Maryland Teachers & State Employees Supplemental Retirement Plans

enroll online
MarylandDC.com

Investment Performance Report
October 1, 2012 to December 31, 2012

MSRP

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 0.14% 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 '13	Dec '12	Nov '12
283	**Investment Contract Pool**	2.28%	2.25%	2.20%

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	0.11%	0.15%	0.80%	1.99%	3.80%	10/03/1989	0.09%
	Current Yield: 0.09%								
	Citigroup 3-month T-bill		0.07%	0.09%	0.45%	1.69%			
VRU	**Bonds**								
654	**PIMCO Total Return Fund Inst** [a]	Intermediate-Term Bond	10.37%	7.76%	8.34%	6.82%	8.36%	05/11/1987	0.46%
	Intermediate Term Bond Index								
	Barclays Capital US Aggregate Bond		4.21%	6.19%	5.95%	5.18%			
786	**Vanguard Total Bond Market Index Inst**	Intermediate-Term Bond	4.18%	6.16%	5.96%	5.22%	6.14%	09/18/1995	0.07%
	Intermediate Term Bond Index								
	Barclays Capital Intermediate Government Bond		1.73%	4.25%	4.51%	4.10%			
VRU	**Balanced**								
199	**Fidelity Puritan Fund** [b]	Moderate Allocation	13.79%	9.32%	3.23%	7.16%	10.97%	04/16/1947	0.59%
	Balanced Index								
	60% S&P 500/40% Barclays Capital Aggregate Bond		11.31%	9.32%	3.81%	6.62%			
VRU	**Large-Cap Stocks**								
740	**Vanguard Instl Index Fund Plus**	Large Blend	16.00%	10.88%	1.72%	7.14%	4.87%	07/07/1997	0.02%
	Large Cap Blend Index								
	Standard & Poor's 500 Index		16.00%	10.87%	1.66%	7.10%			
856	**Parnassus Equity Income Fund Inst** [b]	Large Blend	15.64%	9.26%	5.38%	8.28%	9.86%	08/31/1992	0.70%
	Large Cap Blend Index								
	Standard & Poor's 500 Index		16.00%	10.87%	1.66%	7.10%			
959	**American Century Equity Growth Inst**	Large Blend	16.54%	11.84%	1.93%	7.64%	8.93%	05/09/1991	0.48%
	Large Cap Blend Index								
	Standard & Poor's 500 Index		16.00%	10.87%	1.66%	7.10%			
834	**American Funds Growth Fund of America R6**	Large Growth	20.98%	9.18%	1.43%	8.60%	13.73%	11/30/1973	0.34%
	Large Cap Growth Index								
	Russell 1000 Growth		15.26%	11.35%	3.12%	7.52%			
776	**Goldman Sachs Large Cap Value Inst** [b]	Large Value	19.62%	7.61%	-0.34%	6.81%	4.54%	12/15/1999	0.77%
	Large Cap Value Index								
	Russell 1000 Value		17.51%	10.86%	0.59%	7.38%			
844	**Vanguard Value Index Fund Inst**	Large Value	15.20%	10.09%	0.49%	7.49%	3.87%	07/02/1998	0.08%
	Large Cap Value Index								
	CRSP Large Cap Value		N/A	N/A	N/A	N/A			
VRU	**Mid-Cap Stocks**								
899	**Vanguard Midcap Index Inst Plus**	Mid Cap Blend	16.04%	N/A	N/A	N/A	7.59%	12/09/2010	0.06%
	Mid Cap Blend Index								
	S&P 400 Midcap Index		17.88%	13.62%	5.15%	10.53%			
846	**Morgan Stanley Institutional Fund Trust Inst**	Mid Cap Growth	9.49%	10.67%	2.76%	12.30%	12.46%	03/30/1990	0.70%
	Mid Cap Growth Index								
	Russell Midcap Growth		15.81%	12.91%	3.23%	10.32%			
802	**T. Rowe Price Midcap Value** [b]	Mid Cap Value	19.63%	9.86%	4.94%	10.76%	11.00%	06/28/1996	0.81%
	Mid Cap Value Index								
	Russell Midcap Value		18.51%	13.39%	3.79%	10.63%			

