

Maryland Teachers & State Employees Supplemental Retirement Plans

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Investment Performance Report October 1, 2010 to December 31, 2010



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. 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 10	Nov 10						
283	Investment Contract Pool	2.450%	2.480%	2.430%						
VRU	Variable Investment Option	Morningstar Category		1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio
VRU	Short-Term Investments									
725	Vanguard Prime Money Market Fund Inst	Money Market		0.20%	1.26%	2.82%	2.59%	4.15%	10/03/1989	
	Current Yield: 0.21%									
	Citigroup 3-month T-bill			0.13%	0.69%	2.30%	2.26%			
VRU	Bonds									
654	PIMCO Total Return Fund Inst	Intermediate-Term Bond		8.84%	9.09%	8.05%	7.34%	8.45%	05/11/1987	0.47% [†]
	Intermediate Term Bond Index									
	Barclays Capital US Aggregate Bond			6.54%	5.90%	5.80%	5.84%			
VRU	Balanced									
199	Fidelity Puritan Fund ^(a)	Moderate Allocation		14.04%	0.78%	4.52%	4.74%	11.10%	04/16/1947	0.61%
	Balanced Index									
	60% S&P 500/40% Lehman Brothers Aggregate Bond			12.13%	1.14%	4.08%	3.53%			
VRU	Large-Cap Stocks									
375	Neuberger Berman Partners Fund Inst ^(a)	Large Blend		15.57%	-4.55%	1.66%	4.23%	13.21%	01/17/1975	0.71%
	Large Cap Blend Index									
	Standard & Poor's 500 Index			15.06%	-2.86%	2.29%	1.41%			
740	Vanguard Instl Index Fund IP	Large Blend		15.07%	-2.77%	2.35%	1.46%	4.30%	07/07/1997	0.02%
	Large Cap Blend Index									
	Standard & Poor's 500 Index			15.06%	-2.86%	2.29%	1.41%			
856	Pernassus Equity Income Fund Fund Inst ^(a)	Large Blend		9.07%	2.82%	7.39%	6.98%	9.98%	08/31/1992	0.78%
	Large Cap Blend Index									
	Standard & Poor's 500 Index			15.06%	-2.86%	2.29%	1.41%			
834	Growth Fund of America R6	Large Growth		12.67%	-2.41%	2.86%	3.12%	14.07%	11/30/1973	0.34%
	Large Cap Growth Index									
	Russell 1000 Growth			16.71%	-0.47%	3.75%	0.02%			
776	Goldman Sachs Large Cap Value Inst ^(a)	Large Value		12.56%	-3.88%	1.87%	3.85%	4.42%	12/15/1999	0.79%
	Large Cap Value Index									
	Russell 1000 Value			15.51%	-4.42%	1.28%	3.26%			
844	Vanguard Value Index Fund Inst	Large Value		14.49%	-4.19%	1.51%	2.13%	3.23%	07/02/1998	0.08%
	Large Cap Value Index									
	MSCI US Prime Market Value Index			11.56%	-7.21%	-1.47%	0.55%			
VRU	Mid-Cap Stocks									
840	Vanguard Midcap Index Inst ^(a)	Mid Cap Blend		25.67%	0.94%	4.44%	6.94%	8.81%	05/21/1998	0.08%
	Mid Cap Blend Index									
	S&P 400 Midcap Index			26.64%	3.52%	5.74%	7.16%			
846	Morgan Stanley Institutional Fund Trust Inst	Mid Cap Growth		32.94%	3.97%	8.75%	4.31%	13.64%	03/30/1990	0.73%
	Mid Cap Growth Index									
	Russell Midcap Growth			26.38%	0.97%	4.88%	3.12%			
802	T. Rowe Price Midcap Value ^(a)	Mid Cap Value		16.45%	3.78%	6.21%	9.96%	11.61%	06/28/1996	0.84%
	Mid Cap Value Index									
	Russell Midcap Value			24.75%	1.01%	4.08%	8.07%			

[†] Voluntary fee waiver that can be changed at anytime.

