Exhibit A

BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE March 30, 2015 MEETING

Maryland
Teachers & State Employees
Supplemental Retirement Plans

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The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans convened at 9:35 a.m. on March 30, 2015, in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Ms. Margaret Bury
Treasurer Nancy Kopp
Mr. Thomas Hickey
Mr. Wilson Parran

Representatives and Guests
Mr. Michael Halpin, Staff
Ms. Lara L. Hjortsberg, Board Counsel
Ms. Debra Roberts, Staff
Mr. Louis Holcomb, Staff
Mr. Richard Arthur, Staff
Ms. Anna Marie Smith, Staff
Mr. David Belnick, Nationwide
Mr. John DeMairo, Segal Rogerscasey
Ms. Taylor Benson, Galliard Capital Management
Mr. Claude Gregory, Financial and Realty Services (Guest)
Ms. Kimberly Young, T. Rowe Price (Guest)

I. Chairperson's Remarks

Mr. Halpin offered the following correction to the draft minutes of January 26, 2015 meeting: page 4, Section IV, Staff Reports - A. Finance, line 7 should read: "compared to a reserve balance of approximately $609,723 at June 30, 2014." Upon motion duly made and seconded, the minutes of the meetings held on January 26, 2015, as revised (Exhibit A), were unanimously approved.

II. Investment Advisors' Reports:

A. Segal Rogerscasey ("Segal")

Mr. John DeMairo provided the fourth quarter performance report (Exhibit C). After providing a summary of the financial market conditions for the fourth quarter, Mr. DeMairo highlighted the following:

- There were no significant differences in the total Plan allocations and activity, which showed at the 457 Plan and the 401(k) Plan represented 97% of Plan assets.
- In each of the Plans, the allocation to equities was as follows: 457 Plan – 39%, 401(k) Plan – 46%, 403(b) Plan – 57%, and 401(a) Plan – 54%.
- Stable value represented 25% of the market value in the Plans; active options accounted for 37%; passive options accounted for 23%; and the target date funds (TDF) accounted for 14%.
- Active core and passive core options represented approximately 60% and 40%, respectively, of the total core options in the Plans.
- Contributions to the TDFs decreased from 30.7% in the third quarter of 2014 to 28.6% in the fourth quarter; and stable value increased from 20.5% in the third quarter of 2014 to 22.7% in the fourth quarter. Fifty percent of contributions are going to one of these two broad asset categories.
- The 1-year period was difficult for most of the investment options, with most of the active core options performing below the median.
- On a peer-to-peer basis, most of the active core options were above median for the 1-year period; and 9 of the 10 active core options were in the first or second quartile for the 3-year and 5-year periods, with most in the top quartile for the 3-year period.
- The passive options, all of which are Vanguard funds, were all very close to their benchmarks, with most performing in the top quartile.

With respect to the PIMCO Total Return Fund, Mr. DeMairo stated that Segal continued to recommend that this investment option remain on the Watch List, noting that cash flows out of the fund were significant for the end of the year but that the 3 and 5 year performance figures remained good and the calendar year was starting out well, with the fund outperforming its benchmark and being ranked in its universe as number 4 in the first two months of 2015. A discussion followed as to what it would take for Segal to change its recommendation from "not recommended." Mr. DeMairo explained that "not recommended" meant that Segal would not include the fund in future search activity. He further noted that Segal remained concerned with the business risk and that if the fund experienced more outflows and poor performance, it would be a cause for the Board to take further action. He noted that the outflows from the PIMCO Total Return were spread out among the fixed income industry and what the appropriate change for MSRP would be would depend on where the replacement would fit into the portfolio. He also noted that the Vanguard Bond Index fund currently offered as an investment option provides Plan participants with an existing bond option.

