South Carolina Retirement System Investment Commission
Meeting Minutes

May 15, 2008

Second Floor Conference Room
202 Arbor Lake Drive
Columbia, South Carolina 29223

Commissioners Present:
Mr. James Powers, Vice Chairman
State Treasurer Converse Chellis
Mr. Blaine Ewing
Mr. Allen Gillespie, teleconference
Dr. Travis Pritchett

Others present for all or a portion of the meeting: Dunkin Allison, Robert Borden, Donald Brock, Brenda Gadson, Douglas Lybrand, Heather Muller, Rick Patsy, Greg Putnam, Kathy Rast, Nancy Shealy, Nicole Waites, Brian Wheeler, and Hilary Wiek from the South Carolina Retirement System Investment Commission; Mike Addy, and Shakun Tahiliani from the State Treasurer's Office; Rhett Humphreys from New England Pension Consultants; Keith Wood from Jamison, Eaton & Wood; Peggy Boykin, Sarah Corbett, Tammy Davis, Robyn Leadbitter, John Page, Danielle Quattlebaum, Joni Redwine, Travis Turner, and Faith Wright from the South Carolina Retirement Systems; Kelly Rainsford from the Budget and Control Board; Joseph Azelby, Corey Case, Jeffrey Geller, John Hunt, Shaka Rasheed, Jes Staley, and Lawrence Unrein from J.P. Morgan Investment Management Inc.; Wayne Pruitt from the State Retirees' Association; and Charley McDonald from the South Carolina Trooper's Association.

I. CALL TO ORDER, CONSENT AGENDA, AND CHAIRMAN'S REPORT

Vice Chairman James Powers called the meeting of the South Carolina Retirement System Investment Commission (Commission) to order at 10:00 a.m. and welcomed the Commissioners and guests. Chairman Reynolds Williams was unable to attend due to a scheduling conflict, and Commissioner Gillespie attended the meeting via teleconference.

Vice Chairman Powers called for objections or amendments to the meeting's proposed agenda. He noted that State Treasurer Converse Chellis requested that information regarding the Compliance Officer be added to the agenda. The proposed agenda was adopted as amended.

Vice Chairman Powers reported that all of the Commissioners had not had an opportunity to review the minutes from the meeting on March 20, 2008, and they were carried over.

II. INVESTMENT MATTERS

Vice Chairman Powers recognized Mr. Robert Borden for the Chief Investment Officer's (CIO) report.

Mr. Borden referred to materials that had been provided to the Commission prior to the meeting regarding investment performance and presented a preliminary draft of the quarterly report. Mr. Borden noted that although fund return was negative, the fund's performance was in the top 22 percent of large public pension plans for the quarter ending March 31, 2008. He also stated that fund performance was a significant improvement from historical data and that combined with the prior year fourth quarter data, performance brought the South Carolina Retirement Systems' (Retirement System) one-year ranking close to the top third national percentile. Mr. Borden stated that currently, the fund's equity portfolio was ranked in the bottom national percentile and that the active large cap portfolio was not performing as desired. He suggested an additional study to reduce managers was in order and proposed that Ms. Hilary Wiek work with New England Pension Consultants (NEPC) to take a critical look at the sub-asset class's status.

Mr. Blaine Ewing reiterated that he had not been satisfied with equity performance and suggested a meeting with NEPC to discuss alternative approaches for equity manager searches. Mr. Rhett Humphreys of NEPC stated that the Commission had restructured the large cap active managers and that only one of the managers was behind their average. Mr. Borden suggested that a manager level detail examination may be beneficial. He reiterated that due to fund diversification, the Retirement System's total fund ranking was still in the top quartile over the last year despite poor equity performance. Vice Chairman Powers suggested that Mr. Ewing work with Mr. Borden to address these concerns.

Mr. Borden referred to the April 2008 Preliminary Performance Report and noted that despite significant market rebounds, the fund's performance was positive. He also estimated the policy benchmark to be up approximately 2.75 percent. He noted that while the performance of the Beta Overlay Program had been poor historically, the current market conditions had resulted in improved performance. Mr. Borden stated that the portfolio had $300 million of net value added in April and that inception-to-date figures were positive. Mr. Humphreys mentioned that $3.4 billion was transitioned into various global bond investments, which resulted in a value added move. He also stated that global asset allocation was also up 2.5 percent.

(Information relating to these matters has been retained in the Commission's files and is identified as Exhibit A).

