

Annual Investment Report

For Fiscal Year Ended June 30, 2008



South Carolina Retirement System Investment Commission

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Investment Commission

Strategy and Goals of the Commission

The South Carolina Retirement System Investment Commission (The Commission, or RSIC) is committed to making the South Carolina Retirement Systems' investment performance rank among the best state pension plans in the nation. A critical phase will be continuing the prudent and orderly diversification process of implementing recent legislative reforms, which allow the Commission to structure a portfolio with far more competitive risk and return characteristics. The Commission is hiring a highly qualified and professional staff and developing the infrastructure necessary to achieve these goals. The Commission is dedicated to providing transparency of its plans, goals, and results to the public.

History

The vast majority of state pension funds were formed shortly after World War II; the South Carolina Retirement Systems was organized on July 1, 1945. Into the 1960s, public pension assets were generally invested in the same fashion as state operating funds – cash and government bonds. The late 1950s and early 1960s witnessed the birth of Modern Portfolio Theory (MPT), a revolutionary approach to evaluating risk and return and their implications on constructing investment portfolios, for which Harry Markowitz was awarded the Nobel Prize in Economics. His theories, which emphasized the importance of a portfolio's risk, the correlations between securities, and diversification, changed the way people invested. Many states then began to realize that the long-term nature of pension fund liabilities would dictate a far more diversified approach to portfolio construction and began segregating pension portfolio strategies from those of their operating funds. By the late 1980s, most states had significant and growing allocations to equity investments, including international equity and other

alternative investment strategies. The historic bull markets of the 1990s led to several years of double-digit investment returns for those states that had diversified their funds. In the aftermath of the terrorist attacks of September 11, 2001 and the burst of the tech bubble, many states experienced a similar period of excess returns while plans that failed to diversify lagged significantly behind. Until a state constitutional amendment allowing for investment in domestic equities was ratified in 1997, the assets of the Retirement Systems portfolio were invested exclusively in fixed income investments, which were managed by the State Treasurer's Office by state law. In 1999, upon the advice of the newly created State Retirement Systems Investment Panel (Panel), the Retirement Systems began to diversify the portfolio by investing in domestic equities.

The Commission

The Panel served only in an advisory capacity to the trustees of the Retirement Systems, and the State Budget and Control Board (Board). In 2005, South Carolina took a crucial step when it created the Retirement System Investment Commission and transferred the investment functions and authority of the Board to the newly created Commission. The Commission, as a fiduciary for the Retirement Systems, is now exclusively responsible for investing and managing all assets of the Retirement Systems and is fully empowered to make all investment decisions. The Commission is comprised of six financial experts, including the State Treasurer and a nonvoting retiree-member.



Members of the Investment Commission are (pictured above from bottom up, left to right): Blaine Ewing, III; Reynolds Williams, Chairman Emeritus; Converse A. Chellis, III, CPA, State Treasurer; S. Travis Pritchett, PhD; Allen R. Gillespie, CFA, Vice Chairman; and James R. Powers, Chairman. The Commission assumed its responsibilities on October 1, 2005.

Reynolds Williams, Chairman Emeritus

Reynolds Williams was born in Mullins, SC. He graduated cum laude from the Baylor School for Boys in Chattanooga, Tennessee and received his bachelor's degree from the University of Virginia, where he was an Echols Scholar. After serving in Vietnam, where he was awarded the Bronze Star and the Combat Infantry Badge, Mr. Williams received his Juris Doctor from the University of South Carolina School of Law in 1973. While in law school, Mr. Williams received the American Jurisprudence Award in Contract law.

Mr. Williams is admitted to all state and federal courts in South Carolina, the United States Court of Appeals for the Fourth Circuit, and the U.S. Supreme Court. He has been chairman of many Arbitration Panels of the National Association of Securities Dealers, the American Arbitration Association, and the Duke Private Adjudication Center.

Mr. Williams is a former chairman of the Greater Florence Chamber of Commerce and president of the Florence Rotary Club. He has served on the School Board at All Saints and St. Anthony's, as Chairman of the Florence County Election

Commission, and on the Board of Directors of Florence County Progress. Mr. Williams was a Faculty Seminar Participant at the 1991 U.S. Army War College.

Mr. Williams serves on the Board of Directors of Community Bankshares and IRIX Pharmaceuticals. He's chairman of the Board of Florence National Bank. Williams was the president of the SC chapter of the Federalist Society and a member of the American Defense Trial Attorneys' Association, Defense Research Institute, American Board of Trial Advocates, and South Carolina Defense Trial Attorneys Association. He has served as vice-chairman of the State Board for Technical and Comprehensive Education. Mr. Williams is recognized as one of the Leading Lawyers in America, a Super Lawyer, and The Best Lawyers in America in the books bearing those titles.

In 1999, Governor Beasley awarded Mr. Williams the Order of the Palmetto, the state's highest honor, for his public service, civic responsibility, and friendship to SC. In 2001, Williams was named Business Person of the Year by the Greater Florence Chamber of Commerce. A Certified Financial Planner (CFP®), Mr. Williams is capable and qualified to offer objective, integrated, and comprehensive financial advice to help individuals achieve their financial objectives.

James R. Powers, Chairman

James R. Powers, of Chapin and Isle of Palms, SC, retired in 1998 from a distinguished career as an investment banker. Most recently, Mr. Powers acted as Co-President and Chief Executive Officer of Sanwa Securities in New York. Prior to Sanwa Securities, Mr. Powers enjoyed a 15-year career with CS First Boston Group Inc., where he held several international positions including Chief Operating Officer of First Boston Australia and Chief Operating Officer of CS First Boston Pacific in Tokyo. Mr. Powers began his banking career in 1972 with South Carolina National Bank. He is an eagle scout and actively involved in scouting as a member of the local

council executive board. Mr. Powers is responsible for council administration for the council executive committees.

Mr. Powers received his bachelor's degree in finance from the University of Georgia where he was a member of Phi Gamma Delta, Beta Gamma Sigma, and Phi Eta Sigma fraternities.

Converse A. Chellis, III, CPA, State Treasurer

Converse A. Chellis, III was elected State Treasurer on August 3, 2007, by the South Carolina General Assembly.

Mr. Chellis was first elected to the General Assembly in 1996 and served as Representative from District 94 for ten years. District 94 is comprised of portions of Charleston and Dorchester Counties. During his tenure in the legislature, Mr. Chellis was a member of the Labor, Commerce and Industry Committee, where he served as chairman of the Banking and Consumer Affairs Sub-Committee and as chairman of the Business and Commerce Sub-Committee. Mr. Chellis also served as chairman of the House Rules Committee.

Mr. Chellis is a CPA and served as an officer with the firm Dixon Hughes PLC. He served as chairman of the State Board of Accountancy from 1990-93, and as president of the South Carolina Association of CPAs in 1985. Mr. Chellis was also a recipient of the "Outstanding Service to the Profession" award given to a CPA by the Association for professional service.

Mr. Chellis received a bachelor's degree from the Citadel in 1965. He served as a Captain in the U.S. Air Force and now lives in Summerville with his wife Sharon and two children.

Blaine Ewing, III

Blaine Ewing, III, C.I.M.A., of Sullivan's Island, SC, is Senior Vice President of Investments at the

Charleston offices of Smith Barney. His position entails strategy formulation, setting objectives and asset allocation guidelines, manager searches, and performance reviews for retirement plans, endowments, foundations, hospitals, corporations, and individuals.

Prior to joining Smith Barney, Mr. Ewing served as the Corporate Development and Marketing Service Manager for J.P. Stevens, Vice President for Strategic Planning Institute, and Investment Manager for BMI Capital.

Mr. Ewing received his bachelor's degree in economics from Washington & Lee University and his master's degree in marketing and finance from New York University.

Allen R. Gillespie, CFA, Vice Chairman

Mr. Gillespie is a Principal of GNI Capital, responsible for portfolio management and investment research for all of the company's managed assets. Mr. Gillespie also contributes commentary to StreetInsight.com, a member of TheStreet.com's family of financial websites that is dedicated to the institutional investor.

Previously, Mr. Gillespie was a Registered Representative at Robinson-Humphrey and Smith Barney from 1995–1997. In 1997, he began managing private client portfolios and founded the Blue Ridge Total Return Fund, which was sold to the Colonial Trust Company in 1999. In addition to his advisory work, Mr. Gillespie provided independent research to a New York-based hedge fund.

Mr. Gillespie graduated cum laude from Washington & Lee University with a bachelor's degree in Economics, and has been granted the Chartered Financial Analyst (CFA) designation. He is a member of the CFA Institute and the New York Society of Security Analysts.

S. Travis Pritchett, D.B.A.

S. Travis Pritchett, Distinguished Professor Emer-

itus at the University of South Carolina, was a full-time member of the Moore School of Business faculty for 27 years. He held the W. Frank Hipp Chair of Insurance from 1982 until his retirement in 2000. He was Chair of the Banking, Finance, Insurance, and Real Estate Department for seven years. Dr. Pritchett served as the Academic Director of the USC MBA and PMBA programs in the mid-1990s. In the 1980s, he was Director of a master's degree program in health care finance. At South Carolina, he received the Alfred G. Smith Teaching Excellence Award, a Mortar Board Teaching Excellence Award, and the Moore School Faculty Service Award. He worked with the Pension Trust and Employee Benefits Seminar for over 30 years.

Dr. Pritchett is a former editor of *The Journal of Risk and Insurance* (the world's leading academic journal in its field) and was an associate editor of *Benefits Quarterly*, *Journal of Financial Service Professionals*, *Financial Services Review*, *Journal of Financial Planning*, *Journal of Business Research*, and the *America Journal of Small Business*. He is author or co-author of a dozen books and monographs and over 50 journal articles. In 1988, the Professional Insurance Agents' Insurance Foundation chose him as the first recipient of their national Insurance Educator of the Year Award based on excellence in teaching, scholarship, and service.

Dr. Pritchett's service work included being a Governor's Appointee to the Joint Insurance Study Committee of the SC Legislature. He has been President of the American Risk and Insurance Association, the Risk Theory Society, the Academy of Financial Services, and the Southern Risk and Insurance Association.

Dr. Pritchett resides in Charleston. He is a consultant and expert witness on pensions and life-health insurance topics and has been the retiree representative with the Commission since 2005.



**Robert L. Borden,
CFA, CAIA, Chief Executive Officer and
Chief Investment Officer**

The Commission hired Robert L. Borden, former Executive Director and Chief Investment Officer

(CIO) of the Louisiana State Employees' Retirement System (LASERS), as its CIO in March 2006. As CIO, Mr. Borden has oversight for the complete restructuring of the investment program for the South Carolina Retirement Systems' \$27.0 billion pension trust fund.

Mr. Borden graduated from the University of Texas at Austin with a Bachelor of Business Administration with a major in Finance and earned a Master of Science degree in Finance from Louisiana State University. Mr. Borden holds both the Chartered Financial Analyst (CFA) and the Chartered Alternative Investment Analyst (CAIA) professional designations.

In Mr. Borden's former position of Executive Director and CIO, he managed LASERS' \$7 billion pension fund. During his tenure, the LASERS trust fund more than doubled in size and as of March 31, 2006 LASERS realized 1-year, 3-year, and 5-year returns of 14.6 percent, 17.6 percent, and 8.4 percent respectively. This performance ranked LASERS' portfolio among the top pension fund performers in the country.

Mr. Borden also served as Vice Chairman and Chairman of the Fund Evaluation Committee for the Louisiana Deferred Compensation Commission. Prior to joining LASERS, Mr. Borden held distinguished positions at the Texas Workers' Compensation Insurance Fund, Franklin Federal Bancorp, the Texas State Treasury and Randy Morine Properties.

Disclosure of Material Interest

None were noted.

The Investment Commission Staff



Front row, left to right:

Brian Wheeler
Administrative Coordinator

Dori Ditty, JD
Law Clerk

Robert L. Borden, CFA, CAIA
Chief Investment Officer

Brenda Gadson
Senior Investment Operations
Officer

Heather Muller
Assistant to Chief Investment
Officer

Nancy Shealy
Administrative Director &
General Counsel

Kathy Rast
Administrative Manager

Nicole Waites
Fixed Income Officer

Hilary Wiek, CFA, CAIA
Director of Public & Private
Equities

Douglas W. Lybrand, CFA, CTP,
FRM
Director of Investment
Research

Back row, left to right:

Donald Brock, Jr.
Investment Research Analyst

Jonathan Boyd, Intern

Hershel Harper, CFA
Director of Alternatives

Dunkin Allison
Investment Operations Officer

Geoffrey Berg, CFA
Public & Private Equity Officer

Jared O'Connor, Intern

Greg Putnam, CFA
Director of Investment Opera-
tions

Rick Patsy, CFA
Senior Fixed Income Officer

Erin Marrone, Intern (Not pic-
tured)

Chairman and CIO's Message

October 31, 2008

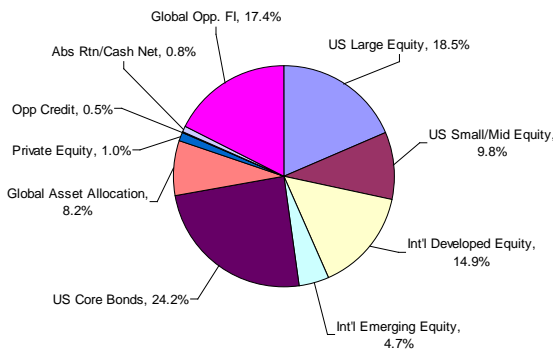
The Honorable Mark Sanford, Governor
 Budget and Control Board
 State of South Carolina
 Members of the General Assembly of South Carolina

Dear Ladies and Gentlemen:

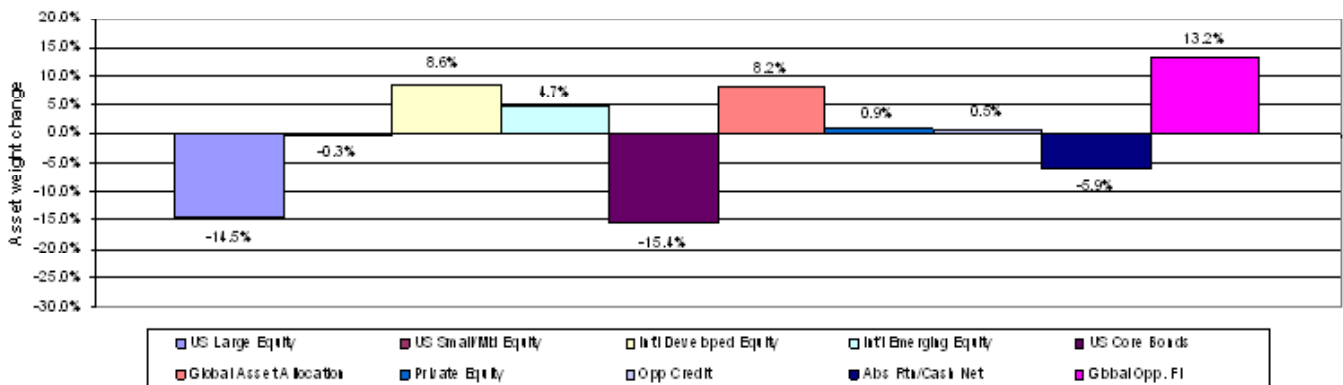
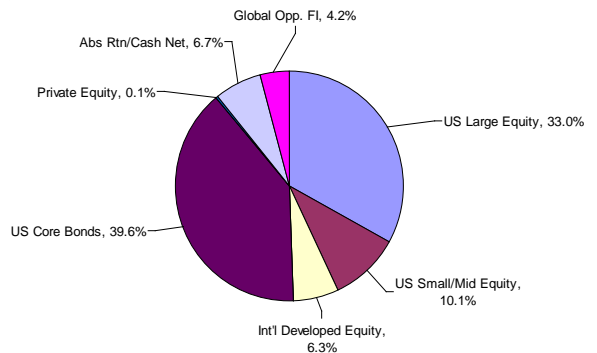
It is our pleasure to provide the report on the investments of the portfolio of the South Carolina Retirement Systems (Retirement Systems or Fund) by the Retirement System Investment Commission (Commission). We are happy to report that with the February 2007 ratification of an amendment to S.C. Const. art. X, §16, which effectively broadened the opportunity set for diversifying the investments in the portfolio, the redeployment of the Retirement Systems' assets has been largely implemented.

Fiscal Year 2008 saw remarkable progress toward diversifying the assets of the Retirement Systems. From a portfolio that was almost entirely US stocks and US high quality bonds at the beginning of the fiscal year, the portfolio as of June 30, 2008, was well on its way toward being diversified among ten broad asset classes.

June 30, 2008



June 30, 2007



The Statement of Investment Objectives (SIO) and Policies (SIP) cover the general guidelines and the goals for the investment of the Retirement Systems' assets. The investment program is implemented through an Annual Investment Plan (AIP), which details the target asset allocation and the rules by which the managers of the assets must comply. Additionally, the AIP sets forth rebalancing procedures, permissible investments, and benchmarks for performance evaluation. Each fiscal year, the goals, objectives, and policies of the investment program are reviewed and updated to ensure that the portfolio is managed to achieve the goals of the South Carolina Retirement System with appropriate fiduciary oversight.

As of June 30, 2008, the Retirement Systems' investment portfolio value totaled \$27.04 billion, down from \$28.56 billion a year earlier. Beyond US equities and core US fixed income, which were the only options in which the plan was constitutionally allowed to invest prior to February 2007, the plan reallocated to international equities, international fixed income, US high yield debt, private equity, and global asset allocation products. Shifts from the prior year's allocation to this one occurred throughout the fiscal year as external managers were identified, examined, and funded.

Unfortunately, due to the previous lack of diversification in the portfolio, the investment returns for the Retirement Systems have historically lagged its peers. This fiscal year saw significant improvement in the plan's rankings against its peers due entirely to the ability to broaden the opportunity set for the plan's assets. Prior to the diversification adjustment, South Carolina was frequently in the bottom decile of pension plan returns. In the four quarters of Fiscal Year 2008, the Fund made it into the top quartile of returns twice and was never in the bottom quartile.

For the one-year period ending June 30, 2008, the total portfolio returned, gross of fees, -2.56 percent, beating the ICC Large Fund Universe (a commonly used industry database of plan sponsors with assets exceeding \$1 billion) median return by 163 basis points. For the three- and five-year periods ended June 30, 2008, the total portfolio returned 5.17 percent and 6.25 percent, respectively. These were well behind peer median returns of 7.25 percent and 9.56 percent, primarily due to the previous inability to include asset classes beyond US stocks and US core fixed income.

The Commission is committed to using industry best practices to transform South Carolina Retirement Systems' investment program into a top quartile ranked public pension fund, on a risk-adjusted basis of return over the long term. We believe that we now have the necessary structure in place to achieve this critical goal. The diversification process and resulting increase in investment performance is a long-term goal, but Fiscal Year 2008 saw a dramatic step toward achieving this goal. Particularly due to the nature of investing less liquid asset classes such as private equity and real estate, the transition was not completed in Fiscal Year 2008, but the majority of the assets have been reallocated to reflect the approved asset allocation.

The Commission also made further progress in hiring a highly qualified professional staff and developing the infrastructure necessary to implement its goals during Fiscal Year 2008. During the year, consulting and investment services were provided by Jamison, Eaton & Wood, New England Pension Consultants, Russell Implementation Services, Morgan Stanley Investment Management, and a variety of other investment managers.

Diversification brings defensive characteristics to an investment portfolio. Although the plan has not been immune to the freefall in the financial markets since the end of the fiscal year, the re-pricing of the world's financial assets should, provide significant opportunities in a number of different asset classes not confined to public market equities and debt. Through September 2009, the portfolio's returns were at the median of pension fund returns for that quarter. Most importantly, the liquidity position of the portfolio is strong, with funds readily available for benefits well into the future, regardless of future market conditions.

We are pleased to be serving the citizens of the State of South Carolina and seizing the opportunity that is before us.

The Commission is dedicated to providing transparency of its plans, goals, and results to the public.

We are committed to the interests of the members of the Retirement Systems, and we will continue to manage the assets of the Fund in a prudent manner, seeking superior returns at acceptable levels of risk. It is a tremendous responsibility and opportunity for us to serve as the Commission's Chairman and CIO.

Sincerely,



James R. Powers, Chairman



Robert L. Borden, CFA, CAIA

Consultant's Message

"In November 2006, voters across the state approved a referendum to pass Amendment 3a of the state constitution. Since then we've moved to implement a new asset allocation that will better position the System's risk and return profile. The passing of this referendum effectively allows for more diverse investing of the System's assets."

December 1, 2008

Dear Members,

As investment consultant for the South Carolina Retirement Systems (SCRS), NEPC, LLC (NEPC) is pleased to submit this report outlining the structure and performance of the SCRS investment portfolio for Fiscal Year ended June 30, 2008.

This letter marks two years that NEPC has been working with SCRS. It also marks a period of significant change in the SCRS investment portfolio. Until the November 2006 legislative change, the SCRS portfolio was restricted to domestic equity and fixed income investments, which led to returns that ranked in the bottom quartile of Large Public Funds over all time periods, as compared to other large public funds in the Independent Consultants Cooperative (ICC) universe.

During the last year, NEPC has worked with the Commission, the Chief Investment Officer (CIO), and staff to implement the 2008 target asset allocation. This strategy is on the cutting edge of asset allocation approaches and includes international and emerging market equity; high yield bonds, global bonds, emerging markets debt, and opportunistic credit; and alternative investments such as global asset allocation/absolute return, private equity, and real estate.

In addition, SCRS became among the first pension plans to commit a portion of its assets to a series of strategic investment partnerships with a choice group of money managers. Strategic partnerships allow SCRS to take advantage of the broad resources, depth of expertise, and breadth of strategies that these world-class investors can offer.

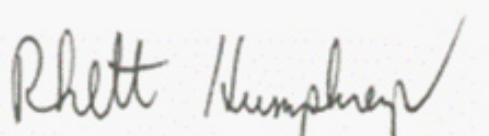
For Fiscal Year ending June 30, 2008, the SCRS portfolio returned -2.5% and ranked in the 27th percentile of large public funds in the ICC universe. During this time period, the median large public fund in the ICC Universe returned -4.2%. This ranking is a significant improvement from that of a year ago, and is indicative of the enhancements that have been made to the portfolio.

As of June 30, 2008, the SCRS investment portfolio totaled \$27.0 billion and had 1.1% of its assets invested in Cash, 40.4% invested in Fixed Income, 23.3% in Domestic Equity, 1.8 in International Equity, 8.1% in Global Asset Allocation, 22% to Portable Alpha, and 1.2% invested in Private Equity. 2.1% was also invested in the Beta Overlay mandate, a strategy that allows the Commission to quickly implement portions of the target asset allocation and includes exposure to domestic equities, domestic fixed income, international equities and emerging markets equities. This allocation was consistent with the

targets and ranges set forth in the Annual Investment Plan and was within the statutory limitations previously placed upon the assets. NEPC will continue to work with the Commission, the CIO, and staff to monitor the structure the SCRS portfolio in an effort to optimize the portfolio's risk/return profile.

It is NEPC's honor and pleasure to serve as investment consultant for the Commission during this pivotal time of change and growth. We are excited to continue to work with SCRS to position the portfolio in this challenging environment and to further take advantage of opportunities that the market has presented.

Sincerely,

A handwritten signature in black ink on a light gray background. The signature reads "Rhett Humphries" in a cursive, professional style.

Rhett Humphries, CFA
Partner and Senior Consultant

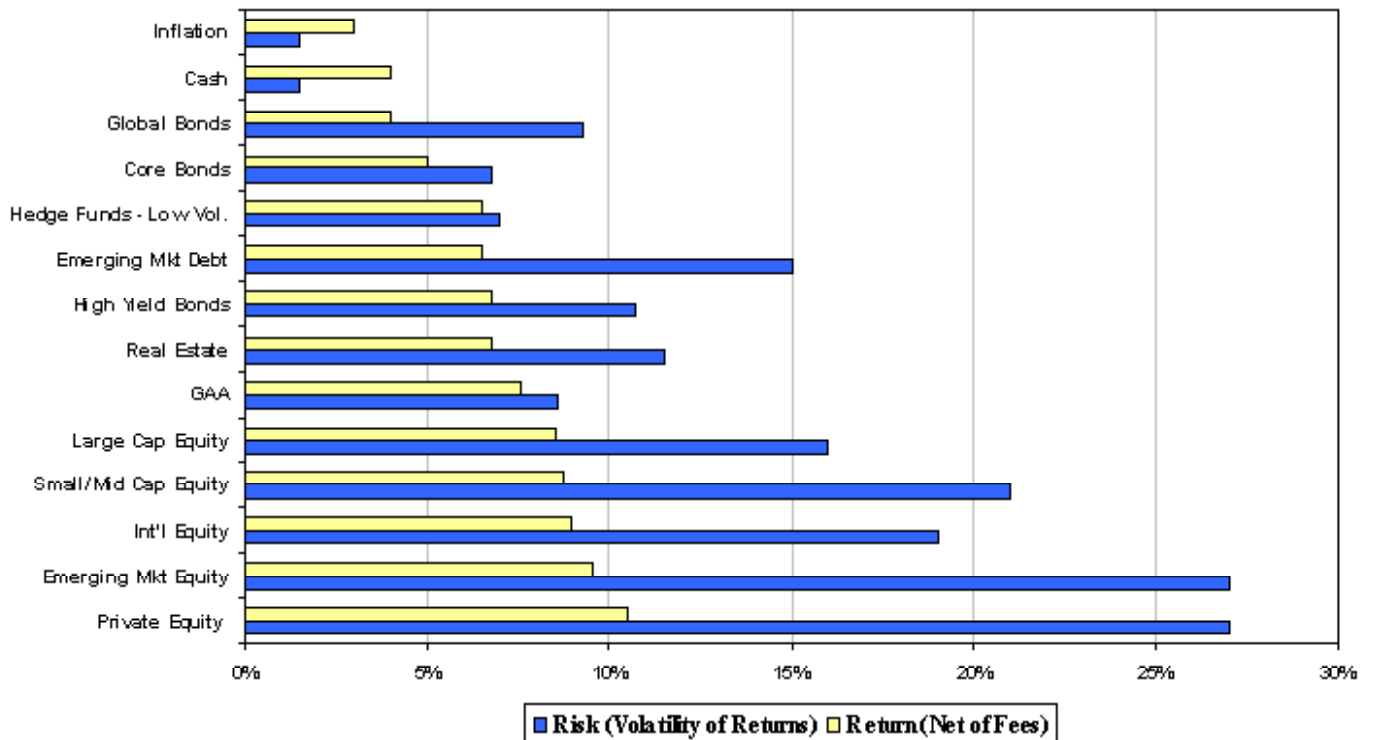
Asset Allocation

The policy asset allocation was determined after a thorough study conducted by the Commission’s external investment consultant, New England Pension Consultants (NEPC), the Commission and investment staff. Key inputs to this process include historical measures of risk, returns, and return correlations. These and additional variables were used to forecast expected risks, returns, and return correlations for various asset classes. The data were processed by an optimization routine and tempered with subjective judgment regarding limits and relative valuations to establish an appropriate asset allocation. The primary objective of asset allocation is to establish and maintain a broadly diversified portfolio that is projected to achieve the highest risk-adjusted returns.

Risk / Return Assumptions

One of the first steps taken before approving the asset allocation involves quantifying the expected risks and returns associated with numerous asset classes. The following long-term assumptions were provided by NEPC and used as the basis of the asset allocation study.

2008 Risk / Return Assumptions



Another key input variable used to establish an asset allocation is the correlation of returns between various asset classes. The following table displays the correlation assumptions developed by NEPC, which were used to optimize and develop the recommended asset allocation.

Asset Class Return Correlation Assumptions

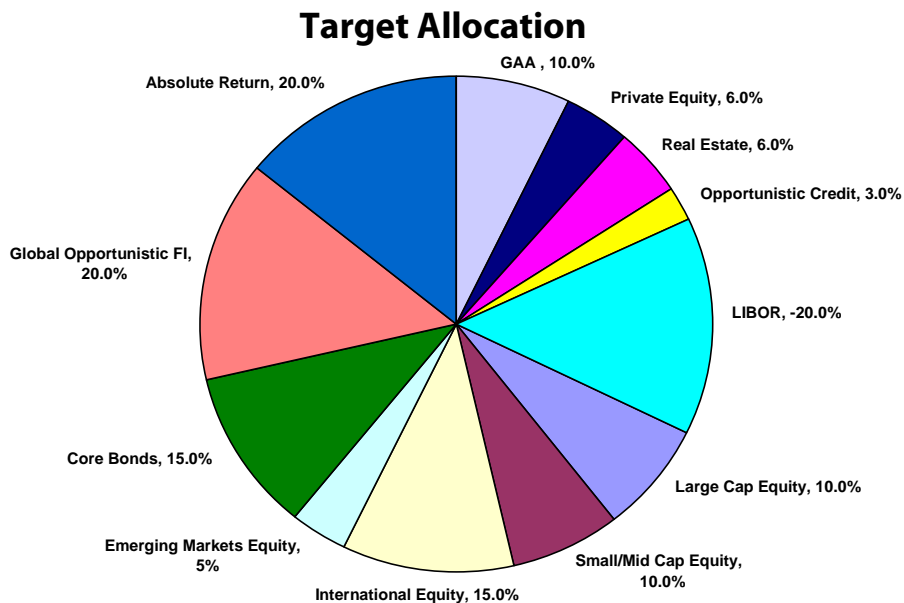
2008 Correlation Forecast for Various Asset Classes

Asset Class	Core	Global	EMD	RE	HY	Large	Smid	Intl	Intl Sm	Emg	PE	HF-C
Core Bonds	1.00											
Global Bonds	0.70	1.00										
Emerg Mkt Bonds	0.10	-0.10	1.00									
Real Estate	-0.10	0.00	0.00	1.00								
High-Yield Bonds	0.50	0.30	0.60	-0.10	1.00							
Large Cap Equities	0.20	-0.10	0.50	0.00	0.50	1.00						
Small/Mid Cap Equities	0.00	-0.20	0.50	-0.05	0.60	0.90	1.00					
Int'l Equities	0.00	0.30	0.50	0.10	0.40	0.70	0.60	1.00				
Int'l Small Cap Eq	0.00	0.10	0.50	0.00	0.35	0.60	0.50	0.90	1.00			
Emerg Int'l Equities	-0.20	0.00	0.60	-0.10	0.45	0.50	0.50	0.60	0.55	1.00		
Private Equity	0.15	0.00	0.25	0.00	0.60	0.75	0.85	0.50	0.60	0.25	1.00	
Hedge Funds - Con	0.35	0.00	0.00	-0.10	0.30	0.20	0.20	0.05	0.00	0.00	0.10	1.00

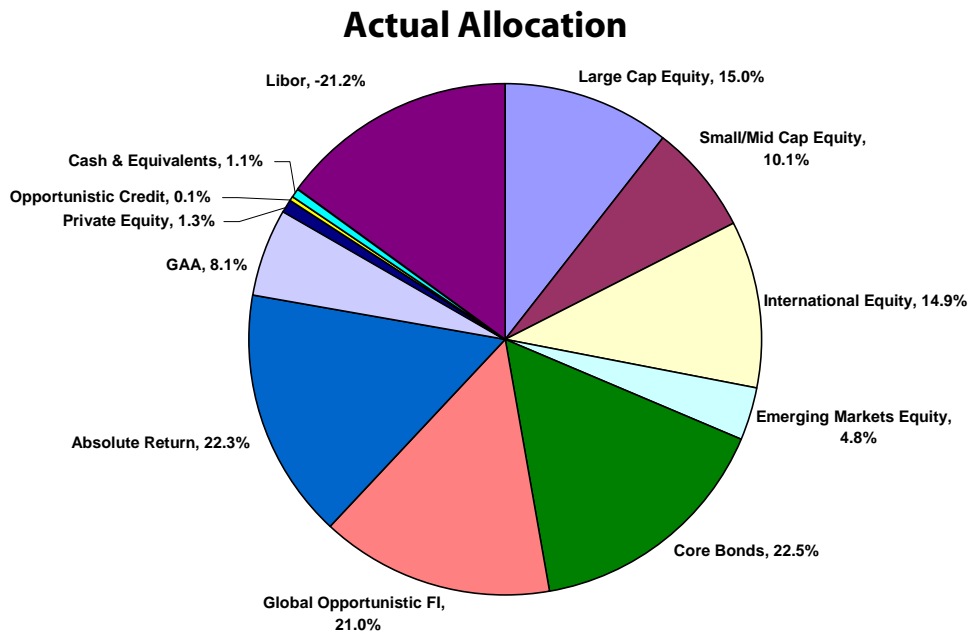
Low Negative Correlation (-0.51 to 0.00)
 Low Positive Correlation (+0.01 to +0.50)
 High Positive Correlation (+0.51 to 1.00)

Target versus Actual Asset Allocation

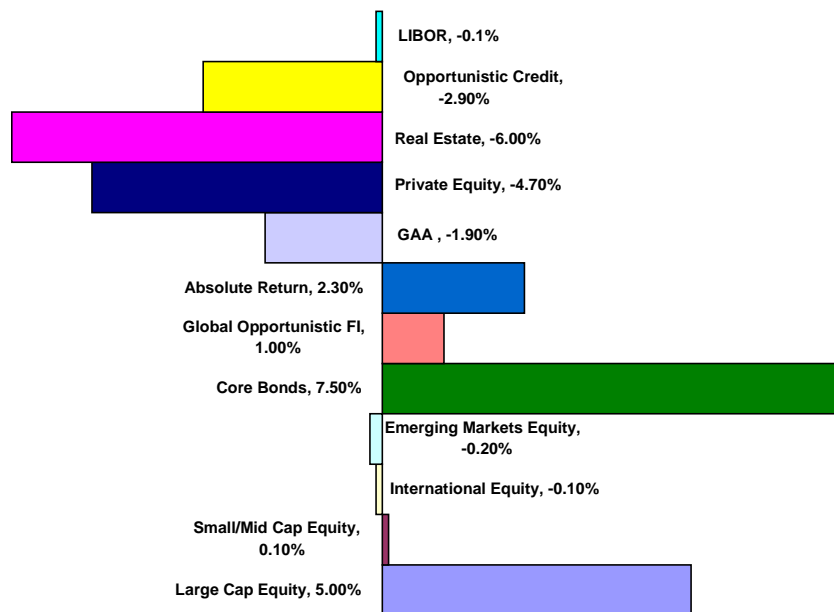
The long-term target allocation appears below with the actual allocation following. The attainment of the target allocation will extend into the calendar year 2009.



