



MSRP

Investment Performance Report

Period Ending September 30, 2004 Maryland 457, 403(b), 401(k) and 401(a) Supplemental Retirement Plans

This report provides performance information for the investment options available in the Maryland Teachers & State Employees Supplemental Retirement Plans. Note that some options are available in certain plans only. The following are the percentage changes in Net Assets (with capital gains and income dividends reinvested) for the funds under the Plan, without reduction for Plan Charges for the respective periods ended September 30, 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 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. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read the prospectus carefully before investing. Please see other important disclosures at the end of this report. For monthly performance updates, try the MSRP Automated Performance Line at 1-800-543-5605, option #1.**

Please Note: Indexes are listed in red. They are intended to reflect the performance of the overall market representing that category during a particular period. They are "benchmarks" and should be used for comparison purposes only; they are unmanaged and no fees or expenses have been reflected. Individuals cannot invest directly in an index. They are not investment products available to participants.

Fixed Investment Option	Quarterly Gross Blended Rates ^a September 30, 2004				
	4th Qtr '04	3rd Qtr '04	2nd Qtr '04	1st Qtr '04	4th Qtr '03
Investment Contract Pool <i>457, 401(k) and 401(a) plans only</i>	4.0%	4.0%	4.1%	4.3%	4.6%
Variable Investment Options	Average Annual Rates of Return ^a September 30, 2004				
Money Market Funds ^b	7-Day Yield ^c	1 Year	3 Years	5 Years	10 Years
Vanguard Prime Money Market Fund (<i>VangPr</i>) <i>403(b) plan only</i>	1.4%	0.9%	1.3%	3.0%	4.2%
91-Day US Treasury Bill (Index)		1.0%	1.4%	2.3%	4.1%
Bond Funds		1 Year	3 Years	5 Years	10 Years
Federated U.S. Government Securities Fund: 2-5 Years (<i>Gov2-5I</i>)		1.2%	4.4%	6.3%	6.3%
Lehman Bros. Intermediate Gov't Bond (Index)		1.9%	4.6%	6.5%	6.7%
PIMCO Total Return Fund - Institutional Shares (<i>TotR</i>)		4.5%	6.5%	8.2%	8.4%
Lehman Bros. Aggregate Bond (Index)		3.7%	5.9%	7.5%	7.7%
Conservative Funds		1 Year	3 Years	5 Years	10 Years
Fidelity Puritan Fund (<i>Puritn</i>)		13.0%	7.0%	5.0%	9.5%
60% S&P/40% Lehman Bros. Aggregate Bond (Index)		9.8%	5.2%	2.5%	10.1%
Scudder Flag Investors Value Builder Fund Institutional Class (<i>FlgVIBdLL</i>)		10.3%	5.5%	3.9%	10.0% ^d
70% S&P/30% Lehman Bros. Aggregate Bond (Index)		10.8%	4.9%	1.6%	10.4%
Moderate Funds		1 Year	3 Years	5 Years	10 Years
Fidelity Growth and Income Portfolio (<i>Grolnc</i>)		11.2%	1.8%	-0.5%	10.1%
Legg Mason Value Trust- Institutional Class (<i>ValTrInst</i>)		11.9%	8.4%	3.6%	18.6% ^e
Vanguard Institutional Index Fund (<i>Instldx</i>)		13.8%	4.1%	-1.3%	11.1%
S&P 500 (Index)		13.9%	4.1%	-1.3%	11.1%
Growth Fund of America - Class A Shares (<i>GwthA</i>)		14.6%	7.5%	4.5%	13.7%
Russell 1000 Growth (Index)		7.5%	1.6%	-6.8%	8.7%
Washington Mutual Investors Fund (<i>WshA</i>)		16.5%	5.8%	4.5%	12.7%
Russell 1000 Value (Index)		20.5%	7.6%	4.3%	12.5%
Aggressive Funds		1 Year	3 Years	5 Years	10 Years
INVESCO Dynamics Fund (<i>Dynm</i>)		12.3%	6.0%	-4.7%	9.0%
Russell MidCap Growth (Index)		13.7%	10.1%	0.6%	9.6%
Lord Abbett Mid Cap Value Fund (<i>MidCapVI</i>)		23.3%	12.0%	16.0%	15.1%
Russell MidCap Value (Index)		25.6%	15.1%	11.5%	13.9%
More Aggressive Funds ^d		1 Year	3 Years	5 Years	10 Years
Delaware Trend Fund - Institutional Class (<i>TrendI</i>)		12.8%	10.5%	3.1%	11.9%
T. Rowe Price Small-Cap Stock Fund (<i>SmCpStk</i>)		20.0%	12.7%	10.9%	13.0%
Russell 2000 (Index)		18.8%	13.7%	7.4%	9.9%
International Funds ^e		1 Year	3 Years	5 Years	10 Years
EuroPacific Growth Fund (<i>EupacA</i>)		20.2%	9.7%	1.9%	8.2%
T. Rowe Price International Stock Fund (<i>IntlStk</i>)		14.3%	5.5%	-2.9%	3.2%
MSCI EAFE (Index)		22.1%	9.1%	-0.9%	4.0%

Notes

- a The rates of return do not reflect the deduction of the annual asset fee which, if reflected, would reduce the performances shown. The annual asset fee in the 457, 403(b), 401(k) plans and the 401(a) match plan is 0.34%. No account will be charged more than \$1,600 for the year. The rates for the Investment Contract Pool are after the deduction of any carrier charges. These fees are in addition to fund expenses that are contained in prospectuses.
- b **Money market mutual funds are neither issued nor guaranteed by the U.S. government. There can be no assurance that such funds will be able to maintain a stable net asset value of \$1.00 per share.**
- c The money market current yield is the annualized historical yield for the 7 day period ending on the last day of the calendar quarter. Yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.
- d Small company funds involve increased risk and volatility.
- e International investing involves additional risks including: political instability, differences in accounting standards, currency fluctuations, and foreign regulations.
- f This is the rate of return since the Scudder Flag Investors Value Builder Fund's inception date of November 2, 1995.
- g This is the rate of return since Legg Mason Value Trust Fund's inception date of December 1, 1994.

The performance returns were provided by The Segal Company, Inc. Although gathered from reliable sources, data completeness and accuracy cannot be guaranteed.

You should make comparisons only after recognizing the differences in the investment policies and goals of the investments. The returns may include performance results from a period before the investment options participated in the Maryland supplemental retirement plans.

Nationwide Fixed Annuity [457 plan only]			
Average Quarterly Annualized Crediting Yields			
<i>This option is closed to deferrals and transfers from other investment options.</i>			
4th Qtr '04	3rd Qtr '04	2nd Qtr '04	1st Qtr '04
5.1%	5.2%	5.2%	5.3%
<p>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 0.34%. No account will be charged more than \$1,600 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 2004 minimum guaranteed yield is 4.75%.</p>			

Great West Certificates [403(b) plan only]			
Quarterly Effective Gross Annual Rates			
<i>This option is closed to deferrals and transfers from other investment options.</i>			
	4th Qtr '04	3rd Qtr '04	2nd 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%
<p>Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.34%. No account will be charged more than \$1,600 for the year.</p>			

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) payroll savings 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 info 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

<http://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



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