

EP9

<b>AGENCY NAME:</b>	Retirement System Investment Commission		
<b>AGENCY CODE:</b>	E190	<b>SECTION:</b>	98



## Fiscal Year 2014-15 Agency Budget Plan

### FORM A – SUMMARY

<b>RECURRING FUNDS (FORM B DECISION PACKAGES)</b>	<b>My agency is submitting the following recurring decision packages (Form B):</b>	
	1936	
	<b>For FY 2014-15, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.
	<input type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.

<b>CAPITAL &amp; NON-RECURRING FUNDS (FORM C DECISION PACKAGES)</b>	<b>My agency is submitting the following one-time decision packages (Form C):</b>	
	<b>For FY 2014-15, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting capital and/or non-recurring funds.
	<input checked="" type="checkbox"/>	Not requesting capital and/or non-recurring funds.

<b>PROVISOS</b>	<b>For FY 2014-15, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Darry A. Oliver	737-5661	doliver@ic.sc.gov
<b>SECONDARY CONTACT:</b>	Kathy B. Rast	737-6580	krast@ic.sc.gov

I have reviewed and approved the enclosed FY 2014-15 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>AGENCY DIRECTOR (SIGN/DATE):</b>	
<b>AGENCY DIRECTOR (TYPE/PRINT NAME):</b>	Darry A. Oliver

*This form must be signed by the department head – not a delegate.*

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**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>1936</b>
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*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Personal Services/Other Operating/Employer Contributions</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>\$3,948,906</b>
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*What is the net change in requested appropriations for FY 2014-15? This amount should correspond to the decision package's total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	SC Const. art. X, § 16; SC Code, Title 9, Chapters 1 and 16; Title 30, Chapter 4.
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*What state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority?*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Loss of federal or other external financial support for existing program.
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program.
<input type="checkbox"/> Proposed establishment of a new program or initiative.	

<b>RECIPIENTS OF FUNDS</b>	Additional funding will be used both to recruit staff with specialized skills for investment management, oversight, operations, and reporting; and to acquire systems needed to continue addressing enterprise risks identified in a Risk Assessment conducted by Deloitte & Touche for the Commission.
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

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<b>RELATED REQUEST(S)</b>	Decision package is not associated with other decision packages
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*Is this decision package associated with other decision packages requested by your agency or other agencies this year? Is it associated with a specific capital or non-recurring request?*

<b>MATCHING FUNDS</b>	Funds will not be matched
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*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source and amount.*

<b>FUNDING ALTERNATIVES</b>	Restricted - Other funds Fund 42170000 RS Investment Commission Operating
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*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>SUMMARY</b>	<b>FY15 Budget Proposal Summary</b>					
		<u>FY 15</u>	<u>FY 14</u>	<u>\$ Change</u>	<u>% Change</u>	
	<b>Total Personal Service</b>	9,337,369	6,976,813	2,360,556	33.8%	
	<b>Operating Expense (requested)</b>	4,808,316	3,747,726	1,060,590	28.3%	
	<b>Total OpEx</b>	4,808,316	3,747,726	1,060,590	28.2%	
	<b>Employer Contribution</b>	2,124,595	1,596,835	527,760	33.1%	
	<b>Total Budget</b>	16,270,280	12,321,374	3,948,906	32.0%	
		<b>FTEs</b>	53	42	11	26.2%
		<p>*In FY14 an additional \$700,000 was added to our Other Operating budget because of Proviso <b>117.126 FY14</b>. (GP: Fiduciary Audit) <i>Of the funds authorized for the Retirement System Investment Commission, the commission shall transfer \$700,000 to the Office of Inspector General. The funds transferred shall be utilized by the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by <b>Section 9-16-380</b> of the 1976 Code, as amended.</i></p> <p>The Commission is not requesting the additional \$700,000 for a Proviso for a Fiduciary Audit in our Other Operating budget. The total requested budget for Other Operating is \$4,808,317 excluding such Proviso. If the \$700,000 is retained in our recurring budget for Commission use (and not for</p>				

the Proviso), then we only need an additional \$360,591 in other operating for FY15. If the \$700,000 is removed from our Other Operating budget (or if the Proviso is not changed), we request \$1,060,591 in additional Other Operating for FY15.

For FY2015, we are requesting 11 additional FTEs, which if approved, would bring our total to 53. A total FTE count of 53 will approach close to “full staffing” levels based on our current strategies and initiatives.

In addition to salaries and overhead (supplies, computers, etc.) for new FTEs, the Commission needs to continue acquiring reporting and back office systems, and as recommended by Deloitte, an external consultant engaged in 2011. These systems will improve investment management capabilities; allow us to acquire additional capabilities similar to our peers; and will mitigate risks – a key component of the Deloitte Risk Assessment. The Commission is in need of extra funding to rent office space on the 15<sup>th</sup> floor of the Capitol Center. We also plan to engage a consultant to update a Compensation Study and to assist in reviewing the Commission’s Compensation Policy and Performance Incentive Compensation (PIC) Plan.

#### **New Unclassified FTE Request Summary for FY15 – Totaling \$1,200,000.00**

- Seek to recruit staff with specialized skills for investment management and oversight, operations, reporting and to continue addressing enterprise risks identified by Deloitte
- **Requesting 11 Additional FTEs**—5 from prior year requests plus 6 additional for growth
- **7 new Investment staff:**
  - Carry-over: 1 Director (\$180K/yr range) and 1 Officer (\$100K/yr range)
  - Additional: 3 Senior Officers (\$130K/yr range) and 2 Officers (\$100K/yr range)
  - Planned Focus: Expand direct/co-investment capabilities, investment research and internal management
  - Primary Goals: Pursue attractive direct/co-investments, enhance internal management capabilities to increase expected returns with lower overall fees
- **4 new Operations staff:**
  - Carry-over: 1 Senior IT Applications Developer (\$90K/yr range) and 2 Reporting Officers (\$80K range)
  - Additional: 1 Reporting Officer (\$80K/yr range)
  - Planned Focus: Enable improved support of Investment team, enhanced reporting and improved IT systems support
- If approved, will approach “full staffing” based on current strategy/initiatives

#### **Operational Request Summary – Totaling \$1,060,590.00**

- Continue acquiring needed reporting and back office systems:
  - Improve investment management capabilities
  - Acquire additional capabilities similar to peers
  - Continue addressing Deloitte Risk Assessment recommendations, mitigate risks
- System requests—generally consistent with level “requested” in prior fiscal year:
  - Ancillary systems/services: Risk, Private Markets, Data Warehouse, Performance Analytics, other possible Fund Administrator services (additional details regarding these ancillary systems/services are provided at pages B-6 and B-7).

- Will pursue “modular” approach based on cost estimates and approved appropriation
- As procurement process delays obtaining proposals, estimates used for budget
- Continue to rely on PEBA for primary IT outsourcing
- Includes new FTE overhead per person (supplies and equipment, travel, etc.)
  - Plan to engage a consultant to update Compensation Study and review Commission’s Compensation Policy and PIC Plan
- Modest rent increase for office space
- Expect general inflationary increases
- This budget request does not include:
  - Fiduciary audit— Per SC Code Ann., Section 9-16-380, costs of this audit should be borne by State funds.
  - Custody costs—funding of the trust funds’ custody costs needs to be addressed with the legislative and executive branches by the State Treasurer’s Office, PEBA, and the Commission.

#### **Additional Details-Investment Positions**

##### 1 Director of Research

- Focused on setting research agenda for capital markets team, analyze and recommend direct and co-investments opportunities, support research requirements for existing internal management function (and expanded capabilities as implemented), contribute sector and macro economic views to investment strategy decisions
- Senior member of the investment team and member of IIC
- Responsible for oversight of analyst staff

##### 3 Senior Officers and 3 Officers

- 2 Senior Officers and 2 Officers report to new Director of Research, focusing on internal research and portfolio management
- 2 Officers involved in manager research and operational due diligence
- Senior Officers have higher-level investment experience (10+ years), while Officers have mid-level investment experience (5-7+ years)

