Exhibit A

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BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE February 22, 2016 MEETING

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans convened at 9:30 a.m. on February 22, 2016, in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Ms. Marge Bury
Mr. Thomas Hickey
Mr. Wilson Parran

Representatives and Guests
Mr. Michael Halpin, Staff
Ms. Lara L. Hjortsberg, Board Counsel
Ms. Debra Roberts, Staff
Mr. Richard Arthur, Staff
Mr. Louis Holcomb, Staff
Ms. Anna Marie Smith, Staff
Ms. Anne O’Neill, Staff
Ms. Tonya Toler, Staff
Ms. Bernadette Benik, State Treasurer’s Office (*representing Treasurer Kopp)*
Mr. David Belnick, Nationwide
Ms. Brenda Anderson, Nationwide
Mr. Jeffrey Francis, Nationwide
Mr. Daniel Wrzesien, Nationwide
Ms. Carrie Callahan, Galliard Capital Management
Mr. Taylor Benson, Galliard Capital Management
Mr. John DeMairo, Segal Rogerscasey (*via phone*)
Ms. Vanessa Vargas, Segal Rogerscasey
Mr. Claude Gregory, Financial & Realty Services, LLC

I. Chairperson's Remarks

Upon motion duly made and seconded, the minutes of the regular meeting of the Board of Trustees held on January 25, 2016 (Exhibit A), were unanimously approved.

II. Administrator's Report & Marketing Plan Update

Ms. Brenda Anderson thanked the Board for the opportunity to serve them over the years. She introduced Mr. Jeffrey Francis as the Nationwide's new Regional Vice President for the East Region. Ms. Foster thanked Ms. Anderson for her service to the Board.

Mr. Daniel Wrzesien then presented the Administrator's report for the fourth quarter of 2015 (Exhibit B). He first noted that assets had grown to $3.32 billion at December 31, 2015, representing an increase of 3.15% for the quarter. He noted that as December 31, 2014, assets had been $3.36 billion. He reported increases in each of deferrals (+$770K), rollovers/transfers in (+$730K) and other contributions (+$189K) during the fourth quarter of 2015. He noted a slight increase (+$187,319) in contributions for 2015 since December 31, 2014. He reviewed the allocation of assets and contributions in the Plans over the 12 month period, noting that allocations and contributions were relatively consistent as compared to the fourth quarter 2014. He highlighted that allocations to the Target Date Funds (TDFs) increased by 1.2%; that contributions to large cap and TDFs increased by 0.9% and 1.4%, respectively; that contributions to fixed income and cash decreased by 1.1%; and that as an allocation of contributions, the ICP decreased by 1.6% from the fourth quarter of 2014.

Mr. Wrzesien then reviewed the mutual fund reimbursements for the fourth quarter and year-to-date, noting that $537,000 had been returned to participant accounts during the fourth quarter of 2015, as compared to $528,000 for the fourth quarter of 2014. He reported $2.2 million in mutual fund reimbursements for the year, as compared to $2.0 million for 2014. Mr. Wrzesien next reported on participant account activity for the fourth quarter, noting 66,034 accounts, representing a 1.47% increase since December 31, 2014, and an increase in every quarter since the fourth quarter of 2013. Mr. Wrzesien noted there were 1,077 new enrollments in the fourth quarter of 2015, as compared to 1,092 in the fourth quarter of 2014. He noted distributions of $63 million and $248 million during the fourth quarter of 2015 and the full year, respectively, reporting that these figures represented increases of $4.4 million and $20 million, respectively, over the same periods of the previous year. With respect to contributions, Mr. Wrzesien noted $50.5 million for the fourth quarter of 2015, representing a slight increase over the fourth quarter of 2014 (+$200K). He reported that distributions exceeded contributions by $12.5 million in the fourth quarter of 2015, and by $46.5 for the entire year. These were slight increases over the same periods in 2014.

Mr. Wrzesien then proceeded to the marketing updates, stating that the overall plan participation rate was 75.79% of eligible employees, with 44.06% participants actively deferring. He continued to the Nationwide Retirement Solutions' Retirement Specialist/Customer Service Production Summary, noting that there were 4,116 total new enrollments for 2015 (an increase of 632, or 18%, as compared to 2014) and increase activity by 7,593 participants (a decrease of 537, or 6.5%, as compared to 2014). With respect to increase activity and in response to a question from a Board member, he will search the data to provide information as to which sectors (e.g., correctional or university personnel) the increase activity was coming from. He reported that decrease activity for the fourth quarter of 2015 as compared to the fourth quarter of 2014 was relatively steady (511 in the fourth quarter of 2015 as compared to 507 in the fourth quarter of 2014) and that suspension activity increased by only 38 from the fourth quarter of 2014 to the fourth quarter of 2015. Mr. Wrzesien then presented the loan and hardship analysis, noting that there were 724 fewer loans in 2015 as compared to 2014, representing $6.3 million less in loaned funds. He reported 5,081 active loans at December 31, 2015, as compared to 5,062 active loans for the same time period in 2014. For hardships, he noted 1,776 approved hardships, representing a decrease of 488 from 2014.

