

South Carolina Retirement System Investment Commission

December 31, 2009 Quarterly Report

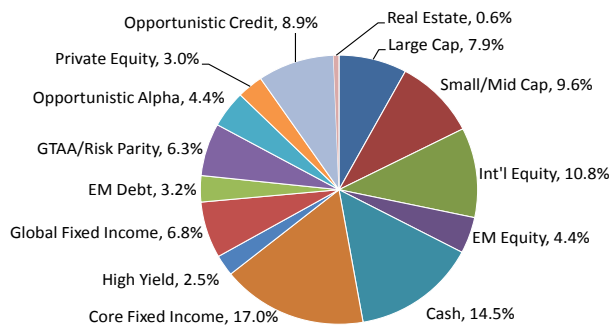
Pursuant to S.C. Code, Ann. §9-16-90 (A)

TOTAL FUND SUMMARY AS OF 12/31/09

Market Value: \$23,592.8 million

	Quarter	1 Year	3 Years	5 Years
SCRSIC Return	3.29%	24.25%	-1.78%	1.92%
<i>Policy Benchmark</i>	<i>2.60%</i>	<i>17.26%</i>	<i>-2.54%</i>	<i>1.11%</i>
<i>Strategy Benchmark</i>	<i>2.34%</i>	<i>20.55%</i>	<i>-1.92%</i>	<i>1.55%</i>

TOTAL FUND ASSET ALLOCATION AS OF 12/31/09



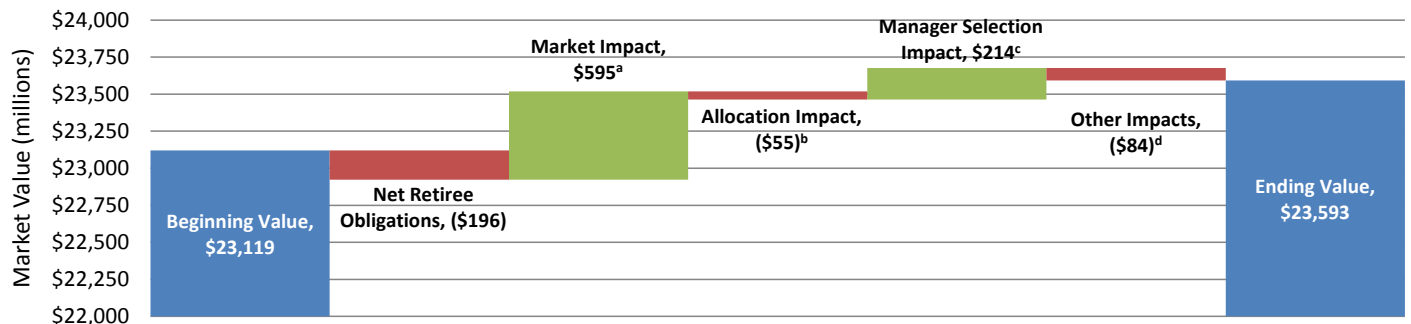
ASSET ALLOCATION AND BENCHMARK RETURNS

	9/30/09 Weight	Change From 9/30/09	Benchmark Return	Benchmark Name
Large Cap Equity	7.2%	0.7%	6.0%	S&P 500
Small/Mid Cap Equity	10.0%	-0.4%	5.1%	Russell 2500
International Equity	11.5%	-0.7%	2.2%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	5.0%	-0.6%	8.5%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	19.0%	-2.0%	0.2%	Barclays Capital Aggregate Bond
High Yield	3.0%	-0.5%	6.2%	Barclays Capital U.S. Corporate High Yield
Global Fixed Income	6.8%	0.0%	-0.8%	Barclays Capital Global Aggregate Bond
EM Debt	3.6%	-0.4%	1.6%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	6.2%	0.1%	1.1%	50% Citi World Government Bond; 50% MSCI World
Opportunistic Alpha	4.4%	0.0%	2.2%	HFRI Global Hedge Fund Index
Private Equity	2.7%	0.4%	N/A	Venture Economics
Opportunistic Credit	6.3%	2.6%	3.5%	Blended Benchmark ¹
Real Estate	0.6%	0.0%	-2.1%	National Council of Real Estate Investment Fiduciaries
Liquid Real Assets	0.0%	0.0%	5.2%	Blended Benchmark ²
Cash	13.7%	0.8%	0.1%	3 Month Treasury Bill