The actual allocation of the portfolio as of fiscal year-end, June 30, 2008, was as follows:



Difference between Target and Actual Asset Allocation As of June 30, 2008



Beta Overlay

The SCRSIC employs a Beta Overlay manager, Russell Investment Group (Russell), to assist with restructuring its assets to the targeted asset allocation. Russell utilizes derivative instruments such as futures contracts and swap agreements to achieve the desired asset allocation. Derivatives are efficient investment vehicles that allow the Fund to quickly and cost-effectively gain or reduce exposures to certain asset classes. As managers are hired in the target asset classes, derivative positions will be reduced to maintain the desired market exposures. The table below details the implementation plan from inception through calendar year-end. Execution of the plan will vary depending on market conditions.

Target Allocation Implementation Plan As of June 30, 2008

Asset Class	7/1	8/1	9/1	10/1	11/1	12/1	1/1
Cash	-21.0%	-21.0%	-21.0%	-21.0%	-21.0%	-21.0%	-20.0%
Portable Alpha (LIBOR)	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	20.0%
Total Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
U.S. Large Cap	18.2%	18.1%	18.0%	17.9%	17.8%	17.7%	10.0%
U.S. Small/Mid Cap	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Non-U.S.	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Emerging	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Public Equity	48.2%	48.1%	48.0%	47.9%	47.8%	47.7%	40.0%
LB Agg	23.8%	22.5%	21.0%	20.5%	19.8%	19.3%	15.0%
Tactical Cash	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.0%
Global Agg Ex-U.S.	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%	10.0%
High Yield	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	5.0%
EM Debt	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Debt	42.1%	41.8%	41.3%	40.8%	40.1%	39.6%	35.0%
Private Equity	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	6.0%
Opportunistic Credit	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.0%
Real Estate	0.3%	0.3%	0.3%	0.3%	0.5%	0.5%	6.0%
GTAA	8.1%	7.9%	7.9%	7.9%	7.9%	7.9%	10.0%
Total Alternatives	9.8%	10.2%	10.8%	11.4%	12.2%	12.8%	25.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Asset Class Allocation by Manager

The table on the following page details the actual market exposures achieved at fiscal year-end. These exposures include physical securities held by the SCRSIC's custodian, the Bank of New York Mellon, synthetic positions established by Russell, and assets allocated to alternative investment managers.

Asset Class Allocation by Manager As of June 30, 2008

Manager / Asset Class	Weight	\$MM*
WCM	1.9%	521.7
Legg Mason	1.3%	354.9
Total Large Cap Growth	3.2%	876.6
Aronson, Johnson & Ortiz	2.0%	543.4
Pzena	1.1%	295.0
Total Large Cap Value	3.1%	838.4
BGI S&P Alpha Tilt	1.4%	391.7
Total Large Core	1.4%	391.7
SSGA S&P 500 Index	6.2%	1,667.5
Total Large Index Funds	6.2%	1,667.5
Total Large Cap Futures	0.4%	103.8
Total Large Cap Swaps	0.7%	178.7
Total Large Cap	15.0%	4,056.7
Times Square	1.4%	367.4
Total Small/Mid Cap Growth	1.4%	367.4
Batterymarch	0.7%	182.9
Turner	0.9%	246.9
Clarivest	1.0%	270.4
Total Small Cap Growth	2.6%	700.2
TSW	0.9%	230.3
Total Small/Mid Cap Value	0.9%	230.3
Benson	1.1%	306.8
Integrity	0.5%	129.5
Total Small Cap Value	1.6%	436.3
Pyramis	1.4%	391.9
Total Small Core	1.4%	391.9
SSGA Russell 2000 Index	1.4%	383.6
Total Small Index Funds	1.4%	383.6
Total Small/Middle Cap Futures	0.8%	209.3
Total Small/Mid Cap	10.1%	2,719.0
Total U.S. Equity	25.1%	6,775.7
BGI EAFE Index Funds	1.8%	485.7
Total Non-U.S. Index Funds	1.8%	485.7
Total International Equities Futures	8.2%	2,224.3
Total International Equities Swaps	4.9%	1,330.2
Emerging Market Equity Swaps	4.8%	1,285.5
Total Non-U.S. Equity	19.7%	5,325.7
Total Public Equity	44.7%	12,101.4
Domestic Fixed Income	26.9%	7,271.5
Total Investment Grade	26.9%	7,271.5
Domestic Fixed Income Futures	-3.3%	(902.6)
Domestic Fixed Income Swaps	-0.9%	(249.9)
Total U.S. Fixed Income	22.6%	6,119.0
	0.0%	
Loomis Sayles	3.0%	801.8
Mondrian	3.3%	886.2
Wamco	3.0%	813.8
Credit Agricole	3.1%	835.2
Total Global Bonds	12.3%	3,337.0
Loomis Sayles High Yield Trust	0.7%	194.5
Total High Yield	0.7%	194.5
International Fixed Income Futures	5.0%	1,361.0
Emerging Market Debt Swaps	2.5%	687.1
Domestic High Yield Swaps	0.4%	97.6
Total Global Opportunistic FI	21.0%	5,677.2
Total Fixed Income	43.6%	11,796.2

Manager / Asset Class	Weight	\$MM*
Aquiline Partners	0.1%	25.9
Pantheon USA	0.1%	24.5
Pantheon Europe	0.1%	18.9
TCW SMSF	0.4%	107.9
Carousel Capital	0.0%	12.4
Goldman Sachs	0.1%	24.5
TrueBridge	0.0%	8.8
Warburg Pincus	0.1%	20.8
Northstar	0.0%	9.2
Apax Europe	0.1%	15.4
TCW - Crescent Mezz	0.1%	15.3
Paul Capital	0.1%	18.3
Square 1 Ventures	0.0%	3.0
Lehman Brothers	0.0%	1.1
TCW - Strat Partnership Energy	0.1%	40.0
Total Private Equity	1.3%	346.0
Mariner	1.2%	338.0
Bridgewater Pure Alpha	1.6%	428.6
D.E. Shaw	1.4%	375.5
Frontpoint	1.4%	376.1
Morgan Stanley Completion Fund	3.1%	837.6
GAM	2.8%	755.6
Entrust	1.5%	400.8
Gottex	2.8%	763.4
Grosvenor	2.8%	767.6
Morgan Stanley Partnership	3.7%	997.4
Absolute Return Strategies	22.3%	6,040.7
GMO Strategic Opportunities	0.9%	232.8
GMO Multi-Strategy	0.4%	120.2
Bridgewater All-Weather	2.8%	746.6
Putnam	2.7%	722.0
Mellon Capital	1.3%	358.2
Total Global Asset Alloc Strats	8.1%	2,179.8
Angelo Gordon	0.1%	15.0
Total Opportunistic Credit	0.1%	15.0
Total Alternative Assets	31.7%	8,581.6
Short Duration Investments	1.1%	310.8
Total Cash Equivalents	1.1%	310.8
Currency Forwards Gain(Loss)	0.2%	56.6
Russell Overlay Cash Account	2.4%	637.8
Futures & Swaps Cash Offset	-23.8%	(6,441.0)
Total Plan	100.0%	27,043.4

* Balances include asset exposures which may differ from accounting statements.

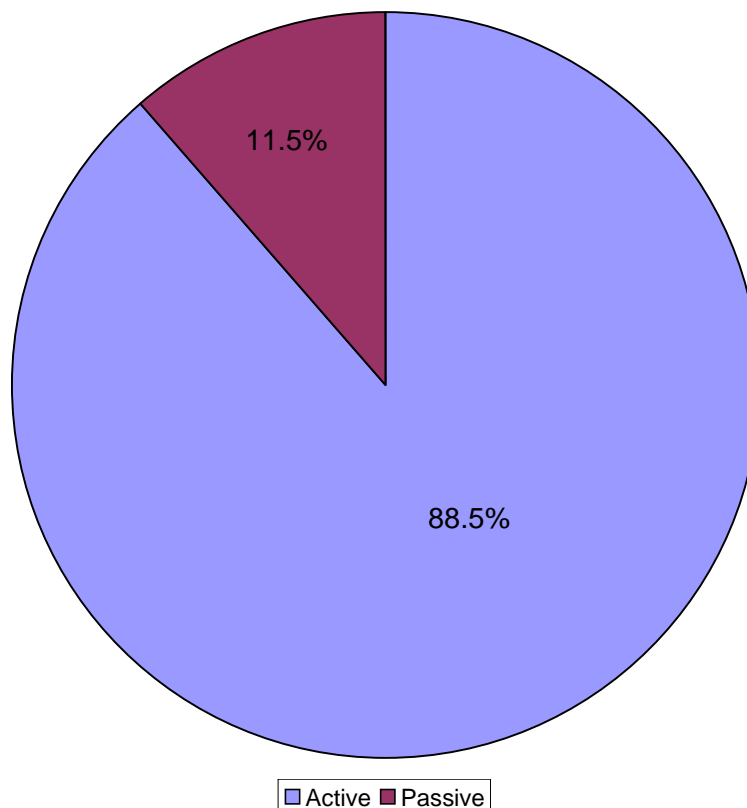
Active versus Passive Management

The Commission engages in passive investing in two ways: buying Index Funds and utilizing financial derivatives. Both of these approaches to passive management are designed to reduce costs and enhance risk-adjusted returns, which accounted for 11.5% of the Fund's market value as of fiscal year-end 2008.

At the end Fiscal Year 2008, 9.4% of the Fund's market value was in Index Funds. Of that amount, 6.2% was dedicated to Large Cap Domestic Equity Index Funds, which often achieve higher after-fee returns than active managers in the same asset class. Of the remaining index funds, 1.4% of the Fund was invested in a Russell 2000 Index fund and 1.8% was invested in an EAFE Index Fund.

Another 2.1% of the Fund's market value was invested in financial futures, swaps, and their cash off-sets. (This relatively small balance represents cash performance bonds and should not be confused with market exposures.) These were the preferred investment vehicles to help achieve the targeted asset allocations for several select asset classes. A detailed accounting of the long and short synthetic exposures can be seen in the table above (See Asset Class Allocation by Manager).

**Percentage of Fund Actively / Passively Managed
As of June 30, 2008**

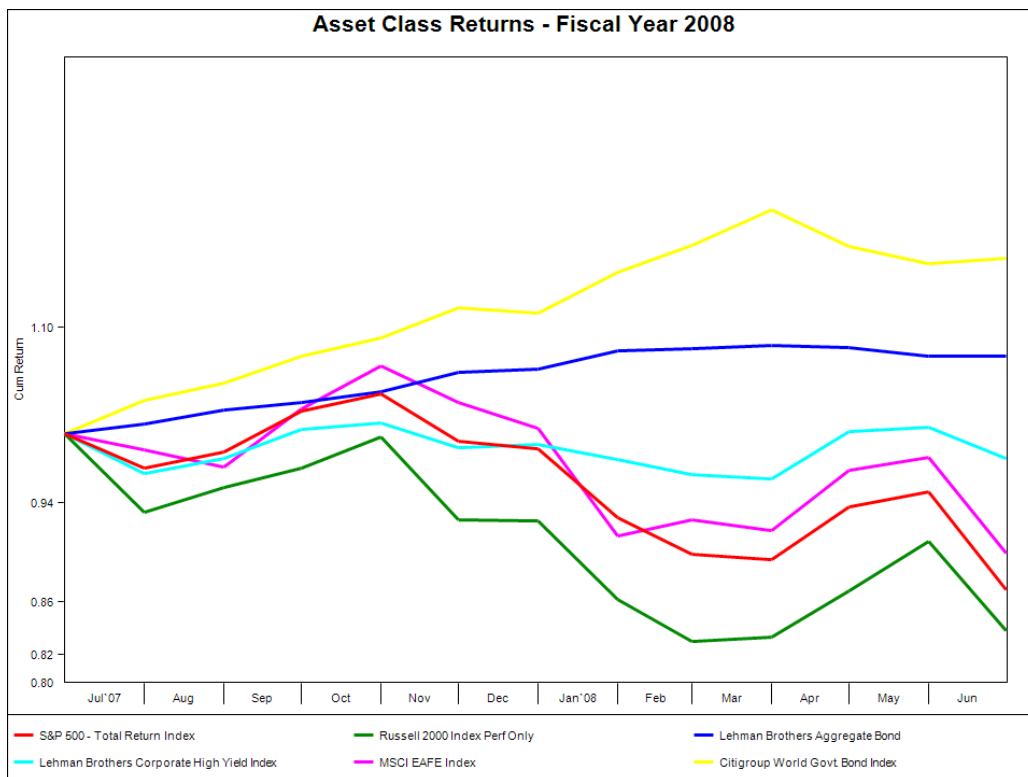


Economic and Financial Markets Review

During the last 12 months, economic growth in developed economies slowed significantly to near 0%, while emerging economies were more resilient. Overall, global growth ranged from 3% to 4%. The economic slowdown has followed a rising burden of household debt exacerbated by declining home values, the spreading effects from the subprime mortgage collapse, and the resulting tight credit conditions. Soaring commodity prices, especially oil which peaked near \$140 per barrel, and rising unemployment also squeezed consumers who continued to spend moderately by liquidating savings and investments. The increasing likelihood of recession weighed heavily on the financial markets.

Trailing one-year equity returns reflected this deteriorating economic outlook. Domestic stock indices generally declined into the mid-teens with losses in some sectors exceeding 20%. The S&P 500 index of large U.S. stocks fell 13.12% and the Russell 2000 Index of small U.S. stocks fell 16.19%. The MSCI EAFE Index of developed foreign stocks fell 10.18%. The MSCI Emerging Markets Stock Index rose by 4.89%. Bond returns, on the other hand, performed well in this gloomy environment. The Lehman Brothers Aggregate domestic bond index rose 7.12%. Even more impressive was the Citigroup World Government Bond Index, which rose 17.00%. Lower credit quality bonds suffered, evidenced by the decline in the Lehman High Yield Index of 2.26%.

Asset Class Returns



The returns on some alternative asset classes were disappointing, but overall they helped to mitigate the deterioration of the equity markets. The HFRX Global Hedge Fund Index of investable hedge funds fell 3.04% for the Fiscal Year 2008. On the other hand, real estate returns as evidenced by the NCREIF Property Index rose 9.21%. The benchmark returns (50% MSCI World / 50% CITI WGBI) for GTAA (Global Tactical Asset Allocation) investments rose 1.7% for the Fiscal Year 2008.

Equities

World equity markets peaked during the second half of 2007 and declined sharply during the first half of 2008. Twelve-month trailing returns for the MSCI World Stock Index declined 10.18% for the Fiscal Year 2008. U.S. equities declined 13.12% over the same period as measured by the S&P 500 Index. These markets reflect weak growth across the developed world and widespread expectations of even weaker conditions in the future. The financial sector is severely strained with a de-leveraging economy and reduced liquidity. These conditions have led to a general shortage of capital, further constricting economic activity. To complicate matters, rising inflationary expectations due to skyrocketing commodity prices, especially oil, have made it very difficult for central banks to react by cutting rates. Growth stocks trounced value stocks for all capitalization sizes, but especially in large caps. For example, the Russell 1000 Growth Index for large stocks declined 5.96% for one year, whereas the Russell 1000 Value Index declined 18.78%, over three times the loss. The Russell 2000 Growth Index for small stocks declined 10.83%, but Russell's 2000 Value Index declined 21.63%, nearly twice the loss.

Equity Index Returns (%) As of June 30, 2008

Equity Index Returns	1 Year	3 Years	5 Years
Global Equity			
MSCI World	-10.18	9.44	12.54
US Equity			
S&P 500	-13.12	4.41	7.58
Dow Jones Industrial Average	-13.27	5.83	7.20
Russell 1000	-12.36	4.81	8.22
Russell 1000 Growth	-5.96	5.91	7.32
Russell 1000 Value	-18.78	3.53	8.92
Russell 2000	-16.19	3.79	10.29
Russell 2000 Growth	-10.83	6.08	10.37
Russell 2000 Value	-21.63	1.39	10.02
International Equity			
MSCI EAFE	-10.15	13.34	17.16
MSCI Emerging Markets	4.89	27.52	30.15
MSCI Europe	-10.81	14.15	17.71
MSCI Far East	-10.50	9.69	14.12

Fixed Income

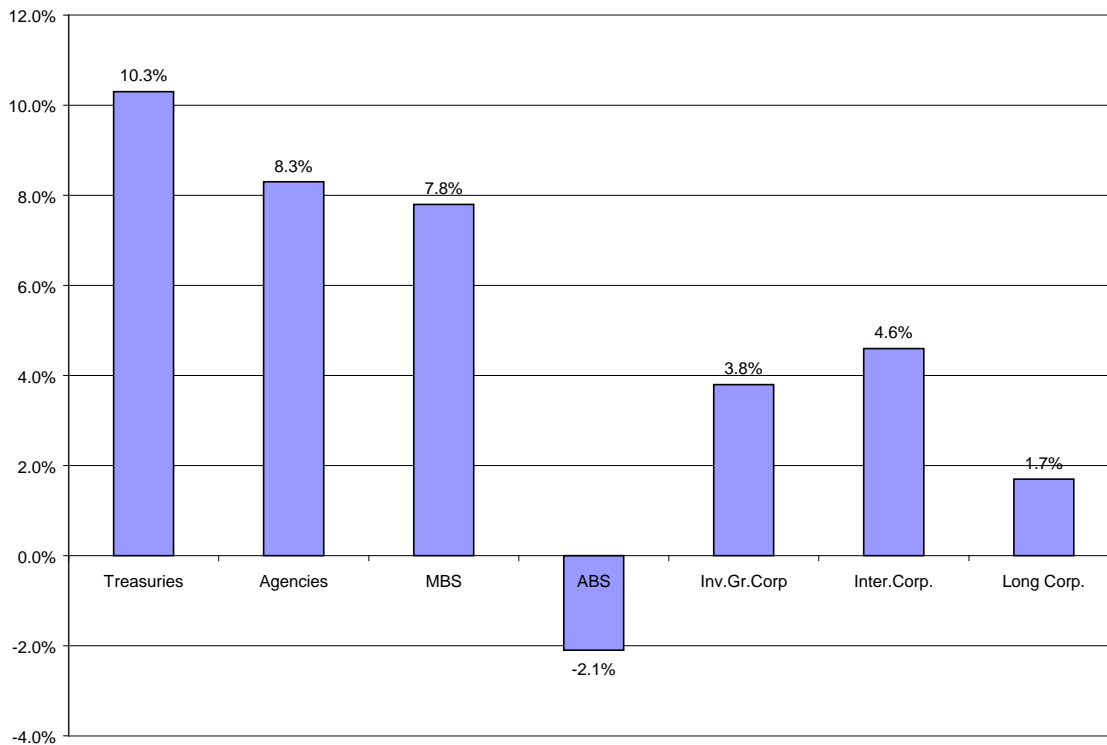
Trailing one-year fixed income returns were very strong compared to historical averages as global economic weakness drove investors towards safer investment vehicles. Yield curves shifted downward and steepened throughout most developed countries as short-term rates declined more rapidly than long-term interest rates. In the U.S. the real yield curve was the steepest in the developed world by a wide margin. During the previous twelve months, the Federal Open Market Committee (FOMC) pushed the administered U.S. Federal Funds target rate down by 325 basis points (bps) from a high of 5.25% to 2.00%, citing as justification the downside risk to growth. During the second quarter of 2008, both long and short market rates rose due to rising inflationary expectations. The market, expecting growth to recover, ceased discounting Fed easing and began to price in rising rates. Investment grade bonds performed very well during the year. High yield returns were disappointingly low as evidenced by the Lehman Brothers High Yield Index, which returned -2.26% during the Fiscal Year 2008. The sub-prime mortgage crisis, Bear Stearns' collapse, tightening sources of credit, economic worries, equity market weakness, and expected higher defaults, all weighed heavily on the asset class.

Fixed Income Returns (%) As of June 30, 2008

Fixed Income Index Returns	1 Year	3 Year	5 Years
Global Fixed Income			
Citigroup World Gov. Bond	17.00	6.24	6.39
Lehman Global Aggregate	12.90	5.80	5.90
Domestic Fixed Income			
LB Aggregate	7.12	4.09	3.85
LB Government	9.68	4.60	3.78
LB U.S. Credit	3.81	2.75	3.27
LB Mortgage Backed	7.83	4.82	4.56
LB High Yield	-2.26	4.54	6.92
ML 3-Month T-Bills	3.63	4.27	3.18

Among the sectors of the Lehman Brothers Aggregate Bond Index, Treasury, Agency and Mortgage-Backed investments posted relatively high returns. These were followed by Intermediate, Long and Investment Grade Corporate Bonds. The Asset-Backed bond sector was negatively impacted due to the large representation of home equity loans secured by subprime and other troubled mortgages. The table on the following page provides details regarding these markets.

Investment Grade Sector Performance As of June 30, 2008



Alternative Investments

Trailing twelve-month Hedge Fund returns were flat to slightly negative. These declines were driven by decelerating global growth, a weakening U.S. consumer, write-offs at major financial institutions, an up-tick in global inflation, and a continuing rise in commodities, particularly crude oil. The financial and auto sectors were particularly hard hit.

The one-year trailing returns for Global Asset Allocation strategies also declined from prior years. The global equity declines were offset in part by the relatively attractive fixed income returns.

The one-year trailing returns for Opportunistic Credit strategies, as represented by the Lehman Brothers High Yield Index, also experienced deteriorating performance from three- and five-year horizons. As the year unfolded, the spreading effects from the subprime mortgage collapse, and the resulting tight credit conditions only accelerated, driving down returns. The evolving environment is expected to lead to superior returns for credit plays in the future.

Finally, the one-year returns for private equity, which are lagged as of March 31, 2008, are mixed. The near tripling of returns on Mezzanine strategies compensated for the steady or declining returns in the other sectors of private equity.

Alternative Investment Returns (%)
As of June 30, 2008

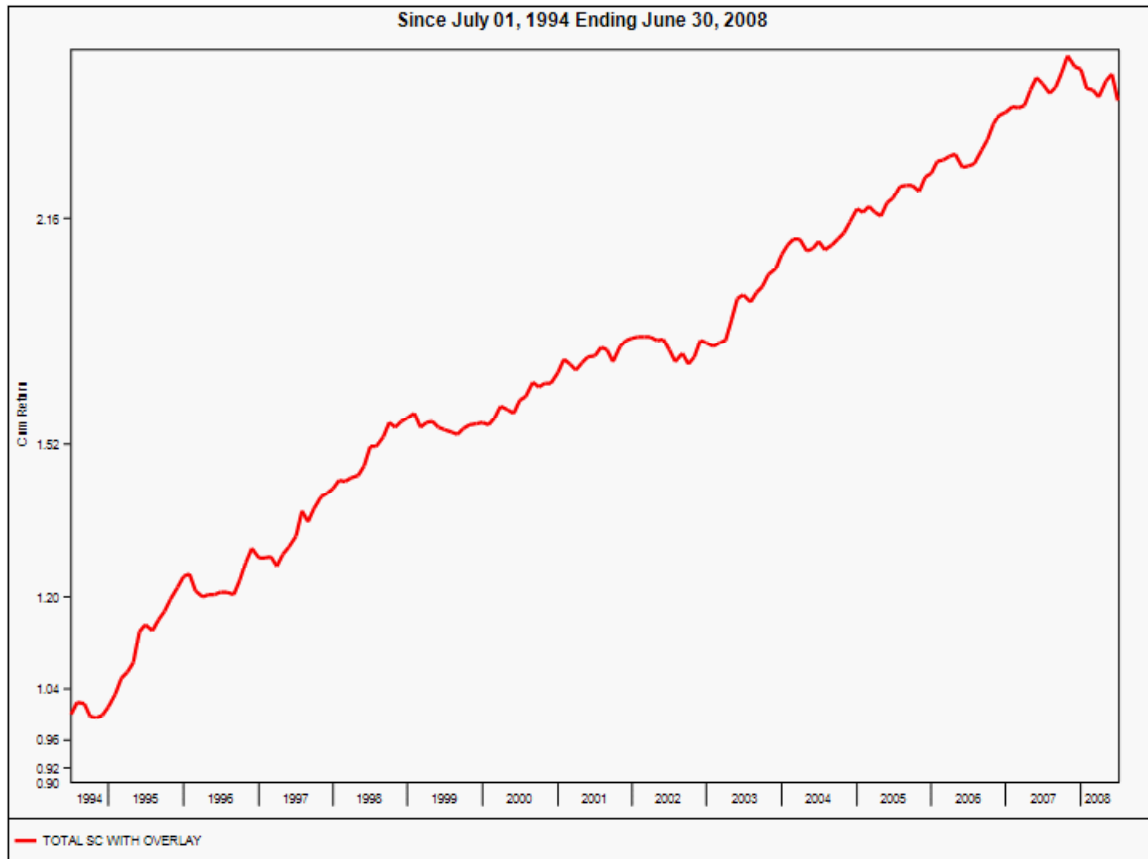
Alternative Investments Index Returns	1 Year	3 Year	5 Year
HFRI Fund of Funds Composite Index	-0.2%	8.2%	7.7%
HFRI Fund of Funds Conservative Index	-0.1%	6.7%	6.1%
HFRI Fund of Funds Diversified Index	-0.5%	8.0%	7.6%
HFRX Global Hedge Fund Index (Investable)	-3.0%	5.6%	4.5%
50% MSCI Global Stock, 50% WGBI	1.7%	6.8%	8.4%
Lehman Brothers High Yield	-2.3%	4.5%	6.9%
Venture Economics: All Buyouts	9.7%	12.6%	15.4%
Venture Economics: All Private Equity	12.2%	12.1%	13.4%
Venture Economics: Mezzanine	17.9%	5.5%	5.7%
Venture Economics: Balanced VC	8.3%	13.0%	12.6%

Performance Analysis

Total Fund

The chart below illustrates how the portfolio appreciated to \$27.0 billion by Fiscal Year 2008.

Growth of SCRS Portfolio



Asset Class Returns

The Commission continued implementing the target asset allocation transition plan during the Fiscal Year 2008. The Fund expanded from only physical securities held in three asset classes to a combination of physical and synthetic exposures held in ten asset classes. For example, total return swaps were used exclusively to establish synthetic exposures to two asset classes: Emerging Markets Equity and Emerging Markets Debt. For most other asset classes, futures, swaps, and currency forwards were used throughout the year to establish and/or rebalance exposures.

Asset class returns in the tables below represent only those from physical securities. Asset class returns from synthetic securities are captured within the beta overlay program. The Fund did not own physical securities for every asset class throughout the year. External managers for Non-U.S. Developed Equity, Global Opportunistic Fixed Income, and Global Asset Allocation, for example, were not held for the entire year. Physical investments in Opportunistic Credit were held for only one month. Synthetic

exposures to the first five asset classes listed below may have combined with physical exposures to establish positions for the entire year. For a more detailed, year-end snapshot of the asset classes that contained synthetic exposures, see the table on Page 19.

**Trailing Asset Class Composite Returns (%)
For Periods Ending June 30, 2008**

Asset Class Composite Returns	1 Month	3 Month	6 Month	12 Month
U.S. Large Cap Equity	-8.9	-3.2	-12.8	-15.6
U.S. Small/Mid Cap Equity	-6.5	1.7	-10.2	-15.4
Non-U.S. Developed Equity	-8.1	-2.0	-10.6	-
U.S. Core Fixed Income	0.4	-0.6	0.5	5.6
Global Opportunistic Fixed Income	-1.3	-1.5	1.4	-
Absolute Return	0.2	1.7	-0.3	3.1
Private Equity	-7.0	-2.4	-2.3	-3.7
Global Asset Allocation	-2.0	0.6	3.2	-
Opportunistic Credit	0.0	-	-	-
Cash Equivalents	0.2	0.5	1.3	3.9
Beta Overlay	-1.7	-0.3	-1.8	-1.2
Total Plan	-4.0	-0.6	-4.7	-2.6

Considering only the return contributions of physical securities, the greatest contributor to the Fund's -2.6% return came from U.S. Equities, which declined over 15% for the year. The Fund's Non-U.S. Developed Equity exposure was composed of MSCI EAFE Index Funds, EAFE Swaps and a basket of futures to replicate EAFE. This combination of passive investments tracked its benchmark closely and returned -10.6%. The target allocation for Emerging Markets Equity was 5%, and those exposures were gained entirely with total return swaps (included within beta overlay figures above). The MSCI EAFE EM (Emerging Markets) Index returned 4.9% for the Fiscal Year 2008. Private Equity (PE) returns were -3.7%, but PE represents a small percentage of the total Fund. The negative equity returns of developed countries had the greatest influence on the Fund's -2.6% return.

