

EDWARD N. GIOBBE  
VICE CHAIRMAN

DAVID K. AVANT  
COMMISSIONER

ALLEN R. GILLESPIE, CFA  
COMMISSIONER

REBECCA M. GUNNLAUGSSON, PH.D  
COMMISSIONER



RETIREMENT SYSTEM INVESTMENT COMMISSION  
1201 MAIN STREET, SUITE 1510, COLUMBIA, SC 29201

REYNOLDS WILLIAMS, J.D., CFP  
CHAIRMAN

CURTIS M. LOFTIS, JR.  
COMMISSIONER

RONALD P. WILDER, PH.D  
COMMISSIONER

HERSHEL HARPER, JR., CFA  
CHIEF INVESTMENT OFFICER

W. GREG RYBERG  
CHIEF OPERATING OFFICER

December 3, 2013

The Honorable Curtis M. Loftis, Jr.  
Wade Hampton Building  
1200 Senate Street  
Columbia, South Carolina 29201

Dear Treasurer Loftis:

I have reviewed the article, "Half a Billion in Fees: How Two US Public Pensions Spent It", published in Asset International's *Chief Investment Officer* on December 2, 2013. As I stated during the November 21, 2013 Commission meeting, I will not tolerate demeaning, belittling, and intimidating of the staff of the South Carolina Retirement System Investment Commission ("RSIC"). Your comments quoted in the article state without substantiation that "[w]e lack a moral core...". I urge you to cease this type of inflammatory and patently false accusation. Should you be aware of specific instances of wrongdoing, surely you, as a Constitutional officer, fiduciary of the Commission, Trustee and member of the Budget and Control Board, would report these instances appropriately. Vague attacks made in bad faith through publications may result in liability. To the extent that this liability may negatively impact the Trust funds of the South Carolina Retirement Systems, I am very concerned. I advise that you report any instance of behavior supporting your comments which suggest that RSIC lacks a "moral core" or discontinue the use of rhetoric which is false, damaging, and not in the best interest of the Trust.

Further, the article reports that you stated "that certain members of the commission have been using the \$27 billion as their own cash cow." The article notes the matter involving American Timberlands. Since this matter has been reviewed and dismissed by the State Attorney General's Office, the Commission members you may be referring to is unclear. I am unaware of any improper activities being reported. If you know that Commission members are committing or attempting to commit a breach of trust, as a fiduciary and a trustee, you have a duty to take reasonable steps to prevent the misconduct. You also have the obligation to fully inform the other Commission members of known or suspected fiduciary misconduct. If the information published in the article is inaccurate, I respectfully request that you correct it. If you have information about suspected or known misconduct of Commission members that you have not yet reported, I expect that you will appropriately address that with the Commission or appropriate authorities rather than in the media. Indeed, it is your duty to do so.

I also would note that you clearly are in breach of your fiduciary duty by these actions no less than when you authorized a \$2 million legal fee to your longtime intimate friend. Charges of immorality, corruption and fraud not only are completely false, but also are harmful to the fund inasmuch as they taint the

reputation of RSIC in the investment community. By maliciously continuing your reckless behavior, you are violating your responsibilities as a trustee and fiduciary.

Should you wish to further discuss this please feel free to call.

Sincerely,

A handwritten signature in black ink, reading "W. Greg Ryberg". The signature is fluid and cursive, with the first name "W. Greg" and last name "Ryberg" clearly distinguishable.

W. Greg Ryberg  
Chief Operating Officer

cc:     Members of the Budget and Control Board  
         Members of PEBA  
         Commission members  
         RSIC Staff