¹ 33% Barclays Capital High Yield; 33% S&P/LSTA Leveraged Loan; 33% Barclays Capital MBS Index

² 50% DJ/UBS Commodity Index; 50% Barclays Capital World Government Inflation-linked Index

DOLLAR IMPACTS TO PLAN VALUE 9/30/09 - 12/31/09



^a Market Impact shows the estimated change in plan value from a portfolio invested to mirror the Policy Benchmark.

^b Allocation Impact represents the value from asset allocation decisions to deviate from the Policy Benchmark weights.

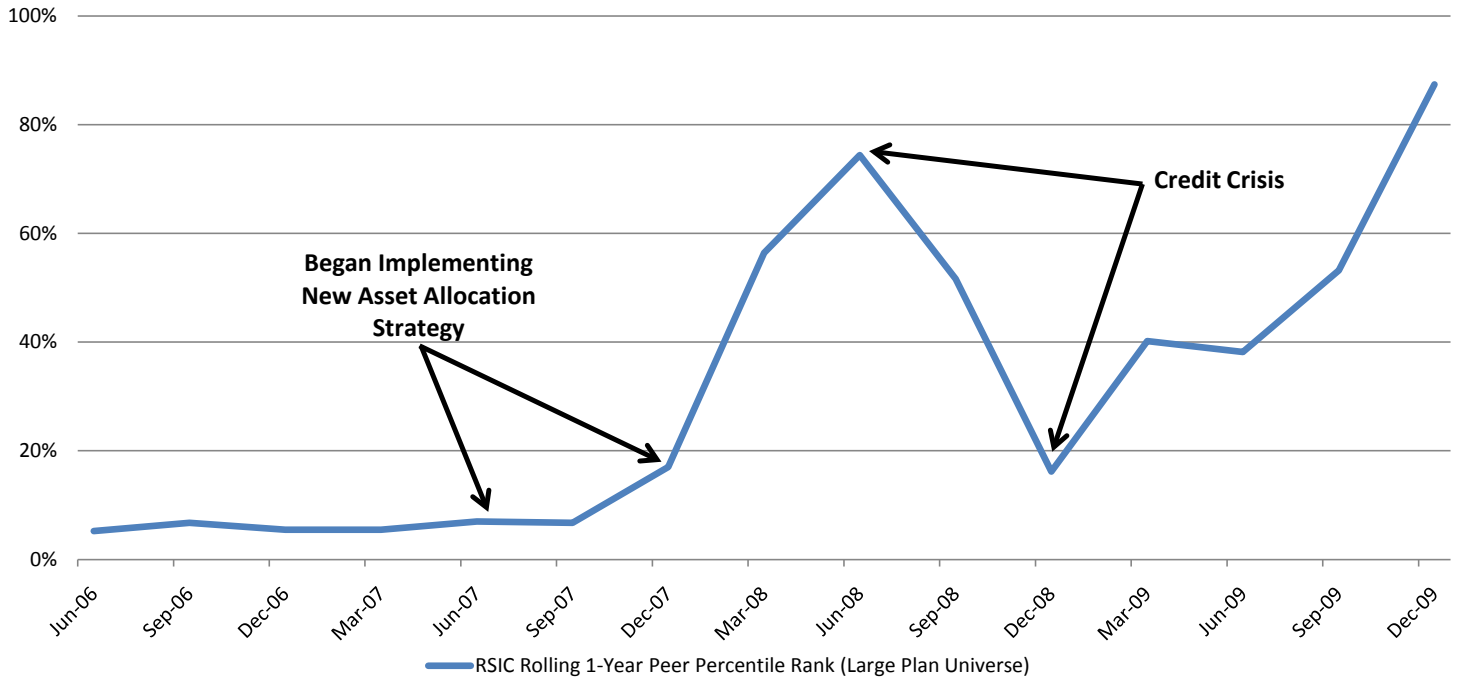
^c Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Strategy Benchmarks for their asset classes.

