

# Maryland Teachers & State Employees Supplemental Retirement Plans

## Investment Performance Report October 1, 2009 to December 31, 2009



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: [MarylandDC.com](http://MarylandDC.com). Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The underlying fund prospectuses contain this and other information about the investment company. Prospectuses are available by calling 1-800-545-4730. Read carefully before investing.

Gross expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. For more information about gross expense ratios, read the fund's prospectus. The rates of return do not reflect a maximum deduction of a 0.19% annual plan asset fee, which, if reflected, would reduce the performance shown. No account will be charged more than \$2,000 for the year. The rates for the Investment Contract Pool are after the deduction of any carrier charges. Please see other important disclosures at the end of this report.

VRU	Fixed Investment Option	Jan 10	Dec 09	Nov 09							
283	Investment Contract Pool	2.450%	2.500%	2.440%							
VRU	Variable Investment Option	Morningstar Category		1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio	Net Expense Ratio
VRU	Short-Term Investments										
725	Vanguard Prime Money Market Fund Inst	Money Market		0.68%	2.95%	3.43%	3.22%	4.35%	10/03/1989	0.13%	0.13%
	Current Yield: 0.19%										
	Citigroup 3-month T-bill			0.16%	2.22%	2.88%	2.84%				
VRU	Bonds										
654	PIMCO Total Return Fund Inst	Intermediate-Term Bond		13.81%	9.18%	6.85%	7.66%	8.44%	05/11/1987	0.64%	0.46% <sup>†</sup>
	Intermediate Term Bond Index										
	Barclays Capital US Aggregate Bond			5.93%	6.04%	4.97%	6.33%				
VRU	Balanced										
199	Fidelity Puritan Fund <sup>(a)</sup>	Moderate Allocation		26.69%	-1.60%	2.74%	4.14%	11.05%	04/16/1947	0.67%	0.67%
	Balanced Index										
	60% S&P 500/40% Lehman Brothers Aggregate Bond			18.40%	-0.67%	2.52%	2.25%				
VRU	Large-Cap Stocks										
375	Neuberger Berman Partners Fund Inst <sup>(a)</sup>	Large Blend		56.34%	-6.04%	2.09%	2.79%	13.14%	01/17/1975	0.66%	0.66%
	Large Cap Blend Index										
	Standard & Poor's 500 Index			26.46%	-5.63%	0.42%	-0.95%				
740	Vanguard Instl Index Fund IP	Large Blend		26.66%	-5.55%	0.48%	-0.89%	3.48%	07/07/1997	0.03%	0.03%
	Large Cap Blend Index										
	Standard & Poor's 500 Index			26.46%	-5.63%	0.42%	-0.95%				
834	Growth Fund of America R6	Large Growth		34.95%	-2.81%	3.21%	2.67%	14.11%	11/30/1973	0.37%	0.37%
	Large Cap Growth Index										
	Russell 1000 Growth			37.21%	-1.89%	1.63%	-3.99%				
766	Goldman Sachs Large Cap Value Inst <sup>(a)</sup>	Large Value		25.24%	-6.42%	0.70%	3.65%	3.64%	12/15/1999	0.77%	0.77%
	Large Cap Value Index										
	Russell 1000 Value			19.69%	-8.96%	-0.25%	2.47%				
777	Vanguard Value Index Fund	Large Value		19.58%	-8.49%	0.05%	1.23%	8.17%	11/02/1992	0.26%	0.26%
	Large Cap Value Index										
	MSCI US Prime Market Value Index			15.80%	-11.26%	-2.76%	0.13%				
VRU	Mid-Cap Stocks										
156	Dreyfus MidCap Index Fund <sup>(a)</sup>	Mid Cap Blend		37.04%	-2.15%	2.89%	5.89%	11.08%	06/19/1991	0.50%	0.50% <sup>†</sup>
	Mid Cap Blend Index										
	S&P 400 Midcap			37.38%	-1.83%	3.27%	6.36%				
708	Van Kampen Midcap Growth Fund A <sup>(a)</sup>	Mid Cap Growth		59.30%	0.19%	5.22%	1.54%	11.74%	12/27/1995	1.40%	1.40%
	Mid Cap Growth Index										
	Russell Midcap Growth			46.29%	-3.18%	2.40%	-0.52%				
802	T. Rowe Price Midcap Value <sup>(a)</sup>	Mid Cap Value		46.68%	-1.17%	4.57%	10.54%	11.26%	06/28/1996	0.83%	0.83%
	Mid Cap Value Index										
	Russell Midcap Value			34.21%	-6.62%	1.98%	7.58%				

<sup>†</sup> Voluntary fee waiver that can be changed at anytime.

