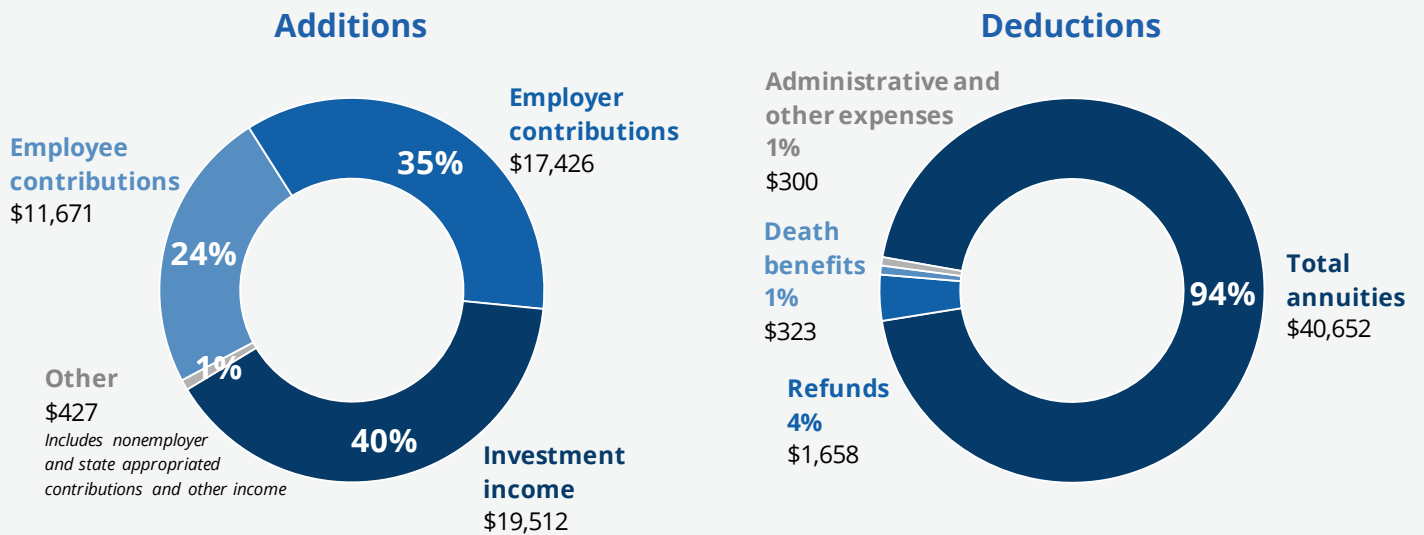
Amounts expressed in thousands

	2020	2019	Increase/(Decrease)	
			Amount	Percent
Additions				
Employee contributions	\$1,079,562	\$1,028,413	\$51,149	4.97%
Employer contributions	1,936,319	1,705,663	230,656	13.52%
Nonemployer contributions	104,076	101,176	2,900	2.87%
State appropriated contributions	5,290	5,290	-	0.00%
Net investment income	(523,842)	1,776,400	(2,300,242)	(129.49%)
Other income	1,862	1,577	285	18.07%
Total additions	2,603,267	4,618,519	(2,015,252)	(43.63%)
Deductions				
Annuity benefits	3,451,616	3,356,747	94,869	2.83%
Refunds	140,534	139,692	842	0.60%
Death benefits	25,324	23,717	1,607	6.78%
Administrative and other expenses	18,367	19,504	(1,137)	(5.83%)
Total deductions	3,635,841	3,539,660	96,181	2.72%
Net increase/decrease in net position	(1,032,574)	1,078,859	(2,111,433)	(195.71%)
Net position restricted for pensions				
Beginning of year	32,285,963	31,207,104	1,078,859	3.46%
End of year	\$31,253,389	\$32,285,963	(\$1,032,574)	(3.20%)