Physical U.S. Core Fixed Income securities returned 5.6% during the year, greatly offsetting the negative equity returns. These positive returns were reduced somewhat, mostly during the last six months, by negative synthetic exposures to the Lehman Aggregate Index through futures and swaps. The Lehman Aggregate Index returned only 1.1% during the last six months. For a more detailed, year-end snapshot of the physical and synthetic asset class exposures, see the table on Page 19. The physical Global Opportunistic Fixed Income (GFI) bonds returned 1.4% during the last six months. During the first six months of the year; however, exposure to GFI was gained mostly synthetically with a basket of futures to replicate the Lehman Global Bond Index. This benchmark returned 9.0% during the first half of the Fiscal Year 2008. There was also a \$600 million total return swap exposure to Emerging Markets Debt during the last half of the Fiscal Year. The benchmark on this component of the GFI asset class was -0.3%. The Fixed Income asset classes increased to offset the negative returns from the Equity asset classes.

Quarterly Asset Class Composite Returns (%)
For Fiscal Year Ended June 30, 2008

Asset Class Composite Returns	Q307	Q407	Q108	Q208
U.S. Large Cap Equity	1.9	-4.9	-9.9	-3.2
U.S. Small/Mid Cap Equity	-2.8	-3.0	-11.7	1.7
Non-U.S. Developed Equity	-	-1.2	-8.9	-2.0
U.S. Core Fixed Income	2.2	2.8	1.1	-0.6
Global Opportunistic Fixed Income	-	1.9	3.2	-1.5
Absolute Return	0.9	2.9	-1.8	1.7
Private Equity	2.0	-3.4	0.2	-2.4
Global Asset Allocation	-	3.4	2.0	0.6
Opportunistic Credit	-	-	-	-
Cash Equivalents	1.3	1.2	0.8	0.5
Beta Overlay	0.9	-0.3	-1.5	-0.3
Total Plan	2.1	0.4	-4.2	-0.6

The returns from the Alternative asset classes also helped mitigate the double digit equity losses. Unlike other asset classes, there were no synthetic exposures to alternative asset classes as passive investment vehicles are not generally available. The Fund held over \$6.0 billion or 22.3% of the portfolio in Absolute Return Strategies. As the returns from this asset class are not normally closely correlated with equity or fixed income asset classes, their 3.1% return positively impacted the Fund's return. The \$2.2 billion, or 8.1%, allocation to Global Asset Allocation Strategies (GAA) also contributed positively. GAA returned 3.2% for the six-month period ending June 30th, and had positive returns for three quarters (see table above). The Private Equity asset class returned -3.7% for the Fiscal Year but only constituted 1.3% of the Total Fund as of Fiscal Year 2008. Overall, diversification into alternative assets helped mitigate the large losses incurred by equities. The addition of alternative assets to the portfolio also raised the Fund's performance ranking when compared with peers.

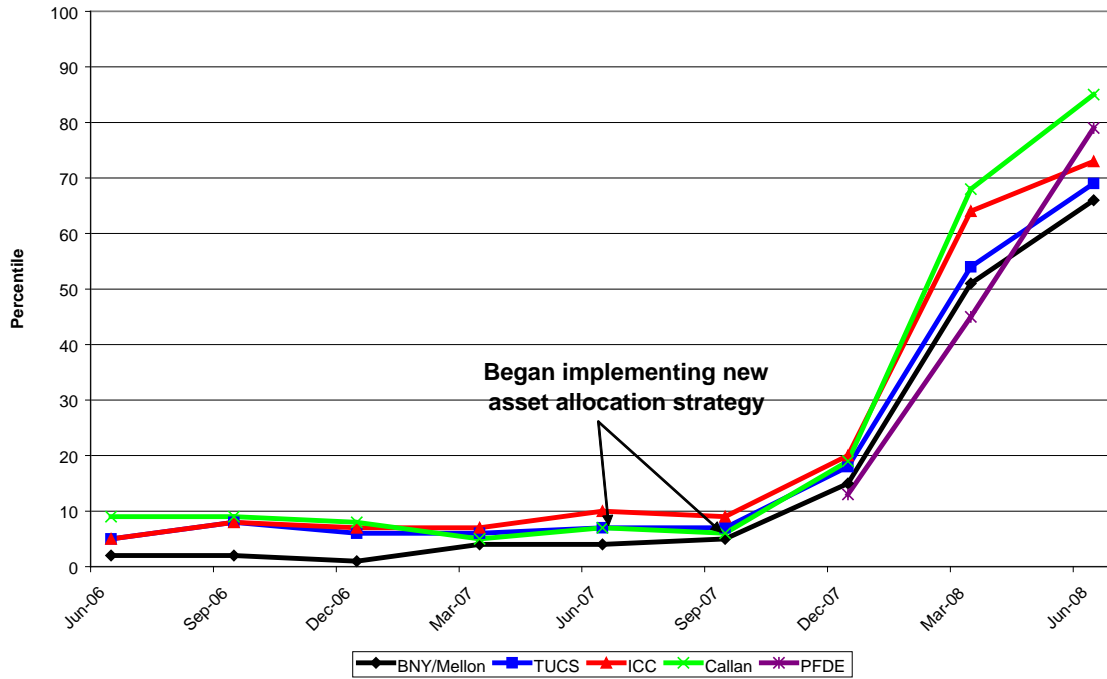
Trailing Asset Class Composite Returns (%)
For Periods Ending June 30, 2008

Asset Class Composite Returns	1 Year	3 Year	5 Year
U.S. Large Cap Equity	-15.6	3.2	6.8
U.S. Small/Mid Cap Equity	-15.4	4.9	11.3
Non-U.S. Developed Equity	-	-	-
U.S. Core Fixed Income	5.6	4.4	4.3
Global Opportunistic Fixed Income	-	-	-
Absolute Return	3.1	-	-
Private Equity	-3.7	-	-
Global Asset Allocation	-	-	-
Opportunistic Credit	-	-	-
Cash Equivalents	3.9	4.6	-
Beta Overlay	-1.2	-	-
Total Plan	-2.6	5.2	6.3

Risk / Return Peer Comparisons

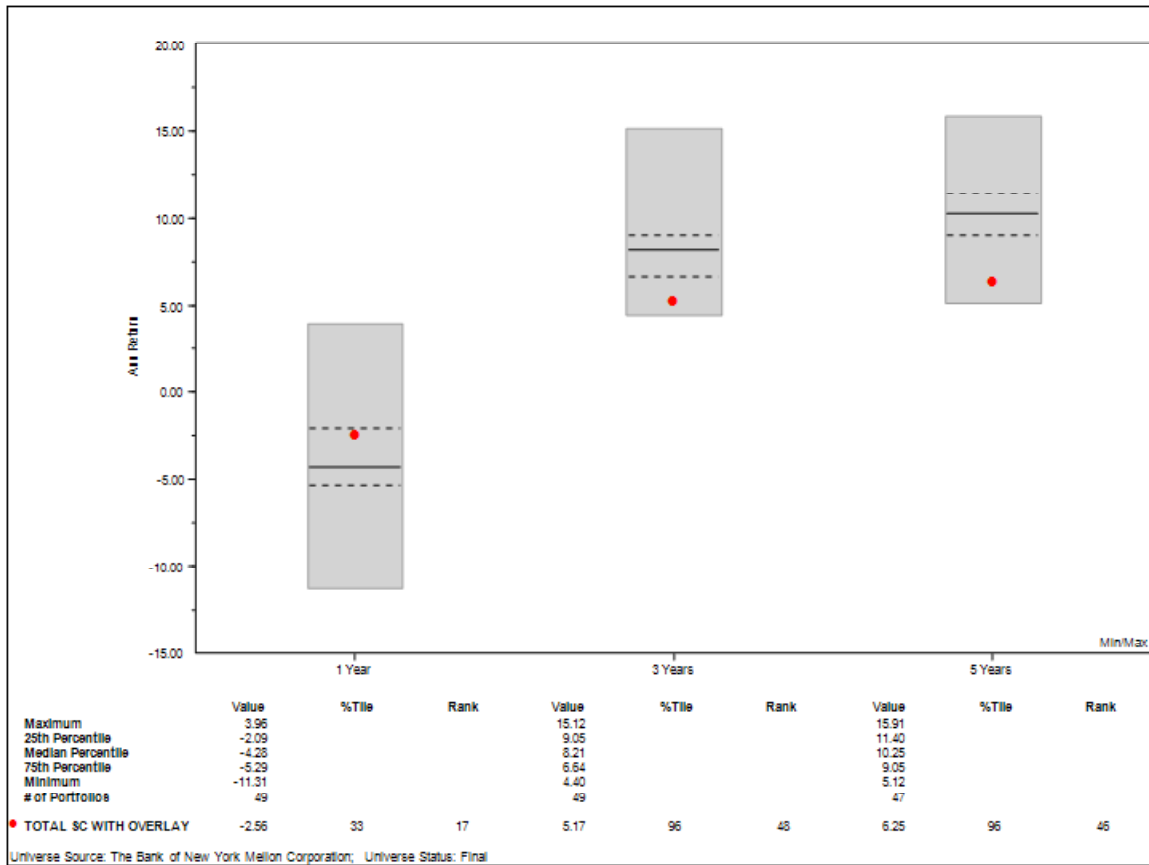
Compared to the peer group, i.e. public funds with \$1.0 billion or more of assets under management, the risk / return profile of the Total Fund has improved dramatically. As the Fund diversified from three to ten asset classes, the performance ranking rose from the bottom quartile to the top quartile on a quarterly basis.

Rolling 1 Year Period Percentile Rank



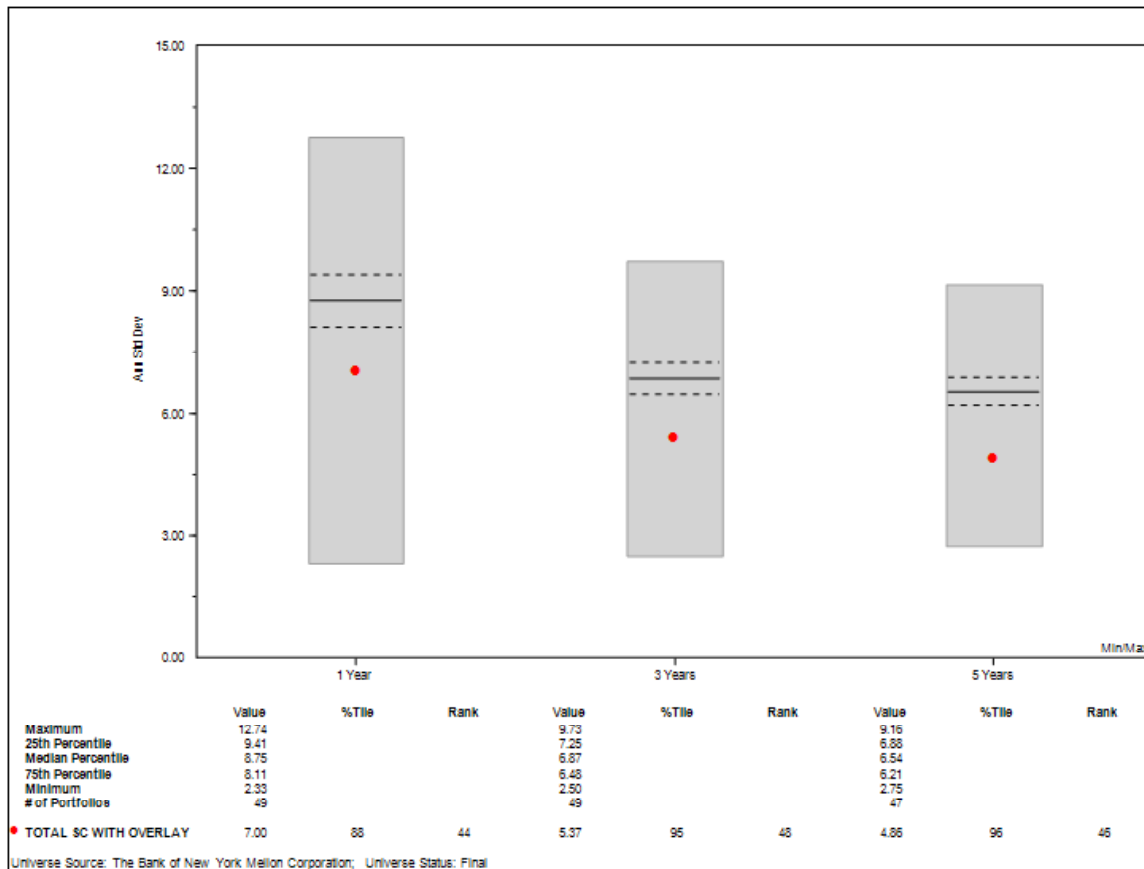
The following graph compares the Fund's trailing one, three and five-year returns to the distribution of returns of the Bank of New York Mellon (BNYM) Universe.

Performance Ranking Peer Comparisons For Periods Ending June 30, 2008



The Fund's return ranking has risen from the 96th percentile over five years to the 33rd percentile over one year, a dramatic improvement. Moreover, this improved relative performance has been achieved with only a modest increase in risk as measured by the standard deviation of returns. The following graph illustrates that the Fund's risk profile placed lower than 96% of peer funds over five years and lower than 88% of large funds over one year. (See *Risk Ranking Peer Comparisons on the following page*).

Risk Ranking Peer Comparisons For Periods Ending June 30, 2008



Returns to Active Management

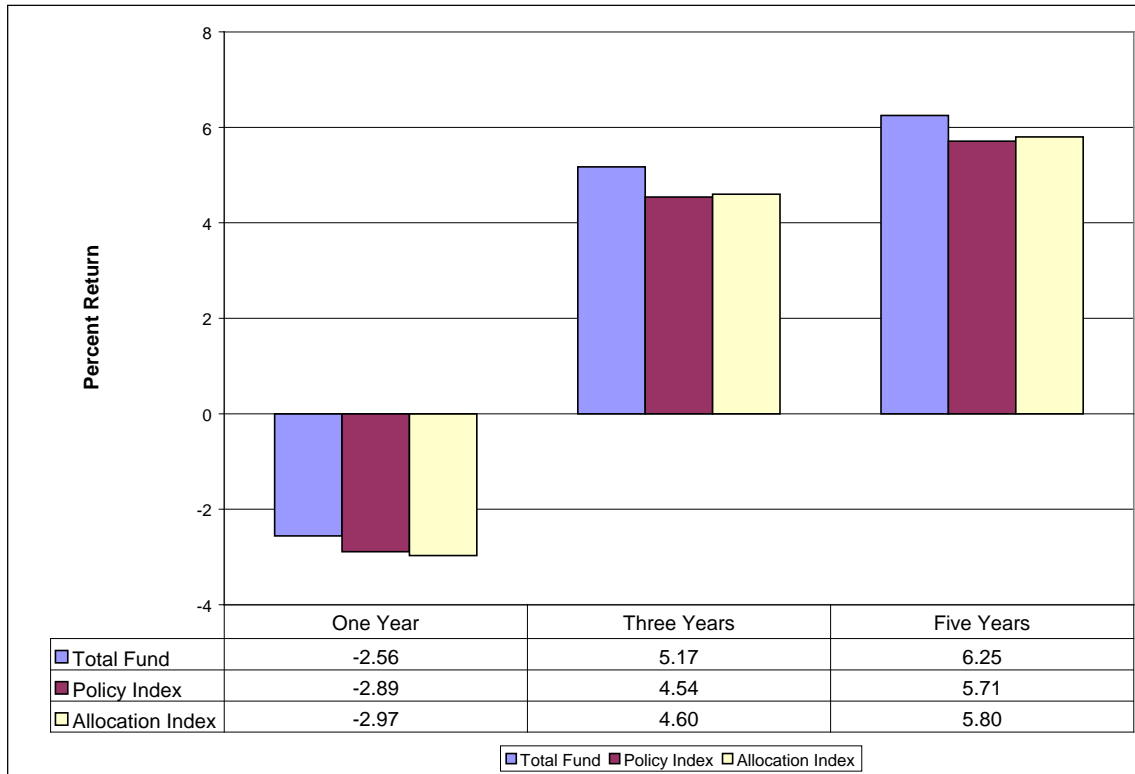
The Allocation Index, also known as the Strategy Index, measures the success of the portfolio’s current allocation. It is calculated by multiplying the style index of each asset class by the actual amount allocated to that asset class. The difference in returns between the Allocation Index and the Total Fund measures the contribution of active fund management.

The Policy Index measures the success of the portfolio’s target allocation. It is calculated by multiplying the asset class benchmark by the percent targeted to each asset class. The difference in returns between the Allocation Index and the Policy Index measures the contribution of deviating from the target allocation. If the Allocation Index exceeds the Policy Index, then active management has added value.

Active management has, in aggregate, contributed excess returns during each of the one, three and five-year trailing periods ended June 30, 2008. Forty-one basis points (bps) of excess return (-2.56 + 2.97 = 41 bps) was achieved over the trailing one-year period. Fifty-seven bps of excess return (5.17

- 4.60 = 57 bps) was achieved over the trailing three-year period. And, forty-five bps of excess return (6.25 - 5.80 = 45 bps) was achieved over the trailing five-year period. This contribution from active management is due mostly to returns from Absolute Return strategies exceeding those of their benchmark.

Returns due to Active Management As of June 30, 2008

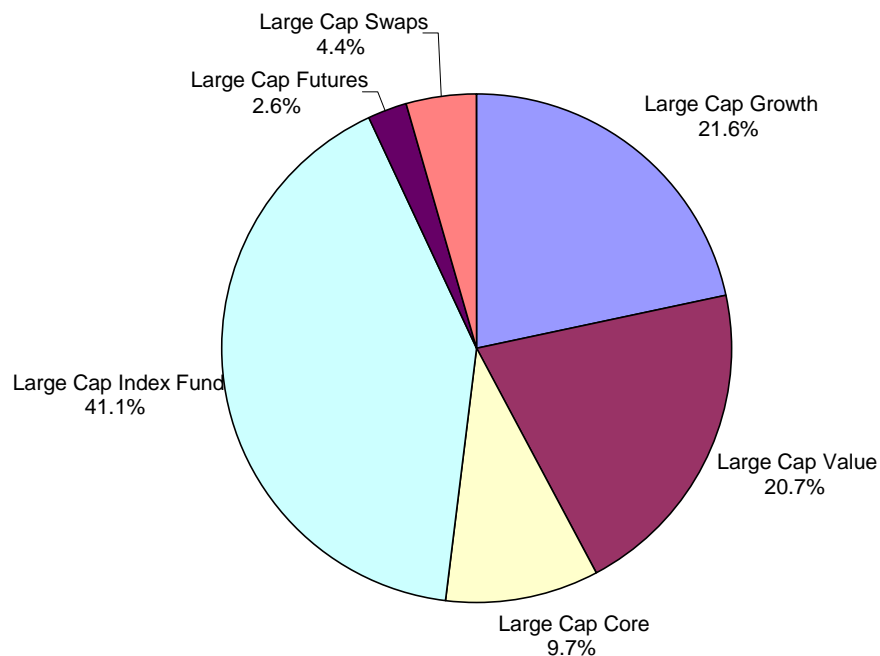


As shown above, the Allocation Index was eight bps short of the Policy Index over the one-year period, but exceeded the Policy Index by six bps over the three-year, and nine basis points over the five-year period.

Large-Cap U.S. Equity

The allocation to Large-Cap U.S. Equities progressively declined during the year from 32.9% to 15.0%. This transitional rebalancing was achieved through partial redemptions, the purchase and sale of futures, and total return swaps. During times of market volatility, the Beta Overlay Manager maintained the desired target allocation within small bands to correct for target deviations. The following pie graph displays the detailed allocations within the asset class.

Large-Cap U.S. Equity Allocations As of June 30, 2008

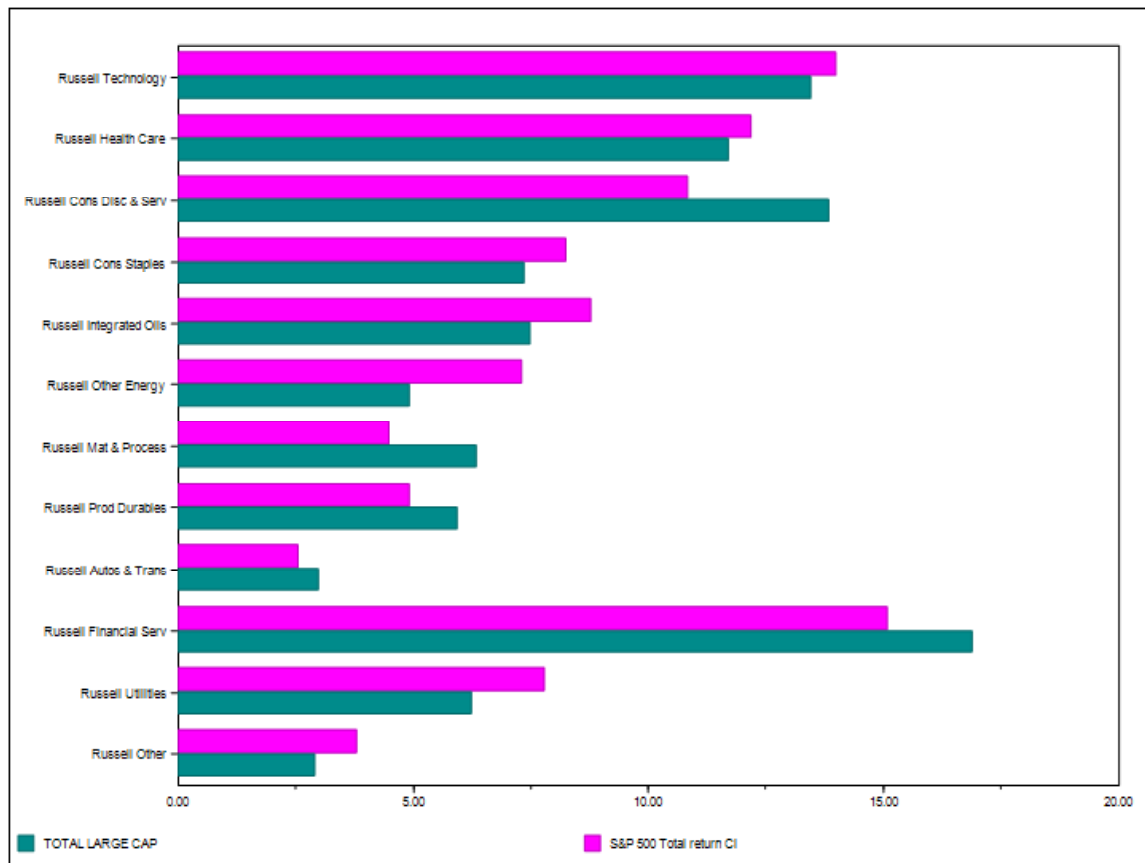


Large-Cap U.S. Equity Return Comparisons For Periods Ending June 30, 2008

Composite versus Benchmark Returns (Gross of Fees)			
	1 Year	3 Year	5 Year
U.S. Large-Cap Growth	-12.4	2.0	4.7
Russell 1000 Growth Index	-6.0	5.9	7.3
U.S. Large-Cap Value	-24.6	0.7	6.0
Russell 1000 Value Index	-13.1	4.4	7.6
U.S. Large-Cap Core (Active)	-13.7	4.0	7.4
S&P 500 Index	-13.1	4.4	7.6
U.S. Large-Cap Index Funds	-13.0	4.5	7.6
S&P 500 Index	-13.1	4.4	7.6

The following graph illustrates how the large cap asset class deviated from the S&P 500 index.

Sector Allocation As of June 30, 2008



The top ten U.S. equity holdings are listed in the table below. The values exclude shares held in passively managed index funds.

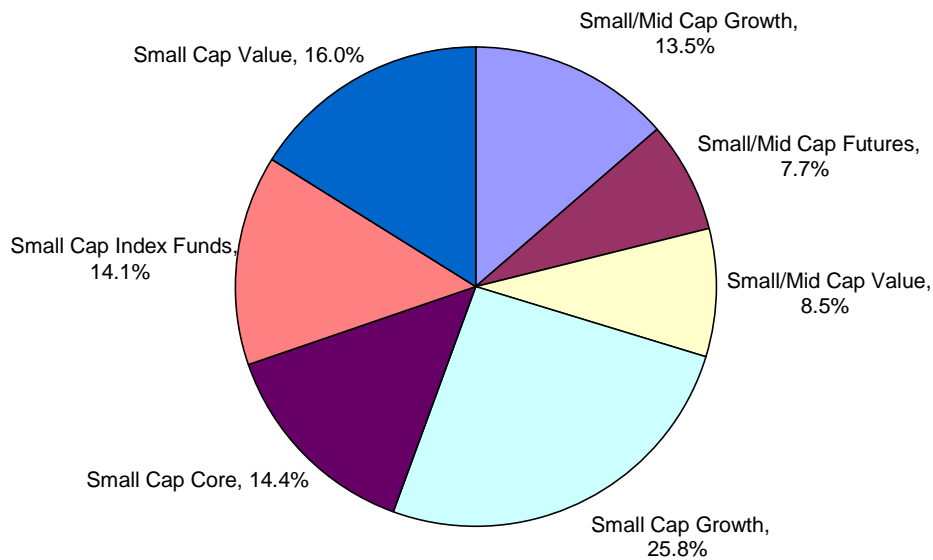
Top U.S. Stock Holdings As of June 30, 2008

Top Largest Holdings		
Name	Market Value	Weight (%)
Quanta SVCS Inc Com	60,671,937.21	0.80
Electronic Arts	42,819,679.08	0.56
Johnson & Johnson Com	41,388,828.22	0.54
Exxon Mobil Corp	36,406,503.00	0.48
Western UN Co Com	34,040,849.04	0.45
Expeditors Intl Wash Inc Com	33,775,683.00	0.44
Teva Pharmaceutical Inds Adr Ltd Com	29,462,040.80	0.39
Costco WHSL Corp New Com	29,259,812.82	0.38
Dell Inc Com	29,107,314.08	0.38
Monsanto Co New Com	28,868,780.80	0.38

Small to Mid-Cap U.S. Equity

A decision was made during the Fiscal Year to allow mid-cap equities to be included with the allocation to small-cap U.S. equities. Accordingly, two existing managers were allowed to expand their mandate to include mid-cap stocks. The allocation to this asset class remained essentially unchanged from Fiscal Year 2007 through Fiscal Year 2008; decreasing from 10.3% to 10.1%. Following are the detailed allocations within this asset class.

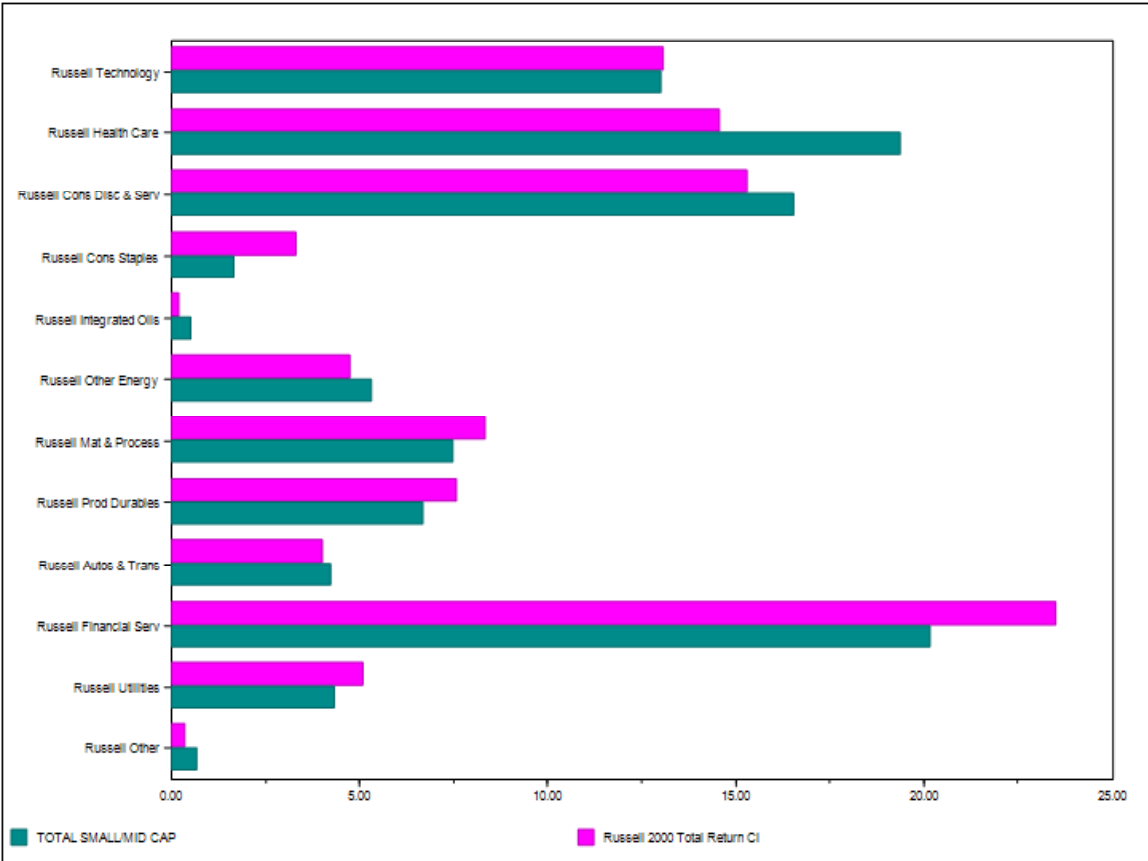
**SMID-Cap U.S. Equity Allocations
As of June 30, 2008**



Composite versus Benchmark Returns (Gross of Fees)			
	1 Year	3 Year	5 Year
U.S. SMID-Cap Growth	-	-	-
Russell 2500 Growth	-9.2	7.4	11.6
U.S. SMID-Cap Value	-	-	-
Russell 2500 Value	-19.9	2.2	10.9
U.S. Small-Cap Growth	-13.8	6.2	9.3
Russell 2000 Growth	-10.8	6.1	10.4
U.S. Small-Cap Core (Active)	-15.4	6.4	14.0
U.S. Small-Cap Index	-16.3	2.2	8.8
Russell 2000	-16.2	3.8	10.3
U.S. Small-Cap Value	-22.8	0.7	9.3
Russell 2000 Value	-21.6	1.4	10.0

The following graph illustrates how the majority of actively managed stocks within the SMID asset class, which are mostly small-cap, deviate from the Russell 2000 Index.

Sector allocation vs. Russell 2000 As of June 30, 2008



U.S. Core Fixed Income

The Fund's allocation to the U.S. Core Fixed Income asset class decreased from 40.0% to 22.6% in the Fiscal Year 2008. The steady and significant liquidations from this asset class raised the cash necessary to fund several new asset classes, especially Global Opportunistic Fixed Income. The following table illustrates how these sales widened the divergence between U.S. Fixed Income and its benchmark, the Lehman Brothers Aggregate Bond Index. The average maturity and duration of the current portfolio increased over last year's spreads, due primarily to the selling of a large amount of short-term bonds. Aggregate quality ratings changed by two notches.

