Exhibit A

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BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE August 28, 2017 MEETING

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans convened at 9:30 a.m. on August 28, 2017, in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Mr. Thomas Brandt, Jr.
Ms. Lynne Durbin
Ms. Nancy Kopp
Mr. John Lewis
Mr. Johnathan West

Representatives and Guests
Mr. Michael Halpin, Staff
Ms. Lara L. Hjortsberg, Board Counsel
Mr. Richard Arthur, Staff
Ms. Debra Roberts, Staff
Mr. Louis Holcomb, Staff
Mr. Jeffrey Francis, Nationwide
Mr. Daniel Wrzesien, Nationwide
Ms. Taylor Benson, Galliard Capital Management
Mr. John DeMairo, Segal Marco Advisors
Ms. Vanessa Vargas, Segal Marco Advisors
Ms. Kim DeDominicis, T. Rowe Price
Ms. Jennifer Falcone, T. Rowe Price
Mr. Claude Gregory, Financial & Realty Services, LLC
Mr. John Turk, Prudential

I. Chairperson's Remarks

Upon motion duly made and seconded, the minutes of the regular meeting of the Board of Trustees (the "Board") held on June 5, 2017 (Exhibit A) were unanimously approved.

At Ms. Foster's request, Ms. Hjortsberg briefed the Board on the 2017 amendments to the Maryland Open Meetings Act ("OMA"), which require public bodies such as the Board to designate at least one member of the public body to take the OMA training if such public body is to meet in closed session on or after October 1, 2017. Ms. Hjortsberg explained that the designation had to be made prior to October 1 but that the training could be taken after that date. She further explained that the training was available online. She explained that if a designee was not in attendance at a closed session, the OMA required certain alternate procedures to be followed.

After discussion, and upon motion duly made and seconded, it was

RESOLVED, that Ms. Eloise Foster and Ms. Lynne Durbin be, and each of them hereby is, designated as a member of the Board of Trustees to take training pursuant to HB 880, effective July 1, 2017.

Ms. Hjortsberg noted that Ms. Foster had taken the training in connection with her service on another public body and that Ms. Durbin should provide the agency with a copy of the completion certificate once she had taken the training.

II. T. Rowe Price Target Date Strategies: Fixed Income Changes

Ms. Kim DeDominicis provided an overview of the fixed income enhancements to the T. Rowe Price target date strategies (Exhibit G). She noted that the earliest that T. Rowe Price can begin to start to implement the changes to the target date funds (TDFs) is the fourth quarter and that T. Rowe Price expects these changes to take at least a year to complete. She explained that T. Rowe Price would be adding non-dollar hedged bonds to the core fixed income allocation from the diversifiers and also adding non-traditional bonds. She explained that the volatility of the proposed core allocation is slightly less than the U.S. Aggregate that comprises the current core fixed income allocation and that the benchmark for the non-traditional bonds is LIBOR. She further noted that the changes were expected to be fee neutral. She directed the Board to page 5 of Exhibit G. She noted that the diversifiers, which comprise 30% of the fixed income allocation, dynamically shift depending on what the equity allocation is in the portfolio. Moving to page 6, she provided examples of the allocations of the fixed income portfolio allocations. Mr. Lewis asked whether there were liquidity issues with these bonds in the market. Ms. DeDemonicis responded that the portfolio managers research the underlying bonds and would have an investment case for including them in the portfolio and that they would be subject to the same constraints for including in the other fixed income strategies managed by T. Rowe Price. Ms. DeDeominicis undertook to provide the Board with additional information regarding the non-traditional bonds as well as a snap shot of the bank loans. It was noted that after receipt of this follow-up information, the Board would likely need to have an additional discussion about the fixed income enhancements.

III. Administrator's Report & Marketing Plan Update

Mr. Wrzesien next presented the Administrator's Report for the second quarter of 2017 (Exhibit B).

He first reviewed the Executive Summary and highlighted the following:

- