

# South Carolina Retirement System Investment Commission

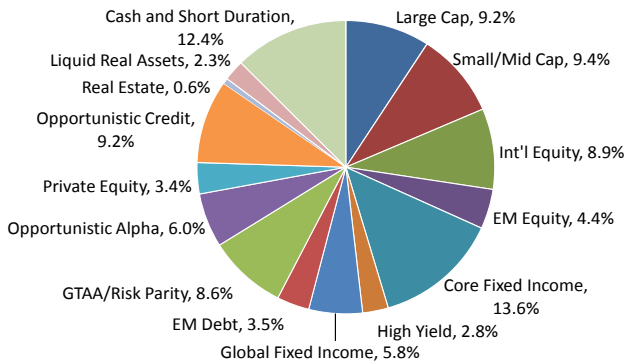
March 31, 2010 Quarterly Report  
Pursuant to S.C. Code, Ann. §9-16-90 (A)

## TOTAL FUND SUMMARY AS OF 3/31/10

Market Value: \$23,968.9 million

	Quarter	1 Year	3 Years	5 Years
<b>SCRSIC Return</b>	<b>2.87%</b>	<b>31.88%</b>	<b>-1.33%</b>	<b>2.59%</b>
<i>Policy Benchmark</i>	2.34%	26.44%	-2.10%	1.88%
<i>Strategy Benchmark</i>	2.32%	28.14%	-1.52%	2.32%

## TOTAL FUND ASSET ALLOCATION AS OF 3/31/10



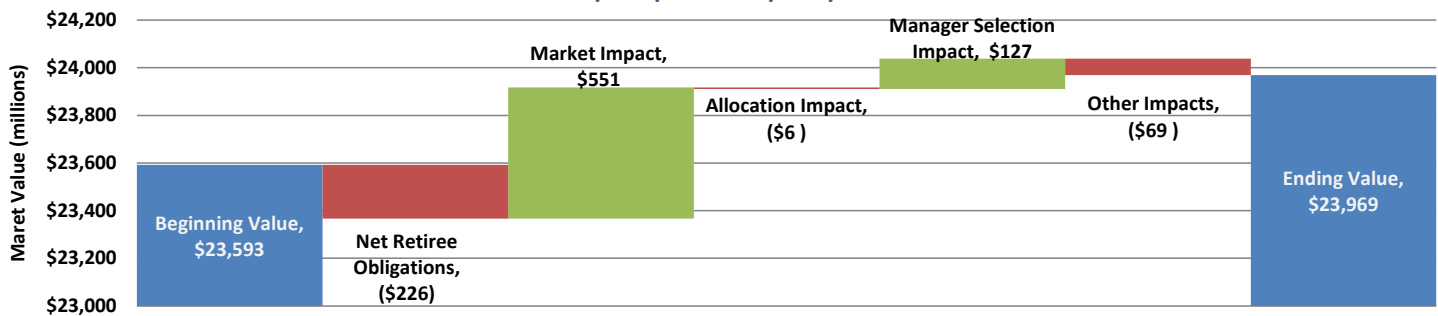
## ASSET ALLOCATION AND BENCHMARK RETURNS

	12/31/09 Weight	Change From 12/31/09	Benchmark Return	Benchmark Name
Large Cap Equity	7.9%	1.2%	5.4%	S&P 500
Small/Mid Cap Equity	9.6%	-0.2%	9.2%	Russell 2500
International Equity	10.8%	-1.9%	0.9%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	4.4%	0.0%	2.4%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	17.0%	-3.4%	1.8%	Barclays Capital Aggregate Bond
High Yield	2.5%	0.3%	4.6%	Barclays Capital U.S. Corporate High Yield
Global Fixed Income	6.8%	-0.9%	-0.3%	Barclays Capital Global Aggregate Bond
EM Debt	3.2%	0.4%	4.3%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	6.3%	2.2%	1.0%	50% Citi World Government Bond; 50% MSCI World
Opportunistic Alpha	4.4%	1.6%	1.6%	HFrx Global Hedge Fund Index
Private Equity	3.0%	0.4%	N/A	Venture Economics
Opportunistic Credit	8.9%	0.3%	3.6%	Blended Benchmark <sup>1</sup>
Real Estate	0.6%	0.0%	0.8%	National Council of Real Estate Investment Fiduciaries
Liquid Real Assets	0.0%	2.3%	-1.8%	Blended Benchmark <sup>2</sup>
Short Duration	0.0%	2.1%	0.5%	Merrill Lynch 0-3 Year Treasury Index
Cash	14.5%	-4.2%	0.0%	3 Month Treasury Bill