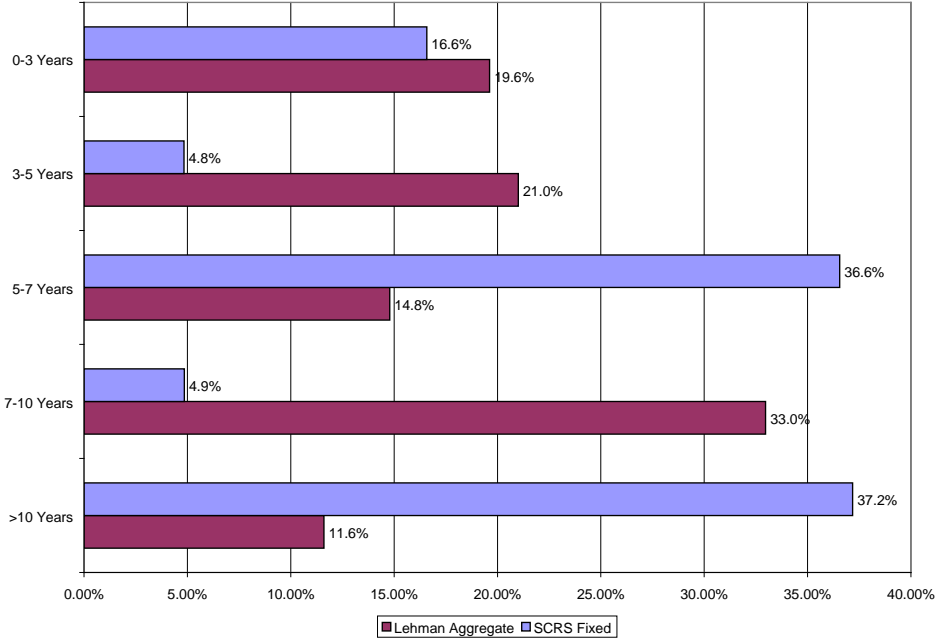
Fixed Income Characteristics versus Lehman Aggregate As of June 30, 2008

	SCRS	LAGG
Average Maturity (yrs)	11.13	7.48
Average Coupon (%)	5.97	5.36
Average Duration	6.27	4.68
Average Moody's Rating	Aa3	Aa1
Average S&P Rating	AA-	AA+

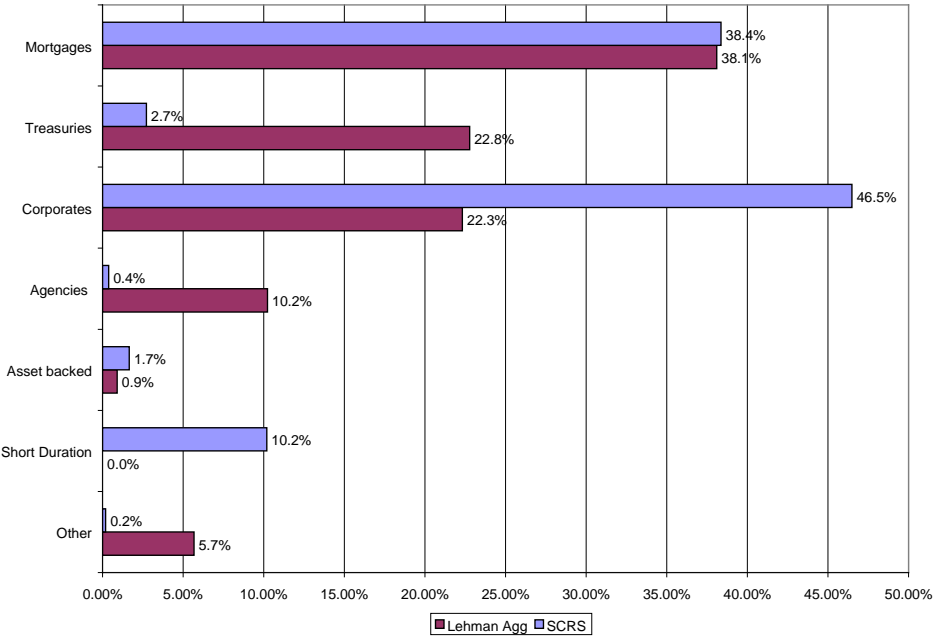
The maturity distribution of the U.S. Fixed Income portfolio changed significantly from the previous year-end. (See the Average Life Chart on the next page.) The percentage of short-term bonds owned declined from 28.2% to 16.6% during the year as these bonds were sold to raise cash. The percentage of 7 – 10 year bonds also decreased sharply, from 33.3% to 4.9%, as maturing bonds rolled into the 5 – 7 year bucket. Consequently, the 5 – 7 year bucket increased sharply from 3.5% to 36.6%. Securities sold from the 7 – 10 year bucket were not replaced. The percentage of bonds with maturities greater than ten years increased moderately from 31.2% to 37.2%. The portfolio traditionally maintained a barbell structure with greater concentrations on both ends of the maturity spectrum than the Lehman Brother's Aggregate Bond Index.

The distribution of bonds by sector also changed significantly from the previous year-end. These changes were also largely the result of efforts to raise cash through bond sales. The percentage of the short duration sector, which is not recognized in the benchmark, declined from 19.8% to 10.2%. This sharp decline led the corporate and mortgage sectors to increase their relative weightings. (See the *Sector Allocations Chart* on the next page).

Average Life: Fixed Income versus Lehman Aggregate As of 6/30/08



Sector Allocations: SCRS versus Lehman Aggregate As of 6/30/08



A comparison of U.S. Core Fixed Income returns to their benchmark indicates the portfolio has normally exceeded the benchmark returns over longer periods of time. However, for the one-year period ended June 30, 2008 the benchmark outperformed the portfolio by 150 bps. The drivers of this short-fall will be explained on the following page.

U.S. Core Fixed Income Return Comparisons For Periods Ending June 30, 2008

U.S. Core Fixed Income versus Benchmark Returns				
	1 Year	3 Year	5 Year	10 Year
SCRS Fixed	5.6	4.4	4.3	5.9
Lehman Agg	7.1	4.1	3.9	5.7
SCRS Short Dur.	3.9	4.6	N/A	N/A
ML 91-Day T-Bill	3.6	4.4	4.3	3.2

The positive contributors to the portfolio's overall performance were duration and other spread. As yield curves experienced a downward shift in rates, longer duration bonds rose in price more than shorter duration bonds. Also, holding a larger percentage of higher yielding corporate securities than the index led to sixty-seven bps of excess return.

The positive contributors were more than offset by a pivot of the yield curve at the longer end (term structure), as short rates declined more than long rates. The normal advantage of lower-rated securities erased 304 bps of return as yield spreads widened. Finally, returns were reduced by 358 bps by different sector exposures between the portfolio and the benchmark.

Performance Attribution Analysis* For the Year Ending June 30, 2008

Return Sources	SCRS	LAGG	Active Mgt
Yield	5.90	5.24	0.67
Currency	0.00	0.00	0.00
Duration	18.68	14.74	3.95
Term Structure	-13.62	-9.05	-4.56
Sector	-8.44	-4.86	-3.58
Quality	-4.26	-1.22	-3.04
Other Spread	5.58	2.24	3.34
Total Model Return	3.84	7.08	-3.24
Selection	1.57	0.04	1.53
Total Return	5.41	7.12	-1.71

* Analysis performed using Wilshire Axiom

** The differences in return between BNY Mellon's custodial system, 5.6, and the Wilshire system, 5.41, are due to different calculation methodologies.

Global Opportunistic Fixed Income

This asset class was originally called simply Global Fixed Income and held a basket of futures designed to replicate the Lehman Global Aggregate Bond Index. The allocation was later expanded to 20% and now includes two other previously defined asset classes: High Yield Bonds and Emerging Markets Debt. During the year, five external managers were funded and the futures exposures were consequently reduced. Approximately 38% of the exposures to the asset class were gained synthetically with futures and total return swaps.

Global Opportunistic FI Return Comparisons For Periods Ending June 30, 2008

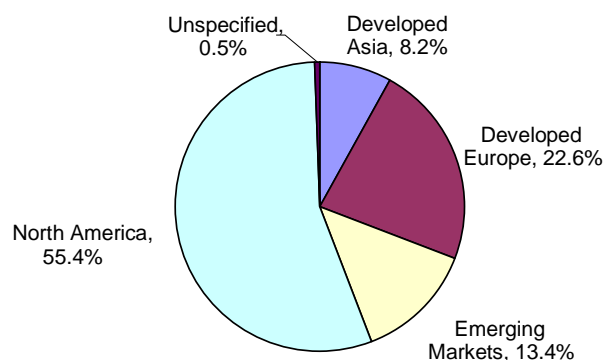
Composite versus Benchmark Returns	1 Month	3 Month	6 Month	1 Year
Global Bonds	-1.2	-1.6	1.4	-
Lehman Global Aggregate Index	0.1	-2.9	3.5	12.9
High Yield	-2.6	-	-	-
Lehman High Yield Index	-2.8	1.8	-1.3	-2.3
Total Global Opportunistic Fixed Income	-1.3	-1.5	1.4	-

Absolute Return

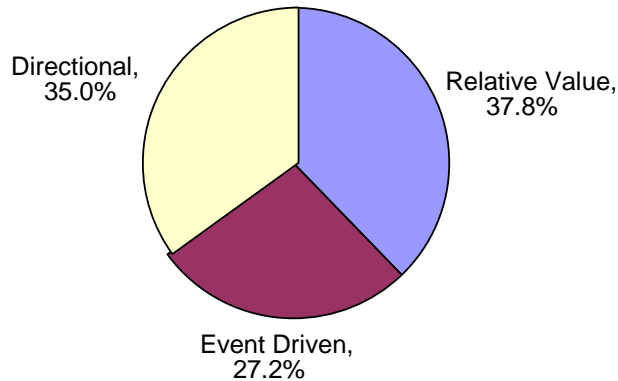
The Fund employs absolute return strategies in a Portable Alpha context with the goal of producing more consistent excess returns than traditional long-only investments. The absolute return strategy is implemented by using hedge fund of funds, direct, and multi-strategy hedge funds. The underlying managers have broader investment guidelines, which allow them to pursue better risk-adjusted returns. The absolute return program is diversified across geographic regions, strategies, and managers.

The following graphs illustrate how the Fund's absolute return program is distributed geographically and by strategy.

Geographic Distribution As of June 30, 2008



Strategy Distribution As of June 30, 2008



Absolute Return Strategies Return Comparisons For Periods Ended June 30, 2008

Composite versus Benchmark Returns	3 Month	6 Month	1 Year
Absolute Return Strategies	1.7	-0.3	3.1
HFRX Global Hedge Fund Index	1.8	-1.0	-3.0

Global Asset Allocation and Opportunistic Credit

Global Asset Allocation (GAA) strategies are often associated with tactical asset allocation or traditional market-timing strategies. While investors have been trying for decades to time the markets, with limited success, strong academic interest has developed in market predictability. The growth in foreign futures markets, liquidity, and the relatively uncorrelated returns with traditional markets has fueled renewed interest in the asset class.

The Commission has allocated 10% toward this asset class and hired four managers over the last year. The asset class was approximately 80% funded by Fiscal Year 2008.

The Commission's 3% target allocation to the Opportunistic Credit asset class springs from the desire to capitalize on the credit dislocations resulting from the housing debacle. Only one manager had been funded by June of 2008.

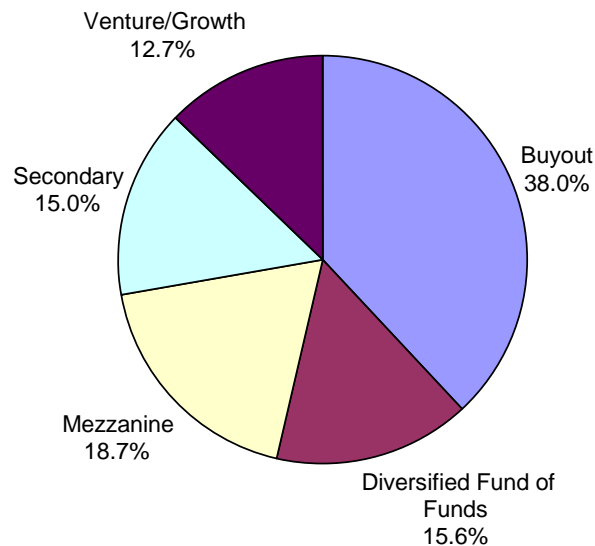
GAA and Opportunistic Credit Return Comparisons For Periods Ending June 30, 2008

Composite versus Benchmark Returns	1 Month	3 Month	6 Month	1 Year
Total GAA Strategies	-2.0	0.6	3.2	-
50% MSCI World, 50% CITI WGBI	-3.8	-3.2	-3.3	1.7
Total Opportunistic Credit	0.0	-	-	-
Lehman High Yield Index	-2.8	1.8	-1.3	-2.3

Private Equity

Investments in non-public companies are considered private equity (PE). The Commission has allocated 6% of the Fund's capital to this asset class. Typically, PE is considered illiquid and requires requiring a commitment of up to 10 years. As portfolio companies develop and go public, they generate earnings in the form of distributions. Consequently, the returns from PE are usually negative in the early years when management fees and startup expenses outweigh income. This is often referred to as the J-curve effect as returns first dip negative, followed by an upward return. Due to the relatively small size and long life of individual commitments, ramping up funded investments to a target allocation can take several years. Although the Fund had committed \$1.3 billion to PE by Fiscal Year 2008, the amount funded was considerably less. The ending value of the asset class was only \$346 million.

Private Equity Strategy Distribution



Private Equity Returns For Periods Ended June 30, 2008

Composite versus Benchmark Returns	3 Month	6 Month	1 Year
Total Private Equity	-2.4	-2.3	-3.7
Venture Economics: All Buyouts	1.5	0.2	9.7
Venture Economics: All Priv Equity	-1.9	-0.1	12.2
Venture Economics: Mezzanine	3.8	5.0	17.9
Venture Economics: Balanced VC	-5.3	-3.2	8.3

Fund Performance by Manager Net-of-Fees

Pursuant to S.C. Code, Ann. §9-16-90, the following table presents the Fund's performance net of fees.

South Carolina Retirement System Manager Performance Net-of-Fees							
Periods Ended June 30, 2008							
	Last 3 Months	Year to Date	Last Year	Annualized Returns		Ending Market Value	Weight in Fund
				Three Years	Five Years		
Pension Composite Gross	(0.5)%	(4.7)%	(2.5)%	5.2%	6.3%	26,983,285,476	100%
Pension Composite Net	(0.6)%	(4.7)%	(2.7)%	5.1%	6.2%		
Financial Composite	(0.9)%	(4.5)%	(2.6)%	5.2%	6.2%		
Allocation Index	(1.0)%	(2.4)%	(3.0)%	4.7%	5.9%		
Policy Index	(1.4)%	(5.1)%	(3.5)%	4.1%	5.5%		
Domestic Equity							
Total Domestic Equity	(1.4)%	(11.8)%	(15.2)%	n/a	n/a	6,283,906,174	23.3%
Russell 3000	(1.7)%	(11.0)%	(12.7)%	4.7%	8.4%		
Total Large Cap Composite	(3.2)%	(12.8)%	(15.5)%	2.9%	6.6%	3,774,199,868	14.0%
Total Large Cap Active Composite	(3.6)%	(13.5)%	(18.0)%	1.3%	5.4%	2,106,708,703	7.8%
Large Core Active Composite	(0.8)%	(10.0)%	(13.9)%	3.8%	7.3%	391,665,902	1.5%
Barclays	(0.8)%	(10.0)%	(13.9)%	4.1%	n/a	391,665,902	1.5%
S&P 500 Indexed Equity	(2.7)%	(11.9)%	(13.0)%	4.4%	7.7%	1,667,491,165	6.2%
S&P 500	(2.7)%	(11.9)%	(13.1)%	4.4%	7.6%		
Large Value Composite	(5.1)%	(14.7)%	(24.6)%	0.6%	5.8%	838,436,672	3.1%
AJO	(1.1)%	(11.2)%	(17.7)%	n/a	n/a	543,422,588	2.0%
Pzena	(11.6)%	(20.4)%	(34.7)%	n/a	n/a	295,014,114	1.1%
Russell 1000	(1.9)%	(11.2)%	(12.4)%	4.8%	8.2%		
Large Growth Composite	(3.4)%	(13.8)%	(12.6)%	1.4%	4.3%	876,606,129	3.2%
WCM	(0.9)%	(10.0)%	(9.1)%	n/a	n/a	521,691,099	1.9%
Legg Mason	(7.0)%	(19.2)%	(17.6)%	n/a	n/a	354,915,030	1.3%
Russell 1000	(1.9)%	(11.2)%	(12.4)%	4.8%	8.2%		
Total Small & Smid Composite	1.6%	(10.5)%	(15.8)%	4.5%	10.7%	2,509,706,306	9.3%
Total Small Cap Active Composite	1.8%	(10.7)%	(15.7)%	4.4%	10.3%	2,126,128,386	7.9%
Small Core Composite	3.2%	(9.9)%	(15.9)%	5.5%	12.9%	391,932,299	1.5%
Fidelity	3.2%	(9.9)%	(15.9)%	5.5%	12.8%	391,932,299	1.5%
SSgA Russell 2000	0.6%	(9.4)%	(16.3)%	n/a	n/a	383,577,920	1.4%
Russell 2000	0.6%	(9.4)%	(16.2)%	3.8%	10.3%		
Small Value Composite	(5.0)%	(14.7)%	(25.6)%	(0.4)%	8.8%	436,230,574	1.6%
Benson	(5.0)%	(14.9)%	(27.0)%	(1.6)%	8.7%	306,758,350	1.1%
Integrity	(4.8)%	(14.0)%	(25.0)%	1.2%	n/a	129,472,224	0.5%
Russell 2000	0.6%	(9.4)%	(16.2)%	3.8%	10.3%		
Small Growth Composite	4.4%	(11.7)%	(14.3)%	5.6%	8.3%	700,283,539	2.6%
Battery March	4.7%	(11.0)%	(20.5)%	0.3%	n/a	182,945,086	0.7%
Turner	4.0%	(10.3)%	(5.8)%	10.6%	n/a	246,924,856	0.9%
Clarivest	4.6%	(13.3)%	(18.0)%	n/a	n/a	270,413,597	1.0%
Russell 2000	0.6%	(9.4)%	(16.2)%	3.8%	10.3%		
Smid Growth Composite	3.3%	(6.7)%	n/a	n/a	n/a	367,416,920	1.4%
Times Square	3.3%	(6.7)%	n/a	n/a	n/a	367,416,920	1.4%
Russell 2500 Growth	3.6%	(7.9)%	(9.2)%	7.4%	11.6%		
Smid Value Composite	2.8%	(6.5)%	n/a	n/a	n/a	230,265,054	0.9%
TSW	2.8%	(6.5)%	n/a	n/a	n/a	230,265,054	0.9%
Russell 2500 Value	(1.2)%	(8.4)%	(19.9)%	2.2%	10.9%		
Int'l Equity Composite	(2.0)%	(10.7)%	n/a	n/a	n/a	485,689,267	1.8%
Barclays	(2.0)%	(10.7)%	n/a	n/a	n/a	485,689,267	1.8%
MSCI EAFE	(2.3)%	(11.0)%	(10.6)%	12.8%	16.7%		
Fixed Income							
Total Fixed Income Composite	(1.0)%	0.6%	6.0%	4.5%	4.4%	10,803,037,159	40.0%
Core Fixed Income	(0.7)%	0.4%	5.4%	4.3%	4.3%	7,271,538,726	26.9%
LB Aggregate	(1.0)%	1.1%	7.1%	4.1%	3.9%		
Total Global Bond Composite	(1.7)%	1.2%	n/a	n/a	n/a	3,531,498,433	13.1%
33.3% WGBI / 33.3% LB HY / 33.3% JPM EM	(1.2)%	1.1%	6.5%	6.2%	n/a		
Loomis Sayles	(0.3)%	(2.3)%	n/a	n/a	n/a	801,840,000	3.0%
Western Asset Management	(1.1)%	(1.3)%	n/a	n/a	n/a	813,774,000	3.0%
LB Global Aggregate	(2.9)%	3.5%	12.9%	5.8%	5.9%		
Mondrian	(3.9)%	4.0%	n/a	n/a	n/a	886,217,839	3.3%
80% WGBI / 20% JPM EM	(3.4)%	4.6%	n/a	n/a	n/a		
Credit Agricole	(0.9)%	4.6%	n/a	n/a	n/a	835,179,157	3.1%
Citi WGBI	(4.2)%	5.0%	17.0%	6.2%	6.4%		
Loomis Sayles HY	n/a	n/a	n/a	n/a	n/a	194,487,437	0.7%
LB HY	1.8%	(1.3)%	(2.3)%	4.6%	6.9%		
Cash	0.4%	1.4%	3.8%	n/a	n/a	309,844,217	1.1%
90 Day LIBOR	0.7%	1.4%	4.1%	4.7%	3.6%		

South Carolina Retirement System Manager Performance Net-of-Fees Periods Ended June 30, 2008							
	Last 3 Months	Year to Date	Last Year	Annualized Returns		Ending Market Value	Weight in Fund
				Three Years	Five Years		
Other							
Total Global Asset Allocation	0.4%	2.7%	n/a	n/a	n/a	2,179,848,186	8.1%
GMO	(0.8)%	(2.6)%	n/a	n/a	n/a	353,004,961	1.3%
Bridgewater All Weather	(0.7)%	3.3%	n/a	n/a	n/a	746,631,391	2.8%
Mellon	(1.9)%	n/a	n/a	n/a	n/a	358,181,926	1.3%
Putnam	2.3%	5.3%	n/a	n/a	n/a	722,029,908	2.7%
50% MSCI World / 50% Citi WGBI	(2.8)%	(2.7)%	n/a	n/a	n/a		
Portable Alpha Pool	1.8%	(0.2)%	3.2%	n/a	n/a	5,961,416,921	22.1%
Mariner	(0.2)%	(5.7)%	(4.7)%	n/a	n/a	338,127,148	1.3%
Morgan Stanley	2.0%	(2.5)%	n/a	n/a	n/a	757,296,547	2.8%
Morgan Stanley Strategy Partners	2.2%	n/a	n/a	n/a	n/a	997,396,994	3.7%
Bridgewater Pure Alpha	1.2%	17.3%	28.1%	n/a	n/a	428,638,560	1.6%
D.E. Shaw	5.6%	7.7%	8.1%	n/a	n/a	375,543,984	1.4%
FrontPoint	4.6%	(0.6)%	11.7%	n/a	n/a	377,000,358	1.4%
GAM	0.5%	(2.7)%	n/a	n/a	n/a	755,594,354	2.8%
Entrust	0.7%	(2.6)%	n/a	n/a	n/a	400,754,400	1.5%
Gottex	1.8%	0.2%	n/a	n/a	n/a	763,425,000	2.8%
Grosvenor	1.2%	(1.6)%	n/a	n/a	n/a	767,639,576	2.8%
HRFX Global Hedge Fund	1.8%	(1.0)%	(3.0)%	n/a	n/a		
Private Equity Composite	(0.7)%	(2.2)%	(6.0)%	n/a	n/a	336,332,141	1.2%
Aquiline PE	n/a	n/a	n/a	n/a	n/a	28,408,767	0.1%
Pantheon USA	n/a	n/a	n/a	n/a	n/a	23,023,190	0.1%
Pantheon Euro	n/a	n/a	n/a	n/a	n/a	18,405,598	0.1%
Carousel Capital	n/a	n/a	n/a	n/a	n/a	11,288,177	0.0%
TCW MTG Credit	(0.6)%	(11.1)%	n/a	n/a	n/a	107,934,469	0.4%
Warburg Pincus	n/a	n/a	n/a	n/a	n/a	18,325,308	0.1%
Goldman Sachs	n/a	n/a	n/a	n/a	n/a	14,000,000	0.1%
TrueBridge	n/a	n/a	n/a	n/a	n/a	9,063,123	0.0%
Northstar	n/a	n/a	n/a	n/a	n/a	9,161,338	0.0%
Apax Europe	n/a	n/a	n/a	n/a	n/a	14,898,228	0.1%
TCW Cres Mezz	n/a	n/a	n/a	n/a	n/a	21,505,786	0.1%
Lehman Brothers	n/a	n/a	n/a	n/a	n/a	1,251,041	0.0%
Square 1	n/a	n/a	n/a	n/a	n/a	2,999,000	0.0%
Paul Capital	n/a	n/a	n/a	n/a	n/a	1,017,744	0.0%
Angelo Gordon	n/a	n/a	n/a	n/a	n/a	15,040,372	0.1%
TCW Strategy Partners	n/a	n/a	n/a	n/a	n/a	40,000,000	0.1%
Venture Economics	n/a	n/a	n/a	n/a	n/a		
Overlay							
Total Russell Overlay						578,221,411	2.1%
Russell Overlay	n/a	n/a	n/a	n/a	n/a	637,812,828	2.4%
Russell Swaps	n/a	n/a	n/a	n/a	n/a	-59,591,417	-0.2%
Russell Overlay Policy Index	(1.2)%	(4.8)%	(2.9)%	4.5%	5.8%		
Russell Overlay Strategy Index	(1.0)%	(4.6)%	(3.0)%	4.7%	5.9%		
Miscellaneous							
MS Bridge Loan	n/a	n/a	n/a	n/a	n/a	45,000,000	0.2%

Source: NEPC

Investment and Administrative Expenses

**South Carolina Retirement Systems
Schedule of Investment Expenses
Fiscal Year Ended June 30, 2008
(Amounts Expressed in 000's)**

	2006	2007	2008
Total Plan Assets	25,381,948	28,048,780	26,633,045
Investment Management Expenses			
Investment Managers' Fees	28,293	32,065	60,159
Investment Service Fees	1,544	1,582	4,949
Limited Partnership Expenses	N/A	2,500	1,909
Administrative Expenses ^A	1,036	2,407	3,570
Gross Expenses	30,873	38,554	70,587
Total Expenses as a Percentage of Total Assets	0.12%	0.14%	0.27%
Securities Lending Activities			
Securities Lending Income	194,823	293,125	209,364
Securities Lending Expenses	183,825	281,435	178,150
Net Securities Lending Income	10,998	11,690	31,214
Brokerage Fees	8,236	7,942	7,271
Brokerage Fees as a Percentage of Total Assets	0.03%	0.03%	0.03%

^A Includes Investment Consultant Fees

From Fiscal Year 2006 to Fiscal Year 2008, gross expenses increased approximately \$39.7 million, or 128.6%. The rise in expenses can be associated with the increase in active external managers. As the portfolio continues to diversify into additional asset classes, such as international equities, private equity and real estate, investment manager fees are expected to increase. The fees stated above exclude those charged by alternative investment managers who net management fees against investment income.

While management fees are expected to increase with diversification, the after-fee returns associated with investing in targeted asset classes are expected to exceed those available from more traditional investment vehicles. According to the most recent study available from CEM Benchmarking presented to the Commission in March 2007, applying peer group benchmarked costs to the target asset allocations will lead to increased costs of approximately \$204 million per annum. However, the returns from the new asset allocation are expected to be approximately 110 bps higher than the prior policy mix, after all fees have been paid. This is expected to translate into an additional \$286 million added to the Fund. Although this study was conducted in the previous fiscal year, its predictions are expected to be realized as diversification into the target asset classes is achieved.

