

South Carolina Retirement System Investment Commission

September 30, 2009 Quarterly Report

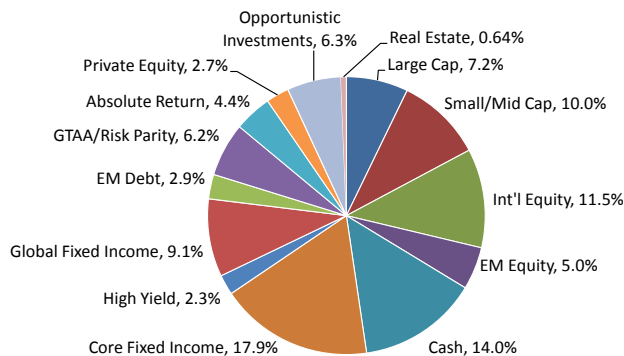
Pursuant to S.C. Code, Ann. §9-16-90 (A)

TOTAL FUND SUMMARY AS OF 9/30/09

Market Value: \$23,119 million

	Quarter	1 Year	3 Years	5 Years
SCRSIC Return	11.18%	1.00%	-1.46%	2.24%
<i>Policy Benchmark</i>	<i>9.10%</i>	<i>-0.68%</i>	<i>-1.99%</i>	<i>1.48%</i>
<i>Strategy Benchmark</i>	<i>10.09%</i>	<i>2.04%</i>	<i>-1.25%</i>	<i>1.97%</i>

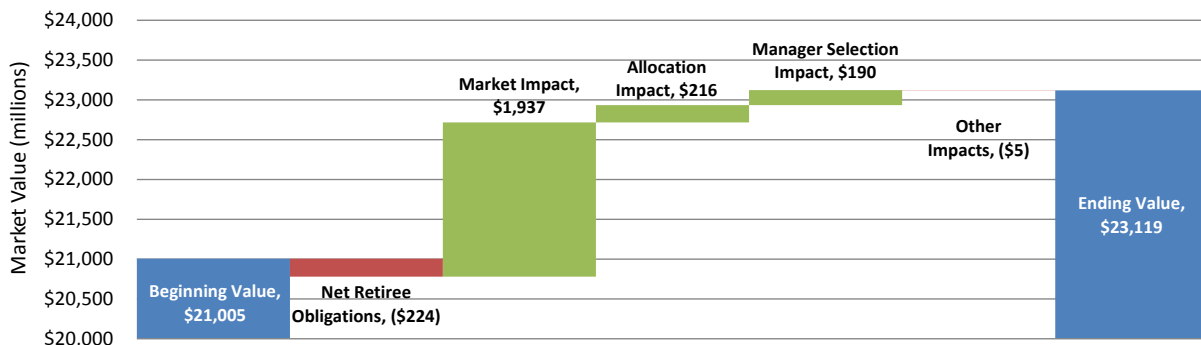
TOTAL FUND ASSET ALLOCATION AS OF 9/30/09



ASSET ALLOCATION AND BENCHMARK RETURNS

	6/30/09 Weight	Change From 6/30/09	Benchmark Return	Benchmark Name
Large Cap Equity	7.3%	-0.1%	15.6%	S&P 500
Small/Mid Cap Equity	9.2%	0.8%	20.1%	Russell 2500
International Equity	10.7%	0.9%	19.5%	Morgan Stanley Capital Int'l Europe, Australia, Far East
Emerging Markets Equity	5.7%	-0.7%	20.9%	Morgan Stanley Capital Int'l Emerging Markets Equity
Core Fixed Income	20.5%	-2.7%	3.7%	Barclay's Capital Aggregate Bond
High Yield	3.5%	-1.2%	14.2%	Barclay's Capital U.S. Corporate High Yield
Global Fixed Income	6.5%	2.6%	6.2%	Barclay's Capital Global Aggregate Bond
EM Debt	4.2%	-1.4%	10.4%	JPM Emerging Market Bond Global Diversified
GTAA/Risk Parity	6.3%	-0.1%	11.7%	50/50 Citi World Government Bond/MSCI World
Hedge Funds	4.6%	-0.2%	5.1%	HFRX Global Hedge Fund Index
Private Equity	2.5%	0.1%	N/A	Venture Economics
Opportunistic Investments	5.1%	1.2%	14.2%	Barclay's Capital U.S. Corporate High Yield
Real Estate	0.6%	0.0%	-3.3%	National Council of Real Estate Investment Fiduciaries
Cash	13.1%	0.9%	0.1%	3 Month Treasury Bill