Additions and deductions to pension trust funds | 2006-2020

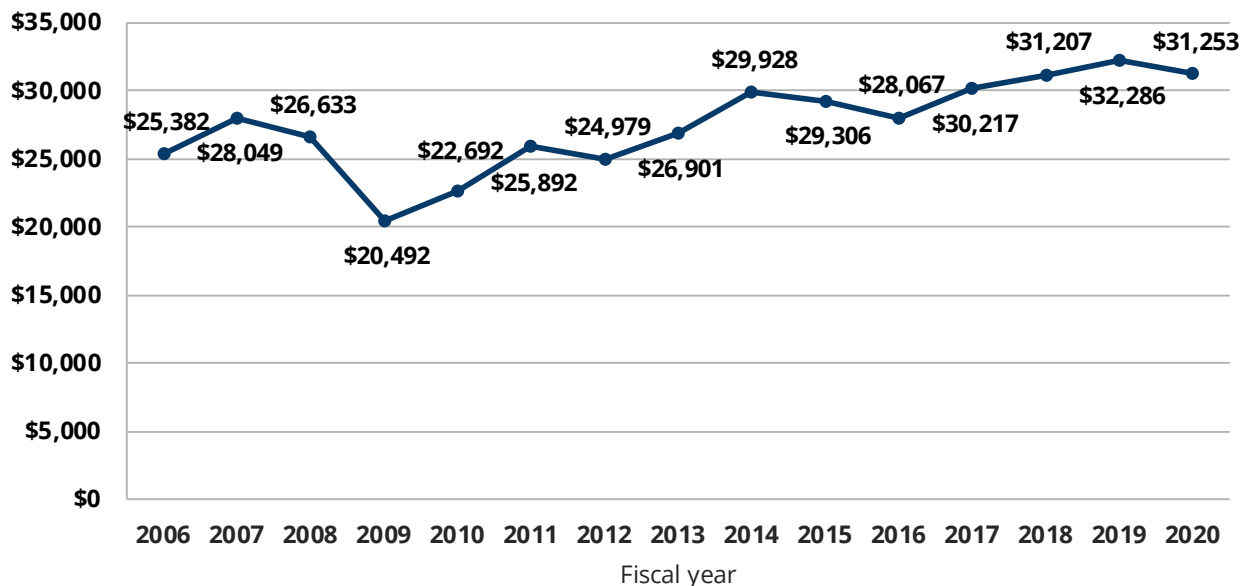
Includes SCRS, PORS, GARS, JSRS and SCNG | Amounts expressed in millions



The following graph reflects Fiduciary Net Position restricted for pensions for the five consolidated defined benefit plans over the past 15 fiscal years.

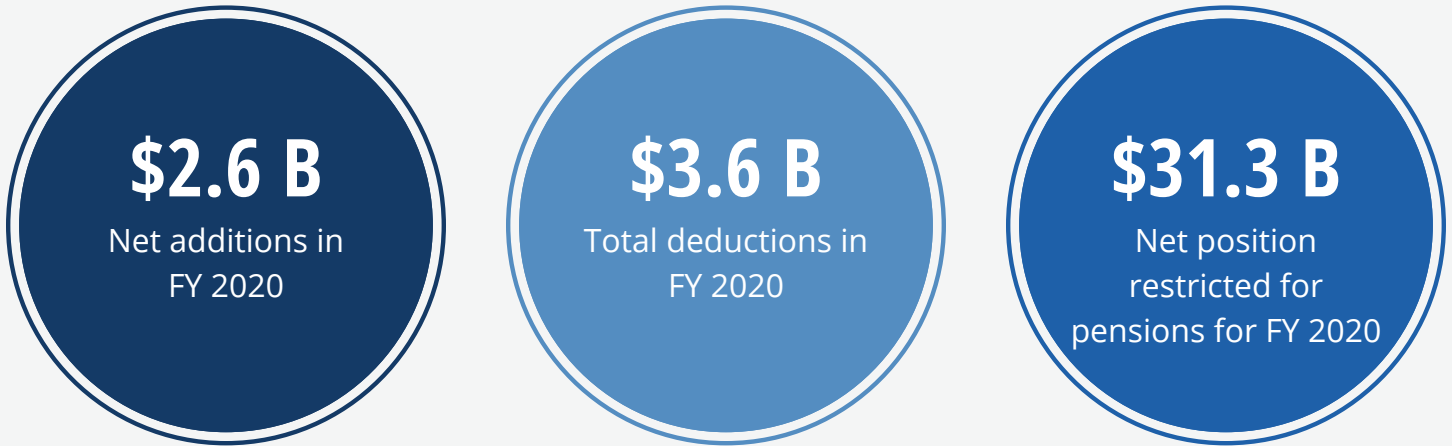
South Carolina Retirement Systems Fiduciary Net Position for Past 15 Fiscal Years as of June 30