^(a) 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
VRU Small-Cap Stocks									
526	T. Rowe Price Small Cap Stock Fund ^(a)	Small Blend	32.53%	6.94%	6.27%	7.79%	13.09%	06/01/1956	0.95%
	Small Cap Blend Index								
	Russell 2000 Blend		26.85%	2.22%	4.47%	6.33%			
726	Vanguard Small Cap Growth Index Fund	Small Cap Growth	30.96%	3.80%	6.60%	7.69%	7.72%	05/24/2000	0.08%
	Small Cap Growth Index								
	MSCI US Small Cap Growth		30.27%	3.20%	6.08%	5.26%			
839	Vanguard Small Cap Value Index Fund Inst	Small Cap Value	24.97%	3.56%	4.31%	8.12%	9.54%	12/07/1999	0.08%
	Small Cap Value Index								
	MSCI US Small Cap Value		22.31%	0.79%	1.73%	6.82%			
VRU International Stocks									
759	Vanguard Total International Stock Index Fund	Foreign Large Blend	11.12%	-5.30%	4.44%	5.14%	5.15%	04/29/1996	0.32%
	International Index								
	MSCI All Country World Ex US		11.15%	-5.03%	4.82%	5.54%			
835	American Funds Euro Pacific Growth R6	Foreign Large Blend	9.76%	-2.97%	5.90%	7.05%	12.51%	04/16/1984	0.52%
	International Index								
	MSCI EAFE (Net)		7.75%	-7.02%	2.46%	3.50%			
VRU Retirement Funds*									
724	T. Rowe Price Retirement Income Fund ^(a)	Retirement Income	10.11%	3.13%	5.05%	N/A	7.06%	09/30/2002	0.59%
	Combined Index Portfolio Income		8.70%	1.60%	4.09%	N/A			
715	T. Rowe Price Retirement 2005 Fund ^(a)	Target-Date 2000-2010	11.51%	2.60%	5.13%	N/A	5.62%	02/27/2004	0.61%
	Combined Index Portfolio 2005		10.20%	1.39%	4.37%	N/A			
716	T. Rowe Price Retirement 2010 Fund ^(a)	Target-Date 2000-2010	12.70%	1.86%	4.93%	N/A	8.57%	09/30/2002	0.64%
	Combined Index Portfolio 2010		11.42%	0.79%	4.23%	N/A			
717	T. Rowe Price Retirement 2015 Fund ^(a)	Target Date 2011-2015	13.79%	1.41%	4.83%	N/A	5.78%	02/27/2004	0.68%
	Combined Index Portfolio 2015		12.56%	0.29%	4.10%	N/A			
718	T. Rowe Price Retirement 2020 Fund ^(a)	Target Date 2016-2020	14.74%	0.80%	4.62%	N/A	9.25%	09/30/2002	0.71%
	Combined Index Portfolio 2020		13.46%	-0.32%	3.89%	N/A			
719	T. Rowe Price Retirement 2025 Fund ^(a)	Target Date 2021-2025	15.37%	0.26%	4.44%	N/A	5.79%	02/27/2004	0.74%
	Combined Index Portfolio 2025		14.13%	-0.83%	3.72%	N/A			
720	T. Rowe Price Retirement 2030 Fund ^(a)	Target Date 2026-2030	16.01%	-0.14%	4.32%	N/A	9.66%	09/30/2002	0.76%
	Combined Index Portfolio 2030		14.74%	-1.26%	3.61%	N/A			
721	T. Rowe Price Retirement 2035 Fund ^(a)	Target Date 2031-2035	16.34%	-0.38%	4.18%	N/A	5.71%	02/27/2004	0.77%
	Combined Index Portfolio 2035		15.11%	-1.46%	3.49%	N/A			
722	T. Rowe Price Retirement 2040 Fund ^(a)	Target Date 2036-2040	16.51%	-0.31%	4.22%	N/A	9.63%	09/30/2002	0.77%
	Combined Index Portfolio 2040		15.17%	-1.45%	3.50%	N/A			
723	T. Rowe Price Retirement 2045 Fund ^(a)	Target Date 2041-2045	16.44%	-0.31%	4.22%	N/A	5.48%	05/31/2005	0.77%
	Combined Index Portfolio 2045		15.17%	-1.45%	3.50%	N/A			
728	T. Rowe Price Retirement 2050 Fund ^(a)	Target Date 2050+	16.41%	-0.35%	N/A	N/A	1.40%	12/29/2006	0.77%
	Combined Index Portfolio 2050		15.17%	-1.45%	N/A	N/A			
729	T. Rowe Price Retirement 2055 Fund ^(a)	Target Date 2050+	16.41%	-0.38%	N/A	N/A	1.37%	12/29/2006	0.77%
	Combined Index Portfolio 2055		15.17%	-1.45%	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.

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

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

1st Qtr 11	4th Qtr 10	3rd Qtr 10	2nd Qtr 10
4.10%	4.10%	4.10%	4.10%

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 11	4th Qtr 10	3rd Qtr 10
Dig Fund	4.00%	4.00%	4.00%
36-Mo. Certificate	4.00%	4.00%	4.00%
60-Mo. Certificate	4.00%	4.00%	4.00%
84-Mo. Certificate	4.00%	4.00%	4.00%

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(b), 401(k) and 403(b) plans, or to change your contribution amount

Nationwide Retirement Solutions Web Site

MarylandDC.com

For information about the 457(b), 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(b), 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(b), 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

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: It's important to remember that no strategy can assure a profit or prevent a loss in a declining market. The principal value of the fund(s) is not guaranteed at any time, including the target date.

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(b), 401(k) and 401(a) plans only.

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

Investing involves 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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