

South Carolina Retirement System Investment Commission

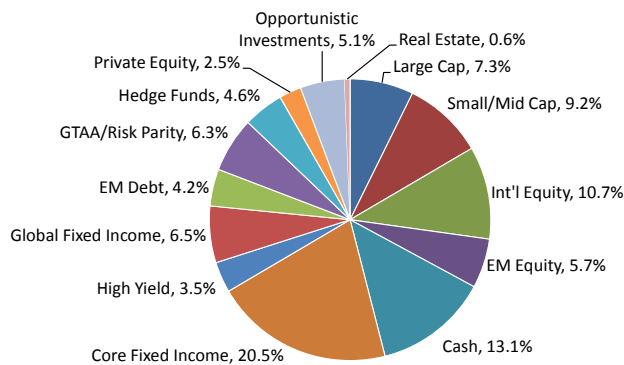
June 30, 2009 Quarterly Report
Pursuant to S.C. Code, Ann. §9-16-90 (A)

TOTAL FUND SUMMARY AS OF 6/30/09

Market Value: \$21,005 million

	Quarter	1 Year	3 Years	5 Years
SCRSIC Return	11.53%	-19.04%	-3.60%	0.16%
<i>Policy Benchmark</i>	<i>11.26%</i>	<i>-17.76%</i>	<i>-3.22%</i>	<i>0.11%</i>
<i>Strategy Benchmark</i>	<i>11.49%</i>	<i>-17.05%</i>	<i>-2.97%</i>	<i>0.31%</i>

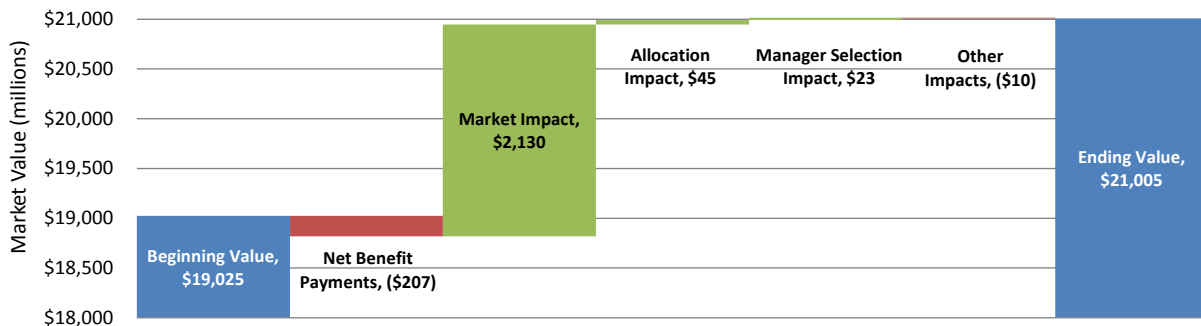
TOTAL FUND ASSET ALLOCATION AS OF 6/30/09



ASSET ALLOCATION AND BENCHMARK RETURNS

	3/31/09 Weight	Change From 3/31/09	Benchmark Return	Benchmark Name
Large Cap Equity	8.8%	-1.5%	15.9%	S&P 500
Small/Mid Cap Equity	9.2%	0.0%	20.3%	Russell 2500
International Equity	10.2%	0.5%	25.8%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	4.6%	1.0%	34.7%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	23.0%	-2.4%	1.8%	Barclay's Capital Aggregate Bond
High Yield	2.7%	0.8%	23.1%	Barclay's Capital U.S. Corporate High Yield
Global Fixed Income	6.6%	-0.1%	4.9%	Barclay's Capital Global Aggregate Bond
EM Debt	4.7%	-0.5%	11.4%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	6.6%	-0.3%	12.0%	50/50 Citi World Government Bond/MSCI World
Hedge Funds	4.8%	-0.2%	4.8%	HFRX Global Hedge Fund Index
Private Equity	2.7%	-0.2%	N/A	Venture Economics
Opportunistic Investments	4.3%	0.8%	23.1%	Barclay's Capital U.S. Corporate High Yield
Real Estate	0.8%	-0.1%	-5.2%	National Council of Real Estate Investment Fiduciaries
Cash	11.0%	2.1%	0.2%	3 Month LIBOR

DOLLAR IMPACTS TO PLAN VALUE 3/31/09 - 6/30/09



^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.