Amounts expressed in millions



Additions and deductions to pension trust funds in fiscal year 2020

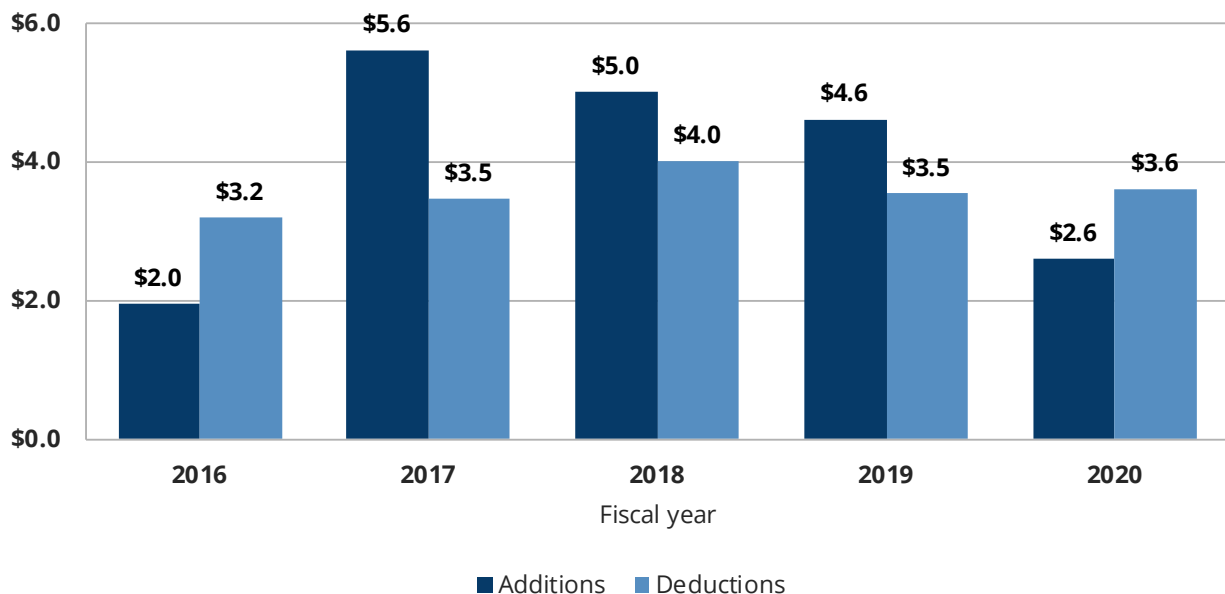
Includes SCRS, PORS, GARS, JSRS and SCNG



The following graph represents additions from all sources (employee contributions, employer contributions and investment gains and losses) and deductions (annuities, refunds, death benefits, administrative expense and depreciation) from Fiduciary Net Position over the past five fiscal years.

South Carolina Retirement Systems Summary of Additions and Deductions for Past Five Fiscal Years as of June 30

