

Maryland Teachers & State Employees Supplemental Retirement Plans

Investment Performance Report July 1, 2007 to September 30, 2007



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 0.28% 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 Options	4th Qtr 07	3rd Qtr 07	2nd Qtr 07	1st Qtr 07					
283	Investment Contract Pool	4.870%	4.890%	4.850%	4.990%					
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										
569	Vanguard Prime Money Market Fund Inst									
	Current Yield: 5.20%	Money Market	5.38%	4.26%	3.02%	3.95%	4.63%	10/03/89	0.09%	0.09%
	Money Market Index									
	Citigroup 3-month T-bill		5.01%	3.97%	2.83%	3.65%		N/A		
VRU Bonds										
654	PIMCO Total Return Fund Inst	Intermediate-Term Bond	5.94%	4.42%	5.02%	6.63%	8.27%	05/11/87	0.43%	0.43%
	Intermediate Term Bond Index									
	Lehman Brothers US Aggregate Bond		5.13%	3.86%	4.13%	5.96%		N/A		
VRU Balanced										
199	Fidelity Puritan Fund ¹	Moderate Allocation	13.36%	11.18%	13.00%	7.59%	11.71%	04/16/47	0.62%	0.61%
	Balanced Index									
	60% S&P 500/40% Lehman Brothers Aggregate Bond		11.89%	9.42%	10.94%	6.65%		N/A		
VRU Large-Cap Stocks										
375	Neuberger Berman Partners Fund Inst ¹	Large Blend	21.29%	17.83%	20.19%	6.93%	15.06%	01/17/75	0.98%	0.69%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		16.44%	13.14%	15.45%	6.57%		N/A		
300	Legg Mason Value Trust IC ¹	Large Blend	14.09%	10.79%	17.05%	9.66%	16.74%	12/01/94	0.70%	0.70%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		16.44%	13.14%	15.45%	6.57%		N/A		
740	Vanguard Instl Index Fund IP	Large Blend	16.46%	13.16%	15.47%	6.65%	6.93%	07/07/97	0.02%	0.03%
	Large Cap Blend Index									
	Standard & Poor's 500 Index		16.44%	13.14%	15.45%	6.57%		N/A		
259	Growth Fund of America A ¹	Large Growth	21.42%	16.58%	18.12%	11.62%	15.52%	11/30/73	0.65%	0.63%
	Large Cap Growth Index									
	Russell 1000 Growth		19.35%	12.20%	13.84%	4.06%		N/A		
575	Washington Mutual Investors Fund A ^{1*}	Large Value	16.61%	12.56%	14.90%	8.27%	12.82%	07/31/52	0.60%	0.57%
	Large Cap Value Index									
	Russell 1000 Value		14.45%	15.25%	18.07%	8.80%		N/A		
777	Vanguard Value Index Fund	Large Value	14.95%	15.26%	18.50%	7.56%	11.92%	11/02/92	0.21%	0.21%
	Large Cap Value Index									
	MSCI US Prime Market Value Index		15.08%	15.43%	17.81%	8.91%		N/A		
766	Goldman Sachs Large Cap Value Inst ¹	Large Value	14.79%	14.52%	16.95%	N/A	8.48%	12/15/99	0.83%	0.83%
	Large Cap Value Index									
	Russell 1000 Value		14.45%	15.25%	18.07%	8.80%		N/A		
VRU Mid-Cap Stocks										
156	Dreyfus MidCap Index Fund ¹	Mid-Cap Blend	18.21%	15.13%	17.63%	11.01%	13.87%	06/19/91	0.50%	0.50%
	Mid Cap Blend Index									
	S&P 400 Midcap		18.76%	15.63%	18.17%	11.59%		N/A		
708	Van Kampen Midcap Growth Fund A ¹	Mid-Cap Growth	33.26%	21.28%	20.04%	9.94%	16.12%	12/27/95	1.26%	1.26%
	Mid Cap Growth Index									
	Russell Midcap Growth		21.22%	17.01%	20.39%	7.47%		N/A		
656	LordAbbett MidCap Value A ¹	Mid-Cap Value	16.71%	13.79%	16.58%	12.31%	13.20%	06/28/83	1.05%	1.07%
	Mid Cap Value Index									
	Russell Midcap Value		13.75%	17.22%	21.02%	11.31%		N/A		

