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SOUTH CAROLINA RETIREMENT SYSTEM

INVESTMENT COMMISSION

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To: The Honorable W. Greg Ryberg
The Honorable Thomas C. Alexander

From: Allen Gillespie

Date: November 4, 2011

Re: Proviso 89.124 – Extension Request

Dear Senator Ryberg and Senator Alexander,

As Chairman of the Retirement System Investment Commission (“Commission”), I am respectfully requesting an extension of proviso 89.124 in the FY 12 Appropriations Act. The verbatim proviso language is below:

(GP: Retirement Investment Commission) Of the funds appropriated, the Retirement System Investment Commission shall submit a report to the Senate Finance Retirement Subcommittee by January 15th that sets forth a plan regarding salary bonuses. The plan must be approved by the subcommittee before implementation.

Subsequent to the passage of the Appropriations Act, the Commission voted to create a Compensation Committee and issue an RFP for third-party consulting services regarding investment staff salary and incentive compensation. The Commission believes it is judicious and appropriate to use a third-party for assistance in developing a competitive compensation plan. We are working expeditiously to complete this effort, but the procurement and engagement process may take us beyond the January 15 deadline. Thus, we are respectfully requesting an extension through March 30, 2012.

As we collectively address the challenges facing our state’s pension system, let me reaffirm that the fiduciaries of the Investment Commission are committed to investing the trust funds in a prudent manner, seeking superior returns at acceptable levels of risk.

Please feel welcome to contact me or Reynolds Williams, Vice Chairman, should you have any questions.

Warmest Regards,

Allen Gillespie, CFA

Chairman