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

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

## DOLLAR IMPACTS TO PLAN VALUE 12/31/09 - 3/31/10



<sup>a</sup> Market Impact shows the estimated change in plan value from a portfolio invested to mirror the Policy Benchmark.

<sup>b</sup> Allocation Impact represents the value from asset allocation decisions to deviate from the Policy Benchmark weights.

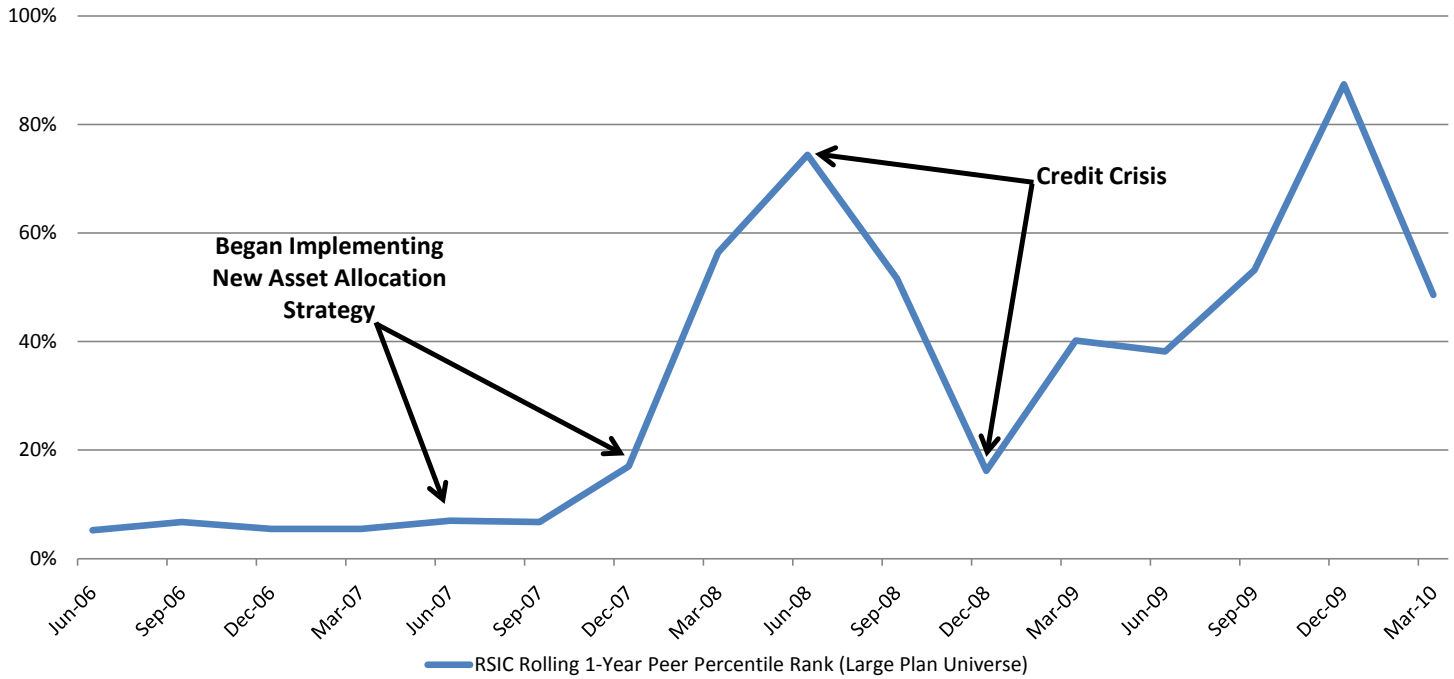
<sup>c</sup> Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Strategy Benchmarks for their asset classes.

