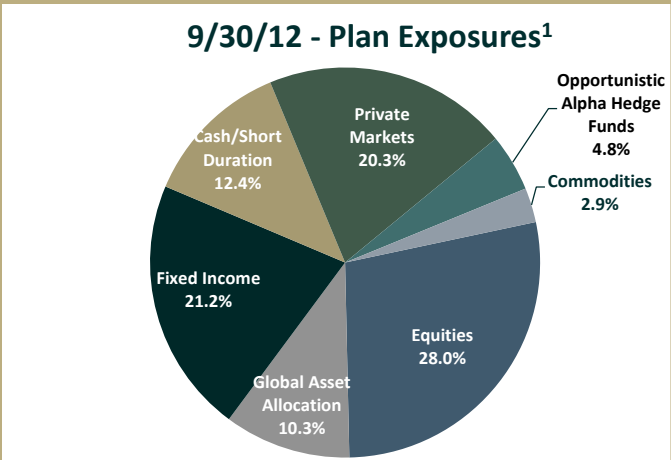
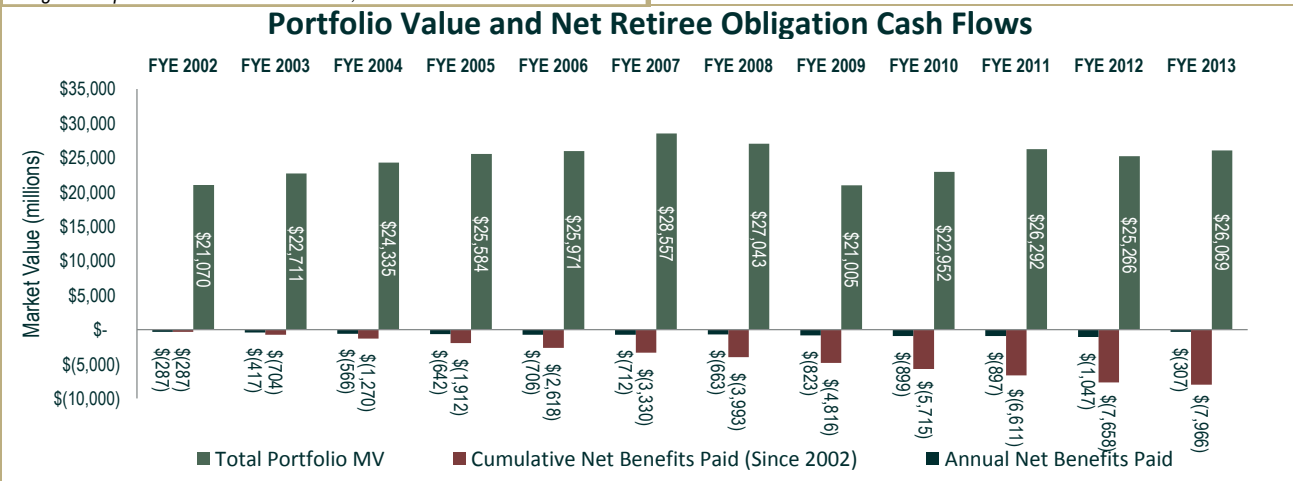


Value Added vs. Policy Benchmark			Performance vs. Benchmarks				
	Value From Active Management	Value From Allocation Decisions	Total Value Added		Total Portfolio	Policy	Strategy
Quarter	\$342.9	(\$202.5)	\$140.4	Quarter	4.37%	3.80%	2.98%
One Year	\$580.1	(\$287.1)	\$293.0	One Year	13.64%	12.33%	11.06%
Three Years	\$1,794.0	(\$917.8)	\$876.2	Three Years	8.67%	7.40%	6.08%
Five Years	\$1,626.9	(\$407.9)	\$1,219.0	Five Years	1.99%	0.99%	0.75%

All figures expressed in millions of dollars, as of 09.30.2012



¹Portfolio Exposures are different from Portfolio Allocations due to adjustments made for managers that invest across multiple asset classes, as well as adjustments made for the Russell Overlay Program. These exposures reflect the Staff's view of how investments in the portfolio fit into the risk framework of its various asset classes.

Key Developments During the Quarter

- As a result of a recently enacted change in State law, Mr. William M. Blume, Jr., Interim Executive Director of the Public Employee Benefit Authority, commenced service as an ex officio, non-voting member of the Commission in July 2012.
- Hewitt Ennis Knupp was selected as the general investment consultant, replacing NEPC
- A contract was negotiated and executed with GMO that included waiver of S.C. Code §9-16-360(B); employees and affiliates or subsidiaries are subject to the manager's Code of Conduct, which is substantively consistent with §9-16-360(B).