After reviewing the performance of each of the Fidelity Puritan Fund, Goldman Sachs Large Cap Value, American Century Equity Growth, Parnassus Core Equity Fund, Mr. DeMairo discussed the performance of the T. Rowe Price Midcap Value Fund, noting that it significantly underperformed its benchmark and its peers for the fourth quarter and year-to-date. Mr. DeMairo noted that the fund is a much more conservatively managed portfolio and that, as a result, it will likely underperform in strong markets but outperform in down markets. He attributed the recent underperformance of the fund to portfolio construction.

Mr. DeMairo then discussed with the Board the performance of the Morgan Stanley Institutional Trust, noting that this fund's performance had been up and down for many years. He detailed the recent history of the fund with the Board, noting that it had been place on the Watch List in 2013 after two to three years of poor performance, was removed from the Watch List in 2014 after good performance in 2013, and was now experiencing another year of significant underperformance. He explained Segal's recommendation was to put the Morgan Stanley Institutional Trust on the Watch List and seek a more stable replacement.

The discussion then turned to an update on T. Rowe Price (Exhibit C-2). He noted that Rebecca King had met with T. Rowe Price regarding the significant change in the fixed income leadership in the firm. He explained that T. Rowe Price had moved three key people into leadership positions and that Segal believes that the transition has been handled well. However, he noted that Segal recommended that the Target Date Funds (TDFs) be placed on the Watch List for the next few months for governance reasons, as there is a concern that moving the three individuals out of their portfolio management roles could potentially affect performance elsewhere in the organization.

Mr. DeMairo summarized Segal's recommendations for the Board as follows:

- PIMCO Total Return Fund – Maintain of the Watch List, update November 2014 search and present to the Board at the May meeting;
- Morgan Stanley Institutional Trust – Place on the Watch List and begin to seek a replacement; and
- TDFs – Place on Watch List.

By consensus, the Board accepted these recommendations.

B. Galliard Capital Management ("Galliard")

Ms. Taylor Benson reviewed the Investment Contract Pool (ICP) performance report (Exhibit D) for the period ended December 31, 2014, during which she highlighted the following points:

- Annualized investment performance since inception (2/1/14) was 1.81% before investment management fees and 1.54 net of investment management fees.
- Assets under management (AUM) were $771 million, representing a decrease in AUM since Galliard took over the portfolio, which was attributed to transfers out of the ICP in response to stronger equity markets.
- The ICP was comprised of 6 issuers and 2 guaranteed investment contracts that Galliard will allow to roll off in 2015/2016.
- The monthly declared rate (net of fees) was 1.7%; the April rate increased to 1.78%, with most of that increase coming from the Babson-managed portfolio.
- Duration decreased from 2.9 years to 2.52 years.
- Market-to book ratio was 101.9%.

Ms. Benson provided an update of the PIMCO-managed portfolio, noting that the portfolio was managed specific to the ICP in a separate account and that the stable value business at PIMCO was insulated from the areas of PIMCO that were affected by the departure of Bill Gross. She explained that Galliard would continue to evaluate the stable value team at PIMCO to make sure that stability remains and that, as a result, the PIMCO portfolio will remain on watch. She also noted that Galliard had negotiated a small fee reduction with PIMCO.

Ms. Benson then reviewed the underlying manager performance in the ICP for the quarter, a recent addition to the report, noting the following fourth quarter and 1-year performance (other than for Galliard as noted below) as follows:

- Galliard – +0.08% as compared to benchmark (portfolio inception on 12/1/14) for the one month period ended 12/31/14;
- Earnest Partners – +0.31 as compared to benchmark for 3-month period and +0.79 for the 1-year period;
- JPMorgan – +0.09 as compared to benchmark for the 3-month period and +0.57 for the 1-year period;
- Babson – -0.06 as compared to benchmark for the 3-month period and +0.39 for the 1-year period; and
- PIMCO – -0.14 as compared to benchmark for the 3-year period and -0.69 for the 1-year period.

