



# MSRP E-NEWS • Special Message •

A Newsletter from the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans

## It's Election Time!

This is a time when politicians and voters are focused on planning for the future. What are some of the important issues on the minds of voters? Some of those highlighted by the press and the candidates include:

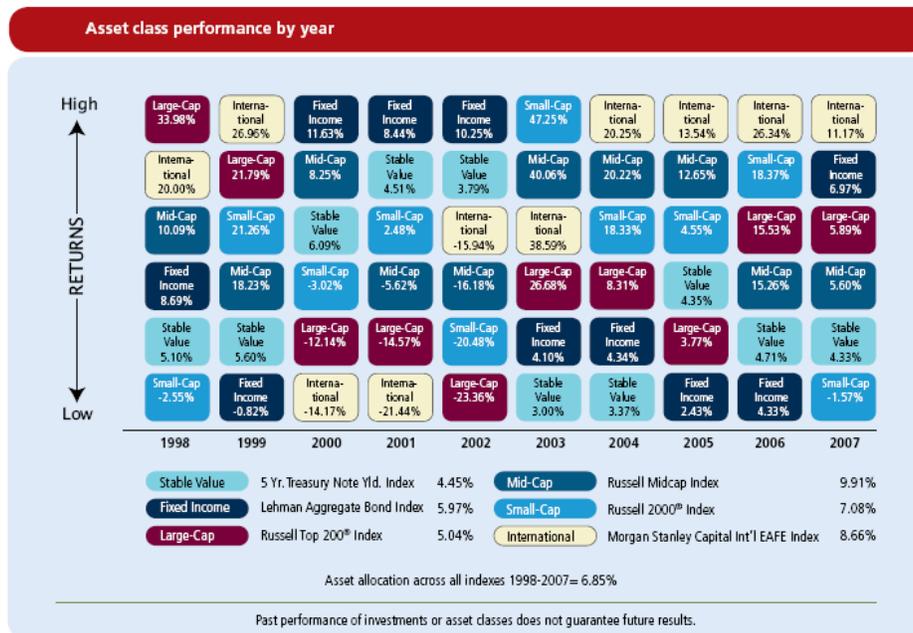
- Economy
- Healthcare
- Social Security
- Energy
- Environment
- National security
- Foreign relations

It's a diverse list with domestic and foreign components. When ballots are cast in November, voters will likely consider the candidates' positions on these topics and others.

Can you imagine if a candidate said only one issue was important and chose to ignore all the others? Does that seem like too narrow a strategy with very limited opportunity for success? Many people would say "yes"...

## You should feel the same way about your retirement investments!

Investing in just one fund or just one asset class in the Maryland Supplemental Retirement Plans may be just as limiting a decision. Investment professionals agree, diversification of investments is an important component of planning your long-term savings strategy. One look at the performance of six major asset classes over the last 10 years shows that there have been many different "winners" and "losers," and they vary from year to year.



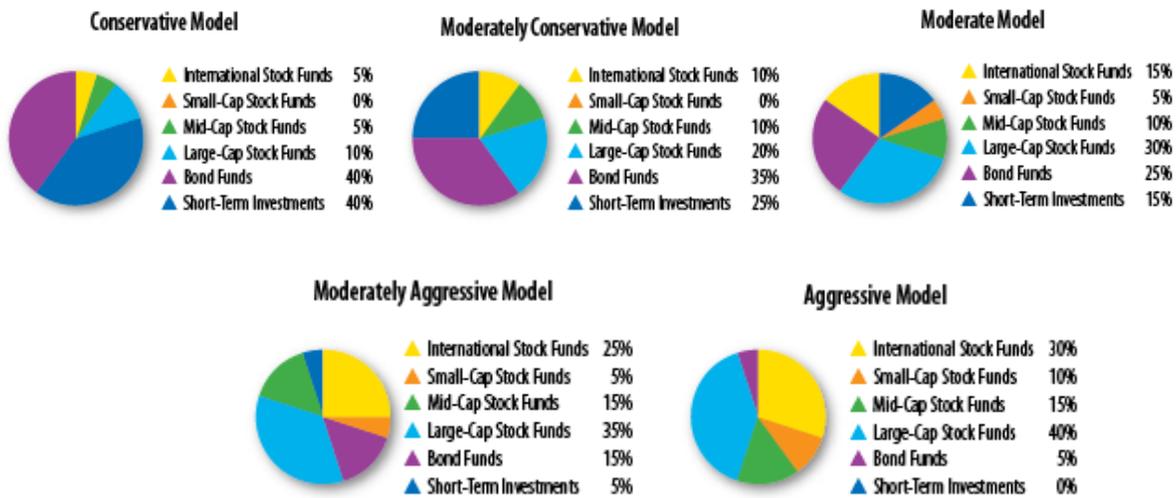
What should you do? Should you try to pick a single strategy to focus on this year and ignore the others? Here is a different approach:

**Call to action:**

This fall when you “get out to vote,” MSRP wants program participants to also use this time to consider their investment “elections” as well. A diversified investment portfolio can help spread the risk of underperformance and can also help you capture the returns of asset classes when they are at the top of the market.