<sup>d</sup> 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:

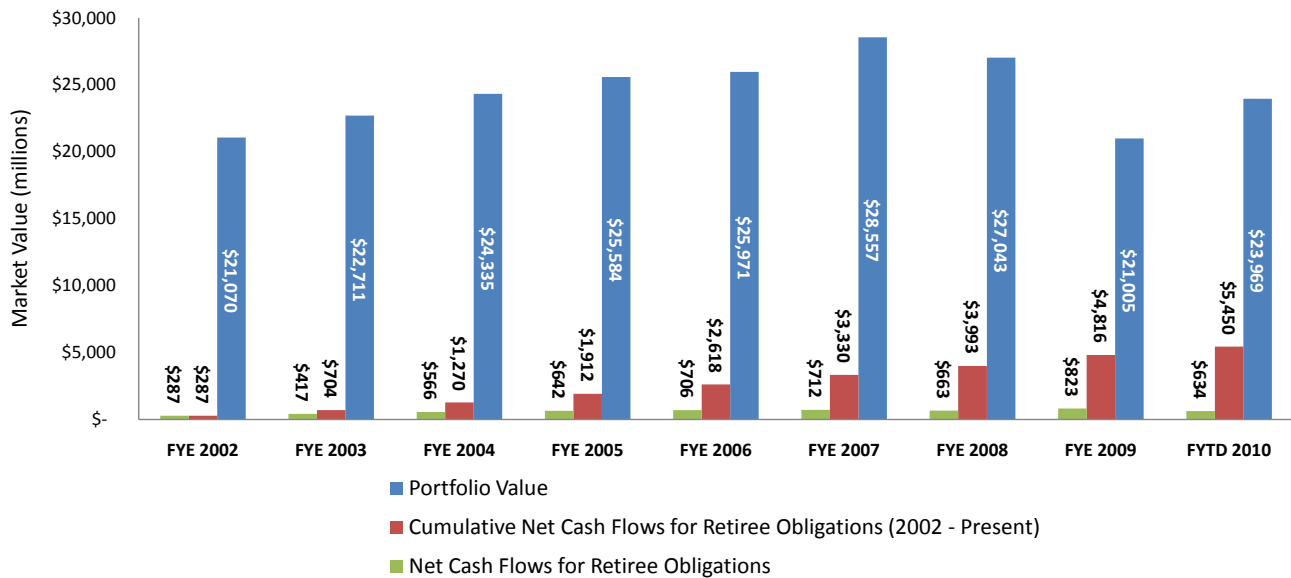
- All major asset classes achieved positive returns during the quarter with the exception of Global Fixed Income and Liquid Real Assets.
- Global Fixed Income, Global Asset Allocation, and Small Cap Core were the composites with the strongest performance relative to their benchmarks.
- The Portfolio benefited from its heavier weighting in Small/Mid Cap Equities, which was the best performing asset class during the quarter. However, the heavy weights to Core and Global Fixed Income were headwinds to the Portfolio's performance.
- Manager selection continued to add value to the Portfolio during the quarter bringing its estimated total value added to \$531 million for the fiscal year to date.

## RSIC TOTAL RETURN RANKING AS OF 3/31/10



\*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



### DEVELOPMENTS DURING THE QUARTER:

- The Commission approved additional governance policies and the *Annual Investment Plan* for the Fiscal Year 2010 - 2011.
- J.E.&W's (Core Fixed) and Post's (Limited Term High Yield) portfolios were funded as approved by the Commission.
- The Portfolio's first allocation to Commodities was implemented utilizing a passive index.
- The Commission renewed contracts with two Small/Mid Cap Equity Managers and entered into two limited partnerships on behalf of the SCRS in opportunistic credit and private equity strategies.

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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