DOLLAR IMPACTS TO PLAN VALUE 6/30/09 - 9/30/09



^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.

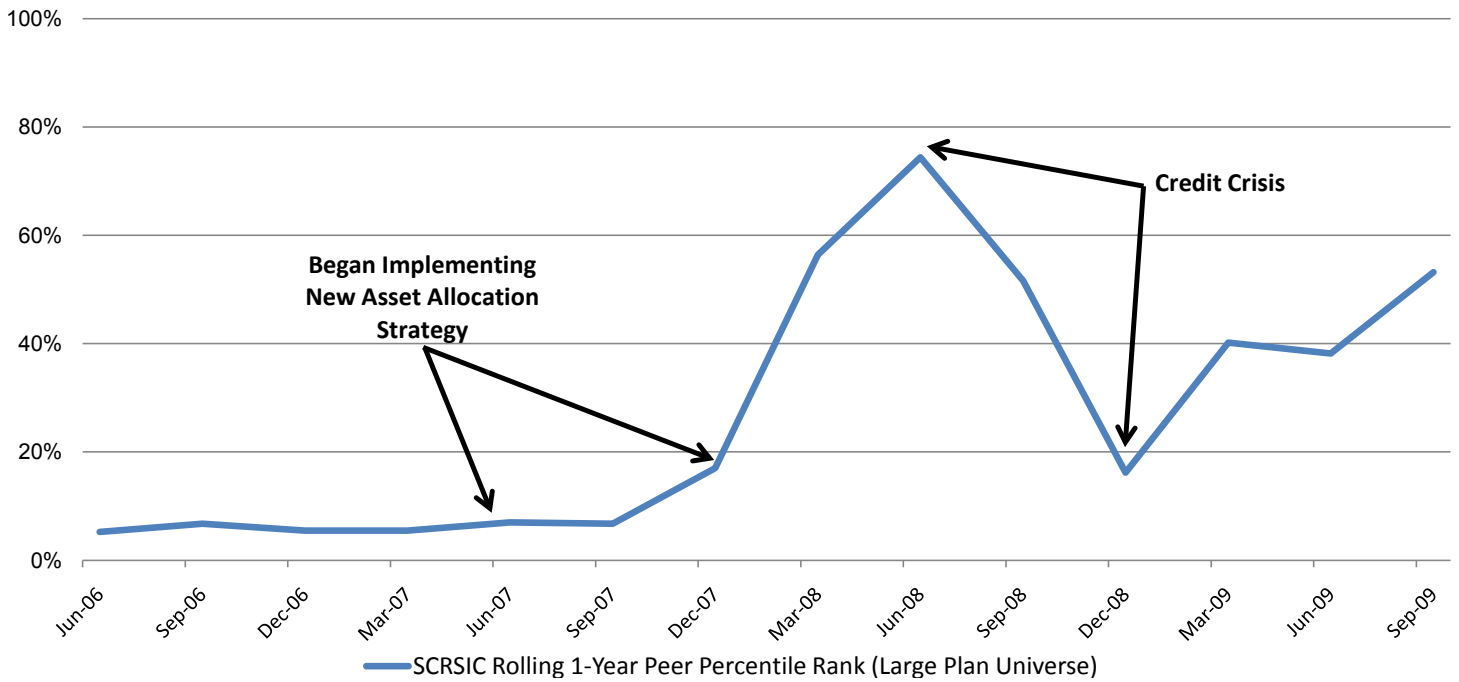
^c Manager Selection Impact indicates whether, in aggregate, managers performed better or worse than the Policy Benchmarks for their asset classes.