Appendix A

South Carolina Investment Commission
Summary Schedule of Assets and Derivatives (000's)
As of June 30, 2008

	<u>Balance Sheet Value</u>	<u>Off Balance Sheet Notional Value</u>
Cash Equivalents and S-T Investments:		
Cash - Non Custodied	\$30,814	
Cash Collateral at Broker	112,050	
Total Short-Term Investments	1,623,843	
Total Interest Receivables	79,456	
Total Miscellaneous Receivables	827,743	
Total Miscellaneous Payables	-283,216	
Unrealized P/L on Forward Contracts	56,641	
Total Cash and S-T Investments	<u>2,447,331</u>	
Fixed Income Investments:		
U.S. Core Fixed Income	6,161,772	
Global Bonds	3,337,011	
High Yield Bonds	194,487	
Total Fixed Income Investments	<u>9,693,270</u>	
Equity Investments:		
U.S. Common Stocks	6,170,274	
U.S. Convertible Preferred Stocks	1,018	
Total International Stocks	485,689	
Total Equity	<u>6,656,980</u>	
Alternative Investments:		
GTAA	2,179,848	
Opportunistic Credit	15,040	
Private Equity	346,148	
Hedge Funds	5,876,446	
Total Alternative Investments	<u>8,417,482</u>	
Swaps:		
Domestic Equity	-23,590	\$178,655
Emerging Equity	-14,501	1,285,500
International Equity	-119,841	1,330,159
Emerging Debt	-12,909	687,091
High Yield Debt	-2,445	97,555
Core Fixed Income	111	-249,889
World Time Valuation Adjustment	1,530	0
Total Swaps	<u>-171,645</u>	<u>3,329,070</u>
Futures:		
U.S. Large Cap	-	103,769
U.S. Small/Mid Cap	-	209,337
International Equity	-	2,224,276
International Fixed Income	-	1,360,985
U.S. Fixed Income	-	-902,613
Total Futures		<u>2,995,754</u>
Tota Investments:	<u><u>\$27,043,418</u></u>	<u><u>\$6,324,824</u></u>

Appendix B

South Carolina Investment Commission
Short-Term Holdings (000's)
As of June 30, 2008

<u>Description</u>	<u>Base Cost</u>	<u>Base Market Value</u>
CASH - NON CUSTODIED	\$30,814	\$30,814
Total Cash and Equivalents	30,814	30,814
SWAP COLLATERAL WITH DEUTSCHE	20,500	20,500
SWAP COLLATERAL WITH CREDIT	18,700	18,700
SWAP COLLATERAL WITH MORGAN	19,910	19,910
SWAP COLLATERAL WITH JP MORGAN	52,940	52,940
Cash Collaterral at Brokers	112,050	112,050
UNITED STATES TREAS BILLS	236,573	236,656
Total T-Bills	236,573	236,656
FEDERAL HOME LN BK CONS DISC	89,464	89,464
FEDERAL HOME LN BK CONS DISC	71,503	71,503
FEDERAL HOME LN BK CONS DISC	24,980	24,980
FEDERAL HOME LN BKS CONS DISC	23,707	23,707
FEDERAL HOME LN BK CONS DISC	24,974	24,974
FEDERAL HOME LN BK CONS DISC	24,990	24,990
Total Federal Home Loan Disc Nts	259,618	259,618
ENHANCED RDA I - STIF	16,871	16,871
BRIDGEWATER STIF II FD	140,140	140,140
Total STIF Accounts	157,011	157,011
DREYFUS GOVT CASH MGMT FUND	250,163	250,163
Total Money Market Funds	250,163	250,163
SOUTH CAROLINA EQUITY CASH	432,791	432,791
Total Repurchase Agreements	432,791	432,791
BANK OF MONTREAL INSTL C/D	19,998	19,998
BANK SCOTLAND NY INSTL C/D	24,977	24,977
Total CDs	44,975	44,975
BA CR CARD TR ECN DISC	24,993	24,993
BOSCH FIN CORP DISC	24,998	24,998
CARGILL INC DISC	24,988	24,988
DOLLAR THRIFTY DISC	9,057	9,057
FPL GROUP CAPITAL DISC	19,993	19,993
MONT BLANC CAP DISC	49,996	49,996
SVENSKA HDLSBK S DISC	23,589	23,589
THREE PILLARS FDG DISC	14,992	14,992
UNICREDITO IT IRE DISC	24,987	24,987
VERIZON COMMNTN DISC	24,998	24,998

Appendix B

South Carolina Investment Commission
Short-Term Holdings (000's)
As of June 30, 2008

<u>Description</u>	<u>Base Cost</u>	<u>Base Market Value</u>
ADJ TO MKT VAL - JOURNAL ENTRY	39	39
Total Commercial Paper	242,629	242,629
Total Short Term Investments	1,623,760	1,623,843
DIVIDENDS RECEIVABLE	3,260	3,260
INTEREST RECEIVABLE	77,424	77,424
INTEREST PAYABLE-SHORT SELL	-1,228	-1,228
Total Interest Receivable	79,456	79,456
RECEIVABLE FOR INVESTMENTS SOLD	823,264	823,264
VARIATION MARGIN ON FIXED INCOME FUTURES	-5,034	-5,034
VARIATION MARGIN ON EQUITY FUTURES	9,512	9,512
Total Misc Receivables	827,743	827,743
CASH	-165,928	-165,928
PAYABLE FOR INVESTMENTS PURCHASED	-106,027	-106,027
FAILED TRADE PAYABLE	-11,262	-11,262
Total Misc Payables	-283,216	-283,216
FFX CONTRACTS RECEIVABLE	138,959	141,457
FFX CONTRACTS RECEIVABLE	548,015	558,565
FFX CONTRACTS RECEIVABLE	254,776	257,263
FFX CONTRACTS RECEIVABLE	1,786,811	1,820,952
PAYABLE FOR FORWARD FX CONTRACTS	-50,970	-51,792
FFX CONTRACTS RECEIVABLE	868,022	876,240
FFX CONTRACTS RECEIVABLE	50,970	50,538
PAYABLE FOR FORWARD FX CONTRACTS	-3,596,583	-3,596,583
Total U/R P/L on Forward Contracts	0	56,640
Total Cash and S-T Investments	\$2,390,607	\$2,447,331

Appendix C

South Carolina Investment Commission
Fixed Income Holdings (000's)
As of June 30, 2008

<u>Issuer</u>	<u>Price</u>	<u>Maturity Date</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>
AETNA INC SR NT	96.0	6/15/2036	\$20,000	\$19,961	\$19,206
ALABAMA PWR CO SR NT	96.0	2/15/2019	25,000	24,884	24,004
ALLEGHENY GENERATING CO DEBS	98.7	9/1/2023	17,240	15,485	17,019
AMERICAN GEN CORP	96.6	7/15/2025	7,620	8,459	7,364
AMGEN INC SR NT	99.7	11/28/2008	11,000	10,933	10,966
ANADARKO PETE CORP SR NT	98.9	9/15/2009	25,000	24,867	24,715
AOL TIME WARNER INC NT	102.3	5/1/2012	30,750	29,231	31,461
APPALACHIAN PWR CO SR NT SER H	87.2	5/15/2033	28,334	27,460	24,700
APPALACHIAN PWR CO SR NT SER L	85.1	10/1/2035	12,215	11,756	10,398
ARCHER DANIELS MIDLAND CO BDS	112.1	3/15/2027	34,000	33,189	38,121
ARIZONA PUB SVC CO	75.7	9/1/2035	32,170	29,797	24,354
ARROW ELECTRONICS INC SR DEBS	100.4	1/15/2027	34,000	35,999	34,134
AT&T BROADBAND CORP NT	120.9	11/15/2022	30,000	33,003	36,267
ATLANTA GAS LT CO MTN TR00057	103.8	7/15/2027	10,000	9,869	10,375
ATLANTIC CITY ELEC CO SR NT	90.3	5/15/2034	16,500	16,449	14,904
AVISTA CORP 1ST MTG BD	89.4	12/1/2035	10,000	9,937	8,942
BALTIMORE GAS & ELEC CO MTN	100.8	11/14/2008	14,911	15,853	15,032
BAXTER INTL INC SHELF 9	105.6	2/15/2028	20,000	19,788	21,119
BEAR STEARNS COS INC MEDIUM	98.8	10/15/2023	50,000	49,940	49,406
BECTON DICKINSON & CO SR DEBS	104.8	8/1/2028	34,700	30,510	36,348
BELLSOUTH CORP NT	99.9	8/15/2008	20,700	20,684	20,687
BLUE CROSS BLUE SHIELD 144A	106.0	11/15/2011	20,000	21,877	21,206
BRITISH TELECOMMUNICATIONS NT	107.4	12/15/2010	10,000	12,223	10,738
BRITISH TELECOMMUNICATIONS PLC	120.2	12/15/2030	20,000	25,490	24,041
BROWNING-FERRIS	95.0	9/15/2035	29,980	29,527	28,481
BURLINGTON NORTHERN 2002-2	95.4	1/15/2021	12,632	12,501	12,045
BURLINGTON RES INC	121.3	3/15/2025	8,000	9,714	9,705
CARGILL INC MTN #TR 00016 144A	104.0	7/29/2027	20,000	20,940	20,809
CARGILL INC MTN 144A	99.7	1/21/2011	10,000	10,000	9,967
CENTRAL HUDSON GAS MTN TR00013	85.8	12/5/2035	8,000	8,000	6,866
CENTRAL ILL PUB MTN #TR 00013	101.7	6/1/2017	18,000	19,403	18,312
CENTRAL ME PWR CO MTN 144A	81.3	6/10/2035	20,000	18,469	16,266
CHICAGO ILL TAXABLE-SER B	100.0	1/1/2019	23,400	23,400	23,400
CINCINNATI FINL CORP DEB	98.9	5/15/2028	23,712	24,981	23,460
CINCINNATI FINL CORP SR NT	88.4	11/1/2034	16,185	16,484	14,309
CINTAS CORP NO 2 SR NT	91.5	8/15/2036	20,000	19,870	18,309
CITIZENS UTILS CO DEL DEBS	71.8	7/1/2035	27,500	29,650	19,735
CLECO PWR LLC SR NT	91.5	12/1/2035	17,000	16,871	15,547
COCA COLA ENTERPRISES INC	116.0	9/15/2022	30,000	29,597	34,795
COLONIAL PIPELINE CO SR 144A	113.8	4/15/2032	17,000	19,890	19,345
COMMIT TO PUR FNMA SF MTG	98.6	7/1/2038	(183,000)	(180,779)	(180,369)
COMMIT TO PUR FNMA SF MTG	100.9	7/1/2038	(268,000)	(270,816)	(270,345)
COMMIT TO PUR FNMA SF MTG	95.8	7/1/2038	(157,000)	(150,743)	(150,475)
COMMONWEALTH EDISON CO 1ST MTG	90.3	3/15/2036	32,300	31,940	29,161
CONAGRA FOODS INC NT	104.1	9/15/2011	15,290	15,516	15,921
CONAGRA INC NT	105.7	9/15/2010	15,386	16,734	16,263

Appendix C

South Carolina Investment Commission
Fixed Income Holdings (000's)
As of June 30, 2008

<u>Issuer</u>	<u>Price</u>	<u>Maturity</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market</u>
		<u>Date</u>			<u>Value</u>
CONOCO FDG CO NT	105.8	10/15/2011	8,000	7,987	8,460
CONSOLIDATED EDISON CO NY INC	91.9	3/15/2036	25,000	25,048	22,973
CONTINENTAL AIRLS 01-1 CL A 2	92.5	6/15/2011	10,000	9,917	9,250
COOPER TIRE & RUBR CO NT	80.0	3/15/2027	6,500	6,762	5,200
CSX TRANSN INC EQUIP 00 SER B	113.6	5/15/2015	2,100	2,100	2,385
DAYTON HUDSON CORP CDT MTN D	121.8	6/10/2015	250	338	305
DEERE JOHN CAP CORP #TR00339	100.0	7/15/2008	20,000	19,999	20,000
DETROIT EDISON CO SR NT 2006 A	102.2	6/1/2036	29,000	28,984	29,639
DEUTSCHE TELEKOM INTL FIN B V	119.5	6/1/2032	22,075	29,523	26,386
DISNEY WALT CO DEB	115.9	7/15/2093	28,000	27,758	32,462
DUKE ENERGY FIELD SVCS 144A	91.2	11/3/2036	5,000	4,998	4,559
DUQUESNE LT CO 1ST MTG BD	104.6	4/15/2012	18,250	18,677	19,091
EMPIRE DIST ELEC CO SR NT	92.6	11/15/2033	36,000	35,860	33,350
EMPIRE DIST ELEC CO SR NT	82.0	7/1/2035	20,000	19,890	16,397
ENERGY TRANSFER PARTNERS SR NT	96.8	2/15/2017	5,000	4,996	4,842
ENERGY ARK INC 1ST MTG BD	93.2	5/1/2018	5,500	5,271	5,127
ENERGY GULF STS INC 1ST MTG	98.8	12/1/2009	40,000	40,009	39,537
ENERGY GULF STS INC 1ST MTG	96.8	6/1/2015	15,000	14,981	14,513
ENERGY LA LLC 1ST MTG BD	93.4	10/1/2034	10,000	9,415	9,339
ENERGY LA LLC 1ST MTG BD	91.5	9/1/2035	9,000	8,317	8,238
ENERGY MISS INC 1ST MTG BD	97.8	5/1/2011	19,500	19,475	19,070
ENERGY MISS INC 1ST MTG BD	98.5	2/1/2016	16,500	16,494	16,247
EQUIFAX INC DEB	93.7	7/1/2028	35,000	34,650	32,807
EQUITABLE LIFE ASSURANCE NTS	108.0	12/1/2015	6,000	6,488	6,481
EQUITABLE RES INC DEB	100.4	7/15/2026	15,000	15,563	15,057
EVEREST REINS HLDGS INC SR NT	106.6	3/15/2010	10,000	9,948	10,664
EXPRESS PIPELINE LTD 144A	112.3	12/31/2019	4,925	5,307	5,530
FBL FINL GROUP SR NT	96.9	4/15/2014	24,500	24,436	23,738
FEDERAL EXPRESS CORP 1997-1-C	98.4	1/15/2014	3,542	3,599	3,484
FEDERAL FARM CR BKS CONS SYS	106.7	7/20/2009	15,000	15,000	15,999
FHLMC MULTICLASS MTG 1720 PL	107.4	4/15/2024	7,400	7,014	7,949
FHLMC MULTICLASS MTG 1733 PJ	106.5	6/15/2024	5,873	5,419	6,256
FHLMC MULTICLASS MTG 29 W	107.4	4/25/2024	12,122	12,038	13,019
FHLMC MULTICLASS MTG 33 J	106.9	5/25/2024	9,189	9,001	9,822
FHLMC MULTICLASS MTG 35 PK	107.1	7/17/2024	6,083	5,803	6,516
FIRST TENN BK N A MTN #TR00070	95.8	5/18/2009	20,617	18,576	19,747
FLORIDA PWR CORP 1ST MTG	105.6	7/15/2011	23,490	25,053	24,800
FNMA POOL #0073814	107.1	12/1/2016	4,258	4,198	4,560
FNMA POOL #0104592	102.9	7/1/2020	59	59	61
FNMA POOL #0104593	101.3	9/1/2020	3	3	3
FNMA POOL #0111049	109.3	11/1/2020	121	121	132
FNMA POOL #0111050	102.7	11/1/2020	69	69	71
FNMA POOL #0111051	102.8	12/1/2020	91	91	93
FNMA POOL #0111052	102.9	12/1/2020	64	64	66
FNMA GTD REMIC P/T	105.0	3/25/2022	1,091	1,061	1,145
FNMA GTD REMIC P/T	101.4	7/25/2023	2,005	1,692	2,032

Appendix C

South Carolina Investment Commission
Fixed Income Holdings (000's)
As of June 30, 2008

<u>Issuer</u>	<u>Price</u>	<u>Maturity Date</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>
FNMA GTD REMIC P/T 1991-123 EB	106.6	9/25/2021	493	493	525
FNMA GTD REMIC P/T 1992-131 KB	107.7	8/25/2022	3,824	3,701	4,119
FNMA GTD REMIC P/T 91-139 PM	107.6	10/25/2021	782	772	842
FNMA GTD REMIC P/T 91-162 GB	107.6	12/25/2021	573	568	617
FNMA GTD REMIC P/T 92-117 MA	106.8	7/25/2022	1,190	1,131	1,270
FNMA GTD REMIC P/T 92-143 M	106.7	9/25/2022	1,229	1,196	1,312
FNMA GTD REMIC P/T 92-163 L	106.7	9/25/2022	1,904	1,891	2,032
FNMA GTD REMIC P/T 92-185 L	106.6	10/25/2022	3,856	3,842	4,111
FNMA GTD REMIC P/T 92-214 PM	108.1	12/25/2022	3,044	3,036	3,289
FNMA GTD REMIC P/T 92-31 L	107.2	3/25/2022	862	851	924
FNMA GTD REMIC P/T 92-36 PN	107.1	3/25/2022	1,058	1,047	1,133
FNMA GTD REMIC P/T 92-88 M	106.7	6/25/2022	3,133	2,929	3,342
FNMA GTD REMIC P/T 92-89 M	108.1	6/25/2022	983	968	1,063
FNMA GTD REMIC P/T CTF 92-112G	106.7	7/25/2022	1,078	1,030	1,151
FNMA GTD REMIC P/T CTF 92-150M	106.8	9/25/2022	1,359	1,323	1,451
FNMA GTD REMIC P/T CTF 92-84 L	103.6	5/25/2022	944	842	978
FNMA GTD REMIC P/T CTF G92-19M	109.4	4/25/2022	1,953	1,942	2,137
FNMA GTD REMIC P/T CTFG94-6PY	105.6	5/17/2024	4,342	4,129	4,586
FNMA GTD REMIC P/T G 94-6 PJ	108.2	5/17/2024	3,370	3,303	3,647
FNMA GTD REMIC P/T G-27 JQ	106.8	9/25/2021	959	939	1,024
FNMA GTD REMIC P/T G92-35 EA	106.7	7/25/2022	1,610	1,529	1,717
FNMA GTD REMIC P/T G92-41 MA	106.5	8/25/2022	1,579	1,512	1,681
FNMA GTD REMIC P/T G92-64 J	108.6	11/25/2022	8,458	8,380	9,184
FNMA GTD REMIC P/T G92-66 K	108.7	12/25/2022	3,334	3,308	3,624
FNMA GTD REMIC P/T G94-7 PJ	106.5	5/17/2024	7,947	7,387	8,462
FNMA GTD REMIC P/T G94-8 K	107.2	7/17/2024	9,316	8,980	9,982
FNMA GTD REMIC PT CTF 90-112 G	108.8	9/25/2020	123	123	134
FNMA GTD REMIC TR 1993-183 KA	104.4	10/25/2023	4,000	3,303	4,175
GENERAL AMERN LIFE INS CO	117.0	1/15/2024	37,500	36,539	43,887
GENERAL MLS INC NT	102.8	2/15/2012	21,216	20,649	21,816
GNMA POOL #0201300	106.8	4/15/2017	173	152	185
GNMA POOL #0215190	106.6	7/15/2017	194	170	207
GNMA POOL #0395483	102.0	1/15/2031	9,239	8,236	9,422
GNMA POOL #0400631	108.1	5/15/2030	8,344	8,323	9,018
GNMA POOL #0427475	111.7	6/15/2029	7,115	7,037	7,946
GNMA POOL #0550561	99.6	7/15/2035	17,130	17,001	17,066
GNMA POOL #0550614	99.6	8/15/2035	17,714	17,593	17,647
GNMA POOL #0550657	99.6	9/15/2035	106,865	106,564	106,450
GNMA POOL #0550695	99.6	10/15/2035	18,429	18,398	18,356
GNMA POOL #0550728	99.6	11/15/2035	57,095	56,785	56,865
GNMA POOL #0553520	103.5	3/15/2032	1,786	1,780	1,849
GNMA POOL #0569159	103.5	3/15/2032	2,970	2,961	3,075
GNMA POOL #0569684	102.2	2/15/2032	2,446	2,423	2,500
GNMA POOL #0569704	102.2	2/15/2032	5,643	5,594	5,766
GNMA POOL #0570518	102.2	1/15/2032	4,218	4,181	4,310
GNMA POOL #0574466	103.5	3/15/2032	2,214	2,207	2,292

Appendix C

South Carolina Investment Commission
Fixed Income Holdings (000's)
As of June 30, 2008

Issuer		Price	Maturity Date	Face Value	Book Value	Market Value
GNMA	POOL #0587074	101.7	5/15/2032	6,757	6,691	6,873
GNMA	POOL #0595760	99.6	6/15/2035	16,427	16,365	16,367
GNMA	POOL #0602183	99.9	2/15/2033	9,592	9,496	9,586
GNMA	POOL #0602533	99.6	2/15/2036	26,767	26,599	26,652
GNMA	POOL #0602553	99.6	3/15/2036	29,010	28,756	28,884
GNMA	POOL #0604046	99.8	2/15/2033	81,966	81,706	81,831
GNMA	POOL #0604436	96.0	7/15/2018	201	200	193
GNMA	POOL #0604713	99.8	10/15/2033	11,252	11,062	11,228
GNMA	POOL #0604724	99.9	10/15/2033	10,920	10,698	10,913
GNMA	POOL #0605107	99.8	3/15/2034	21,948	21,894	21,894
GNMA	POOL #0605186	99.7	4/15/2034	17,287	17,247	17,241
GNMA	POOL #0605267	99.7	6/15/2034	23,652	23,477	23,585
GNMA	POOL #0605385	99.7	4/15/2034	17,119	16,992	17,075
GNMA	POOL #0605390	99.7	4/15/2034	44,697	44,655	44,582
GNMA	POOL #0605527	99.7	10/15/2034	28,453	27,688	28,364
GNMA	POOL #0606252	99.6	4/15/2036	45,245	44,131	45,045
GNMA	POOL #0606288	99.6	5/15/2036	77,729	76,838	77,381
GNMA	POOL #0615286	99.8	7/15/2033	9,027	9,016	9,010
GNMA	POOL #0615554	99.8	9/15/2033	9,712	9,514	9,692
GNMA	POOL #0616997	99.6	2/15/2036	18,633	18,563	18,554
GNMA	POOL #0617027	99.6	3/15/2036	20,139	20,095	20,050
GNMA	POOL #0617057	99.6	4/15/2036	24,606	24,083	24,497
GNMA	POOL #0617087	99.6	5/15/2036	36,851	35,745	36,685
GNMA	POOL #0633488	99.6	3/15/2036	54,066	53,887	53,827
GNMA	POOL #0643374	99.6	10/15/2035	17,944	17,913	17,872
GNMA	POOL #0644678	99.6	10/15/2035	33,039	32,698	32,908
GNMA	POOL #0645908	99.6	4/15/2036	15,808	15,472	15,737
GNMA	POOL #0648372	99.6	11/15/2035	17,186	17,121	17,116
GNMA	POOL #0650043	99.6	4/15/2036	9,897	9,687	9,853
GNMA	POOL #0650111	99.6	1/15/2036	26,984	26,925	26,871
GNMA	POOL #0650958	99.6	12/15/2035	16,731	16,627	16,662
GNMA	POOL #0651174	99.6	1/15/2036	20,846	20,827	20,759
GNMA	POOL #0651719	99.6	2/15/2036	20,674	20,208	20,586
GNMA	POOL #0651722	99.6	2/15/2036	104,753	104,540	104,307
GNMA	POOL #0651742	99.6	3/15/2036	19,729	19,711	19,644
GNMA	POOL #0651788	99.6	4/15/2036	82,959	81,469	82,594
GNMA	POOL #0651789	99.6	4/15/2036	84,309	82,833	83,937
GNMA	POOL #0651913	99.6	4/15/2036	21,623	21,400	21,526
GNMA	POOL #0651940	99.5	5/15/2036	66,432	64,925	66,129
GNMA	POOL #0651965	99.5	6/15/2036	35,213	34,024	35,050
GNMA	POOL #0652540	99.6	5/15/2036	27,615	26,847	27,491
GNMA	POOL #0654834	99.5	6/15/2036	19,176	18,691	19,089
GNMA	POOL #0658257	99.5	1/15/2037	55,053	54,657	54,781
GNMA	POOL #0658709	99.5	5/15/2037	66,567	65,652	66,220
GNMA	POOL #0662118	99.5	2/15/2037	43,535	42,991	43,318
GNMA	POOL #0662396	99.5	5/15/2037	65,976	65,311	65,636

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<u>Issuer</u>	<u>Price</u>	<u>Maturity Date</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>
GNMA POOL #0668405	101.4	4/15/2037	43,589	43,099	44,209
GNMA POOL #0781590	99.7	4/15/2033	51,373	51,309	51,200
GNMA POOL #0781654	99.9	10/15/2033	9,542	9,476	9,536
GNMA POOL #0781760	99.7	6/15/2034	12,276	12,222	12,235
GNMA POOL #0781986	99.7	9/15/2035	63,042	62,659	62,829
GNMA POOL #0781987	99.7	10/15/2035	134,078	133,585	133,625
GNMA POOL #0781999	99.7	11/15/2035	18,100	18,061	18,039
GNMA POOL #0782006	99.7	12/15/2035	37,226	36,959	37,100
GNMA POOL #0782007	99.7	12/15/2035	94,640	94,193	94,320
GNMA POOL #0782020	99.7	12/15/2035	18,609	18,571	18,546
GNMA POOL #0782055	99.7	2/15/2036	76,714	76,328	76,455
GNMA POOL #0782076	99.7	3/15/2036	37,632	37,491	37,505
GNMA POOL #0782131	99.8	12/15/2036	21,478	21,317	21,427
GNMA POOL #0782138	99.7	2/15/2037	109,648	108,826	109,356
GNMA GTD REMIC P/T 03-105 VH	95.0	11/16/2028	22,244	19,353	21,125
GNMA GTD REMIC P/T 03-116 JD	95.5	11/20/2032	17,000	16,850	16,242
GNMA GTD REMIC P/T 04-18 VB	93.5	7/16/2023	15,000	14,517	14,024
GNMA II POOL #0002135	103.9	12/20/2025	187	172	194
GNMA II POOL #0002152	103.9	1/20/2026	409	372	425
GNMA II POOL #0002167	103.9	2/20/2026	1,137	1,064	1,181
GNMA II POOL #0002183	103.9	3/20/2026	2,952	2,745	3,067
GNMA II POOL #0002200	103.9	4/20/2026	8,997	8,341	9,349
GNMA II POOL #0002215	103.9	5/20/2026	3,341	3,095	3,472
GNMA II POOL #0002230	103.9	6/20/2026	1,598	1,470	1,660
GREAT RIV ENERGY 1ST SER 2 144	96.5	7/1/2038	10,000	10,000	9,650
HANCOCK JOHN MUT LIFE INS 144A	109.3	2/15/2024	50,000	48,640	54,641
HARLEY-DAVIDSON 08-1 CL A-1	100.1	2/15/2009	1,814	1,814	1,815
HASBRO INC BNDS	93.4	7/15/2028	30,000	29,937	28,017
HEINZ H J FIN CO GTD NT	98.1	3/15/2032	10,000	11,519	9,814
HEWLETT PACKARD CO GLOBAL NT	99.7	6/15/2009	10,000	9,958	9,970
HORACE MANN EDUCATORS CORP NEW	104.3	4/15/2016	30,000	29,909	31,289
HVIDE VAN OMMEREN TANKERS LLC	109.3	12/14/2023	3,785	3,785	4,136
HVIDE VAN OMMEREN TANKERS LLC	109.3	12/14/2023	3,806	3,806	4,159
IBM CORP	107.3	10/30/2025	20,000	19,372	21,463
INDIANA MICH PWR CO SR SER G	96.3	12/1/2015	7,232	6,973	6,965
INDIANAPOLIS PWR & LT 144A	90.3	10/1/2036	5,000	4,968	4,513
INTERNATIONAL BUS MACHS CORP	121.3	11/1/2019	8,000	7,896	9,708
JACKSON NTAL LIFE INS CO 144A	109.8	3/15/2027	42,500	43,573	46,683
JEFFERIES GROUP INC NEW SR DEB	73.1	1/15/2036	24,040	23,691	17,572
JOHNSON S C & CON SR NTS 144A	104.2	2/15/2028	41,450	41,147	43,198
KANSAS CITY PWR & LT CO SNR NT	84.0	11/15/2035	18,000	17,892	15,127
KINDER MORGAN ENERGY PARTNERS	108.2	3/15/2032	34,406	42,129	37,239
LACLEDE GAS CO	94.5	6/1/2036	6,000	5,991	5,670
LACLEDE GAS CO 1ST MTG BD	105.2	10/15/2012	100	109	105
LACLEDE GAS CO 1ST MTG BD SER	93.4	5/1/2034	5,000	4,972	4,669
LIBERTY MUTUAL 144A	108.8	5/15/2025	10,000	9,979	10,877

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		<u>Date</u>			<u>Value</u>
LIBERTY MUTUAL INS CO 144A	107.1	10/15/2026	10,000	10,077	10,711
LINCOLN NATL CORP IND SR NT	92.2	4/7/2036	20,000	19,716	18,431
LINCOLN NATL CORP SR NTS	105.0	3/15/2018	18,000	17,958	18,900
LUBRIZOL CORP DEB	102.2	6/15/2025	26,005	24,735	26,566
MADISON GAS & ELECTRIC CO	103.1	2/15/2028	717	698	739
MARSH & MCLENNAN COS INC	99.1	9/15/2015	30,000	29,628	29,742
MARTIN MARIETTA MATLS INC NT	102.4	4/1/2011	7,895	8,322	8,081
MASSACHUSETTS MUT LIFE INS CO	111.3	3/1/2024	30,000	29,902	33,394
MATTEL INC MEDIUM TERM NTS	100.8	11/12/2008	10,000	10,000	10,080
MATTEL INC MTN TR 00022	105.0	7/9/2012	13,500	13,649	14,177
MAY DEPT STORES	95.0	8/15/2035	19,000	18,988	18,059
MAY DEPT STORES CO DEB	92.3	8/15/2036	25,000	24,688	23,082
MCKESSON CORP NEW REORG DEB	105.0	3/1/2027	42,250	41,905	44,356
METROPOLITAN LIFE INS NT 144A	113.3	11/1/2025	24,435	26,069	27,695
MICHIGAN CONS GAS CO 1ST MTG	111.8	5/1/2014	18,500	18,343	20,677
MISSISSIPPI PWR CO SER F	99.9	3/9/2009	34,900	34,867	34,878
MONOGAHELA PWR CO 1ST MTG 144A	98.8	3/15/2017	20,000	19,927	19,759
MOTOROLA INC	93.5	5/15/2025	20,000	19,217	18,706
MUTUAL OMAHA INS CO NT 144A	97.4	6/15/2036	36,200	36,415	35,272
NATIONAL ARCHIVES FAC TR CTF	118.9	9/1/2019	3,151	3,009	3,747
NATIONAL FUEL GAS # 00016	100.7	6/13/2025	9,000	9,865	9,066
NATIONWIDE MUT INS CO 144A	82.7	4/15/2034	25,250	25,193	20,871
NEW JERSEY NAT GAS CO MEDIUM	100.9	11/1/2008	4,500	4,455	4,542
NLV FINL CORP SR NT	83.3	3/15/2035	9,000	8,914	7,498
NLV FINL CORP SR NT 144A	94.4	8/15/2033	15,000	14,993	14,156
NORTHERN ILL GAS CO 1ST MTG BD	99.6	12/1/2032	34,500	34,494	34,371
NORTHERN STS PWR CO	89.0	7/15/2035	10,910	10,272	9,712
NORTHERN STS PWR CO 1ST MTG	103.4	12/1/2026	45,000	43,571	46,533
NORTHERN STS PWR CO MINN 1ST	102.2	6/1/2036	9,500	9,467	9,711
NORTHERN STS PWR CO WIS	98.2	10/1/2018	12,000	11,931	11,786
NSTAR ELEC CO DEB	93.0	3/15/2036	25,000	24,773	23,258
OHIO PWR CO SR NT SER E	95.6	2/15/2033	5,000	5,378	4,778
OKLAHOMA GAS & ELEC CO SR NT	98.1	8/1/2034	9,645	10,051	9,466
OLD DOMINION ELEC COOP 1ST MTG	104.3	12/1/2023	405	393	423
ONEOK INC NEW NT	88.5	6/15/2035	33,990	32,974	30,071
ONEOK PARTNERS L P GTD SR NT	97.7	10/15/2037	12,000	11,963	11,728
ORANGE & ROCKLAND UTILS SER G	104.1	3/1/2029	10,000	9,852	10,410
PACIFIC BELL DEBS	102.2	11/1/2027	5,000	5,350	5,111
PACIFIC MUT LIFE INS CO 144A	116.1	12/30/2023	50,000	50,179	58,039
PANHANDLE EASTN PIPE LINE CO	100.0	8/15/2008	5,475	5,483	5,473
PATRONS LEGACY 03 144A	95.6	7/10/2049	15,500	15,500	14,818
PATRONS LEGACY 03 III 144A	79.5	7/10/2049	14,254	14,254	11,325
PECO ENERGY CO 1ST & REFUNDING	103.2	11/1/2011	15,000	14,976	15,478
PEDERNALES ELEC COOP INC 144A	123.9	11/15/2020	25,000	26,043	30,969
PENN MUT LIFE INS CO 144A	92.1	6/15/2034	38,056	41,313	35,065
PENNEY J C INC DEB	100.1	8/15/2016	6,000	6,000	6,007