As a participant in MSRP, you have several resources to help you put together a diversified portfolio:

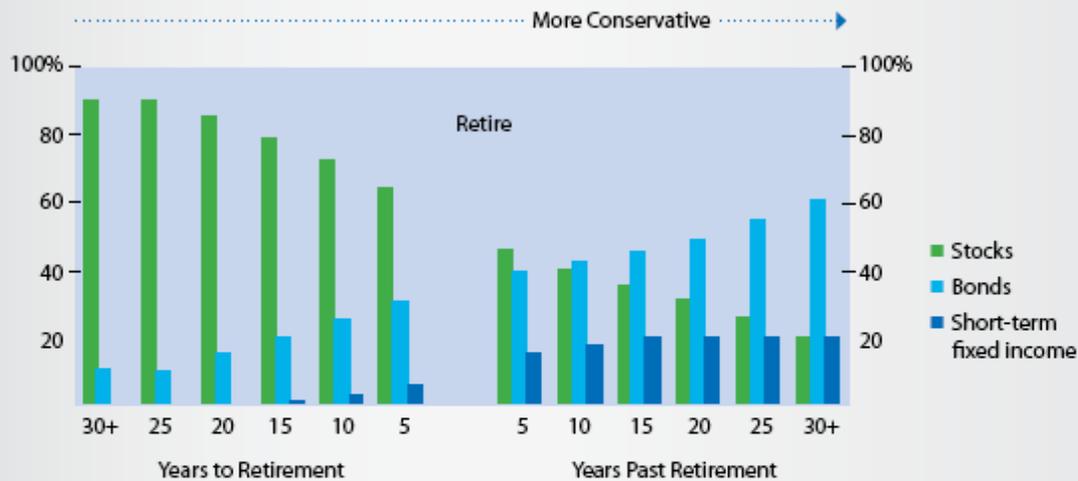
1. **Design your own diversified portfolio** - For participants who wish to actively select their different investments, you may want to consider the asset allocation models below. These allocations were developed with Ibbotson Associates, Inc., and seek to potential total return based on a given level of risk. If you want help determining which type of investor you are, MSRP has an asset allocation questionnaire that can help you determine your personal profile.



*The use of asset allocation does not guarantee returns or insulate you from potential losses in a declining market.*

2. **Select a diversified target-date fund** - Another easy solution is selecting a Target Retirement Fund. Introduced in the MSRP program in the last year, these options have already become very popular among participants. By identifying the year nearest your retirement date, the target date portfolios invest in a diverse group of underlying investments that are rebalanced regularly. The further you are from retirement, the more aggressive the investments are, and as you move closer to your retirement date, the investments shift to a more conservative allocation.

## How Your Investment Mix Changes Over Time



### Automatically Adjusted Over Time

The Retirement Funds' allocations are actively managed for 30 years after their target retirement dates. Retirement Funds geared toward a longer time horizon, such as 30 years or more, start out with a more aggressive risk/return potential (the potential to earn or lose money), which gradually becomes more conservative (less risky) over time.

The Targeted Retirement Funds are mutual funds and, as with any mutual fund, you should examine the prospectus as part of your investment decision. The prospectus will contain the most complete description of the strategies and risks associated with the funds. Call 1-800-545-4730 to receive a prospectus.

3. **Meet with an MSRP Representative or attend an investment seminar** - Want to learn more about diversification? MSRP has seminars provided regularly to help participants understand the benefits of a diversified investment portfolio. For information about the next available seminars, check the MSRP website at [www.msrp.state.md.us](http://www.msrp.state.md.us) or contact *Team MSRP* Board Staff at 1-800-543-5605.

**So spend a little time this fall considering your MSRP portfolio and the benefits of diversification. This is a great time to think about your investment elections!**

*- Article provided by: Mercer Investment Consulting,  
MSRP Investment Consultant/Advisor, October 2008*

Investing involves risk, including possible loss of principal in a declining market, and there is no guarantee that investment objectives will be achieved.

**Please consider funds' 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 prospectuses carefully before investing.**

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# ***MSRP E-NEWS***



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