^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:

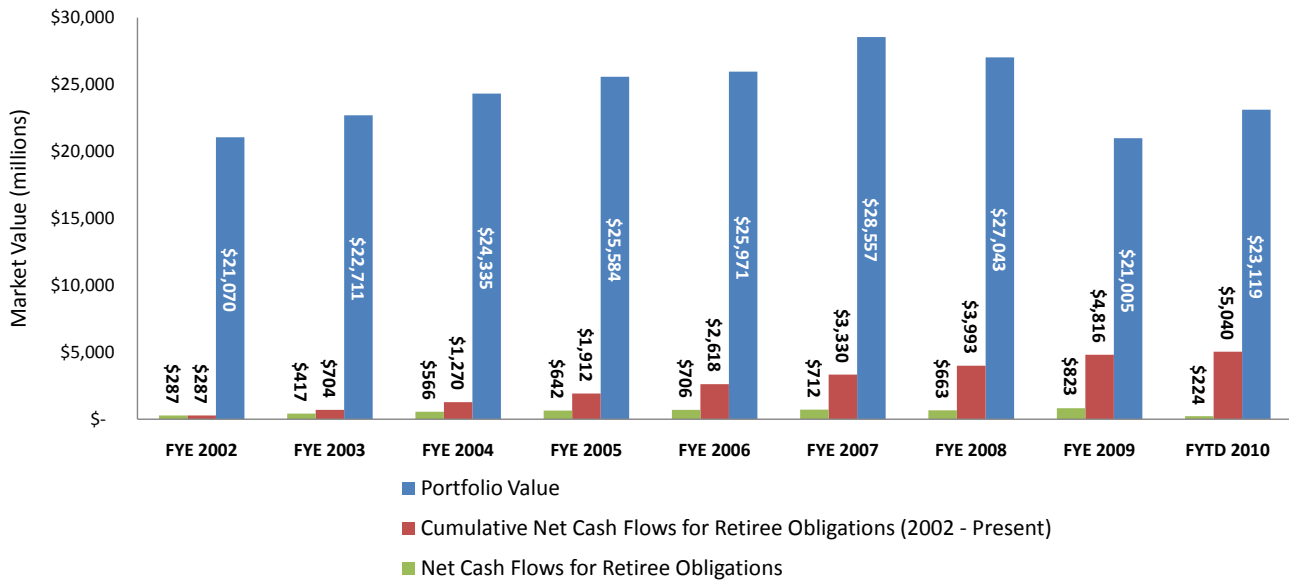
- Each of the Portfolio's asset classes experienced positive absolute growth during the third quarter, with the Global Fixed Income, Opportunistic Credit, and Real Assets portfolios generating the best relative performance over their respective benchmarks.
- The Domestic Equity portfolio benefited from its growth bias as growth outperformed value across all market caps during the quarter.
- GAA continued to underperform the policy benchmark due to the more conservative allocation of the underlying assets.
- Adherence to a strong cash exposure, traditionally considered a drag on performance, has afforded the Portfolio the flexibility to take advantage of mispriced distressed assets. In the event of another market decline the elevated cash position will allow the RSIC to continue this investment strategy while maintaining payments for retiree obligations.
- The Portfolio outperformed approximately 53% of its peer group over a rolling one year period, according to several independent surveys (sources: PFDE, Callan, ICC, TUCS, and BNY Mellon).

SCRSIC TOTAL RETURN RANKING AS OF 9/30/09



*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 RETIREE OBLIGATION CASH FLOWS



DEVELOPMENTS DURING THE QUARTER:

- The Commission approved internal governance policies defining the roles of the Commission, Chairman, Vice Chairman, Chief Executive Officer / Chief Investment Officer.