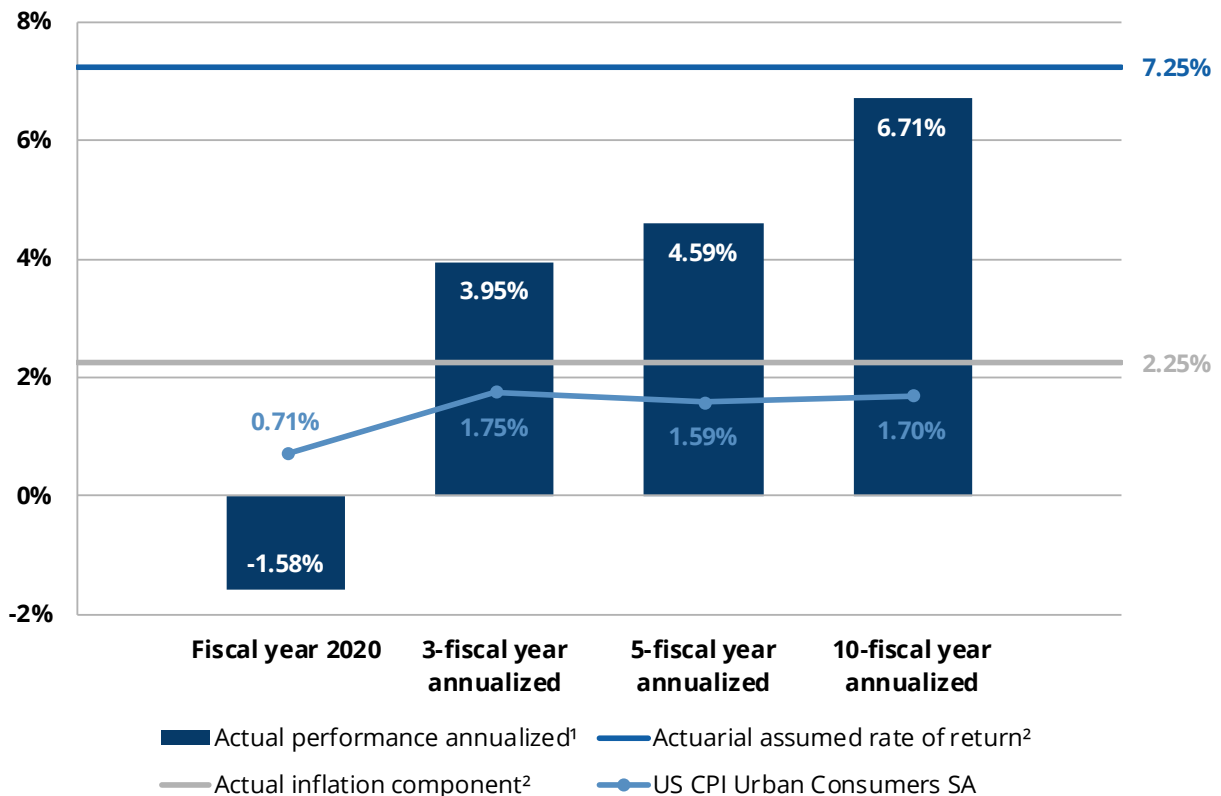
Amounts expressed in billions



Investments overview

As of June 30, 2020, the custodial bank reported that the net asset value of the pension trust funds had a fair value of \$31 billion. This represents a \$1 billion decrease, after payment of benefits, over the previous fiscal year end's fair value. The Retirement System Investment Commission (RSIC) is responsible for investing and managing the pension trust funds.

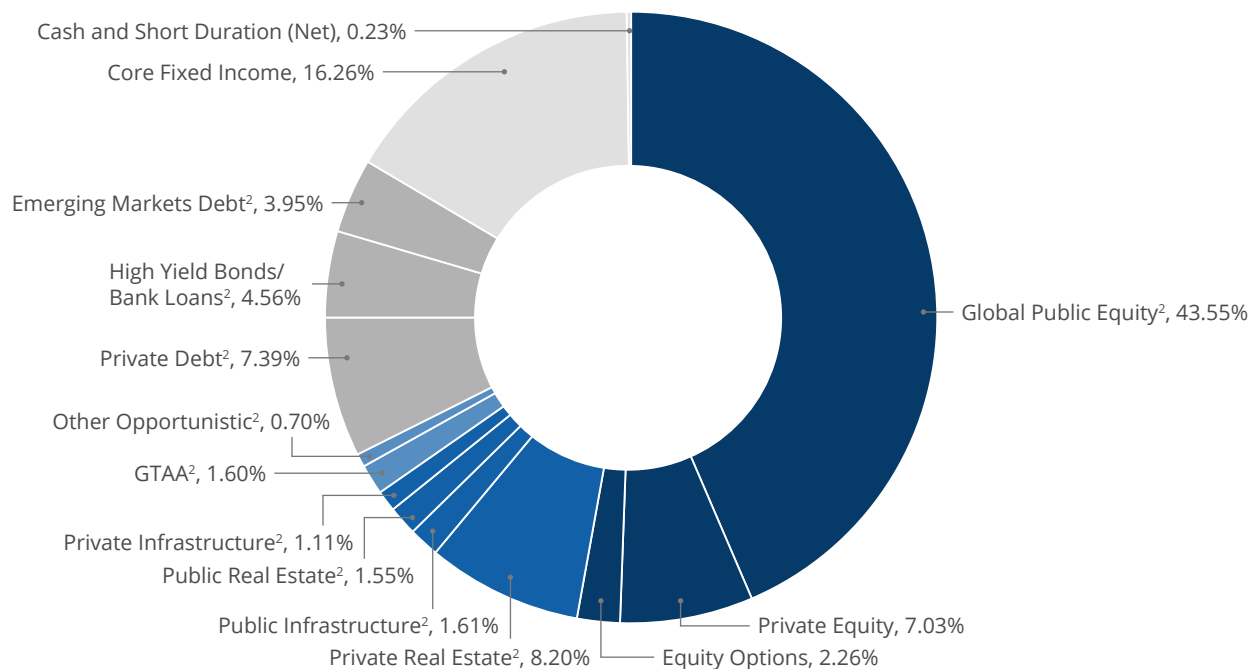
Summary of Investment Performance as of June 30, 2020