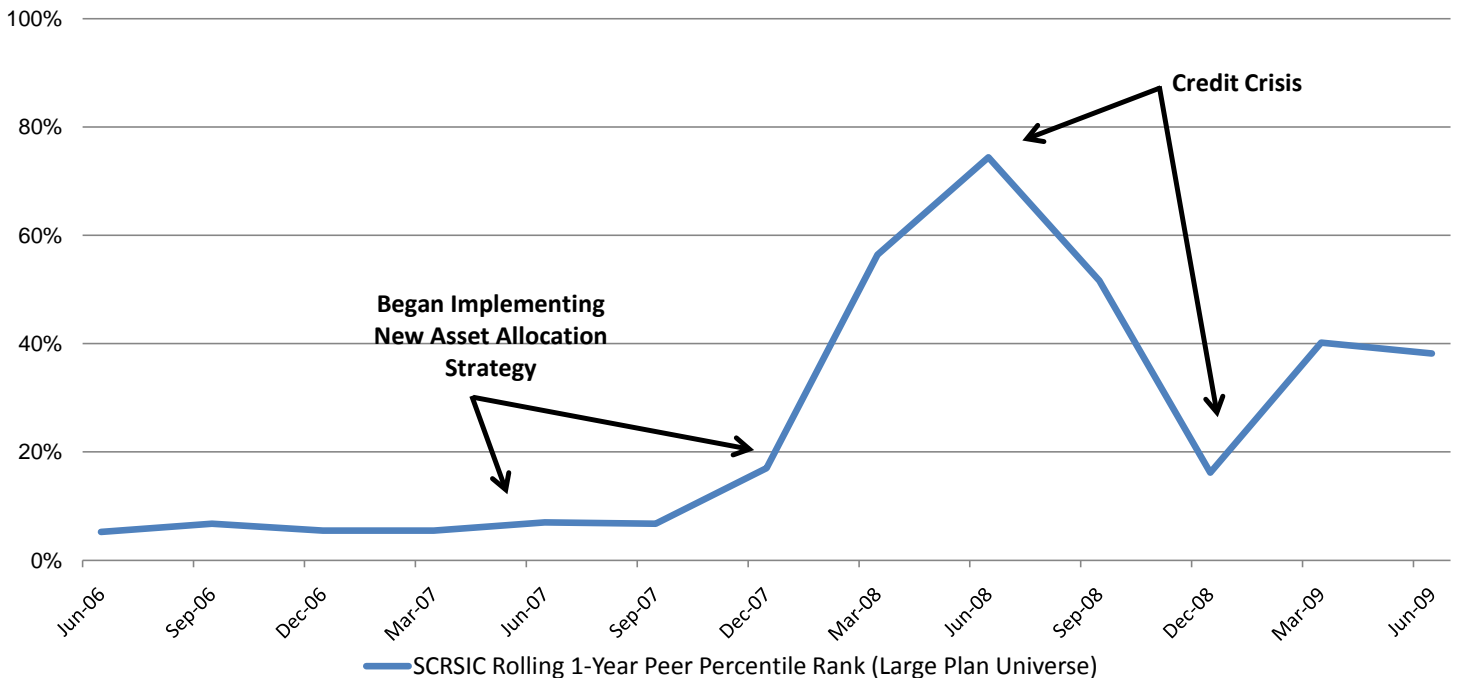
^c Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Policy Benchmarks for their asset classes.

^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:

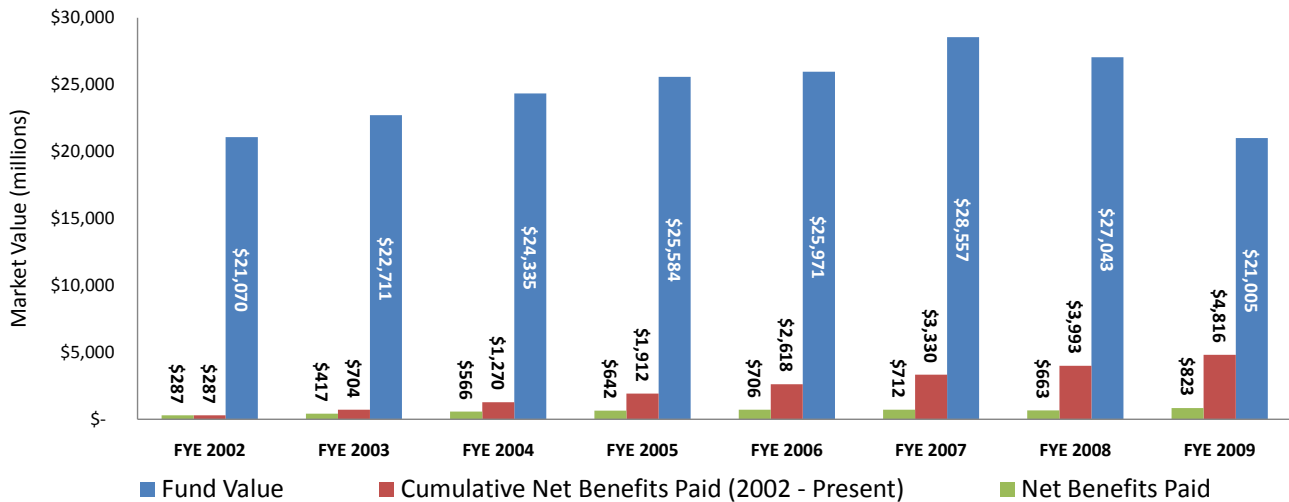
- Global financial markets rebounded sharply during the second quarter of 2009 as concerns regarding a global depression seemed to abate. Global equity markets and U.S. High Yield securities performed quite strongly, recovering a sizable portion of losses from 2008.
- The Fund outperformed approximately 60% of its peer group in the quarter, according to several independent surveys (sources: PFDE, Callan, ICC, TUCS, and BNY Mellon).
- The Fund's Global Fixed Income investments performed particularly well against the group's policy benchmark, as did the Fund's Core Fixed Income and Small/Mid Cap Equity investments. The Fund's Opportunistic Credit investments struggled during the quarter as did its GTAA/Risk Parity investments, some of which were not positioned for the strong recovery in equity values.
- At the end of the quarter, the Fund's liquidity profile is quite strong. On June 30, cash exposure was \$3.0 billion, or 14.5% of the portfolio.

SCRSIC TOTAL RETURN RANKING AS OF 6/30/09



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

TOTAL PLAN VALUE AND NET BENEFIT PAYMENTS



DEVELOPMENTS DURING THE QUARTER:

- Contracts negotiated with Post Advisory Group, LLC, and Capital Guardian Trust Company that included waiver of S.C. Code §9-16-360(B); employees, affiliates, and subsidiaries are subject to their Codes of Conduct, which are substantively consistent with §9-16-360(B).
- Approved investment with Reservoir Capital for up to a total of \$300 million.