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<u>Issuer</u>	<u>Price</u>	<u>Maturity Date</u>	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>
PHARMACIA CORP DEB	107.8	12/15/2027	13,295	13,387	14,334
PHARMACIA CORP DEB	107.0	12/1/2028	10,000	9,964	10,700
PHILLIPS PETE CO NT	108.8	5/25/2010	25,000	29,280	27,207
PHOENIX LIFE INS SURPLUS 144A	99.1	12/15/2034	20,000	20,317	19,812
PIEDMONT NAT GAS INC NT SER E	92.9	12/19/2033	1,000	999	929
PIEDMONT NATL GAS INC MTN	103.3	10/6/2023	5,000	4,698	5,165
PIEDMONT NATL GAS MTN #TR00005	109.1	10/9/2026	8,000	7,684	8,731
PIEDMONT NATL GAS MTN TR00004	107.9	10/3/2025	14,000	13,982	15,107
PLAINS ALL AMERN PIPELINE L P	95.2	5/15/2036	19,500	19,264	18,555
PPL ELEC UTILS CORP SR SECD BD	96.4	6/1/2013	22,000	20,769	21,209
PROCTER & GAMBLE CO NT	105.1	8/10/2009	10,000	9,950	10,509
PRUDENTIAL FUND NT 144A	97.3	9/15/2023	20,000	17,316	19,466
PRUDENTIAL INS 144A	109.3	7/1/2025	10,000	9,965	10,931
PUBLIC SVC CO COLO	101.7	4/1/2014	32,100	32,068	32,652
PUBLIC SVC CO N C INC SR DEB	112.0	12/15/2026	10,000	10,000	11,205
PUBLIC SVC CO NEW HAMPSHIRE	86.5	10/5/2035	25,000	24,942	21,621
PUGET SOUND ENERGY INC SR NT	99.3	6/15/2036	12,000	12,000	11,912
PUGET SOUND ENERGY MTN 00002	104.9	6/15/2018	15,000	18,175	15,729
QUESTAR PIPELINE CO MEDIUM	103.5	10/1/2009	15,000	15,000	15,518
SAFEWAY INC	99.3	3/27/2009	5,600	5,556	5,562
SAN DIEGO GAS & ELEC CO	99.4	6/1/2026	15,000	14,959	14,913
SBA GTD PARTN CTFS SBIC 99P10A	101.1	2/10/2009	2,569	2,569	2,597
SCHERING PLOUGH CORP SR NT	101.5	12/1/2033	13,000	12,907	13,190
SELECTIVE INS GROUP INC SR NT	93.1	11/1/2035	29,500	29,249	27,476
SEMCO ENERGY INC SR NT	101.8	10/1/2009	16,000	16,000	16,292
SHERWIN WILLIAMS CO DEB	101.5	2/1/2027	25,000	24,014	25,375
SLM CORP MTN # TR 00087	93.8	7/27/2009	24,575	24,039	23,039
SMALL BUSINESS ADMIN 03-20E 1	97.2	5/1/2023	166	166	161
SMITH INTL INC SR NT	98.7	6/15/2016	19,000	18,973	18,748
SONOCO PRODS CO NT	107.8	11/15/2013	15,000	14,913	16,170
SOUTH CAROLINA ELEC & GAS	99.5	11/1/2018	10,000	9,719	9,945
SOUTH CAROLINA ELEC & GAS	100.2	7/1/2036	16,000	15,946	16,035
SOUTH CAROLINA STUDENT A-1	100.0	12/3/2018	51,400	51,400	51,400
SOUTH CAROLINA STUDENT LN A1	96.8	12/2/2019	50,000	50,000	48,422
SOUTHERN CALIF WTR CO MEDIUM	108.1	3/23/2028	15,000	15,000	16,214
SOUTHERN CALIF WTR CO NT	107.7	12/15/2031	20,000	20,000	21,534
SOUTHERN CONN GAS CO MTN 144A	106.1	9/11/2028	12,000	12,000	12,731
SOUTHERN STAR CENT GAS 144A	97.5	6/1/2016	10,000	9,966	9,750
SOUTHWESTERN BELL TEL CO NT	100.1	10/15/2026	20,000	19,975	20,028
SOUTHWESTERN ELEC PWR CO NT	95.3	4/15/2015	6,750	6,395	6,435
SOUTHWESTERN PUB SVC CO SR NT	90.8	10/1/2036	22,000	21,705	19,972
SQUARE BUTTE ELEC CORP 144A	111.2	1/1/2024	14,678	14,678	16,315
TAMPA ELEC CO NT	105.2	6/15/2012	31,000	31,804	32,621
TEXAS EASTN TRANSMISSION CORP	103.4	7/15/2032	33,850	35,939	35,012
TIME WARNER CABLE INC	95.0	5/1/2017	25,000	24,942	23,746
TOLEDO EDISON CO SR NT	86.7	5/15/2037	15,000	14,978	13,010

Appendix C

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Issuer	Price	Maturity Date	Face Value	Book Value	Market Value
TRANSCANADA PIPELINES LTD	88.6	3/15/2036	34,090	33,930	30,212
TRI-STATE GENERATION A 144A	99.6	1/31/2018	17,013	17,088	16,951
U S TREASURY BONDS	101.2	8/15/2013	25,000	23,770	25,289
U S TREASURY BONDS	109.2	5/15/2014	20,000	19,727	21,831
U S TREASURY BONDS	144.8	2/15/2015	8,600	8,496	12,454
U S TREASURY BONDS	136.1	2/15/2016	10,000	9,988	13,614
U S TREASURY BONDS	122.9	5/15/2016	5,000	4,714	6,145
U S TREASURY BONDS	140.4	5/15/2018	49,600	48,828	69,626
U S TREASURY BONDS	140.2	11/15/2018	14,650	14,421	20,533
U S TREASURY NOTES	98.3	1/31/2013	5,000	4,998	4,916
U S WEST COMMUNICATIONS INC	89.0	6/15/2023	6,925	6,476	6,163
U S WEST COMMUNICATIONS INC	82.5	9/15/2033	26,990	23,476	22,267
UGI UTILS INC SR NT	99.2	9/30/2016	12,000	12,000	11,901
UNION LT HEAT & PWR CO 144A	93.0	3/10/2036	30,800	30,580	28,639
UNION PAC RR CO 03 1 03-1	90.9	1/2/2024	237	230	215
UNITED STATES94-3 CL 2-F	105.8	9/15/2024	6,220	5,672	6,580
UNITED TEL CO FLA 1ST MTG	89.1	7/15/2023	9,869	10,475	8,797
UNITED TEL CO FLA 1ST SER HH	99.7	1/15/2025	19,700	20,473	19,638
USAA AUTO OWNER 08 1 CL A-2	100.5	10/15/2010	10,000	9,999	10,054
VECTREN UTIL HLDGS INC SR NT	90.4	12/1/2035	25,000	24,945	22,598
VIRGINIA ELE & PWR CO SR NT	93.2	1/15/2036	21,700	21,468	20,232
VULCAN MATLS CO NT	99.2	12/15/2010	25,000	25,000	24,797
WASHINGTON GAS LT CO MEDIUM	87.0	3/15/2036	15,000	15,000	13,052
WASHINGTON MUT MTN #SR00030	92.1	11/6/2009	10,000	10,000	9,213
WEATHERFORD INTL LTD GTD SR NT	97.8	8/1/2036	15,000	14,893	14,677
WELLS FARGO & CO NEW NT	99.2	3/23/2010	30,000	29,749	29,747
WESTAR ENERGY INC	88.1	7/15/2036	24,500	24,237	21,587
WESTAR ENERGY INC 1ST MTG BD	89.3	1/1/2035	7,000	6,750	6,248
WESTVACO CORP DEB	101.9	3/15/2027	22,478	22,362	22,906
WEYERHAEUSER CO DEB DTD 01/15/	106.2	1/15/2025	20,000	21,634	21,230
WEYERHAEUSER CO SHELF 9	102.5	3/15/2025	10,000	10,192	10,252
WISCONSIN GAS LLC DEB	96.3	12/1/2035	10,000	9,976	9,631
Total Domestic Fixed Income			6,134,237	6,128,801	6,161,772
CREDIT AGRICOLE GLOBAL FIXED	430.3		1,941	780,000	835,179
LOOMIS COLLECTIVE INVESTMENT	1.0		780,000	780,000	801,840
MONDRIAN GLOBAL FIXED INCOME	11.4		78,000	844,754	886,218
WESTERN ASSET GLOBAL MULTI	10.4		78,000	780,000	813,774
Total Global Fixed Income			937,941	3,184,754	3,337,011
LOOMIS SAYLES INVT TR HIGH	7.7		25,160	200,000	194,487
Total High Yield Bonds			25,160	200,000	194,487
Total Fixed Income			\$7,097,338	\$9,513,555	\$9,693,270

Appendix D

South Carolina Investment Commission

Equity Holdings

As of June 30, 2008

Issuer	Shares	Book Value	Market Value
A C MOORE ARTS & CRAFTS INC	203,300	\$3,157,628	\$1,433,265
ABB LTD SPONSORED ADR	687,540	21,752,271	19,471,133
ABERCROMBIE & FITCH CO CL A	38,900	2,801,421	2,438,252
ACCURIDE CORP	197,900	1,937,178	841,075
ACORDA THERAPEUTICS INC COM	14,700	335,378	482,601
ACTUANT CORP CL A NEW	122,540	3,931,373	3,841,629
ACTUATE CORP COM	105,900	585,257	414,069
ACUITY BRANDS INC	108,120	5,195,317	5,198,410
ACXIOM CORP COM	211,800	2,488,395	2,433,582
ADC TELECOMMUNICATIONS INC	162,029	2,446,873	2,393,168
ADOBE SYS INC DEL COM	656,447	20,438,191	25,857,447
ADOLOR CORP	509,300	2,603,281	2,790,964
ADTRAN INC	121,600	2,905,176	2,898,944
ADVANCED AUTO PTS INC	133,500	4,709,522	5,183,805
ADVANCED ENERGY INDS INC	74,116	1,018,941	1,015,389
ADVISORY BOARD CO	90,000	3,882,158	3,539,700
AECOM TECHNOLOGY CORP DELAWARE	160,000	5,286,979	5,204,800
AERCAP HOLDINGS N V SHS	176,500	4,325,450	2,229,195
AEROPOSTALE INC	268,660	8,450,629	8,417,118
AETNA INC COM NEW	50,500	2,173,768	2,046,765
AFFILIATED COMPUTER SVCS INC	223,650	10,944,564	11,963,039
AFFIRMATIVE INS HLDGS INC	160,700	2,249,848	1,092,760
AGCO CORP COM	75,510	3,994,508	3,957,479
AGNICO EAGLE MINES LTD COM	27,950	713,065	2,078,642
AGREE REALTY CORP	125,100	3,620,396	2,758,455
AIR METHODS CORP NEW	47,299	1,199,779	1,182,475
AIRGAS INC	149,120	6,433,588	8,707,117
AIXTRON AKTIENGESELLSCHAFT	114,200	1,712,736	1,175,118
AKAMAI TECHNOLOGIES INC	50,800	1,781,545	1,767,332
ALBEMARLE CORP	97,400	4,122,631	3,887,234
ALBERTO CULVER CO NEW COM	159,310	4,215,249	4,185,074
ALCATEL LUCENT SPONSORED ADR	2,416,184	24,801,946	14,593,751
ALCOA INC COM	111,100	4,103,013	3,957,382
ALEXANDER & BALDWIN INC	17,700	874,888	806,235
ALEXANDRIA REAL ESTATE	31,703	3,350,603	3,085,970
ALEXION PHARMACEUTICALS INC	57,550	3,614,523	4,172,375
ALKERMES INC COM	28,500	360,790	352,260
ALLETE INC	32,721	1,410,414	1,374,282
ALLIANCE DATA SYS CORP COM	170,300	8,872,708	9,630,465
ALLIANCE ONE INTL INC	264,100	1,779,429	1,349,551
ALLIANT ENERGY CORP COM	141,100	5,752,707	4,834,086
ALLIANT TECHSYSTEMS INC COM	17,000	1,263,958	1,728,560
ALLIED HEALTHCARE INTL INC	617,400	2,393,616	1,228,626
ALLOS THERAPEUTICS INC COM	281,800	1,624,624	1,947,238
ALLSTATE CORP COM	424,800	23,203,251	19,366,632

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Issuer	Shares	Book Value	Market Value
ALPHA NAT RES INC	69,520	2,150,380	7,250,241
ALPHARMA INC CL A COM	220,107	5,369,694	4,959,011
AMAG PHARMACEUTICAL INC COM	53,622	1,985,703	1,828,510
AMAZON.COM INC COM	259,200	10,210,640	19,007,136
AMEDISYS INC	170,491	6,140,853	8,596,156
AMERICAN CAMPUS CMNTYS INC	40,100	1,160,213	1,116,384
AMERICAN DENTAL PARTNERS INC	139,800	1,371,737	1,659,426
AMERICAN EQUITY INVT LIFE	489,423	5,758,341	3,988,797
AMERICAN FINL GROUP INC OHIO	85,400	2,374,398	2,284,450
AMERICAN INTL GROUP INC COM	286,400	16,067,317	7,578,144
AMERICAN ORIENTAL BIOENGR INC	170,700	1,927,362	1,684,809
AMERICAN PHYSICIANS SVC GROUP	68,150	1,203,368	1,499,300
AMERICAN PHYSICIANS CAP INC	27,000	1,277,642	1,307,880
AMERICAN REPOGRAPHICS CO	130,000	2,231,875	2,164,500
AMERICAN SAFETY INS HLDGS LTD	179,300	3,117,660	2,578,334
AMERICAN SOFTWARE INC	305,300	2,765,717	1,721,892
AMERICAN SUPERCONDUCTOR CORP	46,400	1,679,759	1,663,440
AMERICAN WTR WKS CO INC NEW	70,620	1,518,330	1,566,352
AMERICANWEST BANCORPORATION	153,800	1,021,219	349,126
AMERIGROUP CORP	61,600	1,790,913	1,281,280
AMERIPRISE FINL INC	112,600	6,086,000	4,579,442
AMERISAFE INC JONES DAY COM	293,800	3,376,836	4,683,172
AMERISOURCEBERGEN CORP COM	359,550	14,379,269	14,378,405
AMERON INTERNATIONAL CORP	6,400	731,259	767,872
AMETEK INC	154,960	5,510,808	7,317,211
AMGEN INC	365,900	19,092,206	17,255,844
AMKOR TECHNOLOGY INC COM	193,400	2,108,834	2,013,294
AMPHENOL CORP NEW CL A	79,200	1,514,581	3,554,496
AMSURG CORP COM	145,133	3,903,297	3,533,989
AMTRUST FINL SVCS INC COM	63,590	881,269	801,234
ANALOGIC CORP COM PAR \$0.05	7,700	466,654	485,639
ANGIODYNAMICS INC	58,100	828,079	791,322
ANN TAYLOR STORES CORP COM	37,346	1,012,346	894,810
ANSYS INC COM	203,460	7,129,172	9,587,035
ANTHRACITE CAP INC COM	502,800	5,558,957	3,539,712
ANWORTH MTG ASSET CORP COM	939,056	8,824,792	6,113,255
APAC TELESERVICES INC COM	1,443,700	3,430,286	2,309,920
ARCH CAPITAL GROUP LTD SHS	93,130	6,242,583	6,176,382
ARCHER DANIELS MIDLAND CO COM	79,300	2,937,415	2,676,375
ARCSIGHT INC COM	89,367	744,687	786,430
ARCTIC CAT INC	96,300	2,004,571	755,955
ARENA RES INC	25,190	1,319,669	1,330,536
ARGON ST INC	92,900	2,215,154	2,303,920
ARRIS GROUP INC COM	141,607	1,317,546	1,196,579
ARTHROCARE CORP COM	89,200	4,032,563	3,640,252

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<u>Issuer</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>
ASBURY AUTOMOTIVE GROUP INC	57,900	1,217,993	744,015
ASHLAND INC NEW	38,200	2,163,862	1,841,240
ASPEN INSURANCE HOLDINGS	161,021	4,075,267	3,811,367
ASSISTED LIVING CONCEPTS INC	223,900	1,297,696	1,231,450
ASSURANT INC	118,270	6,339,178	7,801,089
ASSURED GUARANTY LTD SHS	217,383	4,970,325	3,910,720
ASTORIA FINL CORP COM	127,700	2,994,747	2,564,216
AT & T INC COM	477,200	16,375,515	16,076,868
ATC TECHNOLOGY CORP COM	235,347	5,652,845	5,478,878
ATHEROS COMMUNICATIONS INC	166,460	5,094,297	4,993,800
ATLAS AIR WORLDWIDE HLDGS INC	21,300	1,366,064	1,053,498
ATLAS ENERGY RES LLCCOM	65,600	2,140,529	2,502,640
ATMEL CORP COM	563,558	2,463,401	1,961,182
ATWOOD OCEANIC INC	76,300	6,184,684	9,487,142
AUTOLIV INC COM	109,900	6,178,962	5,123,538
AUXILIUM PHARMACEUTICALS INC	14,100	220,262	474,042
AVNET INC COM	61,200	854,462	1,669,536
AXIS CAPITAL HLDGS LTD SHS	173,400	6,415,910	5,169,054
BABCOCK & BROWN AIR LTD	143,300	2,250,990	1,430,134
BALLY TECHNOLOGIES INC COM	124,940	4,740,641	4,222,972
BANK OF AMERICA CORP	488,225	22,842,079	11,653,931
BANK OF HAWAII CORP	56,190	2,877,866	2,685,882
BANK OF THE OZARKS INC COM	28,800	688,772	427,968
BANNER CORP COM	36,100	865,662	319,846
BARE ESCENTUALS INC COM	91,200	1,939,716	1,708,176
BARNES GROUP INC COM	31,000	947,152	715,790
BARRETT BUS SVCS INC	78,400	931,747	927,472
BASIC ENERGY SVCS INC NEW COM	63,300	1,851,703	1,993,950
BEACON ROOFING SUPPLY INC	70,300	834,380	745,883
BECKMAN COULTER INC COM	24,170	1,788,253	1,632,200
BELDEN INC	172,697	5,866,552	5,850,974
BELL MICROPRODUCTS INC COM	698,500	4,311,691	1,641,475
BENCHMARK ELECTRS INC	80,764	1,416,020	1,319,684
BERKLEY W R CORP COM	261,120	7,806,784	6,308,659
BERRY PETE CO CL A	19,900	1,199,779	1,171,712
BEST BUY INC COM	56,500	2,285,594	2,237,400
BGC PARTNERS INC CL A	209,805	2,146,307	1,584,028
BGI-ALPHA TILTS FUND	2,740,357	320,271,565	391,665,792
BIG LOTS INC COM	157,800	4,404,114	4,929,672
BIO RAD LABS INC CL A	110,400	8,304,157	8,930,256
BIOMARIN PHARMACEUTICAL COM	111,010	3,962,461	3,217,070
BIOSCRIP INC	545,136	2,607,770	1,411,902
BLACKBAUD INC	29,799	592,748	637,699
BLACKBOARD INC	116,300	4,714,585	4,446,149
BLOUNT INTL INC NEW COM	153,300	1,789,864	1,779,813

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Issuer	Shares	Book Value	Market Value
BMC SOFTWARE INC COM	95,500	3,237,104	3,438,000
BOB EVANS FARMS INC	12,310	307,265	352,066
BOIS D ARC ENERGY LLC	32,480	766,653	789,589
BORDERS GROUP INC COM	83,500	592,057	501,000
BORG WARNER INC COM	54,220	2,253,805	2,406,284
BORLAND SOFTWARE CORP COM	865,400	5,463,724	1,176,944
BOSTON PRIVATE FINL HLDGS INC	133,800	3,561,919	758,646
BP PLC SPONSORED ADR	113,925	7,946,762	7,925,762
BPZ RESOURCES INC COM TEXAS	25,660	604,548	754,404
BRIGHAM EXPL CO COM	321,700	2,729,969	5,092,511
BRINKS CO	128,100	8,968,375	8,380,302
BRISTOL MYERS SQUIBB CO COM	482,125	11,888,892	9,898,026
BRISTOW GROUP INC COM	61,500	2,222,849	3,043,635
BROWN SHOE INC NEW COM	78,641	1,887,782	1,065,586
BRUKER CORPORATION	123,800	1,241,464	1,590,830
BUCYRUS INTERNATIONAL INC	66,800	3,287,800	4,877,736
BURGER KING HLDG INC COM	88,000	2,372,767	2,357,520
CA INC COM	409,000	10,654,066	9,443,810
CABOT OIL & GAS CORP COM	92,790	3,164,538	6,284,667
CAI INTL INC COM	241,900	3,424,540	4,209,060
CALAMOS ASSET MGMT INC CL A	45,173	1,190,891	769,296
CALLAWAY GOLF CO COM	16,903	258,119	199,962
CAMERON INTL CORP COM	62,500	2,962,662	3,459,375
CANTELL MEDICAL CORP	215,200	3,170,131	2,177,824
CAPITAL ONE FINL CORP	412,450	24,625,795	15,677,225
CAPITAL SOURCE INC	193,300	3,724,800	2,141,764
CAPITAL SR LIVING CORP COM	247,000	2,088,028	1,862,380
CAPSTEAD MTG CORP	228,500	2,978,084	2,479,225
CAPSTONE TURBINE CORP COM	370,700	1,488,917	1,553,233
CARDIAC SCIENCE CORP NEW	349,304	3,160,248	2,864,293
CARDINAL HEALTH INC COM	112,700	7,144,087	5,813,066
CARE INVT TR INC COM	196,400	2,789,107	1,852,052
CARLISLE COS INC COM	140,000	4,509,204	4,060,000
CARPENTER TECHNOLOGY CORP COM	22,000	1,407,404	960,300
CARRIZO OIL & GAS INC COM	16,082	747,715	1,095,023
CASTLEPOINT HOLDINGS LTD COM	108,100	1,432,821	982,629
CATERPILLAR INC	143,300	9,873,991	10,578,406
CATO CORP CL A	196,200	3,141,436	2,793,888
CBIZ INC	70,800	630,190	562,860
CBRL GROUP INC COM	36,870	1,628,102	903,684
CDI CORP COM	6,900	191,543	175,536
CEC ENTMT INC COM	24,129	850,551	675,853
CELANESE CORP DEL COM SER A	55,790	2,013,333	2,547,371
CELLCOM ISRAEL LTD SHS	47,200	1,669,916	1,614,712
CENTENE CORP DEL	44,200	967,489	742,118

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Issuer	Shares	Book Value	Market Value
CENTENNIAL COMMUNICATIONS CORP	64,100	349,956	448,059
CENTERPOINT ENERGY INC	272,500	4,209,122	4,373,625
CENTRAL EUROPEAN DISTR CORP	34,900	1,911,590	2,587,835
CENTRAL EUROPEAN MEDIA ENT-A	21,600	2,071,204	1,955,448
CENTRAL PAC FINL CORP	58,687	1,663,154	625,603
CEPHALON INC COM	75,000	4,836,621	5,001,750
CEPHEID COM	90,000	2,415,078	2,530,800
CF INDS HLDGS INC	61,130	3,448,873	9,340,664
CHARLES RIV LABORATORIES INTL	88,080	5,329,727	5,630,074
CHARLOTTE RUSSE HLDG INC	190,248	2,854,543	3,378,804
CHARMING SHOPPES INC PA COM	487,300	2,471,577	2,236,707
CHART INDS INC COM PAR \$0.01	77,095	3,252,533	3,749,901
CHARTER COMMUNICATIONS INC DEL	1,652,700	2,189,130	1,735,335
CHATTEM INC COM	21,850	1,419,025	1,421,343
CHECKPOINT SOFTWARE TECH	58,200	1,391,952	1,377,594
CHEMTURA CORP	236,400	1,626,162	1,380,576
CHESAPEAKE CORP VA COM	261,700	4,270,648	614,995
CHEVRON CORPORATION COM	236,600	15,936,344	23,454,158
CHICAGO BRIDGE & IRON NY SHR	61,100	2,709,004	2,433,002
CHILDREN'S PL RETAIL STORES	45,900	1,674,347	1,656,990
CHIMERA INVT CORP COM	98,821	1,460,480	890,377
CHIQUITA BRANDS INTL INC	72,600	1,508,306	1,101,342
CHRISTOPHER & BANKS CORP COM	87,700	612,034	596,360
CHUBB CORP COM	135,900	6,989,146	6,660,459
CHURCH & DWIGHT INC	43,000	2,063,327	2,423,050
CIMAREX ENERGY CO	49,100	3,090,915	3,420,797
CINCINNATI BELL INC	729,735	3,316,852	2,904,345
CINEMARK HLDGS INC COM	59,953	1,020,972	782,986
CISCO SYS INC COM	716,100	15,683,782	16,656,486
CITI TRENDS INC	86,100	1,419,858	1,951,026
CITIGROUP INC COM	1,386,475	44,488,351	23,237,321
CITY BK LYNNWOOD WASH	44,300	674,942	380,980
CLARCOR INC	39,900	1,403,314	1,400,490
CLEAN HBRS INC	45,190	2,872,659	3,211,201
CLECO CORP NEW COM	68,920	1,611,632	1,607,904
CMGI INC COM NEW	143,100	1,783,980	1,516,860
CMS ENERGY CORP COM	259,300	2,720,169	3,863,570
COACH INC COM	121,400	4,354,306	3,506,032
COGDELL SPENCER INC	43,400	654,692	705,250
COGNEX CORP COM	174,500	4,223,697	4,022,225
COLDWATER CREEK INC	405,900	1,908,394	2,143,152
COLE KENNETH PRODTNS INC CL A	77,900	1,912,395	989,330
COLFAX CORP COM	113,000	2,643,954	2,835,170
COLUMBIA BANKING SYSTEMS INC	56,870	1,856,502	1,099,297
COLUMBUS MCKINNON CORP N Y COM	230,650	5,356,453	5,554,052

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<u>Issuer</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>
COMERICA INC COM	157,000	9,420,000	4,023,910
COMFORT SYSTEMS USA INC	24,500	340,653	329,280
COMMERCIAL VEHICLE GROUP INC	114,900	1,451,038	1,074,315
COMMONWEALTH BANKSHARES INC	88,900	1,418,321	1,121,918
COMMUNITY BANCORP NEV	86,200	972,468	431,862
COMMUNITY BK SYS INC COM	49,300	1,185,659	1,016,566
COMPASS MINERALS INTL INC	139,200	6,012,858	11,213,952
COMPUWARE CORP	432,500	4,760,216	4,126,050
COMSTOCK RES INC NEW	47,700	1,810,365	4,027,311
COMSYS IT PARTNERS INC	88,000	1,511,715	802,560
COMTECH TELECOMMUNICATIONS	60,750	1,965,966	2,976,750
CONAGRA FOODS INC COM	249,300	6,014,712	4,806,504
CONCHO RES INC COM	56,040	1,648,618	2,090,292
CONCUR TECHNOLOGIES INC	63,750	2,073,543	2,118,413
CONMED CORP COM	64,480	1,891,652	1,711,944
CONOCOPHILLIPS	205,200	14,944,263	19,368,828
CONSOLIDATED GRAPHICS INC	23,921	1,368,079	1,178,588
CONSTELLATION BRANDS INC CL A	126,100	2,397,334	2,504,346
CON-WAY INC	34,100	1,649,526	1,611,566
CORE LABORATORIES N V	20,570	2,405,328	2,928,140
COREL CORP NEW COM	86,900	1,136,928	813,384
CORINTHIAN COLLEGES INC COM	100,000	1,511,434	1,161,000
CORPORATE EXECUTIVE BD CO COM	82,500	4,267,324	3,469,125
CORPORATE OFFICE PPTYS TR COM	56,700	2,042,473	1,946,511
CORRECTIONS CORP AMER NEW COM	77,800	1,058,114	2,137,166
COSTAR GROUP INC COM	95,000	4,320,758	4,222,750
COSTCO WHSL CORP NEW COM	417,163	17,381,055	29,259,813
COVANCE INC COM	17,100	763,225	1,470,942
COVANTA HLDG CORP	183,550	4,756,162	4,898,950
CRAY INC COM NEW	118,650	1,233,287	550,536
CREDICORP LTD	11,500	416,002	944,380
CRM HOLDINGS LTD COM	471,300	4,197,597	1,588,281
CROWN HOLDINGS INC	302,770	7,223,730	7,868,992
CSX CORP COM	37,900	2,303,941	2,380,499
CTS CORP	208,200	2,709,069	2,092,410
CUBIST PHARMACEUTICALS INC	137,500	2,807,937	2,455,750
CUMMINS INC COM	69,900	3,705,404	4,579,848
CURTISS WRIGHT CORP	52,940	2,102,856	2,368,536
CYNOSURE INC CL A	158,550	4,431,046	3,142,461
CYTEC INDS INC COM	43,395	2,805,252	2,367,631
DANA HLDG CORP COM	32,900	336,346	176,015
DARLING INTL INC	298,100	3,862,240	4,924,612
DAVITA INC COM	265,000	14,677,588	14,079,450
DAWSON GEOPHYSICAL CO COM	14,400	953,729	856,224
DEAN FOODS CO	69,000	1,561,303	1,353,780

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Issuer	Shares	Book Value	Market Value
DECKERS OUTDOOR CORP COM	34,080	4,400,229	4,743,936
DEL GLOBAL TECHNOLOGIES CORP	205,300	658,217	349,010
DELL INC COM	1,330,316	39,645,241	29,107,314
DELUXE CORP COM	132,200	4,414,701	2,355,804
DENBURY RES INC COM NEW	270,000	3,030,241	9,855,000
DENTSPLY INTL INC NEW COM	52,300	1,954,546	1,924,640
DEVELOPERS DIVERSIFIED RLTY	104,200	4,069,933	3,616,782
DEVRY INC DEL COM	67,480	3,668,740	3,618,278
DIANA SHIPPING INC	33,900	1,104,551	1,041,069
DIGITAL RLTY TR INC	63,370	1,919,806	2,592,467
DIME CMNTY BANCORP INC COM	61,507	946,203	1,015,481
DIODES INC	49,646	1,320,976	1,372,215
DIRECTTV GROUP INC	213,800	4,046,646	5,539,558
DISCOVERY HLDG CO COM SER A	275,000	7,594,154	6,039,000
DOLBY LABORATORIES INC CL A	11,776	425,296	474,573
DOLLAR FINL CORP	54,180	1,424,445	818,660
DONEGAL GROUP INC CL A	235,921	3,125,712	3,744,066
DOT HILL SYS CORP COM	288,800	1,589,158	730,664
DOW CHEM CO COM	132,200	5,608,203	4,615,102
DRIL-QUIP INC COM	83,500	4,181,481	5,260,500
DRS TECHNOLOGIES INC COM	42,000	1,987,871	3,306,240
DRYSHIPS INC SHS	32,200	2,566,853	2,581,796
DTE ENERGY CO COM	108,200	4,282,292	4,592,008
DUPONT FABROS TECHNOLOGY INC	92,605	1,928,188	1,726,157
DYNAMEX INC	154,600	3,294,332	4,144,826
DYNEGY INC DEL CL A	241,800	2,127,998	2,067,390
E TRADE FINANCIAL CORP	100,886	408,687	316,782
EATON VANCE CORP NON VTG COM	92,900	3,277,097	3,693,704
EBAY INC COM	762,000	26,103,891	20,825,460
ECHOSTAR CORPORATION	141,500	4,777,329	4,417,630
EDAP TMS S A SPONSORED ADR	203,900	480,847	617,817
EDISON INTL COM	131,500	6,042,914	6,756,470
EDWARDS LIFE SCIENCES CORP COM	97,500	4,781,848	6,048,900
ELECTRO RENT CORP	91,411	1,226,666	1,146,294
ELECTRONIC ARTS	963,756	56,804,703	42,819,679
ELECTRONICS FOR IMAGING INC	122,700	3,424,654	1,791,420
ELIZABETH ARDEN INC COM	207,800	3,192,127	3,154,404
ELLIS PERRY INTL INC COM	18,457	374,238	391,658
EMC CORP MASS	439,400	7,677,700	6,454,786
EMC INS GROUP	91,000	1,961,889	2,191,280
EMCOR GROUP INC COM	25,909	705,078	739,184
EMERGENCY MED SVCS CORP CL A	37,420	1,530,288	846,815
EMERGENT BIOSOLUTIONS INC COM	217,600	1,950,608	2,160,768
EMERITUS CORP	22,484	614,138	328,716
EMULEX CORP NEW	101,250	1,398,132	1,179,563