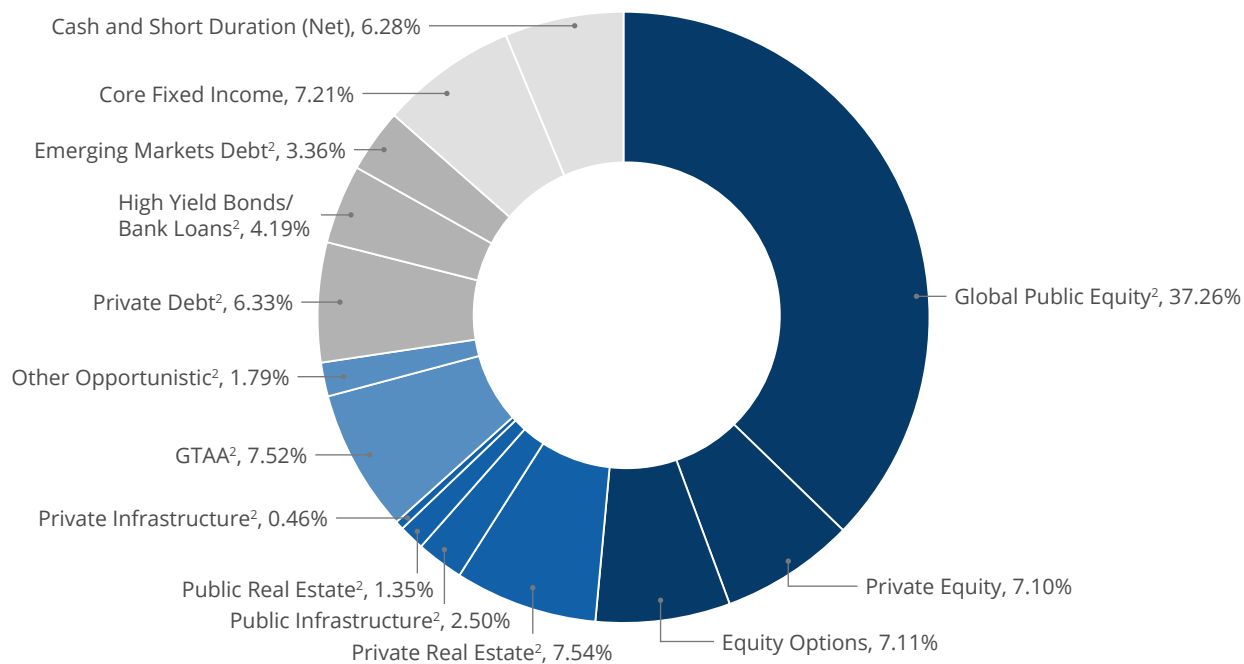
¹Plan returns are provided by BNY Mellon and are presented on a time-weighted calculation basis, net of fees. All returns are expressed in U.S. dollars. Periods greater than one year are annualized.

