

South Carolina Retirement System Investment Commission

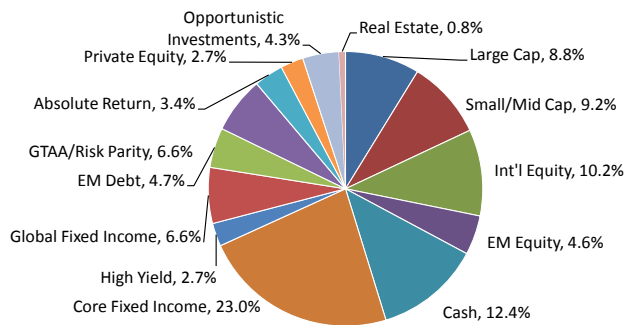
March 31, 2009 Quarterly Report
Pursuant to S.C. Code, Ann. §9-16-90 (A)

TOTAL FUND SUMMARY AS OF 3/31/09

Market Value: \$19,025.2 million

	Quarter	1 Year	3 Years	5 Years
SCRSIC Return	-3.00%	-27.84%	-7.50%	-2.07%
<i>Policy Benchmark</i>	<i>-5.09%</i>	<i>-26.96%</i>	<i>-6.97%</i>	<i>-2.17%</i>
<i>Strategy Benchmark</i>	<i>-3.76%</i>	<i>-26.35%</i>	<i>-6.80%</i>	<i>-2.01%</i>

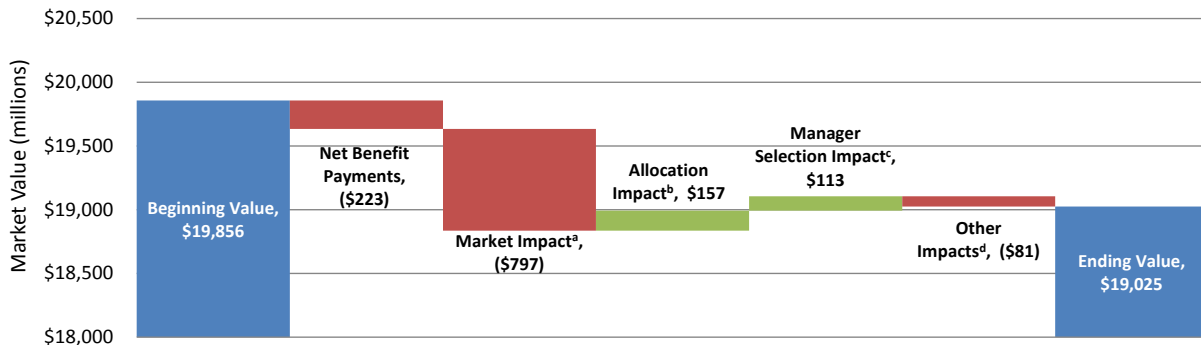
TOTAL FUND ASSET ALLOCATION AS OF 3/31/09



ASSET ALLOCATION AND BENCHMARK RETURNS

	12/31/08	Change	Benchmark Return	Benchmark Name
Large Cap Equity	8.8%	-0.1%	-10.5%	Russell 1000
Small/Mid Cap Equity	9.8%	-0.6%	-11.4%	Russell 2500
International Equity	11.4%	-1.2%	-13.9%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	4.4%	0.2%	0.9%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	26.7%	-3.7%	0.1%	Barclay's Capital Aggregate Bond
High Yield	2.5%	0.2%	6.0%	Barclay's Capital U.S. Corporate High Yield
Global Fixed Income	6.4%	0.1%	-3.3%	Barclay's Capital Global Aggregate Bond
EM Debt	4.4%	0.2%	3.8%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	6.6%	0.1%	-8.3%	50/50 Citi World Government Bond/MSCI World
Absolute Return	3.9%	-0.5%	0.7%	HFRX Global Hedge Fund Index
Private Equity	2.7%	0.0%	N/A	Venture Economics
Opportunistic Investments	3.2%	1.1%	6.0%	Barclay's Capital U.S. Corporate High Yield
Real Estate	0.3%	0.4%	-7.3%	National Council of Real Estate Investment Fiduciaries
Cash	8.8%	3.6%	0.3%	3 Month LIBOR

DOLLAR IMPACTS TO PLAN VALUE 12/31/08 - 3/31/09



^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.