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Issuer	Shares	Book Value	Market Value
ENDURANCE SPECIALTY HLDGS LTD	120,900	4,831,026	3,722,511
ENERGEN CORP	92,080	6,332,480	7,185,002
ENNIS INC COM	177,000	3,607,548	2,770,050
ENPRO INDS INC	45,900	1,702,213	1,713,906
ENSIGN GROUP INC COM	148,050	2,094,036	1,702,575
ENTEGRIS INC COM	45,900	489,887	300,645
ENTERCOM COMMUNICATIONS CORP	89,596	2,148,483	628,964
ENTERTAINMENT PPTYS TR COM SH	7,500	351,498	370,800
ENZON PHARMACEUTICALS INC	38,530	350,534	274,334
EQUIFAX INC COM	83,370	3,135,047	2,802,899
EQUINIX INC	53,300	4,237,710	4,755,426
ERESEARCH TECHNOLOGY INC	243,800	2,630,247	4,251,872
ESTERLINE TECHNOLOGIES CORP	62,500	3,596,250	3,078,750
ETHAN ALLEN INTERIORS INC COM	90,976	3,053,576	2,238,010
EXACTECH INC	38,000	999,645	976,980
EXCEL MARITIME CARRIERS LTD	8,200	300,227	321,850
EXIDE TECHNOLOGIES	105,747	642,031	1,772,320
EXPEDITORS INTL WASH INC COM	785,481	18,891,797	33,775,683
EXPRESS SCRIPTS INC COM STK	38,800	2,086,336	2,433,536
EXTERRAN HLDGS INC COM	132,200	6,962,039	9,450,978
EXTRA SPACE STORAGE INC	178,855	2,833,779	2,747,213
EXTREME NETWORKS INC COM	257,953	813,169	732,587
EXXON MOBIL CORP	413,100	27,686,525	36,406,503
EZCORP INC CL A NON VTG	40,553	175,324	517,051
FAIRCHILD SEMICONDUCTOR INTL	281,186	4,548,791	3,298,312
FAIRFAX FINL HLDGS LTD SUB VTG	12,900	3,722,330	3,275,310
FANNIE MAE	440,775	18,405,499	8,599,520
FEDERAL AGRIC MTG CORP	79,100	2,062,847	1,960,098
FEDERATED INVS INC PA CL B	45,050	1,830,615	1,550,621
FEDEX CORP COM	88,900	8,257,136	7,004,431
FELDMAN MALL PPTYS INC	269,800	3,104,495	294,082
FIDELITY NATL FINANCIAL INC	269,376	5,448,355	3,394,138
FIFTH THIRD BANCORP	311,400	8,586,638	3,170,052
FINISH LINE INC CL A	148,600	1,023,748	1,292,820
FIRST ADVANTAGE CORP CL A	4,359	92,675	69,090
FIRST FINL CORP IND COM	21,100	669,954	645,871
FIRST HORIZON NATIONAL CORP	73,925	770,397	549,263
FIRST MIDWEST BANCORP INC DEL	85,744	2,814,609	1,599,126
FIRST REGL BANCORP	68,800	1,039,058	385,968
FIRST ST BANCORPORATION COM	239,286	3,868,109	1,316,073
FIRSTENERGY CORP COM	74,800	4,031,654	6,158,284
FIRSTFED FINL CORP DEL COM	32,790	1,205,319	263,632
FIRSTMERIT CORP	96,910	1,937,751	1,580,602
FIVE STAR QUALITY CARE INC	391,000	2,652,351	1,849,430
FLANDERS CORP	289,200	2,290,982	1,749,660

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Issuer	Shares	Book Value	Market Value
FLIR SYS INC	77,050	2,399,006	3,125,919
FLOW INTL INC	41,150	380,387	320,970
FLOWERS FOOD INC COM	64,386	1,582,429	1,824,699
FLOWERVE CORP COM	22,500	1,827,478	3,075,750
FOREST LABS INC CL A COM	68,000	2,286,840	2,362,320
FOREST OIL CORP	87,000	3,545,211	6,481,500
FORMFACTOR INC	125,700	3,455,745	2,316,651
FOSSIL INC COM	66,000	1,976,504	1,918,620
FOSTER L B CO CL A	14,736	714,718	489,235
FOSTER WHEELER LTD	127,300	4,327,563	9,311,995
FOUNDATION COAL HLDGS INC	24,100	1,809,516	2,134,778
FOUNDRY NETWORKS INC COM	155,800	2,048,024	1,841,556
FPIC INS GROUP INC COM	18,588	854,444	842,408
FRANKLIN RES INC COM	51,800	4,895,131	4,747,470
FREDDIE MAC CORP COM	1,062,925	43,275,894	17,431,970
FRESH DEL MONTE PRODUCE	104,325	3,367,319	2,458,940
FTI CONSULTING INC COM	35,970	1,435,936	2,462,506
FUEL SYS SOL KIRKLAND & ELLIS	32,400	878,161	1,247,400
FULLER H B CO COM	103,888	2,563,920	2,331,247
G III APPAREL GROUP LTD	125,562	2,134,650	1,549,435
GAMESTOP CORP NEW	41,990	1,281,430	1,696,396
GARDNER DENVER INC COM	127,790	4,912,145	7,258,472
GATX CORP COM	130,480	4,883,234	5,784,178
GAYLORD ENTMT CO NEW COM	115,000	5,188,895	2,755,400
GEN PROBE INC NEW	49,600	3,275,774	2,356,496
GENCO SHIPPING & TRADING	23,320	1,448,193	1,520,464
GENERAL CABLE CORP DEL COM NEW	239,700	16,631,913	14,585,745
GENERAL ELEC CO COM	217,700	7,894,062	5,810,413
GENERAL MLS INC COM	113,200	6,028,340	6,879,164
GENESSE & WYO INC CL A	32,597	640,041	1,108,950
GENPACT LTD	140,700	1,913,495	2,099,244
GENTEX CORP COM	252,400	4,303,150	3,644,656
GEO GROUP INC	94,058	2,100,800	2,116,305
GEOEYE INC COM	33,629	930,345	595,570
GEOMET INC DEL COM	104,100	919,744	986,868
GERBER SCIENTIFIC INC COM	277,650	3,553,687	3,159,657
GEVITY HR INC	130,800	1,334,407	703,704
GFI GROUP INC	66,400	1,254,079	598,264
GIBRALTAR INDS INC	83,200	1,302,331	1,328,704
GLOBAL INDS LTD COM	110,091	1,819,193	1,973,932
GLOBAL PMTS INC COM	205,000	6,564,558	9,553,000
GMX RES INC COM	99,100	4,243,409	7,343,310
GOLDMAN SACHS GROUP INC COM	59,600	8,890,520	10,424,040
GOODRICH PETE CORP NEW	19,800	1,026,765	1,641,816
GOOGLE INC CL A	46,904	20,945,269	24,691,204

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Issuer	Shares	Book Value	Market Value
GRACO INC COM	92,200	3,278,247	3,510,054
GRAFTECH INTERNATIONAL LTD	310,230	6,826,791	8,323,471
GRANITE CONSTR INC COM	47,300	1,561,418	1,491,369
GREAT ATLANTIC & PAC TEA INC	157,200	4,363,096	3,587,304
GREAT LAKES DREDGE & DOCK CORP	137,400	838,837	839,514
GREAT SOUTHN BANCORP INC	71,300	1,061,006	578,956
GREENHILL & CO INC	29,670	1,501,477	1,598,026
GREIF INC CL A COM	59,650	3,623,545	3,819,390
GREY WOLF INC COM	267,100	2,128,280	2,411,913
GSE SYSTEMS INC	387,300	1,733,298	3,450,843
GUESS INC COM	75,670	2,066,217	2,833,842
GULF IS FABRICATION INC COM	18,400	882,230	900,496
GYMBOREE CORP COM	69,510	2,510,946	2,785,266
HACKETT GROUP INC COM	395,000	1,631,920	2,267,300
HAEMONETICS CORP MASS COM	218,800	10,964,581	12,134,648
HALLIBURTON CO COM	125,300	6,463,325	6,649,671
HANCOCK HLDG CO	25,693	956,822	1,009,478
HANESBRANDS INC COM	40,000	1,359,732	1,085,600
HANGER ORTHOPEDIC GROUP INC	193,500	2,095,931	3,190,815
HANOVER INS GROUP INC COM	84,480	3,740,046	3,590,400
HARMONIC INC COM	201,090	2,322,814	1,912,366
HARRIS STRATEX NETWORKS INC	37,303	656,541	354,005
HARSCO CORP	117,630	5,136,227	6,400,248
HARVARD BIOSCIENCE INC	130,150	611,957	605,198
HASBRO INC COM	131,100	3,500,339	4,682,892
HAWAIIAN HLDGS INC	279,400	2,078,688	1,941,830
HCC INS HLDGS INC COM	49,600	1,226,162	1,048,544
HEALTH CARE REIT INC COM	14,761	574,914	656,865
HEALTHCARE SVCS GROUP INC	245,738	2,094,423	3,740,132
HEALTHSPRING INC COM	211,680	4,308,098	3,573,158
HEALTHTRONICS INC	781,200	4,186,950	2,554,524
HEARTLAND PMT SYS INC	49,400	1,191,740	1,165,840
HELMERICH & PAYNE INC COM	20,440	1,500,243	1,472,089
HENRY JACK & ASSOC INC COM	264,712	4,911,626	5,728,368
HERBALIFE LTD USD COM SHS	166,600	6,926,469	6,455,750
HERCULES OFFSHORE INC	105,000	1,925,676	3,992,100
HEWITT ASSOCS INC	247,800	9,759,319	9,498,174
HEXCEL CORP NEW	33,338	678,309	643,423
HHGREGG INC COM	112,800	1,354,904	1,128,000
HIGHWOODS PPTYS INC COM	80,100	2,709,632	2,516,742
HILB ROGAL & HOBBS CO	13,300	481,754	578,018
HIMAX TECHNOLOGIES INC	243,693	1,374,932	1,247,708
HOLLY CORP PAR \$0.01	24,355	1,045,627	899,187
HOLOGIC INC COM	224,960	6,882,646	4,904,128
HOME DEPOT INC COM	360,984	11,756,298	8,454,245

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Issuer	Shares	Book Value	Market Value
HOME DIAGNOSTICS INC DEL COM	166,300	1,186,901	1,506,678
HOME FED BANCORP INC MD COM	69,700	697,000	687,242
HOME PROPERITIES INC	70,100	3,614,539	3,369,006
HOOPER HOLMES INC COM	1,177,200	3,819,849	1,200,744
HORACE MANN EDUCATORS CORP NEW	160,400	2,626,678	2,248,808
HORIZON LINES INC CL A	256,500	3,197,384	2,552,175
HORNBECK OFFSHORE SVCS INC	14,249	808,248	805,211
HOUSTON WIRE & CABLE CO COM	42,000	656,546	835,800
HUB GROUP INC CL A	54,100	1,175,987	1,846,433
HUGOTON ROYALTY TRUST	72,900	2,142,093	2,697,300
HUNT J B TRANS SVCS INC	47,300	1,263,248	1,574,144
HURON CONSULTING GROUP INC	89,800	3,987,193	4,071,532
I2 TECHNOLOGIES INC	275,200	4,828,733	3,420,736
ICO HLDGS INC COM	450,301	3,200,182	2,710,812
ICONIX BRAND GROUP INC COM	134,200	2,219,881	1,621,136
ICU MED INC	47,200	1,178,005	1,079,936
IDACORP INC COM	52,387	1,674,021	1,513,460
IDENIX PHARMACEUTICALS INC	271,727	1,745,288	1,975,455
IGATE CORP COM	92,900	803,940	755,277
IHS INC CL A	113,920	6,947,143	7,928,832
IKON OFFICE SOLUTIONS INC COM	276,495	3,494,882	3,118,864
IMMUCOR INC	29,100	749,023	753,108
INFINITY PPTY & CAS CORP	51,400	2,226,107	2,134,128
INFOGROUP INC COM	268,000	2,778,840	1,176,520
INFORMATICA CORP COM	650,120	10,103,491	9,777,805
INGLES MKTS INC CL A	91,400	1,399,900	2,132,362
INGRAM MICRO INC CL A COM	100,700	1,781,048	1,787,425
INSIGHT ENTERPRISES INC COM	47,291	938,053	554,723
INSITUFORM TECHNOLOGIES INC	90,400	1,640,230	1,376,792
INSTEEL INDS INC	10,100	127,145	184,931
INTEGRA BK CORP COM	44,100	728,567	345,303
INTEGRA LIFESCIENCES HLDG CORP	74,084	3,471,098	3,295,256
INTEGRATED DEVICE TECH INC	236,034	2,468,080	2,346,178
INTEGRYS ENERGY GROUP INC COM	40,600	2,070,925	2,063,698
INTER PARFUMS INC COM	53,400	832,499	801,000
INTERACTIVE BROKERS GROUP INC	103,010	3,086,130	3,309,711
INTERACTIVE DATA CORP COM	211,780	6,047,530	5,322,031
INTERCONTINENTAL EXCHANGE INC	98,058	13,316,894	11,178,612
INTERFACE INC CL A	169,161	2,390,149	2,119,587
INTERLINE BRANDS INC	129,900	2,382,691	2,069,307
INTERNATIONAL BANCSHARES CORP	32,602	853,647	696,705
INTERNATIONAL GAME TECHNOLOGY	652,255	25,632,480	16,293,330
INTERNATIONAL SPEEDWAY CORP CL	38,000	1,667,253	1,483,140
INTERSIL CORP CL A	287,700	8,005,567	6,996,864
INTERSTATE HOTELS & RESORTS	207,000	958,410	536,130

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<u>Issuer</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>
INTERWOVEN INC	33,400	465,683	401,134
INTEVAC INC COM	113,300	1,723,450	1,278,024
INTREPID POTASH INC COM	21,600	1,401,240	1,420,848
INTUIT COM	959,246	28,962,446	26,446,412
INTUITIVE SURGICAL INC	11,570	1,456,433	3,116,958
INVACARE CORP	150,700	3,817,008	3,080,308
INVESTMENT TECH GRP COM NEW	66,170	2,447,412	2,214,048
INVITROGEN CORP COM	61,400	2,873,171	2,410,564
ISIS PHARMACEUTICALS	47,411	763,622	646,212
ITC HLDGS CORP	132,070	6,251,560	6,750,098
ITRON INC	15,600	1,283,616	1,534,260
IXYS CORP DEL COM	120,900	1,500,067	1,443,546
J CREW GROUP INC COM	46,510	2,236,920	1,535,295
J2 GLOBAL COMMUNICATIONS INC	146,513	1,990,287	3,369,799
JA SOLAR HLDGS CO LTD	68,300	1,432,128	1,150,855
JACK IN THE BOX INC COM	99,000	2,823,757	2,218,590
JACKSON HEWITT TAX SVC INC	87,400	1,302,470	1,068,028
JAKKS PAC INC	38,960	950,648	851,276
JANUS CAP GROUP INC	65,280	1,928,678	1,727,962
JARDEN CORP	123,700	3,243,493	2,256,288
JC PENNEY CO INC COM	174,150	6,565,218	6,319,904
JDA SOFTWARE GROUP INC	400,200	5,965,802	7,243,620
JEFFERIES GROUP INC NEW COM	160,000	2,852,315	2,691,200
JER INVS TR INC	327,900	5,335,651	2,065,770
JOHNSON & JOHNSON COM	643,283	41,325,513	41,388,828
JONES LANG LASALLE INC COM	64,000	4,028,859	3,852,160
JOY GLOBAL INC	37,000	2,760,031	2,805,710
JPMORGAN CHASE & CO COM	425,700	18,511,844	14,605,767
K V PHARMACEUTICAL CO CL A	77,700	1,685,868	1,501,941
K12 INC COM	52,744	1,195,170	1,134,523
KAISER ALUM CORP COM PAR \$0.01	22,200	1,661,747	1,188,366
KAMAN CORP COMMON	185,100	2,879,294	4,212,876
KANSAS CITY SOUTHERN COM NEW	134,020	4,418,069	5,895,540
KB HOME COM	58,900	1,443,331	997,177
KBW INC COM	42,974	1,044,105	884,405
KENDLE INTL INC	71,171	3,082,926	2,585,642
KENEXA CORP	68,000	1,268,874	1,281,120
KIMBERLY CLARK CORP COM	106,100	6,320,347	6,342,658
KINDRED HEALTHCARE INC COM	164,630	3,762,701	4,734,759
KING PHARMACEUTICALS INC COM	286,200	3,320,549	2,996,514
KINGSWAY FINL SVCS INC	22,500	193,556	195,300
KIRBY CORP COM	47,900	1,079,087	2,299,200
KNIGHT TRANSN INC COM	98,770	1,748,417	1,807,491
KRAFT FOODS INC CL A	681,050	22,397,931	19,375,873
KROGER CO COM	225,500	4,582,160	6,510,185

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Issuer	Shares	Book Value	Market Value
KULICKE & SOFFA INDS INC	133,612	975,007	974,031
L-3 COMMUNICATIONS HLDGS INC	57,900	6,131,904	5,261,373
LAMAR ADVERTISING CO CL A	154,900	6,928,585	5,581,047
LANCE INC	53,638	1,237,857	1,006,785
LANDAMERICA FINL GROUP INC	10,651	448,890	236,346
LANDEC CORP	243,000	1,264,984	1,572,210
LANDSTAR SYS INC COM	36,700	1,323,178	2,026,574
LEARNING TREE INTL INC	227,900	3,011,564	3,897,090
LEGGETT & PLATT INC COM	68,400	1,264,319	1,147,068
LEHMAN BROS HLDGS INC COM	221,925	12,202,712	4,396,334
LENNAR CORP CL A	105,620	1,885,960	1,303,351
LENNOX INTL INC COM	73,100	2,820,373	2,116,976
LENOVO GROUP LTD SPONSORED ADR	1,596,259	26,384,739	21,618,136
LEXINGTON REALTY TRUST	118,800	2,153,521	1,619,244
LIFEPOINT HOSPS INC COM	51,800	1,729,071	1,465,940
LINCOLN ELEC HLDGS INC COM	14,000	1,127,077	1,101,800
LINDSAY CORP	13,700	1,622,020	1,164,089
LIONBRIDGE TECHNOLOGIES INC	875,100	5,684,295	2,257,758
LIONS GATE ENTMT CORP COM NEW	185,000	2,082,311	1,916,600
LKQ CORP	151,870	3,314,063	2,744,291
LOCKHEED MARTIN CORP COM	26,300	1,972,338	2,594,758
LONGS DRUG STORES CORP COM	53,729	2,412,903	2,262,528
LSI INDS INC OHIO COM	278,900	4,462,003	2,264,668
LULULEMON ATHLETICA COM	49,500	1,496,169	1,438,470
MAGELLAN HEALTH SVCS INC	148,082	5,583,584	5,483,476
MAGNA INTL INC CL A	123,800	8,865,699	7,333,912
MAIDENFORM BRANDS INC	238,200	2,905,917	3,215,700
MANITOWOC INC COM	24,600	415,191	800,238
MANTECH INTERNATIONAL CORP	38,157	1,383,255	1,836,115
MARINER ENERGY INC COM	223,982	4,867,757	8,280,615
MARKEL HOLDINGS	5,900	1,598,052	2,165,300
MARTEK BIOSCIENCES CORP	93,701	3,019,996	3,158,661
MARTIN MARIETTA MATLS INC COM	19,000	2,550,657	1,968,210
MARVEL ENTMT INC	123,000	3,082,170	3,953,220
MASIMO CORP COM	49,400	1,693,412	1,696,890
MASTEC INC	62,807	601,976	669,523
MATERIAL SCIENCES CORP	182,100	1,782,105	1,475,010
MATRIX INITIATIVES INC	62,400	766,746	1,039,584
MATTEL INC COM	4,350	86,227	74,472
MATTHEWS INTL CORP PA CL A	2,500	115,443	113,150
MAX CAPITAL GROUP LTD	283,600	7,251,341	6,049,188
MAXIMUS INC COM	48,670	2,013,086	1,694,689
MCAFEE INC	58,530	2,165,065	1,991,776
MCCORMICK & SCHMICKS SEAFOOD	105,200	1,301,902	1,014,128
MCG CAPITAL CORP	379,412	5,211,244	1,510,060

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<u>Issuer</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>
MCKESSON CORP COM	95,800	5,470,882	5,356,178
MCMORAN EXPLORATION CO	111,800	2,800,088	3,076,736
MDU RESOURCES GROUP INC	70,025	1,559,895	2,441,072
MEADOWBROOK INS GROUP INC	419,900	2,778,160	2,225,470
MEDIA GEN INC CL A	58,577	2,208,531	699,995
MEDICAL PPTYS TR INC	311,100	3,685,495	3,148,332
MEDICINES CO COM	68,600	1,351,916	1,359,652
MEDICIS PHARMACEUTICAL CORP	48,680	1,031,609	1,011,570
MENTOR CORP MINN COM	133,500	4,208,196	3,713,970
MENTOR GRAPHICS CORP COM	84,526	1,076,838	1,335,511
MERIDIAN BIOSCIENCE INC COM	19,700	537,378	530,324
MERIT MED SYS INC COM	148,300	2,183,267	2,180,010
MERRILL LYNCH & CO INC	161,100	8,654,011	5,108,481
METHANEX CORP	90,900	2,157,448	2,547,018
MFA MTG INVTS INC	187,596	1,448,663	1,223,126
MICROS SYS INC COM	190,200	5,729,507	5,799,198
MICROSOFT CORP COM	458,225	12,332,594	12,605,770
MID AMER APT CMNTYS INC COM	28,350	1,458,283	1,446,984
MIDDLEBY CORP	53,600	2,521,724	2,353,576
MINDRAY MED INTL LTD SPONSORED	137,230	4,869,180	5,121,424
MISSION WEST PPTYS INC MD COM	39,200	394,720	429,632
MOLINA HEALTHCARE INC	55,100	1,517,662	1,341,134
MONOLITHIC PWR SYS INC	33,800	641,416	730,756
MONRO MUFFLER BRAKE INC	299,850	6,364,338	4,647,675
MONSANTO CO NEW COM	228,320	20,896,765	28,868,781
MOOG INC CL A	10,140	364,985	377,614
MORGAN STANLEY	213,825	9,856,000	7,712,668
MORNINGSTAR INC	55,000	3,808,472	3,961,650
MORTONS RESTAURANT GROUP INC	176,400	1,462,008	1,213,632
MOTHERS WK INC	168,700	4,655,009	1,698,809
MOTOROLA INC COM	394,350	2,968,470	2,894,529
MPS GROUP INC	145,114	2,009,312	1,542,562
MSC SOFTWARE CORP COM	172,600	1,617,113	1,895,148
MSCI INC CL A	85,070	2,602,606	3,087,190
MULTI FINELINE ELECTRONIX INC	18,600	387,306	514,662
MULTI-COLOR CORP	138,695	3,225,115	2,911,208
MURPHY OIL CORP COM	54,600	4,361,214	5,353,530
MYERS INDS INC	60,958	814,894	496,808
NABORS INDUSTRIES LTD SHS	182,600	7,620,333	8,989,398
NALCO HLDG CO COM	80,500	2,094,674	1,702,575
NATIONAL CINEMEDIA INC COM	240,000	5,902,747	2,558,400
NATIONAL CITY CORP COM	290,319	1,395,556	1,384,822
NATIONAL RETAIL PPTYS INC COM	105,250	2,628,039	2,199,725
NATIONWIDE HEALTH PPTYS INC	93,600	3,363,985	2,947,464
NATURAL GAS SVCS GROUP INC	4,591	124,575	139,934

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<u>Issuer</u>	<u>Shares</u>	<u>Book Value</u>	<u>Market Value</u>
NAUTILUS INC	115,700	1,569,727	587,756
NAVARRE CORP	450,200	2,403,553	738,328
NAVIGANT CONSULTING INC COM	68,500	1,349,861	1,339,860
NAVIGATORS GROUP INC	19,940	966,474	1,077,757
NAVISTAR INTL CORP NEW COM	61,900	4,249,825	4,074,258
NCI BLDG SYS INC COM	35,400	795,424	1,300,242
NCR CORP NEW	66,500	1,693,309	1,675,800
NET 1 UEPS TECHNOLOGIES INC	151,480	4,286,298	3,680,964
NETEZZA CORP	216,946	2,238,467	2,505,726
NETFLIX COM INC	159,500	5,146,401	4,158,165
NEUSTAR INC CL A	230,000	7,594,620	4,958,800
NEUTRAL TANDEM INC COM	76,780	1,558,994	1,343,650
NEW JERSEY RES CORP	61,101	1,864,806	1,994,948
NEW YORK & CO INC	438,400	2,762,890	4,002,592
NEW YORK CMNTY BANCORP INC	162,800	3,140,866	2,904,352
NEWBRIDGE BANCORP COM	211,450	2,202,530	1,459,005
NEWPARK RES INC PAR \$0.01 NEW	591,000	3,634,549	4,645,260
NICE SYSTEMS LTD SPONSORED ADR	88,000	3,163,944	2,602,160
NIGHTHAWK RADIOLOGY HLDGS INC	33,800	614,344	239,304
NN INC COM	365,300	4,051,007	5,092,282
NOKIA CORP SPON ADR SER A COM	1,145,200	23,051,347	28,057,400
NORTH AMERN SCIENTIFIC INC COM	130,910	1,706,984	137,456
NORTHRIM BANCORP INC	36,600	717,920	664,473
NORTHROP GRUMMAN CORP COM	218,825	14,690,151	14,639,393
NORTHSTAR RLTY FIN CORP	125,261	1,464,368	1,042,172
NORTHWEST NAT GAS CO COM	37,488	1,432,813	1,734,195
NOVAMED INC COM	547,600	2,121,655	2,064,452
NOVO NORDISK A S ADR	417,627	27,031,032	27,563,382
NUANCE COMMUNICATIONS INC	333,500	6,129,004	5,225,945
NUCOR CORP	93,600	5,624,093	6,989,112
NUSTAR GP HLDGS LLC UNIT	51,600	1,309,551	1,118,172
NVR INC	8,500	5,148,045	4,250,680
O CHARLEYS INC	145,700	2,301,555	1,465,742
O M GROUP INC COM	15,900	907,435	521,361
OCCIDENTAL PETE CORP COM	71,700	5,826,321	6,442,962
OCEANEERING INTL INC COM	43,890	2,870,133	3,381,725
OGE ENERGY CORP COM	134,000	4,415,084	4,249,140
OIL STS INTL INC COM	71,700	2,917,944	4,548,648
OLD DOMINION FGHT LINES INC	9,400	287,333	282,188
OLD NATIONAL BANCORP IND	96,370	1,559,153	1,374,236
OLIN CORP COM PAR \$1.00	161,750	3,283,771	4,234,615
OLYMPIC STL INC	44,400	2,258,068	3,370,848
OMNITURE INC COM	88,330	2,273,409	1,640,288
OMNIVISION TECHNOLOGIES INC	53,190	1,083,783	643,067
ON SEMICONDUCTOR CORP COM	391,000	4,153,158	3,585,470

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Issuer	Shares	Book Value	Market Value
ONEOK INC NEW COM	152,220	7,481,765	7,432,903
ONYX PHARMACEUTICALS INC	70,490	2,783,952	2,509,444
OPEN TEXT CORP COM	8,300	264,873	266,430
OPTIONSPRESS HLDGS INC	200,900	4,607,415	4,488,106
ORBITAL SCIENCES CORP COM	216,700	3,198,905	5,105,452
ORIENT EXPRESS HOTELS LTD CL A	51,900	1,795,286	2,254,536
ORION MARINE GROUP INC COM	134,100	1,992,509	1,894,833
ORTHOFIX INTERNATIONAL N V	53,100	1,761,673	1,537,245
OSI PHARMACEUTICALS INC COM	85,240	3,310,762	3,522,117
OUTDOOR CHANNEL HLDGS INC	210,350	1,851,208	1,468,243
OVERSEAS SHIPHOLDING GRP INC	44,700	3,425,118	3,554,544
OVERSTOCK.COM INC	43,400	1,017,932	1,126,230
OWENS & MINOR INC NEW	13,823	493,531	631,573
OWENS ILL INC NEW	128,700	6,010,630	5,365,503
PACER INTL INC TENN	34,200	537,436	735,642
PACWEST BANCORP DEL COM	28,808	684,372	428,663
PALL CORP COM	72,200	3,015,713	2,864,896
PANERA BREAD CO CL A COM	18,450	910,532	853,497
PANTRY INC	98,100	961,997	1,045,746
PAPA JOHNS INTL INC COM	39,285	1,138,881	1,044,588
PARAGON SHIPPING INC CL A	75,800	1,427,701	1,272,682
PARAMETRIC TECHNOLOGY CORP COM	180,242	2,973,547	3,004,634
PAREXEL INTL CORP	47,200	1,320,262	1,241,832
PARKER HANNIFIN CORP COM	66,500	3,891,447	4,742,780
PARTNERRE HLDGS LTD BERMUDA	157,100	11,996,668	10,860,323
PATRIOT COAL CORP COM	23,300	2,020,910	3,571,657
PC MALL INC COM	177,400	1,354,526	2,405,544
PEDIATRIX MED GROUP COM	50,100	2,973,060	2,466,423
PEGASYSTEM INC	174,700	2,005,635	2,351,462
PENN NATL GAMING INC COM	23,100	785,980	742,665
PENN VA CORP	40,178	2,290,324	3,030,225
PENNA VA RESOURCE PARTNERS LP	17,760	435,191	480,941
PENSON WORLDWIDE INC COM	326,200	3,831,333	3,898,090
PEOPLES UTD FINL INC COM	352,880	6,079,669	5,504,928
PEPCO HLDGS INC	45,200	1,169,233	1,159,380
PERFECT WORLD CO LTD SPONSORED	114,100	2,873,325	2,851,359
PERICOM SEMICONDUCTOR CORP	106,181	1,429,230	1,575,726
PERINI CORP	39,010	2,150,312	1,289,281
PERKINELMER INC COM	197,600	5,526,722	5,503,160
PERMIAN BASIN RTY TR	62,500	1,464,418	1,650,625
PERRIGO CO COM	98,905	2,855,064	3,142,212
PETMED EXPRESS INC COM	21,600	314,904	264,600
PETRO-CANADA COM SHS COM	109,000	5,269,199	6,076,750
PETROHAWK ENERGY CORP	346,480	5,449,031	16,045,489
PETROLEUM DEV CORP	43,300	3,304,606	2,879,017