^d Other Impacts include the impact from the timing of trades, partial-month returns, fees and expenses, as well as other minor portfolio impacts.

EXECUTIVE SUMMARY:

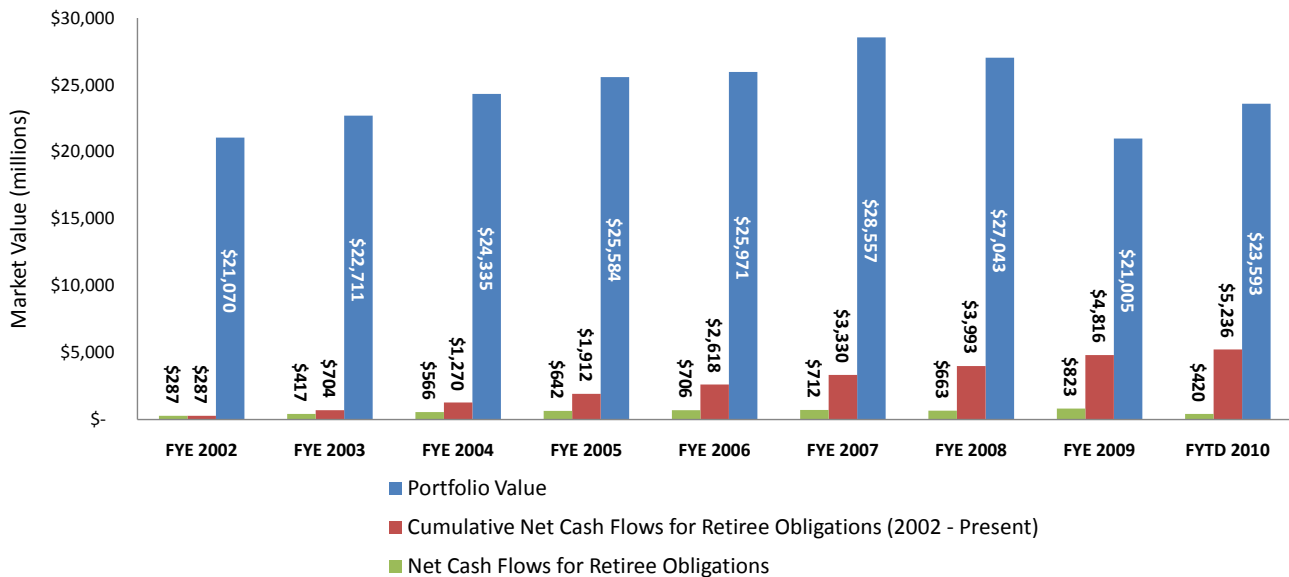
- While all asset classes experienced positive returns during the quarter, Opportunistic Credit, Global Fixed Income, and SMID Cap generated the strongest returns versus their benchmarks.
- The Portfolio continued to benefit from a significant underweight to Real Estate.
- Adherence to a strong cash exposure, traditionally considered a drag on performance, afforded the Portfolio the flexibility to take advantage of mispriced distressed assets during 2009. In the event of a market decline, the elevated cash position would allow the RSIC the ability to continue to make attractive investments while maintaining adequate liquidity for retiree obligations.

RSIC TOTAL RETURN RANKING AS OF 12/31/09



*The percentile rankings represent the RSIC's mean ranking taken from five separate peer group universes in which 100 is best and 1 is worst.

PORTFOLIO VALUE AND NET RETIREE OBLIGATION CASH FLOWS



DEVELOPMENTS DURING THE QUARTER:

- Approved Commission Operations Policy.
- Approved Fiscal Year 2010-11 Budget.
- Issued RFP for South Carolina Private Equity Co-Investment Program.
- Issued RFP for Risk Management/Assessment Consulting Services.
- Hired two additional full-time employees: Senior Fixed Income Officer and Senior Alternatives Officer.

Commissioners: James Powers || Allen Gillespie || Blaine Ewing || Reynolds Williams || Travis Pritchett || Converse Chellis
 Robert L. Borden || Chief Executive Officer / Chief Investment Officer || (803) 737-6885
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