<sup>(a)</sup> Part of the MSRP Mutual Fund Savings (reimbursement) Program.

VRU	Variable Investment Option	Morningstar Category	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio	Net Expense Ratio
<b>VRU Small-Cap Stocks</b>										
526	<b>T. Rowe Price Small Cap Stock Fund</b> <sup>(a)</sup>	Small Blend	38.46%	-3.21%	2.09%	6.41%	12.75%	06/01/1956	0.93%	0.93%
	Small Cap Blend Index									
	Russell 2000 Blend		27.17%	-6.07%	0.51%	3.51%				
726	<b>Vanguard Small Cap Growth Index Fund</b>	Small Cap Growth	42.13%	-2.13%	2.72%	N/A	5.55%	05/24/2000	0.09%	0.09%
	Small Cap Growth Index									
	MSCI US Small Cap Growth		41.38%	-2.63%	2.24%	1.63%				
727	<b>Vanguard Small Cap Value Index Fund IS</b>	Small Cap Value	30.34%	-6.29%	0.80%	7.69%	5.67%	05/21/1998	0.28%	0.28%
	Small Cap Value Index									
	MSCI US Small Cap Value		26.71%	-8.65%	-1.53%	6.45%				
<b>VRU International Stocks</b>										
759	<b>Vanguard Total International Stock Index Fund</b>	Foreign Large Blend	36.73%	-4.07%	5.26%	2.29%	4.72%	04/29/1996	0.34%	0.34%
	International Index									
	MSCI All Country World Ex US		41.45%	-3.49%	5.83%	2.71%				
835	<b>American Funds Euro Pacific Growth R6</b>	Foreign Large Blend	39.55%	-0.23%	8.07%	4.02%	12.62%	04/16/1984	0.51%	0.51%
	International Index									
	MSCI EAFE (Net)		31.78%	-6.04%	3.54%	1.17%				
<b>VRU Retirement Funds*</b>										
724	<b>T. Rowe Price Retirement Income Fund</b> <sup>(a)</sup>	Retirement Income	22.06%	1.86%	4.03%	N/A	6.65%	09/30/2002	0.58%	0.58%
	Combined Index Portfolio Income		14.12%	0.85%	3.32%	N/A				
715	<b>T. Rowe Price Retirement 2005 Fund</b> <sup>(a)</sup>	Target-Date 2000-2010	24.55%	1.09%	3.99%	N/A	4.64%	02/27/2004	0.60%	0.60%
	Combined Index Portfolio 2005		16.92%	0.32%	3.42%	N/A				
716	<b>T. Rowe Price Retirement 2010 Fund</b> <sup>(a)</sup>	Target-Date 2000-2010	27.95%	0.00%	3.70%	N/A	8.02%	09/30/2002	0.64%	0.64%
	Combined Index Portfolio 2010		19.63%	-0.62%	3.16%	N/A				
717	<b>T. Rowe Price Retirement 2015 Fund</b> <sup>(a)</sup>	Target Date 2011-2015	31.35%	-0.72%	3.49%	N/A	4.47%	02/27/2004	0.69%	0.69%
	Combined Index Portfolio 2015		22.09%	-1.44%	2.87%	N/A				
718	<b>T. Rowe Price Retirement 2020 Fund</b> <sup>(a)</sup>	Target Date 2016-2020	34.19%	-1.60%	3.20%	N/A	8.52%	09/30/2002	0.73%	0.73%
	Combined Index Portfolio 2020		24.21%	-2.30%	2.54%	N/A				
719	<b>T. Rowe Price Retirement 2025 Fund</b> <sup>(a)</sup>	Target Date 2021-2025	36.29%	-2.28%	2.96%	N/A	4.23%	02/27/2004	0.76%	0.76%
	Combined Index Portfolio 2025		26.13%	-2.99%	2.33%	N/A				
720	<b>T. Rowe Price Retirement 2030 Fund</b> <sup>(a)</sup>	Target Date 2026-2030	37.99%	-2.84%	2.86%	N/A	8.81%	09/30/2002	0.78%	0.78%
	Combined Index Portfolio 2030		27.44%	-3.59%	2.20%	N/A				
721	<b>T. Rowe Price Retirement 2035 Fund</b> <sup>(a)</sup>	Target Date 2031-2035	39.04%	-3.18%	2.65%	N/A	3.99%	02/27/2004	0.79%	0.79%
	Combined Index Portfolio 2035		28.58%	-3.91%	2.02%	N/A				
722	<b>T. Rowe Price Retirement 2040 Fund</b> <sup>(a)</sup>	Target Date 2036-2040	39.07%	-3.17%	2.68%	N/A	8.72%	09/30/2002	0.79%	0.79%
	Combined Index Portfolio 2040		28.58%	-3.91%	2.02%	N/A				
723	<b>T. Rowe Price Retirement 2045 Fund</b> <sup>(a)</sup>	Target Date 2041-2045	39.10%	-3.13%	N/A	N/A	3.23%	05/31/2005	0.79%	0.79%
	Combined Index Portfolio 2045		28.58%	-3.91%	N/A	N/A				
728	<b>T. Rowe Price Retirement 2050 Fund</b> <sup>(a)</sup>	Target Date 2050+	38.92%	-3.16%	N/A	N/A	-3.15%	12/29/2006	0.79%	0.79%
	Combined Index Portfolio 2050		28.58%	-3.91%	N/A	N/A				
729	<b>T. Rowe Price Retirement 2055 Fund</b> <sup>(a)</sup>	Target Date 2050+	38.97%	-3.19%	N/A	N/A	-3.19%	12/29/2006	0.79%	0.79%
	Combined Index Portfolio 2055		28.58%	-3.91%	N/A	N/A				