¹ Part of the MSRP Mutual Fund Savings (reimbursement) Program

*Closed to contributions on August 24, 2007

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 Small-Cap Stocks										
526	T. Rowe Price Small Cap Stock Fund ¹	Small Blend	11.59%	12.92%	16.60%	9.20%	13.67%	06/01/56	0.91%	0.91%
	Small Cap Blend Index									
	Russell 2000 Blend		12.34%	13.36%	18.75%	7.22%		N/A		
726	Vanguard Small Cap Growth Index Fund	Sml-Cap Growth	23.24%	16.75%	19.37%	N/A	10.16%	05/24/00	0.08%	0.08%
	Small Cap Growth Index									
	MSCI US Small Cap Growth		23.26%	16.66%	21.06%	7.94%		N/A		
727	Vanguard Small Cap Value Index Fund IS	Small-Cap Value	8.22%	12.55%	17.47%	N/A	9.31%	05/21/98	0.23%	0.23%
	Small Cap Value Index									
	MSCI US Small Cap Value		8.34%	12.72%	18.75%	10.74%		N/A		
VRU International Stocks										
166	EuroPacific Growth Fund A ¹	Foreign Large Blend	27.63%	25.35%	24.36%	10.90%	14.28%	04/16/84	0.79%	0.75%
	International Index									
	MSCI EAFE (Net)		24.86%	23.24%	23.55%	7.97%		N/A		
759	Vanguard Total International Stock Fund Index	Foreign Large Blend	30.09%	25.56%	25.43%	8.50%	8.32%	04/29/96	0.32%	0.00%
	International Index									
	MSCI All Country World Ex US		30.54%	26.01%	25.84%	N/A		N/A		
VRU Retirement Funds*										
724	T. Rowe Price Retirement Income Fund ¹	Target Date 2000-2014	10.61%	8.84%	9.89%	N/A	9.91%	09/30/02	0.76%	0.56%
	Combined Index Portfolio Income		10.29%	8.50%	9.09%	N/A		N/A		
715	T. Rowe Price Retirement Income 2005 ¹	Target-Date 2000-2014	12.53%	10.61%	N/A	N/A	8.81%	02/27/04	0.86%	0.61%
	Combined Index Portfolio 2005		11.94%	10.14%	N/A	N/A		N/A		
716	T. Rowe Price Retirement Income 2010 ¹	Target-Date 2000-2014	13.91%	11.77%	13.53%	N/A	13.55%	09/30/02	0.90%	0.65%
	Combined Index Portfolio 2010		13.21%	11.19%	12.77%	N/A		N/A		
717	T. Rowe Price Retirement Income 2015 ¹	Target-Date 2015-2029	15.17%	12.69%	N/A	N/A	10.52%	02/27/04	0.95%	0.69%
	Combined Index Portfolio 2015		14.26%	11.98%	N/A	N/A		N/A		
718	T. Rowe Price Retirement Income 2020 ¹	Target-Date 2015-2029	16.20%	13.61%	15.64%	N/A	15.66%	09/30/02	0.98%	0.72%
	Combined Index Portfolio 2020		15.27%	12.76%	14.60%	N/A		N/A		
719	T. Rowe Price Retirement Income 2025 ¹	Target-Date 2015-2029	17.03%	14.37%	N/A	N/A	11.83%	02/27/04	1.02%	0.74%
	Combined Index Portfolio 2025		16.07%	13.55%	N/A	N/A		N/A		
720	T. Rowe Price Retirement Income 2030 ¹	Target-Date 2030+	17.80%	15.19%	17.17%	N/A	17.19%	09/30/02	1.04%	0.76%
	Combined Index Portfolio 2030		16.76%	14.33%	16.33%	N/A		N/A		
721	T. Rowe Price Retirement Income 2035 ¹	Target-Date 2030+	18.00%	15.25%	N/A	N/A	12.42%	02/27/04	1.09%	0.76%
	Combined Index Portfolio 2035		16.98%	14.41%	N/A	N/A		N/A		
722	T. Rowe Price Retirement Income 2040 ¹	Target-Date 2030+	17.97%	15.25%	17.27%	N/A	17.29%	09/30/02	1.10%	0.76%
	Combined Index Portfolio 2040		16.98%	14.41%	16.39%	N/A		N/A		
723	T. Rowe Price Retirement Income 2045 ¹	Target-Date 2030+	18.01%	N/A	N/A	N/A	15.54%	05/31/05	1.51%	0.76%
	Combined Index Portfolio 2045		16.98%	N/A	N/A	N/A		N/A		
728	T. Rowe Price Retirement Income 2050 ¹	Target-Date 2030+	N/A	N/A	N/A	N/A	9.90%	12/29/06	1.51%	0.76%
	Combined Index Portfolio 2050		N/A	N/A	N/A	N/A		N/A		
729	T. Rowe Price Retirement Income 2055 ¹	Target-Date 2030+	N/A	N/A	N/A	N/A	9.90%	12/29/06	1.51%	0.76%
	Combined Index Portfolio 2055		N/A	N/A	N/A	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.

4th Qtr 07	3rd Qtr 07	2nd Qtr 07	1st Qtr 07
4.55%	4.55%	4.60%	4.65%

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 0.28%. No account will be charged more than \$2,000 in 2007. 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 2007 minimum guaranteed yield is 4.15%. 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.

	4th Qtr 07	3rd Qtr 07	2nd Qtr 07
Dig Fund	4.00%	4.00%	4.00%
36-Mo. Certificate	4.00%	4.40%	4.00%
60-Mo. Certificate	4.00%	4.55%	4.00%
84-Mo. Certificate	4.05%	4.65%	4.00%

Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.28%. No account will be charged more than \$2,000 for the year.

Contact us

Enrollment and Information Hotline

1-877-628-2499

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

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 410-252-7201 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

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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Nationwide Investment Services Corporation, member FINRA.

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.

Non-diversified funds: Funds that concentrate in a specific sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.

Government bond funds: While the fund invests primarily in the securities of the U.S. government and its agencies, the fund's value is not guaranteed by these entities.

Real estate funds: Real estate investing entails the risks of real estate business generally, including sensitivity to economic and business cycles, changing demographic patterns and government actions.

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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