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Issuer	Shares	Book Value	Market Value
PETROQUEST ENERGY INC COM	74,127	1,714,622	1,994,016
PFIZER INC COM STK USD0.05	1,213,550	30,495,443	21,200,719
PHARMACEUTICAL PROD DEV INC	25,159	887,383	1,079,321
PHARMERICA CORP COM	137,100	2,767,289	3,097,089
PHH CORP	74,600	1,324,734	1,145,110
PHILLIPS VAN HEUSEN CORP COM	21,191	849,693	776,014
PILGRIMS PRIDE CORP COM	35,500	921,410	461,145
PIONEER DRILLING CO COM	79,200	1,351,012	1,489,752
PLAINS EXPLORATION & PRODTN	31,600	2,086,086	2,305,852
PLATO LEARNING INC COM	346,600	1,746,295	928,888
PLEXUS CORP	60,060	1,373,353	1,662,461
PMA CAPITAL CORP CL A COM	264,900	2,461,048	2,439,729
PMC SIERRA INC	324,660	2,831,133	2,480,402
PNM RES INC	153,993	2,598,446	1,841,756
POLARIS INDS PARTNERS INC COM	19,900	934,130	803,562
POLYCOM INC	104,700	3,155,302	2,550,492
POLYONE CORP COM	270,200	2,086,719	1,883,294
POLYPORE INTL INC	118,900	2,748,433	3,011,737
POMEROY IT SOLUTIONS INC	329,900	3,585,917	1,517,540
POOL CORP COM	117,100	2,349,176	2,079,696
PORTLAND GEN ELEC CO COM NEW	32,811	853,106	738,904
POWERWAVE TECHNOLOGIES INC COM	1,064,800	4,195,635	4,525,400
PREMIERE GLOBAL SVCS INC	430,310	5,134,960	6,273,920
PRESSTEK INC COM	377,900	2,269,267	1,874,384
PRICELINE COM INC	48,330	2,179,951	5,580,182
PRIVATE BANCORP INC COM	39,570	1,345,380	1,202,137
PROASSURANCE CORPORATION COM	17,930	939,931	862,612
PROCENTURY CORP	182,800	2,153,288	2,895,552
PROCTER & GAMBLE CO COM	98,300	6,072,204	5,977,623
PROGRESS SOFTWARE CORP	26,000	863,049	664,820
PROSPERITY BANCSHARES INC COM	65,450	2,212,362	1,749,479
PSS WORLD MED INC	20,494	351,208	334,052
PSYCHIATRIC SOLUTIONS INC	56,680	2,071,370	2,144,771
PUBLIC SVC ENTERPRISE GROUP	114,500	5,104,406	5,258,985
QIAGEN N V	134,800	2,376,217	2,713,524
QUALCOMM INC	342,900	13,934,364	15,214,473
QUALSTAR CORP COM	249,400	1,106,415	758,176
QUANTA SVCS INC COM	1,823,623	50,859,937	60,671,937
QUEST SOFTWARE INC COM	234,900	3,565,495	3,478,869
QUICKSILVER RES INC COM	209,040	3,601,864	8,077,306
RACKABLE SYS INC	169,710	2,306,414	2,274,114
RADIANT SYS INC COM	27,800	370,984	298,294
RAIT FINANCIAL TRUST	75,889	1,271,375	563,096
RANGE RES CORP COM	134,810	5,316,494	8,835,447
RAYMOND JAMES FINL INC COM	137,000	3,369,619	3,615,430

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Issuer	Shares	Book Value	Market Value
RAYONIER INC COM	77,900	3,385,402	3,307,634
RC2 CORP	131,165	4,317,500	2,434,422
REALTY INCOME CORP MD COM	74,882	1,986,763	1,704,314
RED HAT INC COM	548,100	11,222,174	11,340,189
RED ROBIN GOURMET BURGERS INC	69,430	2,409,860	1,925,988
REGAL BELOIT CORP	8,110	308,203	342,648
REGAL ENTMT GROUP CL A	103,600	1,980,967	1,583,008
REGIONS FINL CORP	430,800	8,295,969	4,700,028
REHABCARE GROUP INC COM	221,100	4,252,651	3,544,233
RELIANT ENERGY INC	510,000	12,857,442	10,847,700
RENAISSANCE RE HOLDINGS LTD	54,200	2,796,823	2,421,114
RENT A CTR INC NEW COM	74,900	1,740,412	1,540,693
REPLIGEN CORP	213,500	1,405,416	1,007,720
RES CARE INC COM	39,700	934,165	705,866
RESMED INC	133,000	5,640,472	4,753,420
RESOURCES CONNECTION INC COM	206,300	4,140,730	4,198,205
RETAIL VENTURES INC	198,700	2,350,632	914,020
REX ENERGY CORP COM	23,664	495,570	624,730
RIGEL PHARM INC	44,670	1,221,684	1,012,222
RIMAGE CORP	87,500	2,016,127	1,084,125
RLI CORP	20,979	1,057,525	1,037,831
ROCK-TENN CO CL A	72,200	2,526,910	2,165,278
ROCKWOOD HLDGS INC	62,700	2,112,831	2,181,960
ROSS STORES INC COM	125,200	4,391,747	4,447,104
RTI BIOLOGICS INC COM	81,310	739,076	711,463
RUDDICK CORP COM	41,548	1,441,954	1,425,512
RUDOLPH TECHNOLOGIES INC COM	39,400	389,102	303,380
RUSH ENTERPRISES INC CL A	77,000	1,311,834	924,770
RUSH ENTERPRISES INC CL B	9,800	169,050	106,428
RUSS BERRIE & CO INC COM	144,500	2,197,101	1,151,665
RUSSELL INDEX FUND	9,208,233	359,359,749	383,577,960
RYLAND GROUP INC	70,779	2,460,782	1,543,690
S1 CORP COM	180,100	1,401,280	1,363,357
SAFECO CORP COM	82,300	5,249,674	5,527,268
SAFEWAY INC NEW COM	77,900	2,457,598	2,224,045
SAIC INC COM	93,100	1,980,069	1,937,411
SALESFORCE COM INC	52,580	1,537,844	3,587,533
SAPIENT CORP	240,700	1,751,570	1,545,294
SARA LEE CORP	384,500	5,880,429	4,710,125
SBA COMMUNICATIONS CORP COM	432,020	13,625,318	15,557,040
SCHEIN HENRY INC COM	58,370	3,086,718	3,010,141
SCHERING PLOUGH CORP COM	168,700	3,313,842	3,321,703
SCHNITZER STL INDS INC CL A	66,846	3,844,281	7,660,552
SCHOOL SPECIALTY INC-COM	168,400	5,321,974	5,006,532
SCHWAB CHARLES CORP NEW COM	289,200	5,965,886	5,940,168

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Issuer	Shares	Book Value	Market Value
SCIELE PHARMA INC COM	113,264	2,574,327	2,191,658
SEABRIGHT INS HLDGS INC	244,105	3,756,446	3,534,640
SEAGATE TECHNOLOGY ESCROW	16,400	0	0
SEI INVESTMENT CO COM	163,140	4,088,442	3,837,053
SELECTIVE INS GROUP INC COM	39,499	975,555	741,001
SEMGROUP ENERGY PARTNERS LP	128,600	3,215,340	3,258,724
SEMPRA ENERGY COM	113,550	5,240,439	6,409,898
SENSIENT TECHNOLOGIES CORP COM	97,100	2,795,972	2,734,336
SEPRACOR INC	190,000	3,724,718	3,784,800
SERACARE LIFE SCIENCES INC DEL	262,235	2,025,770	1,284,952
SHAW COMMUNICATIONS INC CL B	237,400	2,476,306	4,833,464
SHAW GROUP INC COM	334,200	12,910,965	20,650,218
SHOE CARNIVAL INC	160,314	3,243,816	1,890,102
SIERRA PAC RES NEW COM	372,400	6,384,081	4,733,204
SIERRA WIRELESS INC	25,100	373,580	366,460
SILGAN HLDGS INC COM	45,290	2,526,546	2,298,015
SINA CORPORATION	35,400	1,831,270	1,506,270
SIRONA DENTAL SYS INC COM	15,600	425,231	404,352
SKECHERS U S A INC CL A COM	104,899	2,639,141	2,072,804
SKILLED HEALTHCARE GROUP INC	75,100	1,140,354	1,007,842
SKYWORKS SOLUTIONS INC	289,053	2,561,052	2,852,953
SL GREEN REALTY CORP	37,200	3,249,442	3,077,184
SMART MODULAR TECHNOLOGIES WWH	172,400	1,217,000	660,292
SMITH A O CORP	13,440	509,825	441,235
SOHU.COM INC COM	48,300	3,308,291	3,402,252
SOLERA HLDGS INC COM	127,600	2,950,854	3,529,416
SOURCE INTERLINK COMPANIES	431,800	4,137,348	954,278
SOUTH FINL GROUP INC COM	34,856	821,834	136,636
SOUTHERN UN CO NEW	84,100	2,163,158	2,272,382
SOUTHSIDE BANCSHARES INC	8,505	177,913	156,832
SOUTHWEST BANCORP INC OKLA	95,600	1,786,282	1,099,400
SPARTECH CORP NEW	199,500	2,121,606	1,881,285
SPRINT NEXTEL CORP COM SER 1	484,100	10,254,583	4,598,950
SPSS INC	125,000	2,639,168	4,546,250
SPX CORP	21,400	1,837,940	2,819,022
SRA INTERNATIONAL INC CL A	135,000	3,192,942	3,032,100
STAGE STORES INC COM NEW	86,706	1,625,666	1,011,859
STANDARD MICROSYSTEMS CORP	45,322	1,337,619	1,230,492
STANDARD PAC CORP NEW COM	80,975	618,750	273,696
STANDARD REGISTER CO COM	178,100	2,351,338	1,679,483
STANDEX INTL CORP COM	99,450	2,641,196	2,062,593
STANLEY INC COM	32,700	975,789	1,096,104
STARENT NETWORKS CORP COM	40,800	657,487	513,264
STATE STREET CORP S & P 500	6,677,733	1,333,067,823	1,667,491,121
STEC INC COM	249,800	3,110,814	2,565,446

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Issuer	Shares	Book Value	Market Value
STEEL DYNAMICS INC COM	204,580	5,992,186	7,992,941
STELLARONE CORP COM	76,400	1,284,759	1,115,440
STERICYCLE INC COM	47,000	1,411,941	2,429,900
STERIS CORP COM	67,393	1,721,910	1,938,223
STERLING BANCSHARES INC	96,000	1,072,521	872,640
STERLING CONSTR INC	81,850	1,627,728	1,625,541
STONE ENERGY CORP COM	89,734	4,422,813	5,914,368
STRAYER ED INC	33,380	5,481,887	6,978,757
SUBURAN PROPANE PTNRS LP UT	14,100	664,500	539,043
SUPERIOR ENERGY SERVICES INC	157,200	4,685,413	8,668,008
SUPPORTSOFT INC	407,100	1,969,995	1,323,075
SWIFT ENERGY CO	35,800	1,564,606	2,364,948
SYBASE INC COM	288,839	6,885,130	8,497,643
SYMANTEC CORP COM	370,400	6,757,221	7,167,240
SYMMETRICOM INC	292,600	1,183,509	1,123,584
SYNIVERSE HLDGS INC	166,120	2,742,255	2,691,144
SYNNEX CORP	80,800	1,889,784	2,027,272
SYSCO CORP COM	178,200	5,997,410	4,902,282
T-3 ENERGY SERVICES INC	8,404	587,741	667,866
TALEO CORP	184,500	3,608,588	3,614,355
TARGA RES PARTNERS LP COM UNIT	182,700	4,985,894	4,211,235
TEAM INC	42,950	606,593	1,474,044
TEEKAY TANKERS LTD CLASS A	21,100	439,342	489,731
TEFRON LTD SHS	167,350	1,598,176	401,640
TEKELEC COM	127,800	1,826,215	1,879,938
TEMPUR PEDIC INTL INC	158,600	1,896,737	1,238,666
TENNECO INC COM	25,200	653,932	340,956
TERADYNE INC COM	260,700	3,072,425	2,885,949
TERRA INDS INC	77,700	1,849,678	3,834,495
TEVA PHARMACEUTICAL INDS ADR	643,276	21,513,114	29,462,041
TEXAS CAP BANCSHARES INC	61,500	1,085,631	984,000
TEXAS INSTRS INC COM	559,400	17,220,067	15,752,704
TEXTAINER GROUP HLDGS LTD SHS	86,800	1,831,201	1,695,204
THERAVANCE INC	96,000	1,263,782	1,139,520
THOMAS & BETTS CORP COM	321,600	16,299,809	12,172,560
THOMAS PPTYS GROUP INC	96,400	1,126,756	948,576
THQ INC	100,600	2,553,256	2,038,156
TIDEWATER INC COM	14,400	747,683	936,432
TIER TECHNOLOGIES INC CL B	19,502	209,359	156,211
TIME WARNER INC	638,400	11,617,523	9,448,320
TIMKEN CO	31,300	1,055,070	1,031,022
TITAN INTL INC ILL COM	31,500	1,174,376	1,122,030
TJX COS INC NEW COM	151,150	3,577,181	4,756,691
TNS INC	56,200	1,399,776	1,346,552
TORCHMARK CORP	197,850	10,442,523	11,603,903

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Issuer	Shares	Book Value	Market Value
TOTAL SYS SVCS INC	170,500	4,269,292	3,788,510
TRADESTATION GROUP INC COM	430,457	5,121,965	4,369,139
TRAVELERS COS INC COM	167,100	8,895,250	7,252,140
TRICO MARINE SVCS INC	128,600	5,151,131	4,683,612
TRIDENT MICROSYSTEMS INC COM	175,800	1,180,801	641,670
TRIMERIS INC COM	35,000	272,017	165,200
TRIPLE S MGMT CORP CL B	37,200	695,595	608,220
TRIQUINT SEMICONDUCTOR INC COM	104,524	654,499	633,415
TRIUMPH GROUP INC COM NEW	22,600	1,386,768	1,064,460
TRUE RELIGION APPAREL INC	66,488	1,713,123	1,771,905
TRUSTMARK CORP	51,196	1,390,044	903,609
TRW AUTOMOTIVE HLDGS CORP	85,700	2,365,905	1,582,879
TUPPERWARE BRANDS CORP COM	148,760	5,688,274	5,090,567
TW TELECOM INC COM	50,600	1,183,684	811,118
U STORE IT TR	87,000	1,015,880	1,039,650
UCBH HLDGS INC COM	202,000	719,070	454,500
ULTRALIFE CORPORATION	199,700	3,830,243	2,134,793
ULTRATECH INC COM	105,400	1,576,687	1,635,808
UNIFIRST CORP	9,600	359,519	428,736
UNIONBANCAL CORP	50,800	2,992,985	2,053,336
UNIT CORP COM	14,000	777,826	1,161,580
UNITED NATURAL FOODS INC	111,200	2,927,779	2,166,176
UNITED ONLINE INC COM	141,700	1,731,971	1,421,251
UNITED THERAPEUTICS CORP DEL	44,460	4,044,602	4,345,965
UNITEDHEALTH GROUP INC COM	251,100	7,201,000	6,591,375
UNIVERSAL AMERICAN CORP	22,000	423,717	224,840
UNIVERSAL CORP VA	18,100	860,637	818,482
UNIVERSAL ELECTRS INC	107,600	1,580,830	2,248,840
UNIVERSAL TECHNICAL INST INC	124,900	1,642,274	1,556,254
UNIVEST CORP PA	25,800	667,637	512,388
URBAN OUTFITTERS INC COM	97,720	2,628,564	3,047,887
URS CORP NEW	38,700	1,746,918	1,624,239
US BANCORP DEL COM NEW	202,800	6,815,235	5,656,092
UT STARCOM INC COM	329,500	1,802,003	1,802,365
UTI WORLDWIDE INC SHS	266,700	5,112,337	5,320,665
VAALCO ENERGY INC COM NEW	529,900	4,202,288	4,488,253
VALASSIS COMMUNICATIONS INC	275,900	3,832,339	3,454,268
VALEANT PHARMACEUTICALS INTL	170,900	2,401,414	2,924,099
VALERO ENERGY CORP COM NEW	117,100	7,878,765	4,822,178
VALMONT INDS INC COM	31,300	2,884,064	3,264,277
VARIAN INC COM	24,315	1,210,681	1,241,524
VARIAN MED SYS INC COM	90,000	4,010,727	4,666,500
VARIAN SEMICONDUCTOR EQUIPMENT	165,857	5,245,371	5,775,141
VECTREN CORP COM	199,171	5,590,400	6,216,127
VEECO INSTRS INC DEL COM	79,134	1,518,368	1,272,475

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Issuer	Shares	Book Value	Market Value
VENTAS INC	69,500	3,383,093	2,958,615
VERIZON COMMUNICATIONS COM	339,300	11,519,865	12,011,220
VIRTUAL RADIOLOGIC CORP COM	23,639	430,629	313,217
VISTAPRINT LIMITED	182,600	5,840,612	4,886,376
VNUS MED TECHNOLOGIES INC	14,400	266,534	288,144
VOLTERRA SEMICONDUCTOR CORP	125,000	1,959,266	2,157,500
W & T OFFSHORE INC	103,100	4,434,460	6,032,381
WABCO HLDGS INC COM	87,000	3,936,486	4,042,020
WACHOVIA CORP NEW COM	516,850	12,122,508	8,026,681
WADDELL & REED FINL INC CL A	154,346	4,309,031	5,403,653
WAL MART STORES INC COM	425,183	21,281,333	23,895,285
WALGREEN CO	869,489	37,184,200	28,267,087
WALTER INDS INC COM	47,569	3,034,777	5,174,080
WARNACO GROUP INC	32,100	1,522,462	1,414,647
WARREN RES INC	137,800	1,388,484	2,022,904
WASHINGTON FEDERAL INC	231,085	5,424,663	4,182,639
WASHINGTON MUTUAL INC COM	520,700	13,614,756	2,567,051
WASHINGTON REAL ESTATE INVT TR	39,420	1,378,849	1,184,571
WASTE CONNECTIONS INC COM	23,600	758,307	753,548
WATSCO INC CL A	32,510	1,526,069	1,358,918
WATSON WYATT WORLDWIDE INC	39,370	1,988,448	2,082,279
WD 40 CO	123,000	3,789,013	3,597,750
WEBSense INC COM	105,090	1,982,828	1,769,716
WEBSITE PROS INC	145,200	1,348,263	1,209,516
WELLCARE HEALTH PLANS INC	95,000	4,580,294	3,434,250
WELLS FARGO & CO NEW COM	203,100	6,014,807	4,823,625
WEST COAST BANCORP ORE NEW	80,500	1,190,927	697,935
WESTAMERICA BANCORPORATION COM	32,550	1,807,611	1,711,805
WESTAR ENERGY INC	265,800	6,541,560	5,717,358
WESTERN DIGITAL CORP DEL COM	76,400	2,396,334	2,638,092
WESTERN UN CO COM	1,377,057	30,471,027	34,040,849
WESTWOOD ONE INC COM	1,058,600	2,504,355	1,312,664
WET SEAL INC CL A COM	817,600	3,706,043	3,899,952
WEYCO GROUP INC	67,175	1,849,282	1,782,153
WH ENERGY SVCS INC COM	19,700	1,680,556	1,886,078
WHIRLPOOL CORP COM	115,025	8,408,328	7,100,493
WHITING PETE CORP NEW	22,700	1,773,753	2,408,016
WHOLE FOODS MKT INC	853,286	42,342,943	20,214,345
WILLBROS GROUP INC	58,164	2,254,153	2,548,165
WILLIS GROUP HOLDINGS LTD SHS	157,400	5,724,619	4,937,638
WILLIS LEASE FIN CORP	167,000	957,872	1,783,560
WIND RIV SYS INC	121,100	1,352,859	1,318,779
WINTRUST FINL CORP COM	27,100	1,320,694	646,335
WISCONSIN ENERGY CORP COM	160,675	6,346,663	7,265,724
WMS INDS INC COM	154,925	3,782,968	4,612,117

Appendix D

**South Carolina Investment Commission
Equity Holdings
As of June 30, 2008**

Issuer	Shares	Book Value	Market Value
WOLVERINE WORLD WIDE INC COM	74,850	2,196,233	1,996,250
WOODWARD GOVERNOR CO	115,010	3,602,605	4,101,257
WORLD ACCEP CORP	31,708	1,136,310	1,067,608
WORLD FUEL SVC CORP	18,906	490,818	414,798
WRIGHT EXPRESS CORP	206,400	5,138,848	5,118,720
WUXI PHARMATECH CAYMAN INC	57,800	1,352,674	1,173,340
XENOPORT INC	35,160	1,537,179	1,372,295
XL CAP LTD CL A COM	176,375	11,960,634	3,626,270
XM SATELLITE RADIO HLDGS INC	889,100	15,207,093	6,970,544
XOMA LTD COM	148,390	556,492	250,779
XTO ENERGY INC COM	107,400	7,515,452	7,357,974
YAHOO INC	1,042,100	30,430,768	21,529,786
YAMANA GOLD INC	295,057	3,018,715	4,880,243
ZOLL MED CORP	74,700	2,077,311	2,515,149
ZORAN CORP	185,710	3,309,203	2,172,807
Total Domestic Equity		5,947,403,798	6,170,273,694
ANWORTH MTG ASSET CORP PFD SER	63,200	1,497,977	1,017,520
Total Convertible Preferred		1,497,977	1,017,520
BGI EAFE EQUITY INDEX	2,554,383	550,000,000	485,689,267
Total International Equity		550,000,000	485,689,267
Total Physical Equity		\$6,498,901,774	\$6,656,980,481

Appendix E

South Carolina Investment Commission
Alternative Investments (000's)
As of June 30, 2008

Description 1	Shares/Par	Base Cost	Base Price	Base Market Value
GTAA				
ALL WEATHER PORTFOLIO LTD	\$658,242	\$700,000	1,134.2813	\$746,631
EB ENHANCED GLOBAL ALPHA FUND	3,497,920	350,016	102.3986	358,182
GMO STRATEGIC OPPURTUNITY	10,501,842	256,515	22.1700	232,826
GMO MULTI-STRATEGY FUND	106,500,000	106,500	1.1284	120,179
PUTNAM GLOBAL TACTICAL ASSET	13,025,977	700,000	55.4300	722,030
Total GTAA	134,183,980	2,113,031		2,179,848
Opportunistic Credit				
ANGELO GORDON	15,040,372	15,040	1.0000	15,040
Total Opportunistic Credit	15,040,372	15,040		15,040
Private Equity				
PANTHEON EUROPE FUND V'A'L P	11,973,914	18,973	1.5756	18,866
APAX EUROPE VII A LP	9,776,239	16,540	1.5756	15,403
CAROUSEL CAPITAL PARTNERS 3 LP	12,434,726	10,328	1.0000	12,435
PANTHEON USA FUND VII LP	24,486,690	25,625	1.0000	24,487
AQUILINE FINANCIAL SERVICES	25,865,965	34,314	1.0000	25,866
WARBURG PINCUS PRIVATE EQUITY	20,799,037	23,200	1.0000	20,799
GS MEZZANINE PARTNERS V	24,513,962	25,000	1.0000	24,514
TCW SPEC MORT CREDITS FUND LP	113,772,822	110,582	1.0000	107,934
PAUL CAPITAL PARTNERS IX LP	18,330,149	18,330	1.0000	18,330
CVE ENDOWMENT FUND I LP	8,827,706	9,000	1.0000	8,828
SQUARE 1 VENTURES LP	3,000,000	3,000	1.0000	3,000
CRESCENT MEZZANINE V-FUND A	15,880,098	15,880	1.0000	15,309
NORTHSTAR MEZZANINE PARTNERS V	9,231,166	9,741	1.0000	9,231
LEHMAN BROS SECONDARY OPP II	1,146,875	1,147	1.0000	1,147
TCW/PALMETTO STATE PTNRS LLC	40,000,000	40,000	1.0000	40,000
Total Private Equity	340,039,350	361,660		346,148
Hedge Funds				
MORGAN STANLEY STRATEGIC	991,812,965	991,813	1.0056	997,397
MORGAN STANLEY COMPLETION FUND	805,500,001	813,895	10,077,196	809,707
GOTTEX MARKET NEUTRAL PLUS SC	7,500,000	750,000	101.7900	763,425
FRONTPOINT MULTI-STRATEGY FUND	350,000,000	350,000	1.0745	376,073
DUETSCHKE BANK (CAYMAN) LIMITED	4,000,000	400,000	101.2781	400,816
GAM USA INC	6,830,540	754,379	110.6200	755,594
GROSVENOR PURE ALPHA STRATEGY	750,000,000	750,000	1.0235	767,639
PURE ALPHA FUND II SERIES CXLI	207,371	258,527	1,409.3574	292,260
D E SHAW COMPOSITE FUND LLC	369,399,032	387,221	1.0166	375,544
MARINER PARTNERS LP	350,000,000	350,000	0.9657	337,991
Total Hedge Fund	3,635,249,908	5,805,836		5,876,446
Total Alternatives	\$4,124,513,610	\$8,295,567		\$8,417,483

Appendix F
South Carolina Investment Commission
Swap Holdings
As of June 30, 2008

Asset Class	Counterparty	Benchmark	Original Trade		Gain/Loss Since Trade
			Notional	Current Notional	
Domestic Equity	Morgan Stanley	S&P 500 Index	\$202,245	\$178,655	-\$23,590
			202,245	178,655	(23,590)
Emerging Equity	Credit Suisse	MSCI Emerging Markets Index	150,000	132,307	(17,693)
	J.P. Morgan	MSCI Emerging Markets Index	100,000	99,638	(362)
	J.P. Morgan	MSCI Emerging Markets Index	150,000	151,350	1,350
	J.P. Morgan	MSCI Emerging Markets Index	100,000	91,972	(8,028)
	J.P. Morgan	MSCI Emerging Markets Index	100,000	101,118	1,118
	Merrill Lynch	MSCI Emerging Markets Index	50,000	49,694	(306)
	Merrill Lynch	MSCI Emerging Markets Index	150,000	159,971	9,971
	Morgan Stanley	MSCI Emerging Markets Index	250,000	251,605	1,605
	Morgan Stanley	MSCI Emerging Markets Index	250,000	247,845	(2,155)
			1,300,000	1,285,500	(14,501)
International Equity	Credit Suisse	MSCI EAFE + Canada Index	200,000	178,928	(21,072)
	Deutsche Bank	MSCI EAFE + Canada Index	300,000	279,987	(20,013)
	Deutsche Bank	MSCI EAFE + Canada Index	250,000	240,133	(9,867)
	J.P. Morgan	MSCI EAFE + Canada Index	250,000	221,495	(28,505)
	Morgan Stanley	MSCI EAFE + Canada Index	200,000	185,197	(14,803)
	Morgan Stanley	MSCI EAFE + Canada Index	250,000	224,419	(25,581)
			1,450,000	1,330,159	(119,841)
Emerging Debt	J.P. Morgan	J.P. Morgan EMBI Plus	250,000	246,883	(3,117)
	J.P. Morgan	J.P. Morgan EMBI Plus	200,000	196,537	(3,463)
	J.P. Morgan	J.P. Morgan EMBI Plus	250,000	243,671	(6,329)
			700,000	687,091	(12,909)
High Yield Debt	Lehman Brothers	Lehman High Yield Index	100,000	97,555	(2,445)
			100,000	97,555	(2,445)

Appendix F
South Carolina Investment Commission
Swap Holdings
As of June 30, 2008

Asset Class	Counterparty	Benchmark	Original Trade Notional	Current Notional	Gain/Loss Since Trade
Core Fixed Income	Lehman Brothers	Lehman Aggregate Index	(250,000)	(249,889)	111
			(250,000)	(249,889)	111
	World Time Valuation Adjustment		-	-	1,530
			\$3,502,245	\$3,329,070	-\$171,645
			Grand Totals	\$3,329,070	-\$171,645

Collateral held at Broker*

Credit Suisse	(18,700,000.00)
Deutsche Bank	(20,500,000.00)
JPMorgan	(52,940,000.00)
Merill Lynch	8,480,000.00
Morgan Stanley	(19,910,000.00)

*Negative amounts indicate collateral held at broker on our behalf

Appendix G

South Carolina Investment Commission
 Futures Holdings
 As of June 30, 2008

Futures Product	Net Contract Position	Maturity	Currency	Settle Price	Multiplier	Local Currency	US Dollar	Notional Exposure
S & P 500 EMINI INDEX FUT (CME)	1,505	Sep-08	USD	1,281.10	50	1.00	1.00	\$ 96,402,775
S & P 500 INDEX FUTURE (CME)	23	Sep-08	USD	1,281.10	250	1.00	1.00	7,366,325
TOTAL US LARGE CAP								103,769,100
S&P MID 400 EMINI (CME)	1,423	Sep-08	USD	821.20	100	1.00	1.00	116,856,760
RUSSELL 2000 MINI INDEX (CME)	1,337	Sep-08	USD	691.70	100	1.00	1.00	92,480,290
TOTAL US SMALL/MID CAP								209,337,050
SPI 200 INDEX FUTURE (SFE)	1,088	Sep-08	AUD	5,193.00	25	1.04	0.96	135,387,742
FTSE 100 INDEX FUTURE (LIF)	3,882	Sep-08	GBP	5,648.00	10	0.50	1.99	436,822,454
S&P/TSE 60 INDEX FUTURE (MSE)	1,164	Sep-08	CAD	866.20	200	1.02	0.98	197,407,107
CAC 40 EURO INDEX FUTURE (MNP)	2,595	Jul-08	EUR	4,444.00	10	0.63	1.58	181,689,496
DAX INDEX FUTURE (EUX)	612	Sep-08	EUR	6,480.00	25	0.63	1.58	156,201,372
IBEX 35 INDEX FUTURE (MFM)	357	Jul-08	EUR	11,954.00	10	0.63	1.58	67,235,691
S & P/MIB INDEX FUTURE (MIL)	285	Sep-08	EUR	29,676.00	5	0.63	1.58	66,625,217
DJ EURO STOXX 50 FUTURE (EUX)	9,174	Sep-08	EUR	3,380.00	10	0.63	1.58	488,532,931
HANG SENG INDEX FUTURE (HKG)	395	Jul-08	HKD	22,120.00	50	7.80	0.13	56,032,680
TOPIX INDEX FUTURE (TSE)	3,531	Sep-08	JPY	1,318.50	10,000	106.21	0.01	438,341,352
TOTAL INTERNATIONAL EQUITY								2,224,276,042
UK LONG GILT FUTURE (LIF)	511	Sep-08	GBP	104.39	1,000	0.50	1.99	106,275,837
CANADA 10YR BOND FUTURE (MSE)	467	Sep-08	CAD	117.47	1,000	1.02	0.98	53,703,857
EURO-SCHATZ FUTURE(EUX)	1,428	Sep-08	EUR	102.33	1,000	0.63	1.58	230,212,218
EURO-BOBL FUTURE (EUX)	1,341	Sep-08	EUR	105.78	1,000	0.63	1.58	223,486,219
EURO-BUND FUTURE (EUX)	1,874	Sep-08	EUR	110.57	1,000	0.63	1.58	326,456,488
JAPAN 10YR BOND FUTURE (TSE)	330	Sep-08	JPY	135.45	1,000,000	106.21	0.01	420,850,202
TOTAL INTERNATIONAL FIXED INCOME								1,360,984,820

Appendix G
South Carolina Investment Commission
Futures Holdings
As of June 30, 2008

Futures Product	Net Contract Position	Maturity	Currency	Settle Price	Multiplier	Local Currency	US Dollar	Notional Exposure
US TREAS BOND (CBT)	(1,183)	Sep-08	USD	115.59	1,000	1.00	1.00	-136,747,406
US 2YR TREAS NTS FUT (CBT)	(1,332)	Sep-08	USD	105.60	2,000	1.00	1.00	-281,322,563
US 5YR TREAS NTS FUTURE (CBT)	(2,460)	Sep-08	USD	110.55	1,000	1.00	1.00	-271,964,531
US 10 YR TREAS NTS FUTURE(CBT)	(1,866)	Sep-08	USD	113.92	1,000	1.00	1.00	-212,578,219
TOTAL US FIXED INCOME								-902,612,719
TOTAL FUTURES NOTIONAL EXPOSURES								\$ 2,995,754,293



South Carolina Retirement System Investment Commission
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