²The actuarial assumed rate of return is net of investment expenses and was set at 7.50 percent for fiscal years July 1, 2011, through June 30, 2017, but reduced to 7.25 percent for fiscal year 2018. The rate was composed of 2.75 percent inflation and 4.75 percent real rate of return through fiscal year 2016; 2.25 percent inflation and 5.25 percent real return for fiscal year 2017; and 2.25 percent inflation and 5.00 percent real return beginning with fiscal year 2018.

Portfolio Exposure as of June 30, 2020¹



Portfolio Exposure as of June 30, 2019¹



Global Equity
 Real Assets
 Opportunistic³
 Diversified Credit
 Conservative Fixed Income

¹Asset class exposures include exposure from RSIC's derivative overlay program.

²Asset classes in which hedge funds can be used.

³Portable Alpha Hedge Funds are included in the Opportunistic target allocation and as collateral supporting the Overlay program, net to zero when calculating total Plan exposure.

South Carolina Retirement Systems List of Largest Assets Held as of June 30, 2020

Amounts expressed in thousands

Top 10 index fund holdings

Units	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair value
162,151,822	Blackrock MSCI World Index	\$4,517,741,286	\$811,952,597	\$5,431,182	\$27,363,545	\$4,598,706	\$5,367,087,317
32,585,768	State Street Daily MSCI USA Index NL Fund	1,221,415,285	219,519,280	1,468,373	7,398,001	1,243,305	1,451,044,243
66,247,147	Blackrock MSCI U. S. Equity Index Fund	1,096,833,379	197,128,754	1,318,602	6,643,419	1,116,490	1,303,040,645
15,223,381	Blackrock MSCI Emerging Markets Free	632,809,502	113,731,904	760,757	3,832,869	644,150	751,779,183
27,379,158	State Street MSCI Emerging Mkts Index SL CTF	632,784,545	113,727,419	760,727	3,832,718	644,125	751,749,534
7,394,040	State Street MSCI EAFE Index NL Fund (FD12)	587,949,523	105,669,429	706,827	3,561,156	598,486	698,485,422
38,363,848	Blackrock MSCI EAFE Small Cap Equity Index Fd	502,500,466	90,312,068	604,101	3,043,599	511,506	596,971,741
14,598,133	Blackrock Emerging Markets Small Cap Equity	138,955,092	24,973,751	167,050	841,638	141,445	165,078,977
742,488	State Street MSCI CAD Index NL Fund (CA12)	58,503,332	10,514,531	70,332	354,349	59,552	69,502,097
4,348,663	Blackrock MSCI CA Small Cap Equity Index Fund	45,832,015	8,237,175	55,099	277,600	46,653	54,448,542

Total of top 10 index fund holdings \$11,209,187,700

Top 10 equity holdings

Units	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair value
8,811,245	Owl Rock Capital Corp	\$91,449,861	\$16,435,858	\$109,940	\$553,903	\$93,089	\$108,642,651
65,250	Equinix Inc	38,573,219	6,932,585	46,372	233,634	39,265	45,825,075
261,922	Crown Castle International Corp	36,896,095	6,631,163	44,356	223,476	37,557	43,832,648
140,455	SBA Communications Corp	35,222,450	6,330,367	42,344	213,339	35,854	41,844,354
155,771	American Tower Corp	33,899,793	6,092,652	40,754	205,328	34,507	40,273,034
400,500	Prologis Inc	31,463,461	5,654,781	37,825	190,571	32,027	37,378,666
817,993	TC Energy Corp	29,321,296	5,269,780	35,250	177,596	29,847	34,833,769
2,874,232	Transurban Group	23,536,973	4,230,191	28,296	142,561	23,959	27,961,979
229,534	Sempra Energy	22,650,014	4,070,782	27,230	137,189	23,056	26,908,270
2,188,097	National Grid PLC	22,511,854	4,045,951	27,064	136,352	22,915	26,744,135