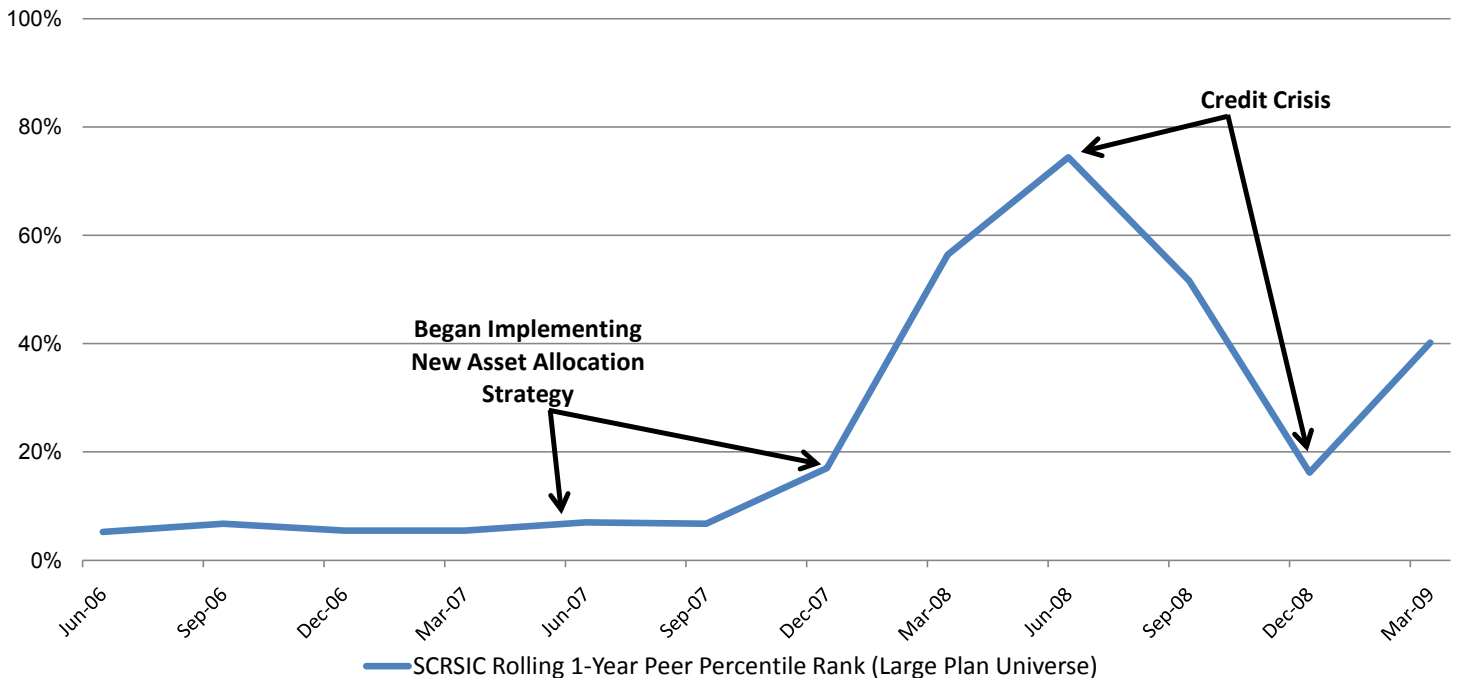
^c Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Policy Benchmarks for their asset classes.

^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:

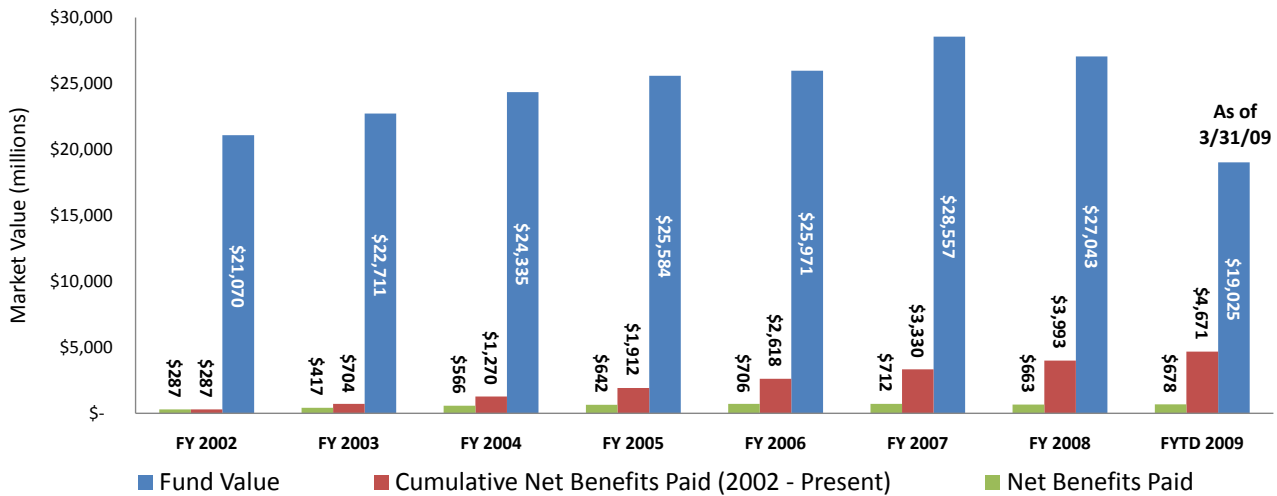
- Global financial markets continued to struggle during the first quarter, with most equity markets falling sharply in January and February before seeing a rally in March. The Fund's reduced exposures to these markets, as well as its large allocation to fixed income, resulted in substantially better performance than the policy benchmark and the peer group for the quarter.
- The Fund's peer ranking climbed during the quarter due to the strategic decision to reduce equity risk to the portfolio. For the quarter, the Fund was in the top 5% of large public pension plans (sources: PFDE, Callan, ICC, TUCS, and BNY/Mellon Workbench).
- The decision to delay significant investment in real estate, which posted sharply negative returns this quarter, benefited the Fund.
- Strong relative returns from equities, global fixed income, and hedge funds helped the Fund outperform its policy benchmark.
- At the end of the quarter the Fund's cash exposure was \$1.7 billion, or 9.1% of the portfolio. This cash position follows the risk reduction measures detailed above, and provides a high level of liquidity to meet benefit obligations regardless of market volatility.

SCRSIC TOTAL RETURN RANKING AS OF 3/31/09



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

TOTAL PLAN VALUE AND NET BENEFIT PAYMENTS



DEVELOPMENTS DURING THE QUARTER:

- Approved core fixed income manager Jamison, Eaton & Wood for up to \$200 million.
- Contracts executed with Avenue Capital, Industry Ventures, and Venture Investment Managers.
- The South Carolina Retirement Systems was awarded the Large Public Pension Plan of the Year for 2009 by *Money Management Letter* and *Institutional Investor Magazine*.