



Maryland

Supplemental Retirement Plans

Investment Performance Report (IPR)



You are holding an important report

It outlines how each mutual fund available to your plan has performed over several periods of time. The table details the returns without plan fees and charges applied. The paragraph highlighted at the top of the table discusses how you can find out what fees and charges may be applied to each fund in your plan. You may want to discuss this information with your Nationwide Retirement Specialist. As always, the information is for educational purposes only and is not intended as investment advice.

Advantages to investing through the Maryland Supplemental Retirement Plans (MSRP)

Tax-deferred investing

You invest pre-tax dollars and any earnings grow tax-deferred. You pay taxes only as you withdraw assets, usually as retirement income.

Payroll deduction

You defer every payday, before you receive your take-home pay. Because it's "money you never see," participating through MSRP is the easiest way to take advantage of dollar cost averaging and other benefits of investing.

Online resources

The Plan Web site has an extensive discussion on asset classes, mutual funds and other investment basics. Look for the Investment Education tab at the top of the Web page, then click on the Investment Basics and Investment Concepts links on the left side of the page.

Fund oversight

MSRP works with Segal Advisors to monitor the investment options in MSRP.

Our people

Your plans are administered by Nationwide, a leading provider of retirement plans for public employees since 1979. Nationwide Retirement Specialists are here to help you achieve financial security in retirement. The information is for educational purposes only and is not intended as investment advice. Contact a Rep-on-Call toll-free by calling 1-877-628-2499. Reps-on-call are Registered Representatives of Nationwide Investment Services Corporation, member NASD.

Investing involves market risk, including possible loss of principal. Dollar cost averaging does not assure a profit and does not guarantee against a loss in a declining market.



Nationwide®
On Your Side™

PERFORMANCE RESULTS

Investment Performance Information - October 1, 2004 to December 31, 2004

The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's units or shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting: www.marylanddc.com. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Both the underlying fund prospectuses and informational brochure contain this and other information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read carefully before investing. Please see other important disclosures at the end of this report.

| <u>Fixed Investment Option</u> | | <u>1st Qtr. '05</u> | <u>4th Qtr. '04</u> | <u>3rd Qtr. '04</u> | | | | |
|--------------------------------|------------------------------------|-----------------------------|---------------------|-------------------------------------|---------------|----------------|---------------------------------|--------------------------------|
| 283 | INVESTMENT CONTRACT POOL | 4.000 % | 4.000 % | 4.100 % | | | | |
| <u>VRU #</u> | <u>Variable Investment Options</u> | <u>Morningstar Category</u> | <u>YTD</u> | <u>Average Annual Return 1 Year</u> | <u>5 Year</u> | <u>10 Year</u> | <u>Since Inception Adoption</u> | <u>Inception/Adoption Date</u> |
| International Stocks | | | | | | | | |
| 166 | EuroPacific Growth Fnd A (*) | Foreign Stock | 19.69% | 19.69% | -0.45% | 9.88% | 6.07% | 04/16/84 |
| 521 | T. Rowe Pr Int'l Stock Fnd (*) | Foreign Stock | 13.89% | 13.89% | -4.58% | 5.07% | 3.84% | 05/09/80 |
| Small-Cap Stocks | | | | | | | | |
| 526 | T. Rowe Pr Sml Cap Stk Fnd (*) | Small Blend | 18.77% | 18.77% | 10.91% | 14.51% | 12.57% | 06/01/56 |
| Mid-Cap Stocks | | | | | | | | |
| 150 | Del Grp Trend Fund IC (*) | Mid-Cap Growth | 12.61% | 12.61% | -0.78% | 13.58% | 12.40% | 10/03/68 |
| 278 | AIM Dynamics Fund IC (*) | Mid-Cap Growth | 11.94% | 11.94% | -8.51% | 10.36% | 8.34% | 09/01/67 |
| 656 | LordAbbett MidCap Value A (*) | N/A | 24.10% | 24.10% | 18.30% | 17.06% | 28.91% | 06/28/83 |
| Large-Cap Stocks | | | | | | | | |
| 185 | Fid Grwth & Incm Fnd (*) | Large Blend | 9.84% | 9.84% | -0.99% | 11.06% | 8.29% | 12/30/85 |
| 259 | Growth Fnd of America A (*) | Large Growth | 11.95% | 11.95% | 1.81% | 14.79% | 16.13% | 07/29/69 |
| 300 | Legg Mason Value Trst IC (*) | Large Blend | 13.09% | 13.09% | 2.90% | 19.77% | 6.39% | 12/01/94 |
| 565 | Vngrd Instl Index Fd Inst (*) | Large Blend | 10.87% | 10.87% | -2.26% | 12.12% | 11.15% | 07/31/90 |
| 575 | Wash Mut Investors Fnd A (*) | Large Value | 9.92% | 9.92% | 5.43% | 13.54% | 13.52% | 07/31/52 |
| Balanced | | | | | | | | |
| 199 | Fid Puritan Fnd (*) | Moderate Allocation | 9.28% | 9.28% | 5.57% | 10.41% | 10.29% | 04/16/47 |
| 216 | Scudder Flag Val Bd Fnd IC (*) | Moderate Allocation | 8.98% | 8.98% | 3.57% | N/A | 5.12% | 11/02/95 |
| Bonds | | | | | | | | |
| 171 | Fed US G'tSc Fnd 2-5 Ys IS (*) | Short Government | 1.60% | 1.60% | 6.38% | 6.33% | 6.22% | 02/18/83 |
| 654 | PIMCO TotalReturn Fnd Inst (*) | Intermediate-Term Bond | 5.13% | 5.13% | 8.48% | 8.55% | 4.68% | 05/11/87 |

