

South Carolina Retirement System Investment Commission

December 31, 2010 Quarterly Report

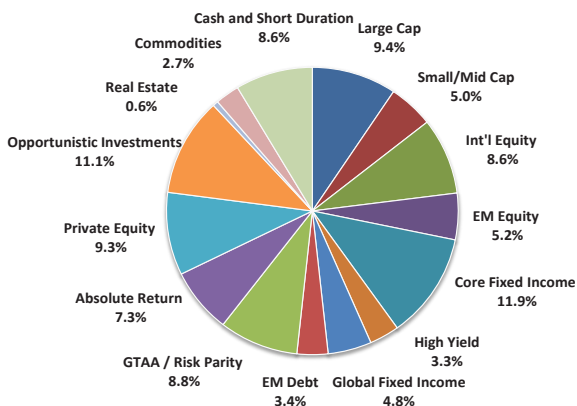
Pursuant to S.C. Code, Ann. §9-16-90 (A)

TOTAL FUND SUMMARY AS OF 12/31/10

Market Value: \$25,411.6 million

	Quarter	1 Year	3 Years	5 Years
RSIC Return	4.88%	12.51%	-0.20%	3.17%
<i>Policy Benchmark</i>	3.65%	10.17%	-1.36%	2.37%
<i>Strategy Benchmark</i>	3.75%	9.52%	-0.82%	2.71%

TOTAL FUND ASSET ALLOCATION AS OF 12/31/10



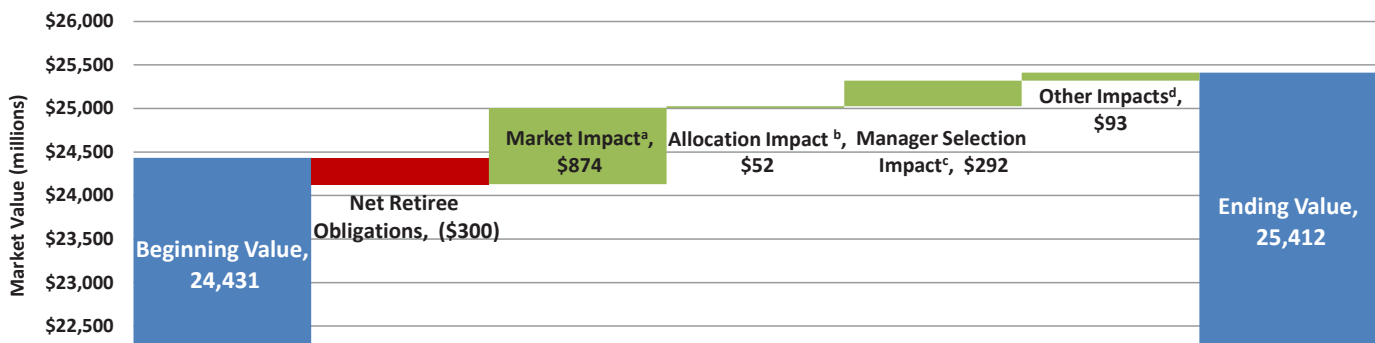
ASSET ALLOCATION AND BENCHMARK RETURNS

	9/30/10 Weight	Change From 9/30/10	Benchmark Return	Benchmark Name
Large Cap Equity	8.7%	0.7%	10.8%	S&P 500
Small/Mid Cap Equity	6.0%	-1.0%	14.9%	Russell 2500
International Equity	8.3%	0.3%	6.7%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	5.1%	0.1%	7.3%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	12.4%	-0.5%	-1.3%	Barclays Capital Aggregate Bond
High Yield	3.4%	-0.1%	3.2%	Barclays Capital U.S. Corporate High Yield
Global Fixed Income	5.3%	-0.5%	-1.3%	Barclays Capital Global Aggregate Bond
EM Debt	3.5%	-0.1%	-1.8%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	9.0%	-0.2%	3.5%	50% Citi World Government Bond; 50% MSCI World
Opportunistic Alpha	7.1%	0.2%	3.2%	HFRL Global Hedge Fund Index
Private Equity	7.0%	2.3%	0.0%	Venture Economics
Opportunistic Credit	10.9%	0.2%	2.3%	Blended Benchmark ¹
Real Estate	0.6%	0.0%	4.6%	National Council of Real Estate Investment Fiduciaries
Liquid Real Assets	2.4%	0.3%	9.7%	Blended Benchmark ²
Short Duration	4.1%	-0.1%	0.0%	Merrill Lynch 0-3 Year Treasury Index
Cash	6.3%	-1.7%	0.0%	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 9/30/10 - 12/31/10



^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.