Total of top 10 equity holdings \$434,244,582

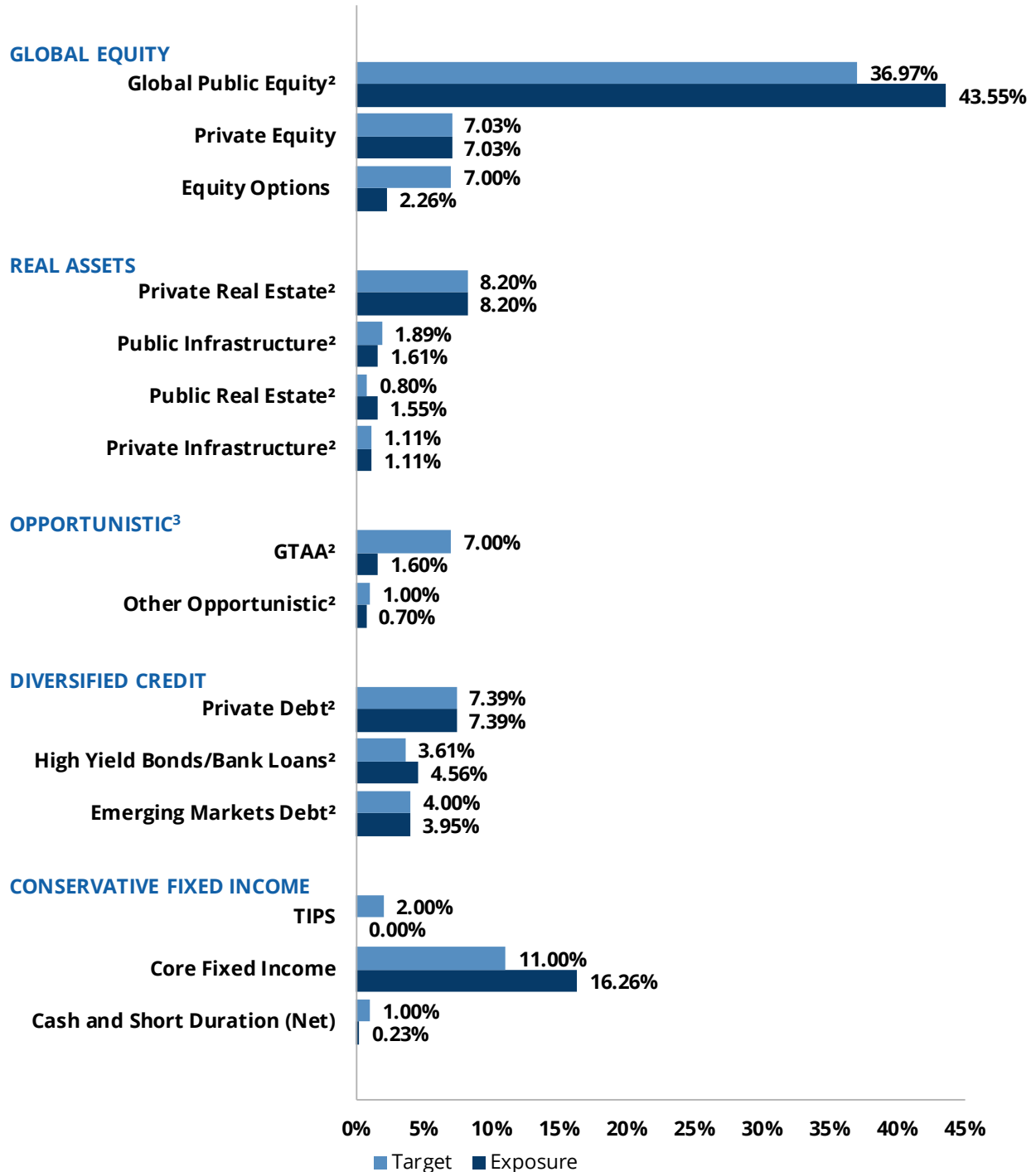
South Carolina Retirement Systems List of Largest Assets Held (cont.) as of June 30, 2020

Amounts expressed in thousands

Top 10 fixed income holdings							
Par value	Description	SCRS	PORS	GARS	JSRS	SCNG	Fair Value
\$48,200,000	Commit to Purchase FNMA SF Mtg 3.00% due 09/01/2050	\$42,602,548	\$7,656,758	\$51,216	\$258,040	\$43,366	\$50,611,928
29,800,000	US Treasury Bond 2.50% due 02/15/2045	30,941,771	5,561,020	37,198	187,411	31,496	36,758,897
35,200,000	Commit to Purchase FNMA SF Mtg 2.50% due 08/01/2050	30,840,827	5,542,878	37,077	186,800	31,394	36,638,975
30,540,000	Commit to Purchase GNMA II Jumbos 4.50% due 07/20/2050	27,456,382	4,934,608	33,008	166,301	27,948	32,618,247
16,300,000	US Treasury Note 2.125% due 09/30/2024	14,811,704	2,662,039	17,806	89,713	15,077	17,596,339
16,100,000	Commit to Purchase FNMA SF Mtg 3.50% due 08/01/2050	14,248,606	2,560,836	17,130	86,303	14,504	16,927,378
15,900,000	Commit to Purchase FNMA SF Mtg 2.00% due 09/01/2050	13,639,175	2,451,305	16,397	82,611	13,884	16,203,372
14,100,000	Commit to Purchase FNMA SF Mtg 2.50% due 09/01/2050	12,327,862	2,215,629	14,820	74,669	12,549	14,645,529
14,542,100	GNMA GTD REMIC P/T 15-H09 AI Var Rate due 04/20/2065	12,260,630	2,203,546	14,740	74,262	12,480	14,565,658
16,167,090	Preferred Term Securities 144A Var Rate due 09/22/2037	11,636,743	2,091,418	13,990	70,483	11,845	13,824,478
Total of top 10 fixed income holdings							\$250,390,801

A complete list of portfolio holdings is available upon request.

Portfolio Exposure and Target Asset Allocation as of June 30, 2020¹



¹Target Asset Allocation reflects the policy targets that were adopted by the Commission and in effect at the end of fiscal year 2020. The target weights to Private Equity, Private Debt and Private Real Estate are equal to their actual weights, reported by the custodial bank, as of the prior month end.

²Asset classes in which hedge funds can be used.

³Portable Alpha Hedge Funds are included in the Opportunistic target allocation and Policy benchmark as a 10 percent allocation but as collateral supporting the Overlay program, net to zero for the presentation of total Plan allocation.

Awards

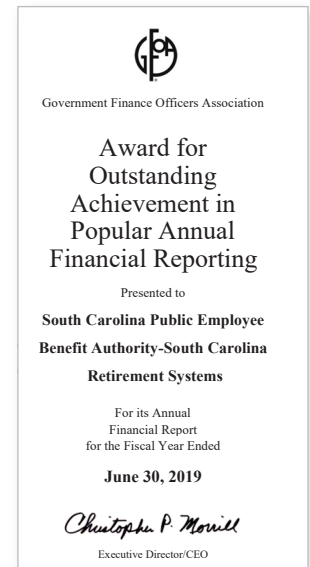
Fiscal Year 2019 GFOA Award

The South Carolina Retirement Systems' *Popular Annual Financial Report* for the fiscal year ended June 30, 2019, received an Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada.

This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive this award, a government unit must publish a *Popular Annual Financial Report* in which the content conforms to program standards of creativity, presentation, understandability and reader appeal.

This award is valid for one year only. The Systems have received the Award for Outstanding Achievement for each of the past 16 consecutive years (fiscal years ended 2004-2019). We believe our current report continues to conform to the GFOA's requirements and are submitting it for consideration.

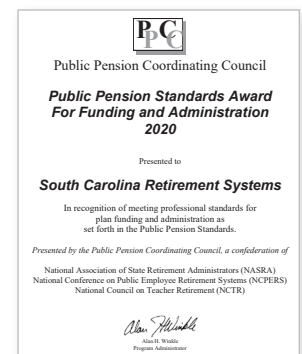


2020 PPCC Award

The South Carolina Retirement Systems received the Public Pension Coordinating Council's Public Pension Standards 2020 Award.

It is the 17th consecutive year during which the S.C. Public Employee Benefit Authority applied for and received the Council's award in recognition of meeting professional plan design and administration standards.

The Public Pension Coordinating Council is a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.





PEBASM

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and State Health Plan

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Serving those who serve South Carolina

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