Match the market index below to the Morningstar Category listed for your fund.

| <u>Market Indices</u> | <u>Total Return</u> | | <u>Average Annual Return</u> | |
|---|---------------------|---------------|------------------------------|----------------|
| | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
| Money Market-Index | | | | |
| Citigroup 3 Month T-Bill | 1.24% | 1.34% | 2.79% | 4.00% |
| Government Bond Index | | | | |
| Lehman Brothers Intermediate Government Bond | 2.33% | 4.70% | 6.57% | 6.75% |
| Intermediate Term Bond Index | | | | |
| Lehman Brothers US Aggregate Bond | 4.34% | 6.20% | 7.71% | 7.72% |
| Balanced Index (use for Moderate Allocation Funds) | | | | |
| 70% S&P 500/30% Lehman Brothers Aggregate Bond | 8.95% | 4.68% | 0.94% | 11.06% |
| 60% S&P 500/40% Lehman Brothers Aggregate Bond | 8.30% | 4.99% | 1.98% | 10.66% |
| Large Cap Blend Index | | | | |
| Standard & Poor's 500 Index | 10.88% | 3.59% | -2.30% | 12.07% |
| Large Cap Growth Index | | | | |
| Russell 1000 Growth | 6.30% | -0.18% | -9.29% | 9.59% |
| Large Cap Value Index | | | | |
| Russell 1000 Value | 16.49% | 8.57% | 5.27% | 13.83% |
| Mid Cap Growth Index | | | | |
| Russell Midcap Growth | 15.48% | 6.16% | -3.36% | 11.23% |
| Mid Cap Value Index | | | | |
| Russell Midcap Value | 23.71% | 15.56% | 13.48% | 15.72% |

Investment Performance Information - October 1, 2004 to December 31, 2004

Match the market index below to the Morningstar Category listed for your fund.

Market Indices (continued)

| | Total Return | Average Annual Return | | |
|----------------------------|---------------|-----------------------|---------------|----------------|
| | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
| International Index | | | | |
| MSCI EAFE (Net) | 20.25% | 11.89% | -1.13% | 5.62% |

RISK DISCLOSURES

Money market funds: Investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

International/emerging markets funds: Investing internationally involves risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

Small company funds: Stocks of small or emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

High yield bond funds: Portfolios that invest in high-yield securities are subject to greater credit risk and price fluctuations than portfolios that invest in higher-quality securities.

Non-diversified funds: Funds that concentrate in a specific sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.

Government bond funds: While the fund invests primarily in the securities of the U.S. government and its agencies, the fund's value is not guaranteed by these entities.

Real estate funds: Real estate investing entails the risks of real estate business generally, including sensitivity to economic and business cycles, changing demographic patterns and government actions.

FEE DISCLOSURES

The Standardized illustration represents performance based on a \$1,000 hypothetical investment, and reflects the deduction of the following fees:

* denotes a Fee of 0.00%

IMPORTANT DISCLOSURES

Investment Contract Pool available for 457, 401(k) and 401(a) plans only.