Mr. Borden introduced Ms. Hilary Wiek for a review of the private equity recommendation. Ms. Wiek said that the search team, which was comprised of Ms. Wiek and Dr. Travis Pritchett and NEPC, had met with Welsh, Carson, Anderson and Stowe (WCAS) over the past six months and that she was impressed with their organization and leadership. She noted that the buyout firm was primarily focused on two sectors, information/ business services and healthcare. Ms. Wiek stated that the search team recommended committing $50 million to Welsh, Carson, Anderson and Stowe XI, L.P. Dr Pritchett endorsed Ms. Wiek's comments and noted that WCAS' expertise and focus was reassuring. Dr. Pritchett also stated that WCAS retained a significant number of knowledgeable operational specialists who the firm used when acquiring buyouts and noted that their performance since 1979 had been consistently positive.

Vice Chairman Powers expressed concerns regarding fragmentation in private equities in general and suggested that fewer, larger allocations may be of benefit to the Retirement System. Dr. Pritchett replied that in this instance, $50 million was indeed a small amount. Mr. Ewing requested information regarding the total budget for the private equity program. Ms. Wiek replied that investment operations anticipated allocating between $600 million to $1 billion in commitments to private equity this year, of which, $590 million had been allocated.

Mr. Chellis questioned if there were any negative aspects to WCAS, and Ms. Wiek replied that their 1998 investment in wireless communications was a break away from their normal strategy and was hampered by poor public relations, which resulted in a change of leadership and internal reorganization.

Mr. Ewing made a motion, which was seconded by Mr. Chellis and passed unanimously, to invest an amount not to exceed $50 million in the Welsh, Carson, Anderson & Stowe XI, L.P., to authorize the Chairman or his designee to negotiate fees not to exceed those presented by the search team, and to authorize the Chairman to negotiate and execute any necessary documents to invest in the fund.

(Information relating to these matters has been retained in the Commission's files and is identified as Exhibit B).

Mr. Borden referred to the Strategic Partnership Recommendations materials that had been provided to the Commission. He discussed the proposed partnership with J.P. Morgan Asset Management (JPM), noting that it would be structured similar to the Morgan Stanley-SCRSIC Strategic Partnership in that it would allow access to global multi-asset class strategies in a tactical framework, which would allow for economies of scale and pricing power, access to deal flow, idea generation, and a relationship that would allow for knowledge transfer.

Mr. Borden introduced representatives from JPM for a presentation. They were Messrs. John Hunt, Chief Executive Officer Institutional Americas, Jes Staley, Chief Executive Officer Asset Management, Jeff Geller, Chief Investment Officer Global Multi-Asset Group, Corey Case, Co-Head of JPMAAM Chief Executive Officer, Joe Azelby, Head of Global Real Estate & Infrastructure Group, Larry Unrein, Head of Private Equity and Hedge Funds, and Shaka Rasheed, Client Officer.

Mr. Staley provided a brief overview of JPM, noting its financial strength, experience in managing about $1.2 trillion, and its desire to be in the forefront of alternative investing. He added that JPM managed over $110 billion in alternative investments – making them one of the largest in the alterative investment area. Mr. Geller added that his team's central location in JPM allowed him access to a large range of strategies and investment opportunities. He also stated that he was focused on seeking broad allocations while mitigating the "J-Curve Effect" and balancing risk exposure, keeping in mind how alternative allocations fit within the fund. Mr. Geller mentioned that in addition to the proposed $1 billion investment by the Commission, JPM planned to invest $100 million of their own funds. He also remarked about the possibility for excellent co-investment opportunities and noted that his team would manage those opportunities with coordination from Mr. Borden and the other JPM teams. Mr. Borden added that JPM's expertise in private venture capital firms would provide the Commission access that had been lacking historically and otherwise inaccessible.

Mr. Case discussed JPM's experience with hedge fund of funds services worldwide and its client relationship and information networking services. He also noted JPM's strong emphasis on capital protection, access to managers on various levels including co-investments and the ability to take advantage of market dislocations. Mr. Borden noted the similarities between JPM and Morgan Stanley, which included being fully invested from inception while attempting to mitigate or eliminate the J-curve through reliable alpha strategies.

Mr. Azelby presented an overview of real estate and infrastructure investment strategies and noted that JPM's global offices brought attractive investment opportunities over many different strategies and future plans for investing in green energy efficient properties.

Mr. Unrein stated that JPM was a global team that had been investing in private equities for many years. He also noted additional co-investing opportunities and how JPM was committed to partnership and knowledge transfer.