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** [b]	Small Cap Growth	18.01%	16.04%	7.59%	10.54%	12.93%	06/01/1956	0.92%
	Small Cap Blend Index								
	Russell 2000 Blend		16.35%	12.25%	3.56%	9.72%			
726	**Vanguard Small Cap Growth Index Fund**	Small Cap Growth	17.68%	14.97%	5.35%	11.20%	7.72%	05/24/2000	0.08%
	Small Cap Growth Index								
	CRSP US Small Cap Growth		N/A	N/A	N/A	N/A			
839	**Vanguard Small Cap Value Index Fund Inst**	Small Cap Value	18.71%	12.52%	4.83%	9.78%	9.11%	12/07/1999	0.19%
	Small Cap Value Index								
	CRSP US Small Cap Value		N/A	N/A	N/A	N/A			
VRU	**International Stocks**								
835	**American Funds Euro Pacific Growth R6**	Foreign Large Blend	19.64%	4.42%	-1.07%	10.38%	11.73%	04/16/1984	0.50%
	International Index								
	FTSE Developed ex North America		17.98%	3.93%	-3.26%	N/A			
883	**Vanguard Total International Stock Index Inst**	Foreign Large Blend	18.28%	N/A	N/A	N/A	3.90%	11/29/2010	0.13%
	International Index								
	FTSE Global All Cap ex US		17.92%	4.71%	-2.11%	10.88%			
VRU	**Retirement Funds***								
724	**T. Rowe Price Retirement Income Fund** [b]	Retirement Income	10.06%	7.12%	4.13%	6.49%	6.78%	09/30/2002	0.57%
	Combined Index Portfolio Income		8.83%	6.40%	3.05%	5.65%			
715	**T. Rowe Price Retirement 2005 Fund** [b]	Target-Date 2000-2010	11.35%	7.99%	4.05%	N/A	5.77%	02/27/2004	0.59%
	Combined Index Portfolio 2005		9.54%	7.31%	3.17%	N/A			
716	**T. Rowe Price Retirement 2010 Fund** [b]	Target-Date 2000-2010	12.44%	8.41%	3.62%	7.70%	8.13%	09/30/2002	0.61%
	Combined Index Portfolio 2010		10.60%	7.85%	2.88%	7.05%			
717	**T. Rowe Price Retirement 2015 Fund** [b]	Target Date 2011-2015	13.81%	8.88%	3.42%	N/A	5.94%	02/27/2004	0.66%
	Combined Index Portfolio 2015		11.95%	8.41%	2.69%	N/A			
718	**T. Rowe Price Retirement 2020 Fund** [b]	Target Date 2016-2020	15.01%	9.24%	3.08%	8.17%	8.73%	09/30/2002	0.70%
	Combined Index Portfolio 2020		13.03%	8.82%	2.38%	7.48%			
719	**T. Rowe Price Retirement 2025 Fund** [b]	Target Date 2021-2025	16.00%	9.44%	2.75%	N/A	5.97%	02/27/2004	0.73%
	Combined Index Portfolio 2025		14.02%	9.10%	2.11%	N/A			
720	**T. Rowe Price Retirement 2030 Fund** [b]	Target Date 2026-2030	16.82%	9.66%	2.51%	8.46%	9.06%	09/30/2002	0.75%
	Combined Index Portfolio 2030		14.83%	9.34%	1.86%	7.89%			
721	**T. Rowe Price Retirement 2035 Fund** [b]	Target Date 2031-2035	17.35%	9.72%	2.34%	N/A	5.90%	02/27/2004	0.77%
	Combined Index Portfolio 2035		15.46%	9.44%	1.73%	N/A			
722	**T. Rowe Price Retirement 2040 Fund** [b]	Target Date 2036-2040	17.55%	9.74%	2.37%	8.39%	9.02%	09/30/2002	0.78%
	Combined Index Portfolio 2040		15.66%	9.49%	1.76%	7.84%			
723	**T. Rowe Price Retirement 2045 Fund** [b]	Target Date 2041-2045	17.62%	9.75%	2.38%	N/A	5.76%	05/31/2005	0.78%
	Combined Index Portfolio 2045		15.66%	9.49%	1.76%	N/A			
728	**T. Rowe Price Retirement 2050 Fund** [b]	Target Date 2046-2050	17.55%	9.76%	2.37%	N/A	3.10%	12/29/2006	0.78%
	Combined Index Portfolio 2050		15.66%	9.49%	1.76%	N/A			
729	**T. Rowe Price Retirement 2055 Fund** [b]	Target Date 2051+	17.60%	9.79%	2.36%	N/A	3.09%	12/29/2006	0.78%
	Combined Index Portfolio 2055		15.66%	9.49%	1.76%	N/A			

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

[b] ***Part of the MSRP Mutual Fund Savings (reimbursement) Program.***

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 13	4th Qtr 12	3rd Qtr 12	2nd Qtr 12
3.95%	4.05%	4.05%	4.05%

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 0.14%. No account will be charged more than $2,000 in 2013. 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 2013 minimum guaranteed yield is 3.50% 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 13	4th Qtr 12	3rd Qtr 12
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 0.14%. 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.maryland.gov
For the latest MSRP news, information available on the Board of Trustees and staff, newsletters, investment options booklets, legislation updates, and more

Nationwide Retirement Solutions, Inc. (NRS) is the administrator for MSRP. Registered representatives of NISC (Nationwide Investment Services Corporation,member FINRA), an affiliate of NRS, provide educational and enrollment services on behalf of MSRP. Financial Integrity Resources Management, LLC (the FIRM) may provide education and marketing support services on behalf of NRS. Its Retirement Consultants are registered representatives of FSC Securities Corporation (FSC), member FINRA, SIPC. FSC and the FIRM are not affiliated with MSRP, NRS or NISC.

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: Target Maturity Funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the Target Maturity Funds, an investor is indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

Target Maturity Funds are designed for people who plan to withdrawal funds during or near a specific year. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.

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.

Fund category data provided by Morningstar®. ©2011 Morningstar, Inc. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. 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 Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

©2013, Nationwide Retirement Solutions, Inc. All Rights Reserved.

NRM-2834MD-MD.34 (01/13)