

# South Carolina Retirement System Investment Commission

June 30, 2010 Quarterly Report  
Pursuant to S.C. Code, Ann. §9-16-90 (A)

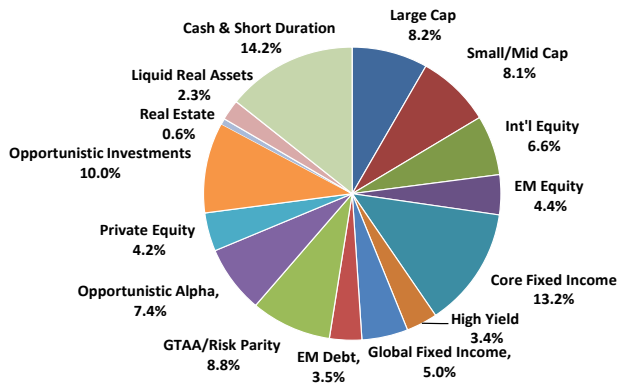
## TOTAL FUND SUMMARY AS OF 6/30/10\*

Market Value: \$22,951.6 million

	Quarter	1 Year	3 Years	5 Years
<b>RSIC Return (Net of Fees)</b>	<b>-3.13%</b>	<b>13.78%</b>	<b>-3.67%</b>	<b>1.26%</b>
<i>Policy Benchmark</i>	-3.50%	10.55%	-4.27%	0.63%
<i>Strategy Benchmark</i>	-3.94%	10.75%	-3.80%	0.98%

\*Source: NEPC

## TOTAL FUND ASSET ALLOCATION AS OF 6/30/10



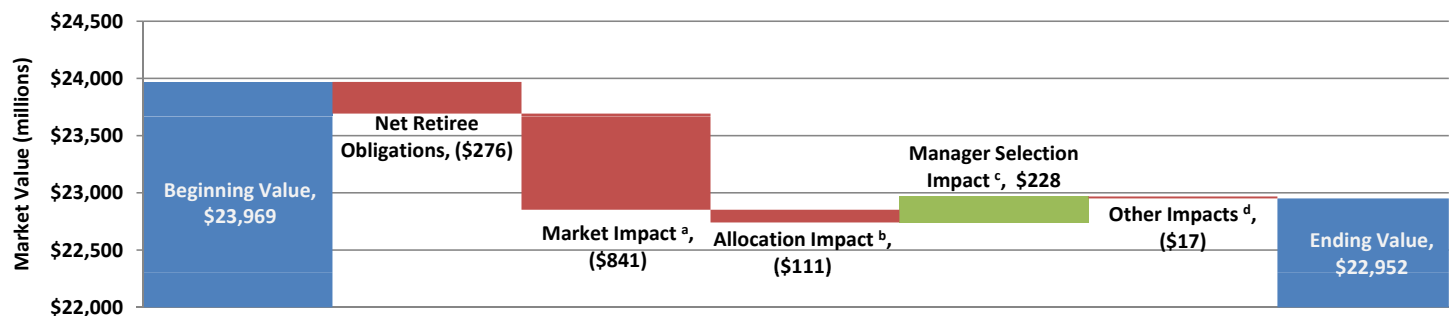
## ASSET ALLOCATION AND BENCHMARK RETURNS

	3/31/10 Weight	Change From 3/31/10	Benchmark Return	Benchmark Name
Large Cap Equity	9.2%	-0.9%	-11.4%	S&P 500
Small/Mid Cap Equity	9.4%	-1.3%	-10.0%	Russell 2500
International Equity	8.9%	-2.3%	-13.7%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	4.4%	0.0%	-8.4%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	13.6%	-0.4%	3.5%	Barclays Capital Aggregate Bond
High Yield	2.8%	0.6%	-0.1%	Barclays Capital U.S. Corporate High Yield
Global Fixed Income	5.8%	-0.8%	0.0%	Barclays Capital Global Aggregate Bond
EM Debt	3.5%	0.0%	1.2%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	8.6%	0.2%	-6.3%	50% Citi World Government Bond; 50% MSCI World
Opportunistic Alpha	6.0%	1.5%	-2.8%	HFRC Global Hedge Fund Index
Private Equity	3.4%	0.8%	N/A	Venture Economics
Opportunistic Credit	9.2%	0.8%	0.5%	Blended Benchmark <sup>1</sup>
Real Estate	0.6%	0.0%	3.3%	National Council of Real Estate Investment Fiduciaries
Liquid Real Assets	2.3%	0.0%	-1.4%	Blended Benchmark <sup>2</sup>
Short Duration	2.1%	1.2%	0.9%	Merrill Lynch 0-3 Year Treasury Index
Cash	10.3%	0.6%	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 3/31/10 - 6/30/10



<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.