Vice Chairman Powers questioned JPM regarding the total number of its strategic partnerships. Mr. Staley replied that JPM had recently partnered with the Texas Teacher Retirement System and had 3000 institutional partnerships around the world, but only approximately five which were similar to the South Carolina proposal. Mr. Staley mentioned that the Commission was in the forefront of new investment innovation making South Carolina unique.

Vice Chairman Powers noted that JPM would invest 10% of their own funds and questioned if that was the general amount amongst other strategic partnerships. Mr. Staley replied that JPM would place seed and venture capital in their funds and that their reputation was on the line to perform accordingly.

Mr. Ewing questioned monthly performance reporting and expressed concerns regarding increasing market complexity and accounting verification to ensure the stated performance was indeed the return the Commission received. Mr. Staley replied that JPM's past performance and that given their stature and reputation in the investment community, their reputation would be on the line. He also indicated that JPM had a high degree of internal controls and compliance standards which focused on leverage and reducing the risk of related investments. Mr. Ewing questioned the mathematical model of accounting verification and reiterated his concerns as the Commission moved in to highly complex arrangements and partnerships. JPM stated that with regard to the private equity portfolio, JPM writes an investment check to the fund at the same time as their clients. Additionally, JPM replied that it managed another state plan, and over the last ten years, that state plan had audited them a total of three times and there had never been any issue to arise.

Mr. Chellis questioned the proposed allocation to the partnership, and Mr. Borden responded that a total of $1 billion was proposed. He stated that the allocation would be spread out among different asset types and strategies, and in turn, would pull-down profits for real estate and other investments. Mr. Chellis asked how much other strategic partners had invested with JPM given the significant cost of the proposed investment and how this allocation compared. He noted that one billion is a large amount to the Commission, but not necessarily to JPM - who managed close to $1 trillion. He stated that the Retirement System's relative small allocation might effect how they invested the allocation and the amount of time and talent JPM would provide to the Retirement System relative to other strategic partnerships in which more allocation is invested. Dr. Pritchett noted that the Retirement System's allocation would be small given the total assets JPM managed across all silos.

Mr. Ewing asked Mr. Borden for information about the total partnership portfolio and the policy benchmark. Mr. Borden responded that the policy benchmark would be complied from a spectrum of valuations, noting issues with unknown aspects of long-term investing and the challenge of putting one number on a report that encompasses everything. He explained that the funds would be subdivided and benchmarked differently; it would be difficult to develop a policy benchmark as once he calculated a number, parameters would need to be established to determine if that number was good or bad.

Mr. Ewing stated he was comfortable with real estate, but had concerns regarding the other investments that the partnership would contain, including derivatives and counterparty risks. He also restated questions regarding the policy benchmark for returns over the lifecycle of the fund and the additional complexity issues. Mr. Borden responded that instead of giving JPM a benchmark, he would have to back into it and determine the opportunity by examining the Commission's resources, what the partnership could construct, and what it could return for the Retirement System. He also said that from day one, the investment would start with low volatility investments with a great degree of liquidity and that over time, more funds would be used for private equity and real estate allocations that had projected rates of return in the high teens. Mr. Borden expressed that over the ten-year spectrum, analysis projections were around an 18% return.

Mr. Ewing stated that a given benchmark and allocation could conceivably alter how a fund would be managed and that without a benchmark, it seemed that the Commission would have to accept the performance result, whatever it may be. He stated that the Commission should not allocate money to JPM and just accept what the return happens to be. Mr. Humphreys stated that figuring out how to benchmark a partnership would indeed be difficult and proposed starting with the baseline actuarial return of 8%. Mr. Ewing asked Mr. Humphreys if JPM had been advised of a baseline, and Mr. Borden responded that no polices had been constructed or finalized and that expectations over the investment structure should meet expectations given the type of investment, including a total target for each individual asset class.

Mr. Ewing questioned if JPM would have the same target given that they would be controlling the allocations, and Mr. Borden responded that he would have veto power to stop any detrimental allocation as he would be on the investment committee. Vice Chairman Powers added that Mr. Borden, as a member of the partnership's investment committee, would have first right of refusal for any implementation decisions.

Mr. Ewing again stated that a policy benchmark is required and needed to gauge the partnership's performance. Mr. Borden replied that the proper way to construct a benchmark would be by examining each asset class individually to determine individual asset class allocations. Mr. Ewing reiterated that benchmarks were necessary given that this was a multi-strategy portfolio. Dr. Pritchett noted that benchmarks could be established by silo or by weighted average, and Mr. Ewing concurred.

Mr. Staley noted that JPM desired a methodology to allow the Commissioners to evaluate whether JPM met performance standards, whether by asset class or overlay. Mr. Rasheed added that JPM was analyzing the complex issues raised by the Commission and that by working in partnership, JPM and the Commission could determine the best way to solve this mutual problem.

Vice Chairman Powers asked if Mr. Borden would have right of refusal over any fund of funds, and Mr. Borden responded the he would. Vice Chairman Powers asked for more information regarding transparency, particularly with regard to information about the funds of funds. JPM responded that there were varying levels of transparency depending on each fund, but that they were in constant communication with their fund of funds managers. He added that the managers who did not provide detail transparency were not used.

Vice Chairman Powers asked if Mr. Gillespie had any comments. Mr. Gillespie agreed that the benchmark question was multifaceted and wanted to know how the liability index behaved. He also noted that these issues could not be readily resolved and suggested adding liability index tracking to fund reports.

Mr. Ewing asked whether JPM's acquisition of Bear Sterns would bring any new capabilities or change any group exposure to the proposed partnership, and JPM's representatives responded in the negative.

Mr. Ewing made a motion, which was seconded by Mr. Chellis, to invest an amount not to exceed $1 billion in a strategic partnership with J.P. Morgan Asset Management and to authorize the Chairman to negotiate and execute any necessary documents to invest in the fund, subject to approval for legal sufficiency by General Counsel. In response to a question by Mr. Chellis, Mr. Borden stated that the year of research leading up to JPM's selection for this partnership had shown that they were indeed of the highest quality and well suited for this strategy. Mr. Ewing said that he supported the investment and requested that a benchmark be generated to drive JPM's decision-making process. Mr. Borden responded, agreed to develop a benchmark, and suggested a risk budgeting report be compiled, including long-term and short-term benchmarks. After further discussion, Vice Chairman Powers called for the question, and the motion passed unanimously.

(Information relating to these matters has been retained in the Commission's files and is identified as Exhibit C).

Mr. Borden referred to materials relating to the pending TCW/Palmetto State Strategic Partnership (TCW) and the Mariner SC Strategic Partnership (Mariner) Funds. He noted that the Commission has relationships with both of the firms with other investments currently. Vice Chairman Powers noted that the Commission had authorized Mr. Borden to negotiate term sheets for the partnerships previously. Mr. Borden said that he was presenting the term sheets that had been negotiated and noted that there were no additional fees for these strategic partnerships.

Mr. Borden referred to TCW's report and advised that they would create a side partnership in which TCW employees would invest their own funds, and the current TCW Funds in which the Retirement System's were invested would be included in the new TCW partnership. He explained the fee structure outlined in the meeting materials.

Mr. Borden referred Mariner's report and explained that this strategic partnership would focus on opportunistic fixed income and credit investments managed through a master fund structure whose risk/return objectives would be determined by the Commission and Mariner. He explained that the strategic partnership would be comprised of the existing $35 million allocation to Mariner's multi-strategy hedge fund, plus an additional $400 million allocation.

Vice Chairman Powers stated that the terms presented for both TCW and Mariner were very favorable and that in these instances, the Retirement System's investments would be quite significant. Mr. Borden noted that Mariner's and TCW's structure would allow them to put meaningful personal capital into the partnership funds.

Mr. Borden referred to information provided to the Commission relating to credit opportunities recommendations from the search team, which was comprised of NEPC and Messrs. Gillespie and Rick Patsy. The recommendations related to Sankaty Advisors, LLC (Sankaty), WL Ross, LLC (WL Ross), Selene Investment Partners LLC (Selene), and the D.E. Shaw Group (DES). Mr. Borden asked Mr. Patsy to provide additional information about the proposed investments.

Mr. Patsy discussed Sankaty and said that the search team recommended investing $200 million in the Sankaty Credit Opportunities IV, L.P., which is a distressed debt fund. He provided information about the firm, investment strategies, and capabilities, noting that he was particularly impressed with the firm's organization structure and investment philosophy. Mr. Gillespie concurred with Mr. Patsy's comments and noted he was confident in Sankaty's abilities.