#### **Additional Details-Operations Positions**

##### Performance Officer 1: External Manager Oversight

- Utilize current third party tools to produce returns-bases performance and analytics for the purpose of external manager oversight.
  - Calculate and report relative performance.
  - Monitoring for style drift, and identify the asset types or sectors contributing to the performance of the investment.
  - Produce returns-based risk analytics.
- Maintain/collect/verify monthly returns
  - Gather and aggregate IRR and Time Weighted returns from managers and custodian.
  - Ensure population and completeness in data repository.
  - Ensure Consistency of calculation methodologies used for reporting performance. across asset classes and the Strategic Partnerships.

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- Provide support to investment teams for ongoing due diligence.
- Holdings based analysis utilizing systems and data repositories in place.
  - Analysis of concentration within the portfolio if investment level details are available.
  - Assessment of investment activity and portfolio exposure to confirm adherence to the Commission’s mandates (if applicable).
  - Analysis of country, sector, currency, and strategy exposure whenever available.

Performance Officer 2: Fee Validation

- Gather, aggregate, and reconcile fees from managers
  - Expand and refine current process for collecting manager fees
  - Ensure population and completeness in data repository.
  - Reconciliation of manager fees for each period to the provisions within Investment Management Agreements or similar agreements.
  - Build model to calculate an expected fee based on data in repository in order to streamline the validation process and provide an expected fee estimate.
- Verify reasonableness and alignment with industry standard
  - Verify with RSIC Investment Team that fees paid are reasonable according to terms.
  - Analyze fee structures and assess reasonableness with industry standards.
  - Serve as resource during due diligence to assess reasonableness of proposed fee structure.

Performance Officer 3: Documentation & Process Control

- Data management and storage in Contact Management System (CMS).
- Monitor the completeness of information collection in CMS via creation on views and exception reports (due diligence, periodic reporting requirements).
- Assess manager adherence to pre-defined service levels and SLAs.
- Ensure complete collection.
- Creation of executive decision support reports in CMS.
- Work with Technology to ensure the capture and integration of data flows from other departmental systems.
- Documentation of Policies and Procedures and work flows
  - Maintenance of the department policies and procedures manual.
  - Expansion of documentation to encompass newly implemented systems and workflows.
  - Monitoring work flow to ensure compliance with policies and procedures.
  - Ensure compliance with statutory reporting requirements.

Information Technology Senior Applications Developer

- Assist IT Director with the integration of new reporting, analytics, risk systems and data warehouse capabilities
- Provide day-to-day support of technology needs for investment and operations staff
- Address programming needs of investment and operations staff for ad hoc and ongoing projects

**Sample List of Administrator Services – see pages B-6 and B-7**

### Risk and Data Aggregation

- Provide daily maintenance and lockdown of market data (yield curves, volatility surfaces and calibration/ bootstrapping of yield curves)
- Provide set up of customized cash flows for complex fixed income instruments
- Provide calculation of instrument and portfolio level trader risk (Greeks)
- Provide risk reporting
- Provide customized portfolio scenario analysis using shift on single appropriate risk factor
- Provide customized portfolio stress analysis using shifts on a group of risk factors
- Provide daily profit and loss attribution for the portfolio outlining P&L breakdown by risk factors (IR, decay, accrual, volatility, credit spreads)
- Provide data aggregation reporting for the Fund and any investment pools as directed by the Client ("Pool Data") based on trades or positions and pricing files provided by the Client or other data sources collected by HedgeServ, as agreed with the Client
- Provide Pool Data and Fund exposure and P&L attribution reports by long / short, currency, sector, region, market cap, liquidity (for public securities only) and the Client policy beta factor exposure reports
- Track the overlap of investments
- Where the Client provides "fillers" as proxies for non-transparent parts of the portfolio, HedgeServ will:
  - Identify and separately report actual data and proxy data
  - Where proxy data is benchmarks, use underlying security data for the benchmark for data aggregation
- Provide full transparency of modeling documentation
- Risk Attribution for Pool Data and Fund
  - Risk contribution and tracking error analysis
  - Risk factor attribution analysis
  - Beta analysis against benchmarks
- Asset allocation analysis for Pool Data and Fund
- Portfolio benchmarking for Pool Data and Fund