Ms. Benson then proceeded to review the recommended changes to the ICP Policy and Guidelines (Exhibit D-2). She noted that the recommended changes were as follows:

- Administrative clean-up, consisting of replacing references to the prior ICP manager;
- Proposing a book value benchmark (3 year constant maturity treasury yield) to replace the current market value benchmark;
- Overall duration reduced from 5 years to 3.5 years;
- Clarification on page 6 that the average credit quality is the weighted average of the underlying fixed income assets;
- Reduction of maximum book value exposure for separate account GIC and wrapper agreement issuers from 50% to 30%;
- Changing the minimum quality for contract issuers to A-;
- Clarification on page 8 that guidelines and conditions for underlying sub-manager accounts do not apply to the fixed income funds selected by a sub-manager but not under control of such sub-manager;
- Addition of Fitch to the credit quality ratings; and
- Addition of municipal securities and repurchase agreements to the list of permissible sub-manager investments on page 9.

Ms. Benson noted that all of the changes presented had been reviewed by the Investment Committee at its last meeting and tentatively approved. Mr. Halpin explained the history of the bulleted provision underlined on page 7 of the proposed Policy and Guidelines, noting that it had been added by Deutsche in 2012 in response to a reduction in the number of available wrapper providers and the introduction of unusual contract provisions. He explained that the provision had been added in 2012 to deal with reluctant bank wrappers and new entrants in the wrap marked and that it had initially been drafted into the preferred provision section of the Policy and Guidelines in 2012 but that the minutes from the May 21, 2012 Board meeting reflect that the Investment Committee had requested that it be moved to the required provisions for wrap contracts. He noted that since the addition of this provision, there had not been any discussion of the provision and Ms. Benson acknowledged it was not inhibiting the ability to find wrap providers for the ICP. Upon motion duly made and seconded, the revised ICP Policy and Guidelines as presented at the meeting were unanimously approved.

III. Administrator's Report & Marketing Plan Update

Mr. Belnick presented the Administrator's report for the fourth quarter of 2014 (Exhibit B). He first noted that assets had grown to $3.36 million at December 31, 2014, representing an increase of $80 million for the quarter. He noted that deferrals, rollovers/transfers in and other contributions all increased during 2014. He reported that contributions in 2014 increased by approximately $4.5 million since December 31, 2013. He reviewed the allocation of assets and contributions in the Plans over the 12 month period, noting that allocations to large cap and TDFs increased by 1.3% and 1.2%, respectively, as a percentage of assets and that fixed income and cash decreased by 2.2%. He noted that TDFs increased during 2014 by 2.6% (+$3.6 million) as a percentage of contributions and fixed income and cash decreased by 1.7%. Looking back to the prior year, he explained that the same was true with respect to the Plan assets as a whole, which show that the ICP as a percentage of assets decreased by 1.9% (+$22.3 million), and that the TDFs increased by 1.2% (+$63 million). He noted that as an allocation of contributions, the ICP decreased by 1.6% from the fourth quarter of 2013.

Mr. Belnick then reviewed the mutual fund reimbursements for the fourth quarter and year-to-date, noting that they remained constant for the reported periods. He reported on participant account activity for the fourth quarter, noting 2014 was a very strong year, with 65,077 accounts, representing an increase of 1.9% since December 31, 2013. He noted that ending participant numbers have increased every year for the last five years. Mr. Belnick noted there were 1,092 new enrollments in the fourth quarter of 2014, as compared to 699 in the fourth quarter of 2013. He attributed these positive changes to the "EZ" enrollment initiative, noting that the Step-by-Step forms make it very simple for employees to enroll in the Plans. He noted 37,212 accounts receiving deferrals in the fourth quarter of 2014, as compared to 36,909 in the third quarter of 2014 and 36,946 in the fourth quarter of 2013; 4,312 accounts in payout in the fourth quarter of 2014, as compared to 3,914 in the fourth quarter of 2013. Mr. Belnick closed the administrative portion of the presentation with a comparison of distributions and contributions for the fourth quarter of 2014, noting a $4.5 million increase in distributions as measured from the previous year and an increase of $8.9 million in contributions.