Mr. Gillespie provided information about Selene, which focuses on distressed mortgage opportunities. He noted that he favored their investment strategy and that the search team recommended investing $150 million in the Selene Residential Mortgage Opportunity Fund. Mr. Borden provided additional information about the firm and the experience of its chief executive officer, Mr. Lewis Ranieri. Vice Chairman Powers noted that he had known Mr. Ranieri for quite some time and that the United States Congress would generally look to Mr. Ranieri for mortgage business advice. Mr. Borden said that while the search team recommended allocating $150 million to Selene, he recommended increasing the allocation to $200 million. Mr. Chellis asked if the mortgage investments would be detrimental to homeowners, and Mr. Borden explained that Selene would not operate through predatory lending and would review individual loans on a case by case basis to try to restructure loans to allow people to maintain their residences. Vice Chairman Powers added that Mr. Ranieri was respected for his ability to rework loans to allow individuals to remain in their homes. Mr. Gillespie provided additional information, and Mr. Borden noted further that Mr. Ranieri said that many of the loans could be acquired at such a significant discount that the borrower may have principal relief, which would result in a win-win situation for investors and homeowners. The Commission discussed historical economic trends relating to mortgages, the current markets, and the analysis that Selene performs in evaluating investments.

The Commission reviewed information provided about WL Ross and its WLR Absolute Recovery Hedge Strategy that focuses on distressed debt, including attributes that would complement the Retirement System's portfolio. Mr. Borden noted that WL Ross would be a lower risk opportunity that would allow additional access to take advantage of future WL Ross offerings, so he recommended that the Commission allocate $225 million to the strategy instead of $300 million as proposed by the search team.

The Commission discussed the search team's recommendation to invest in DES' Direct Capital Fund, which is a distressed debt fund. Mr. Borden noted that the Retirement System invests in the D.E. Shaw Composite Fund, so the Commission is familiar with the firm. The Commission reviewed information about the investment strategy, and Mr. Borden commented on DES' Direct Lending Fund.

After further discussion, Mr. Chellis made a motion to invest an amount not to exceed $200 million in the Sankaty Credit Opportunities IV, L.P., to invest an amount not to exceed $225 million in the WLR Absolute Recovery Hedge Strategy, to invest an amount not to exceed $200 million in the Selene Residential Mortgage Opportunity Fund, to invest an amount not to exceed $100 million in the D. E. Shaw Direct Capital Fund, to authorize the Chairman or his designee to negotiate fees not to exceed those presented by the search team, and to authorize the Chairman to negotiate and execute any necessary documents to invest in the funds, subject to approval for legal sufficiency by General Counsel. Dr. Pritchett seconded the motion, which passed unanimously.

(Information relating to these matters has been retained in the Commission's files and is identified as Exhibits D through I).

Mr. Chellis noted that authorization for the Chairman to execute contractual matters to implement the Commission's actions had become standard procedure, yet cumbersome to recite for each motion. He suggested that the Commission standardize the language for these types of motions, and the Commission concurred. Mr. Chellis made a motion to incorporate standard language in all motions relating to contractual matters to authorize the Chairman or his designee to negotiate fees (within guidelines as approved by the Commission) and to authorize the Chairman to negotiate and execute any necessary documents to implement the Commission's actions, subject to approval for sufficiency by General Counsel, and for this authorization to be reflected in the Commission's records relating to such motions. Mr. Ewing seconded the motion, which passed unanimously.

Mr. Borden referred to materials that had been provided to the Commission relating to recommendations of the search team, which was comprised of Vice Chairman Powers, Mr.

Borden, and NEPC, to invest in Capital Guardian's Emerging Market Fixed-Income Fund. Mr. Borden noted that Capital Guardian was established over 75 years ago and that the firm had a successful history in the emerging market debt sector. Mr. Borden also noted that within the organization, individual mangers had different approaches and styles that although sometime conflicted, always added discussion. Vice Chairman Powers reiterated that Capital Guardian was proud that their different approaches led to additional discussion and that their employees invest their own money into the funds they recommend.

The Commission discussed the recommended allocation, current market environment, the corporate structure of the firm, and the fee schedule. Mr. Ewing noted that the fee schedule was one of the lowest offered in this strategy. Mr. Borden said that was an open ended fund that would allow flexibility in allocating assets in response to market contingencies.

Mr. Ewing said that while returns for emerging markets were very favorable at the present time and that he supported investing in the fund, he suggested a lower initial allocation than recommended by the search team. Vice Chairman Powers, noting that Mr. Ewing's points were valid, suggested the allocation be up to $500 million. Ms. Shealy asked what the planned timetable was for investing the $500 million allocation, and Mr. Borden replied that the allocation timetable would depend on current market conditions. Vice Chairman Powers suggested an initial allocation of $200 million and up to an additional $500 million thereafter. He also noted that the Commission needed to make a firm initial commitment to invest in the fund.