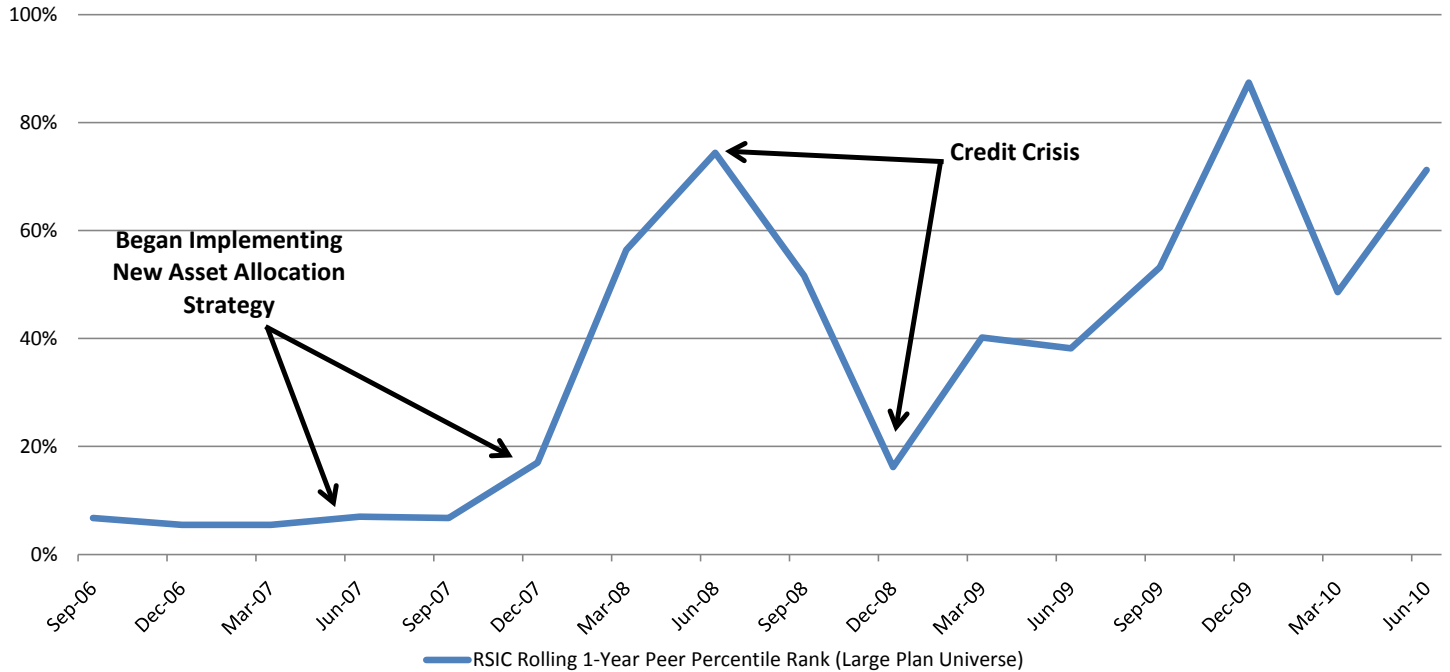
<sup>c</sup> Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Strategy Benchmarks for their asset classes.

<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:

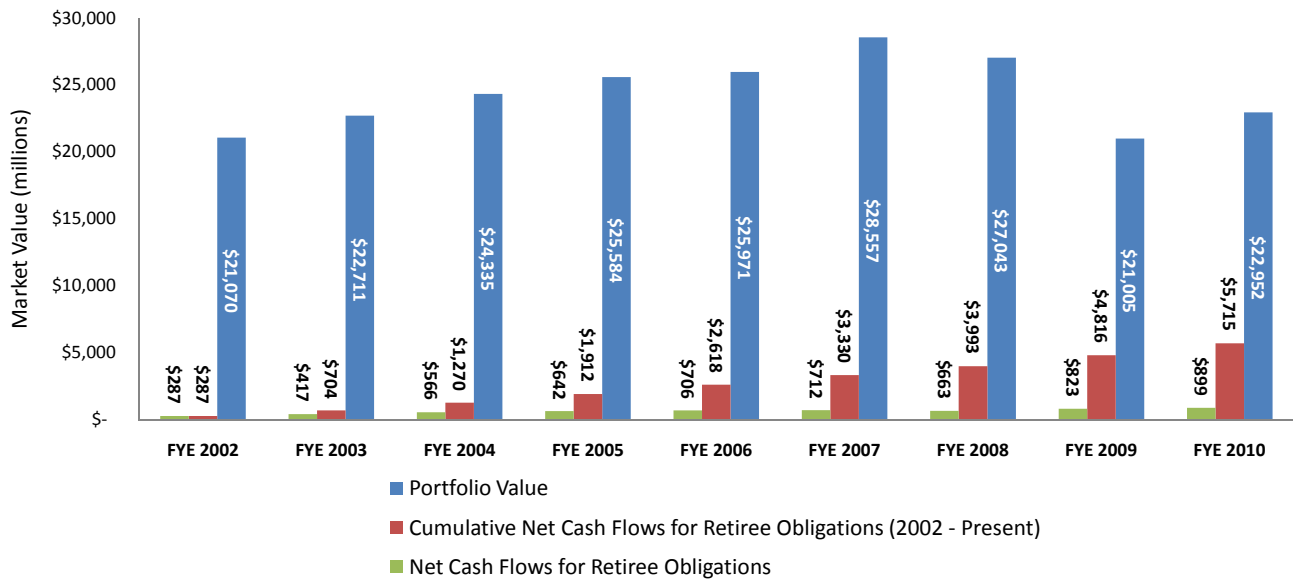
- All major asset classes generated negative returns during the quarter with the exception of Core Fixed Income, Emerging Markets Debt, Opportunistic Credit, and Real Estate.
- Global Asset Allocation and Hedge Funds were the composites with the strongest performance relative to their benchmarks.
- While the Portfolio benefited from its heavy weights to Core Fixed Income and Opportunistic Credit, the major drawdowns across the global equity markets created substantial 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 \$759 million for the fiscal year ending 2010.

## RSIC TOTAL RETURN RANKING AS OF 6/30/10



\*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 the Committees and Communication Policies.
- Loomis Sayles Long/Short Credit and Post's Short Duration portfolios were funded as approved by the Commission.
- Contracts negotiated and executed with Post Advisory Group, LLC and Pyramis Global Advisors 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).

Commissioners: Allen Gillespie || Blaine Ewing, III || Converse Chellis || James Powers || Travis Pritchett || Reynolds Williams  
 Robert L. Borden || Chief Executive Officer / Chief Investment Officer || (803) 737-6885  
 Capitol Center, 1201 Main Street || Columbia, SC 29201-3261