Mr. Belnick then proceeded to the marketing updates, stating that the overall plan participation rate was 74.63% of eligible employees, with 43.93% participants actively deferring. He continued to the Nationwide Retirement Solutions' Retirement Specialist/Customer Service Production Summary, noting that there were 3,484 total new enrollments for 2014 and increase activity by 8,130 participants (33% increase from 2013). He reported relatively steady decrease activity (507 in the fourth quarter of 2014 as compared to 533 in the fourth quarter of 2013) and suspension activity (245 in the fourth quarter of 2014 and 243 in the fourth quarter of 2013). Mr. Belnick then presented the loan and hardship analysis, noting that loans for 2014 continued to be significant with 3,111 new loans in 2014 totaling $18.4 million. He noted that this represented an increase from 1,453 new loans in 2013. He also noted that at December 31, 2014, there were 5,062 active loans, representing an increase of 1,513 as compared to 2013. Mr. Belnick noted that Nationwide was in the process of a loan program review and was discussing loan tendencies of participants with Mr. Halpin and Ms. Hjortsberg. For hardships, he noted 2,264 in 2014, representing a decrease of 383 from 2013.

Mr. Belnick provided the field update and rollover report for the quarter and noted a Minority Business Enterprise participation rate of 19% for 2014.

IV. Staff Reports

A. Finance

Ms. Debra Roberts presented the agency budget and expenditure report (Exhibit E) as of February 28, 2015. She noted revenues of $1,255,650, which is $42,433, or 3.27%, less than budget. Ms. Roberts noted that expenditures were $1,044,262, which is $40,258, or 4.95%, less than budget. She explained each of the favorable and unfavorable variances for the expenditure line. She noted a reserve balance of $550,788, as compared to a balance at June 30, 2014 of $609,723. She noted that the reserve balance has decreased by 10% (based on the highest reserve balance) as a result of the first month of the temporary Board asset-fee holiday.

B. Field Services

Mr. Holcomb presented the field staff report (Exhibit F), which included the Financial Fitness Days' workshops scheduled for Eastern Shore and Western Maryland. He noted that the field services staff had adopted an ambitious goal of working through each of the 23 counties in Maryland and that the 1:1 sessions were booked from 9:30 a.m. to 3 p.m. for each of the scheduled days.

V. Board Secretary's Report

Mr. Halpin provided the Board Secretary's Report (Exhibit G). Mr. Halpin explained that Nationwide (on behalf of the Plans) and the Plans had received settlement distributions totaling $58,741.89, consisting of the following:

- $13,638.70 from SEC Fair Fund Settlement received 12/2014;
- $37,240.69 from remaining Invesco mutual fund litigation settlement proceeds received 1/2015; and
- $7,862.50 from Lehman Bros. claim received 3/2015).

Mr. Halpin noted that agency staff recommended that these funds be retained in the reserve account to cover expenses and to fund a Board fee holiday in the future. By consensus of the Board, the recommendation was accepted.

Mr. Halpin next reported on an issue discovered with respect to the participant fee cap related to operating system changes and unexpected results in the suspension and reinstatement of Board asset fees. He noted that one participant with a large account had been overcharged by the system and that the participant had been fully reimbursed for the overcharges. He also noted approximately one dozen participants for which the fee caps had not been enforced, which Nationwide also corrected. Mr. Halpin further noted that as a result, the agency had requested that SB & Company adjust the Agreed upon Procedures in the current and future audits to sample a full range of account values and test compliance, including accuracy of fees both below the 50 cent per month fee threshold of $500 and above the maximum fee per account per year. He also noted that the participant who initially brought the matter to his and Nationwide's attention had raised a question about the mutual fund reimbursement program and that this question ultimately resulted in Mr. Halpin and Ms. Roberts working with Nationwide to design a way to monitor the amounts reimbursed so that these amounts can be reviewed in detail. He noted that he would report back to the Board on the procedures and findings as they are implemented later in the year.

VII. Board Counsel's Report

No report at this time.

VIII. Executive Session

None.

IX. New Business

No new business was presented for discussion.

X. Adjournment

A motion to adjourn was entered at 11:40 a.m., seconded, and carried unanimously.