After further discussion, Dr. Pritchett made a motion to invest an amount not to exceed $500 million in the Capital Guardian Emerging Market Fixed Income Fund with an initial allocation of $250 million and the remainder to be invested opportunistically as recommended by the fund, to authorize the Chairman or his designee to negotiate fees not to exceed those presented by the search team, and to authorize the Chairman to negotiate and execute any necessary documents to invest in the fund. Mr. Ewing seconded the motion, which passed unanimously.

(Information relating to these matters has been retained in the Commission's files and is identified as Exhibit J).

Mr. Borden discussed changes to the high yield transition plan and advised that he would re-evaluate the Beta Overlay Program. He also advised the Commission that an initial allocation of $100 million had been invested in the Loomis Sayles High Yield Full Discretion Trust. Mr. Ewing asked Mr. Borden for his opinion on the appropriate number of managers for the high yield strategy. Mr. Borden said that between six and eight firms of varying degree, with only two to three stand alone managers. Mr. Ewing said that the plan would create a defensive portfolio and asked Mr. Patsy for comments. Mr. Patsy replied that NEPC had presented information for defensive core high yield funds primarily, but noted that in the current market environment, the Commission may want to examine more opportunistic strategies. Mr. Patsy stated that several companies had been identified with the desire to transverse the credit spectrum more readily. Mr. Ewing concurred with Mr. Patsy's comments.

Mr. Borden asked Mr. Greg Putnam to give an update of the Bank of New York Mellon (BNY Mellon) project to convert custody platforms. Mr. Putnam stated that within the ten business days after the conversion, there had been a few bumps in the process, but BNY Mellon was working with Mr. Putnam's team resolve any issues. Mr. Borden stated that he was confident that any problems would be resolved and that the conversion had been as uneventful as one could hope overall.

Mr. Borden closed by stating that for future review, NEPC had completed the Global Fixed Income Report, which was included in the Commission's meeting materials. Mr. Ewing asked about risk controls and asked Mr. Borden to provide an update of how risk report data was used to review the Commission's risk status. Mr. Borden stated that he was currently reviewing this subject.

III. OTHER BUSINESS

Vice Chairman Powers recognized Mr. Chellis for an update on the search for an Investment Compliance Officer (CO). Vice Chairman Powers stated that Mr. Chellis compiled data regarding the CO's job description. Mr. Chellis suggested obtaining services from the State Budget and Control Board's Office of Human Resources to assist with the recruiting process. He also requested input from the Commission and staff regarding the job description and noted he would provide a detailed report at the next Commission meeting. Vice Chairman Powers stated that he had been very satisfied with the performance of the Board's Office of Human Resources when the Commission conducted the search to hire a CIO.

IV. EXECUTIVE SESSION

Mr. Ewing made a motion that the Commission meet in executive session to receive legal advice, discuss pending contractual matters, and to discuss investment matters pursuant to S.C. Code Ann. §§9-16-80 and 9-16-320. Dr. Pritchett seconded the motion, which passed unanimously. Vice Chairman Powers announced that the Commission would meet in executive session for those purposes.

The Commission reconvened in open session and Vice Chairman Powers reported that the Commission did not take any action while in executive session but that they discussed several proposed contractual matters. Dr. Pritchett made a motion to appoint the Chairman as the Commission's designee for purposes of implementing certain pertinent provisions of the Morgan Stanley SCRSIC Strategic Partnership Fund LP Agreement and to authorize the Chairman to delegate the authority, address the issues himself, or bring the matters before the Commission for discussion relating to those provisions as the Chairman deemed appropriate. Mr. Chellis seconded the motion, which passed unanimously.

V. ADJOURNMENT

There being no further business, Mr. Chellis made a motion to adjourn, which was seconded by Mr. Ewing and passed unanimously. Vice Chairman Powers thanked everyone for attending, and the meeting adjourned at 1:15 p.m.

[Staff Note: In compliance with S.C. Code Ann. §30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted at the main entrance of the Commission's Office and at the entrance, in the lobbies, and near the 2nd Floor Conference Room at 202 Arbor Lake Drive, Columbia, SC, prior to 9:00 a.m. on May 14, 2008.]