Fund expense ratio data provided by Morningstar®. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Although data is gathered from reliable sources, data accuracy and completeness cannot be guaranteed.

Net Expense Ratio data is derived from funds' annual reports. Annual-report expense ratios reflect the actual fees charged during a particular fiscal year. The net expense ratio reflects fee waivers in effect during the time period. \*Exception: Gross and net expense ratios for the T. Rowe Price Targeted Retirement Funds derived from the funds' prospectuses.

**Nationwide Fixed Annuity (457 plan only)  
Average Quarterly Annualized Crediting**

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

1st Qtr 10	4th Qtr 09	3rd Qtr 09	2nd Qtr 09
4.20%	4.25%	4.25%	4.25%

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 0.19%. No account will be charged more than \$2,000 in 2010. 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 #Life 2183. The 2010 minimum guaranteed yield is 3.80%. Guarantees and protections are subject to the claims paying ability of Nationwide Life Insurance Company.

**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 10	4th Qtr 09	3rd Qtr 09
Dig Fund	4.00%	4.00%	4.00%
36-Mo. Certificate	4.00%	1.50%	2.80%
60-Mo. Certificate	4.00%	2.40%	3.65%
84-Mo. Certificate	4.00%	2.50%	4.05%

Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.19%. No account will be charged more than \$2,000 for the year.

## Contact us

### Enrollment and Information Hotline

1-800-545-4730.

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

### Nationwide Retirement Solutions Web Site

[MarylandDC.com](http://MarylandDC.com)

For information about the 457, 401(k), 403(b), and 401(a) 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

(443) 886-9402 or 1-800-966-6355

To enroll in the 457, 401(k) and 403(b) 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, 401(k) and 403(b) 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, to arrange educational seminars and for other general information

### MSRP Web Site

[msrp.state.md.us](http://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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## 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.**

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.

**T. Rowe Price Retirement Income Funds:** The performance and risks of each Retirement Fund will directly correspond to the performance and risks of the underlying funds in which it invests. By investing in many underlying funds, the Retirement Funds have partial exposure to the risks of many different areas of the market. The more a Retirement Fund allocates to stock funds, the greater the expected risk. Underlying fund expenses are proportional to the expenses of the acquired funds in which they invest.

**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.

**Bond funds:** Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund.

Some mutual funds may impose a short term trade fee. Please read the underlying prospectuses carefully.

### IMPORTANT DISCLOSURES

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

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

Investing may involve market risk, including the possible loss of principal.

Inception Date is the date the underlying fund was established. Some mutual funds may impose a short term trade fee. Some funds may be subject to a trade restriction policy. Please read the underlying prospectus carefully.

**Market indices have been provided for comparison purposes only; they are unmanaged and no fees and expenses have been reflected here. Individuals cannot invest directly in an index.**

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