#### Middle Office

##### Core Services

- Process on trade date ("T") details of all trades and their economic details that have been communicated to HedgeServ
- Identify and process corporate actions
- Price the portfolio daily in accordance with each Fund's offering memorandum
- Calculate and maintain theoretical valuation calculations as agreed to with the Funds
- Provide desktop Front Arena portfolio management application in static state (no live ticking pricing) or in real time state (with live ticking pricing)
- Provide HedgeServ Main application including order management integration, trade capture, trade allocation, and access to standard reporting
- Provide Export application tool to facilitate trade exports to third parties including prime brokers, counterparties, confirmation/affirmation vendors and third party risk providers, if applicable

##### Enhanced Services

- Monitor and research ISDA collateral calls from counterparties
- Agree or dispute collateral calls and escalate to the Funds if needed
- Prepare wire instructions for collateral movements
- Provide cash wire communications to prime broker for collateral movement
- Record ISDA collateral calls and reconcile them to the counterparty statements when available
- Facilitate and monitor settlement of "same name" account cash transfers
- Facilitate agreed upon client approval process and monitor settlement of third-party trade-related payments
- Prepare wire instructions for trade-related payments
- Provide cash wire communications to prime broker for trade-related payments
- Verify received OTC term sheets and/or confirmations to the trade details provided to HedgeServ
- Track and report status of OTC confirmation process completeness
- Resolve all executing broker inquiries including the disposition of trade breaks, with the assistance of the relevant investment manager or their relevant brokers, as necessary

**AGENCY NAME:****Retirement System Investment Commission****AGENCY CODE:****E190****SECTION:****98****Fund Accounting – Trading Fund and Fund of Fund**

- Reconcile cash and positions to prime brokers and counterparties, if available, daily on trade date plus one (“T+1”)
- Review price variance of the primary price used in the monthly Net Asset Value (“NAV”) calculation to a secondary source where available
- Provide daily estimated P&L and holdings reports
- Process details of all buys, sells, transfers and exchanges of underlying fund investments that have been communicated to HedgeServ
- Provide dealing date reconciliation of cash to bank/custodian statements
- Provide dealing date reconciliation of trade activity, positions and market value to the Administrators and Investment Managers of the underlying portfolio funds
- Provide fund reporting including holdings and P&L on each dealing date
- Provide Fund of Fund reporting and analytics through HedgeServ’s HedgeManager application
- Provide monthly estimated NAV and RORs
- Calculate monthly final NAV and RORs
- Prepare monthly final economic distributions, by investor
- Prepare monthly balance sheets and income statements
- Calculate new-issue “carve-out”, if applicable
- Calculate management and incentive fees / allocations
- Monitor and accrue for all third party fees including administration fees
- Prepare financial statements in accordance with generally accepted accounting principles at a minimum annually
- Maintain accounting books and records for the Funds
- Provide support for the annual audits of the Funds

**Tax**

- Provide monthly tax compliant trial balances
- Calculate M-1 adjustments
- Allocate P&L to each partner based on the aggregate methodology
- Track investors’ tax basis
- Provide tax estimates no more than two times per annum

**Investor Services**

- Maintain the Funds’ bank accounts
- Process Fund subscriptions, ensuring appropriate documentation has been provided to satisfy anti-money laundering regulations, as applicable
- Review subscription agreements for completeness including investor eligibility, new issue status, and ERISA status and follow up with the investor or the Funds to obtain completed subscription agreements
- Process redemptions, transfers and exchanges in accordance with the Funds’ organizational documents
- Issue contract notes to investors confirming their transaction details
- Provide capital activity reports detailing subscriptions, redemptions, transfers, and exchanges into and out of the Funds
- Reconcile Fund bank accounts on a daily basis
- Process cash movements to custodians, prime brokers and investors as directed by the Funds
- Arrange for third party expense payments to be made, as directed
- Maintain partner and shareholder registers for the Funds
- Record details of beneficial ownership of investments, as such information is provided, and report accordingly
- Prepare and distribute investor statements to investors in the Funds
- Screen investors against the Office of Foreign Asset Control (“OFAC”) list at a minimum monthly
- Monitor ERISA percentages as directed by the Funds and based on information provided on subscription agreements
- Mail audited financial statements to investors
- Communicate with investors, as directed
- Provide SEC Headcount Report as required
- Monitor authorized share capital of each Fund
- Provide access to investor services analytics and reporting through HedgeServ’s HedgeInvestor application
- Take any other reasonable actions necessary for the administration of the Funds

*Provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used?*



Calculations are based upon prior years' unapproved increases for staff, systems and services still deemed needed and recommended, request for additional staff and services based on analysis of current needs to address strategies and goals of the organization, industry standards for systems and personnel, and expected inflationary impacts. Although the Commission has consistently spent less from the trust funds than its yearly FY allocation, additional budget allocation is needed to enable the Commission's performance of existing responsibilities, as well as ongoing initiatives and new requirements. Assumptions include new staff and systems being acquired at beginning of fiscal year.

**FY15 Budget Proposal Summary**

	<u>FY 15</u>	<u>FY 14</u>	<u>\$ Change</u>	<u>% Change</u>
Total Personal Service	9,337,369	6,976,813	2,360,556	33.8%
Operating Expense (requested)	4,808,316	3,747,726	1,060,590	28.3%
<b>Total OpEx</b>	<b>4,808,316</b>	<b>3,747,726</b>	<b>1,060,590</b>	<b>28.2%</b>
Employer Contribution	2,124,595	1,596,835	527,760	33.1%
<b>Total Budget</b>	<b>16,270,280</b>	<b>12,321,374</b>	<b>3,948,906</b>	<b>32.0%</b>
FTEs	53	42	11	26.2%

**METHOD OF CALCULATION**

<u>Analysis of Major Changes in Budget (\$M)</u>		
FY 14 approved budget		\$13.0
Significant changes:		
New 11 FTEs estimated salary		\$1.2
Add'l PIC incl 5 new FY 14 Inv FTEs		\$0.9
Additional systems capabilities		\$0.6
Est increased employer contribution (23%)		\$0.5
Est staff salary performance increases		\$0.4
Other, net		\$0.3
Proviso for fiduciary audit		-\$0.7
Total estimated budget increase		\$3.2
Total estimated FY 15 budget		\$16.3

*How was the amount of the request calculated? What factors could cause deviations between the request and the amount that could ultimately be required in order to*

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*perform the underlying work?*

<b>FUTURE IMPACT</b>	<p>All of the Commission’s funding comes directly from the South Carolina Retirement System trust funds. There are no maintenance-of-effort obligations as a result of the proposed increase.</p> <p>The proposed increase will bring the Commission close to “full staffing” levels and will provide the Commission with additional investment, risk management and other systems that are necessary for a pension fund of our size (approximately \$27 Billion in investments around the world).</p>
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*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*





<b>PRIORITIZATION</b>	<p>Will pursue “modular” approach based on cost estimates and approved appropriation.</p>
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*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2014-15?*

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In the Fiscal Year Ending June 30, 2013, the Commission’s investment decisions resulted in a 9.99% Plan Return, which significantly exceeded the 8.13% Policy Return. This translates to an outperformance of 186 basis points or an additional \$450 million for the Retirement System trust funds. Looked at another way, this \$450 million represents over 20,000 additional annual benefit payments. Over the past five years, investment staff have been instrumental in creating over \$1 Billion of outperformance. With the additional proposed budget allocation, the Commission will seek to build upon this record, and will endeavor to produce superior long term, risk-adjusted investment results for the trust funds.

**INTENDED IMPACT**

	<b>Plan Returns<sup>1</sup></b>	<b>Policy Returns<sup>1</sup></b>	<b>Outperformance (bps)</b>	<b>Cumulative Outperformance (\$)<sup>2</sup></b>
One Year	9.99%	 8.13%	186 bps	\$450
Two Years	5.07%	 4.28%	79 bps	\$348
Three Years	9.30%	 8.40%	90 bps	\$657
Five Years	3.76%	 2.84%	92 bps	\$1,101

<sup>1</sup>Returns greater than one year are annualized.