Vanguard Prime Money Market Fund available through 403(b) plan only.

Investing may involve market risk, including the possible loss of principal. Certain underlying funds discussed here are only available as investment options in group variable annuity contracts issued by life insurance companies. They are not offered or made available directly to the general public. These portfolios contain different investment than similarly named mutual funds offered by the money manager and investment returns may be higher or lower.

Inception Date is the date the underlying fund was established. Non-Standardized performance for UIO's includes hypothetical performance for periods before the UIO was available in the group annuity, where applicable, applying contract charges to actual fund NAVs to determine the performance the UIO would have achieved inside the separate account. For Standardized performance Adoption Date is the date the underlying fund was included in the separate account.

Performance numbers in the YTD (Year To Date) column are not annualized returns and represent the total percentage change in share value from the beginning of the year to the date of this report.

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Securities offered through Nationwide Investment Services Corporation, member NASD. In Michigan only: Nationwide Investment Svcs. Corporation.

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Current Yield:
4.00%

January 1—March 31, 2005
Interest rate declared quarterly
and subject to change.

Investment Contract Pool

457, 401(k) and
401(a) plans only

The Investment Contract Pool is just one of the investment options available to you. If investing in a fixed option is right for your strategy, a look into the Investment Contract Pool could yield something very interesting.

Nationwide Fixed Annuity [457 plan only] Average Quarterly Annualized Crediting Yields

This option is closed to deferrals and transfers from other investment options.

| 1st Qtr '05 | 4th Qtr '04 | 3rd Qtr '04 | 2nd Qtr '04 |
|-------------|-------------|-------------|-------------|
| 5.05% | 5.1% | 5.2% | 5.2% |

Note: The above yields were supplied by Nationwide Retirement Solutions. They are a weighted average of all money held in this investment option, which consists of seven separate pools. The yields do not reflect the deduction of the annual asset fee. The annual asset fee is 0.30%. No account will be charged more than \$1,800 for the year. The actual yield credited to your account may be higher or lower than the yield reflected above. The Nationwide Fixed Group Annuity is issued by Nationwide Life Insurance Company, Columbus, OH. Contract #GA-P9860. The 2005 minimum guaranteed yield is 4.50%.

Great West Certificates [403(b) plan only] Quarterly Effective Gross Annual Rates

This option is closed to deferrals and transfers from other investment options.

| | 1st Qtr '05 | 4th Qtr '04 | 3rd Qtr '04 |
|--------------------|-------------|-------------|-------------|
| DIG Fund | 4.0% | 4.0% | 4.0% |
| 36-Mo. Certificate | 4.0% | 4.0% | 4.0% |
| 60-Mo. Certificate | 4.0% | 4.0% | 4.0% |
| 84-Mo. Certificate | 4.0% | 4.0% | 4.0% |

Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.30%. No account will be charged more than \$1,800 for the year.

Enrollment and Information Hotline

1-877-628-2499

For information about the match, to enroll in the 457, 403(b) and 401(k) plans, to change your contribution amount

Nationwide Retirement Solutions Web Site

www.MarylandDC.com

For the 457, 403(b) and 401(k) plans, to enroll, to change your contribution amount, to get 24-hour account information, to make investment option exchanges and allocation changes

Nationwide Retirement Solutions Baltimore Office

410-252-7201 or 1-800-966-6355

To enroll in the 457, 403(b) and 401(k) plans, to change your deferral amount, for mutual fund prospectuses or annual reports, for investment option booklets, or to arrange a meeting with a representative

Nationwide Retirement Solutions Customer Service Center

1-800-545-4730

For account information, to make investment option exchanges and allocation changes, to change address, name or beneficiary, for payout calculations in the 457, 403(b) and 401(k) and 401(a) plans, and for financial hardship inquiries

Maryland Teachers & State Employees Supplemental Retirement Agency Automated Performance Line & "Question/Suggestion Box-By-Phone"

410-767-8740 or 1-800-543-5605

For information about the Maryland Supplemental Retirement Plans, for investment option booklets, for mutual fund prospectuses, to arrange educational seminars and for other general information

MSRP Web Site

www.msrp.state.md.us

For the latest MSRP news. Information available on the Board of Trustees and staff, newsletters, investment options booklets, legislation updates, and more