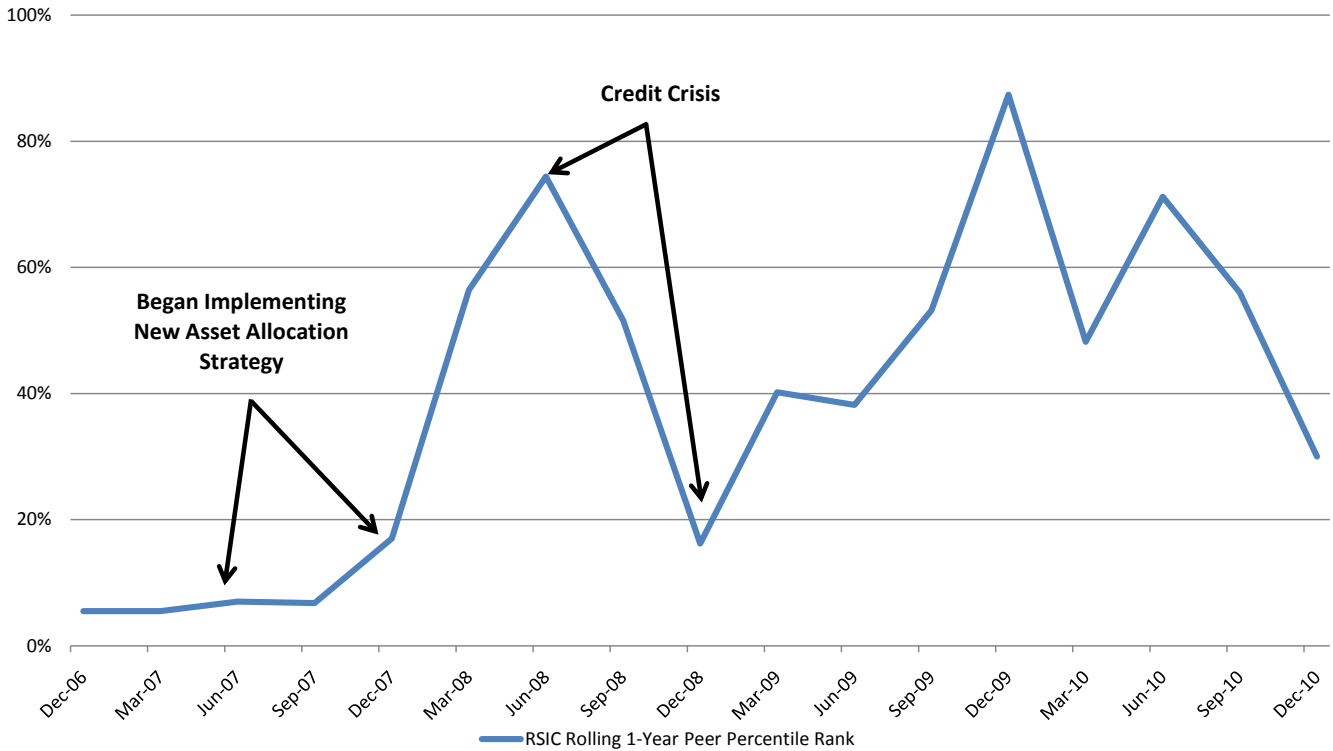
^c) Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Strategy Benchmarks for their asset classes.

^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:

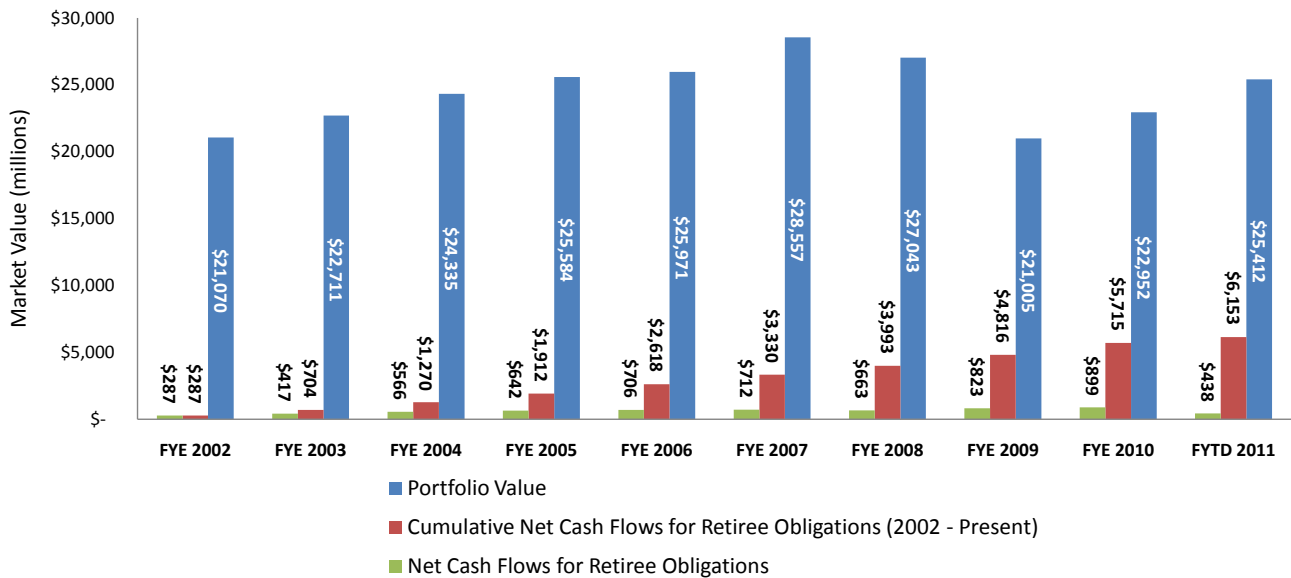
- All major asset classes generated positive returns during the quarter with the exception of Core Fixed Income, Global Fixed Income, and Emerging Market Debt.
- Emerging Market Debt, Small Cap Core, and Small Cap Value were the composites with the greatest performance relative to their benchmarks, while SMID Value, Large Cap Equities, and Global Asset Allocation generated the weakest relative performance.
- Manager selection and tactical allocation contributed positive returns to the portfolio.
- The Portfolio's conservative positioning (underweight equities / overweight fixed income and cash) created headwinds to the Portfolio's performance, and contributed to the decline in return-ranking relative to its peer group universe.

RSIC TOTAL RETURN RANKING AS OF 12/31/10



*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



KEY DEVELOPMENTS DURING THE QUARTER:

- The Commission approved new policy benchmark weights in November 2010.
- Contracts were executed to invest in a hedge fund, a co-investment, a real estate fund, and an emerging market equity fund.