<sup>2</sup>Cumulative outperformance is calculated by taking the beginning plan value multiplied by the difference between the Plan return and the Policy benchmark on a monthly basis.

- “Policy Returns” represent hypothetical return if assets invested passively (indexed) with weights per AIP allocations
- Reflects additional value of investment staff decisions
- Estimated \$450M excess return in FYE 6/30/13 represents over 20,000 additional annual benefit payments

*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

**PROGRAM EVALUATION**

The Commission’s mission is to manage the assets of the South Carolina Retirement System trust funds in a prudent manner, seeking superior long-term returns at acceptable levels of risk. The Commission assesses the trust funds’ performance returns against a fund-specific benchmark, and also considers other metrics to assess the effectiveness of the Commission’s investment program.

*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

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**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	<b>117.114 (FY14 - 117.126)</b> <i>Cite the proviso according to the State Budget Division’s renumbered list for FY 2014-15 (or mark “NEW”).</i>
<b>TITLE</b>	<b>GP: Fiduciary Audit</b> <i>Provide the title from the FY 2013-14 Appropriations Act or suggest a short title for any new request.</i>
<b>BUDGET PROGRAM</b>	<b>Retirement System Investment Commission</b> <i>Identify the associated budget program(s) by name and budget section.</i>
<b>DECISION PACKAGE</b>	 <i>Is this request associated with a decision package you have submitted for FY 2014-15? If so, cite it here.</i>
<b>REQUESTED ACTION</b>	<b>Delete</b> <i>Choose from: Add, Delete, Amend, or Codify.</i>
<b>OTHER AGENCIES AFFECTED</b>	 <i>Which other agencies would be affected by the recommended action? How?</i>
<b>SUMMARY</b>	The Inspector General is conducting a Fiduciary Audit in this fiscal year (FY14) using \$700,000 approved by Proviso 117.126. We have been informed by IG that it is unlikely a Fiduciary Audit will be needed in the fiscal year we are submitting a budget for (FY15).

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

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<b>EXPLANATION</b>	<p>The office of the Inspector General is conducting the mandated Fiduciary Audit and the proviso no longer is necessary.</p>
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*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>No fiscal impact.</p>
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

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<b>PROPOSED PROVISO TEXT</b>	
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*Paste FY 2013-14 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

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**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	
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*Cite the proviso according to the State Budget Division’s renumbered list for FY 2014-15 (or mark “NEW”).*

<b>TITLE</b>	
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*Provide the title from the FY 2013-14 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	
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*Identify the associated budget program(s) by name and budget section.*

<b>DECISION PACKAGE</b>	
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*Is this request associated with a decision package you have submitted for FY 2014-15? If so, cite it here.*

<b>REQUESTED ACTION</b>	
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY</b>	
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

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<b>EXPLANATION</b>	
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*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*



<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E190</b>	<b>SECTION:</b>	<b>98</b>

<b>PROPOSED PROVISO TEXT</b>	
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*Paste FY 2013-14 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E190</b>	<b>SECTION:</b>	<b>98</b>

**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	
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*Cite the proviso according to the State Budget Division’s renumbered list for FY 2014-15 (or mark “NEW”).*

<b>TITLE</b>	
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*Provide the title from the FY 2013-14 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	
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*Identify the associated budget program(s) by name and budget section.*

<b>DECISION PACKAGE</b>	
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*Is this request associated with a decision package you have submitted for FY 2014-15? If so, cite it here.*

<b>REQUESTED ACTION</b>	
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY</b>	
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E190</b>	<b>SECTION:</b>	<b>98</b>

<b>EXPLANATION</b>	
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*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	
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*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E190</b>	<b>SECTION:</b>	<b>98</b>

**PROPOSED  
PROVISO TEXT**

*Paste FY 2013-14 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*