Mr. Wrzesien reported on rollovers, noting $84.9 million rolled out of the Plans, an increase of $7.5 million over 2014, and $27.4 million rolled into the Plans, an increase of $6.4 million from 2014. With respect to rollovers out, he noted that Nationwide is not seeing the funds being directed to one particular advisor or broker, and he stated that there was a need to educate participants that they were not required to roll money out of the Plans upon retirement.

Mr. Wrzesien provided the field update and rollover report for the quarter and noted a Minority Business Enterprise participation rate of 21% for 2015.

III. Investment Advisors' Reports:

A. Segal Rogerscasey ("Segal")

Ms. Vanessa Vargas presented the fourth quarter performance summary (Exhibit C). After providing a summary of the financial market conditions for the fourth quarter, Ms. Vargas highlighted the following:

- The allocation to each of the Plans was as follows: 457 Plan – 45%, 401(k) Plan – 48%, 403(b) Plan – 2.5%, and 401(a) Plan – 5.2%.
- Stable value represented 25% of the market value in the Plans; active options accounted for 35%; passive options accounted for 23%; and the TDFs accounted for 15%.
- Active core and passive core options represented approximately 61% and 39%, respectively, of the total core options in the Plans.
- On a quarter and year-to-date basis, 7 of the 10 active options outperformed their benchmarks; the TDFs exhibited mixed results; Goldman Sachs Large Cap Value underperformed for the year-to-date and the 1, 3 and 5 year periods (*recommendation to place on the Watch List*); and American Century Equity Growth underperformed in all of the periods presented (*recommendation to place on the Watch List*).
- On a peer-to-peer basis, Goldman Sachs Large Cap Value was below median for the year-to-date and the 1 and 5 year periods; American Century Growth was below median for all but the 5 year period.
- With respect to the actual returns of for the active options, PIMCO Total Return Fund performed well for the quarter +0.5%; benchmark: -0.6%); Goldman Sachs Large Cap Value was +6.3% for the quarter (benchmark: +5.6%); Fidelity Puritan Fund was +5.2% for the quarter (benchmark: +4.0%) and +1.8% for the year (benchmark: +1.3%); American Century Equity Growth was +4.7% for the quarter (benchmark: +7.0%); Parnassus Core Equity was +4.8% for the quarter

(benchmark: +7.0%); American Funds Growth Fund of America was +7.8% for the quarter (benchmark: +7.3%) and +5.7% for the year (benchmark: +5.67%); T. Rowe Price MidCap Value was +3.2% for the quarter (benchmark: +3.1%) and +3.4% for the year (benchmark: +4.8%); Janus Enterprise was +4.9% for the quarter (benchmark: +4.1%) and +3.6% for the year (benchmark: -0.2%); T. Rowe Price Small Cap Stock was +4.7% for the quarter (benchmark: +3.6%); and American Funds EuroPacific Growth was +3.0% for the quarter (benchmark: +3.3%) and -0.5% for the year (benchmark: -5.3%).

- Returns for TDFs ranged from +1.66% to +5.02% for the quarter and -0.8% to +0.2% for the year, with the longer dated funds outperforming the shorter duration funds for the quarter and the year.

Ms. Vargas directed the Board to Exhibit C-2, a memo regarding the TDF Balanced and 2005 performance issues versus benchmark. She explained that two calendar years – 2014 and 2015 – have dragged down the performance of these two funds, noting that (a) the performance of the Balanced Fund in 2014 was +3.9% (benchmark: +4.5%) and in 2015 was -0.7% (benchmark: -0.2%) and (b) the performance of the 2005 Fund in 2014 was +4.7% (benchmark: +5.5%) and in 2015 was -0.8% (benchmark: -0.1%). Ms. Vargas explained that long positions in international equities and commodities, while positive in the long term, did not produce positive results for the shorter duration TDFs. She noted, however, that as compared to its peers, these two funds still compared positively and retained very good rankings.

In closing, Ms. Vargas noted that Segal recommended that Goldman Sachs Large Cap Value and American Century Equity Growth be placed on the Watch List. Upon motion duly made and seconded, the Board approved the placement of these two investment options on the Watch List. It was noted that with this approval, there are three investment options on the Watch List: Goldman Sachs Large Cap Value, American Century Equity Growth and PIMCO Total Return Fund.

B. Galliard Capital Management ("Galliard")

Ms. Taylor Benson provided the fourth quarter performance report for the quarter ended December 31, 2015 (Exhibit D). She first reviewed the goals for MSRP as follows:

- Short-term: execute proposed external manager changes (lower fees and more favorable risk/return profile); changes were anticipated to occur in the second quarter
- Longer-term: transfer valuation function to Galliard

Ms. Benson then proceeded to deliver the portfolio update, highlighting the following:

- Recent performance of the portfolio improved relative to the benchmark, which was attributed primarily to lower fees and the change to a more appropriate stable value benchmark.

- Annualized investment performance since inception (2/1/14) was 1.97% before investment management fees and 1.69% net of investment management fees.
- Assets under management (AUM) were $765 million, representing a slight decrease as compared to the previous quarter.
- The ICP was comprised of 6 issuers; one guaranteed investment contract will roll off in October 2016).
- The monthly declared rate (net of fees) was 1.72%.
- Duration was 2.39 years.
- Market-to book ratio was 100.54%.
- Average holdings quality was Aa3/AA.

Ms. Benson then reviewed the underlying manager performance in the ICP for the quarter, noting the following for the quarter and year, respectively:

- Babson – -0.48% (benchmark: -0.51%) and +1.25% (benchmark: +1.21%);
- Earnest Partners – -0.25% (benchmark: -0.36%) and +1.03% (benchmark: +0.65%);
- JPMorgan – -0.38% (benchmark: -0.51%) and +1.35% (benchmark: +1.06%);
- PIMCO – -0.29% (benchmark: -0.51%) and +0.87% (benchmark: +1.15%);
- Galliard – -0.30% (benchmark: -0.43%) and +0.93% (benchmark: +0.57%);

Ms. Benson updated the Board on PIMCO's organizational issues and noted that Galliard continued to monitor the situation. She noted that JPMorgan performed well relative to its benchmark but that the fees charged may be higher than what one would expect from an external manager. She also noted that Earnest Partners had also done well but that this manager may be more appropriate for a different strategy (i.e., longer term).

Ms. Carrie Callahan then presented an explanation of Galliard's external management oversight committee. She noted that Galliard requires managers that have a lot of other capabilities beyond fixed income, including compliance, stable value, styles conducive to the stable value space and ability to meet all of the service requirements for stable value. She explained that Galliard currently oversees 19 managers but that it only actively contributes to 8 or 9 of these managers. With respect to the ICP, she noted that Galliard wants to make sure that the included types of fixed income investments are consistent with what one would expect from that part of the portfolio.

IV. Staff Reports

A. Finance

Ms. Debra Roberts presented the agency budget and expenditure report (Exhibit E) as of January 31, 2016. She noted revenues of $1,148,621, which were $198,371, or 20.88%, more than budget. Ms. Roberts noted that expenditures were $912,808, which was $45,723, or 4.77%, less than budget. She explained each of the favorable and unfavorable variances for the expenditure lines. She noted a reserve balance of $673,859, as compared to a balance at June 30, 2015 of $568,698.

B. Field Services

Mr. Holcomb presented the field staff report (Exhibit F), which included a "*Building Wealth 101*" and "*First Steps to Retirement Planning*" flyers and a list of the upcoming State Pre-Retirements Sessions scheduled for the Spring and a copy of the 2016 Benefit Coordinators' Academy electronic newsletter that was recently distributed.

V. Board Secretary's Report

Mr. Halpin provided an overview of the February 19th budget hearing before the House Committee on Appropriations. He noted that the Senate Committee on Budget and Taxation was scheduled on March 1st. He also noted that a Board fee holiday was set to begin on March 31, 2016. He alerted the Board to Senate Bill 633 (State Employees Retirement Savings Plan), noting that the agency did not intend to take a position on the bill. Ms. Bury noted that the counsel to the State Retirement Agency had indicated that there were adverse tax implications associated with the bill and that the State Retirement Agency had received a memo from its tax counsel. Mr. Halpin noted that the Senate committee hearing for SB633 was scheduled for February 25th.

VI. Board Counsel's Report

Ms. Hjortsberg noted that she was working with counsel to the State Retirement Agency and the Central Office of the Office of the Attorney General (OAG) to have MSRP added to the OAG's outside tax counsel contract in the event that the agency had a need arise in that area.

VII. Executive Session

None

VIII. New Business

None

IX. Adjournment

A motion to adjourn was entered at 11:00 a.m., seconded, and carried unanimously.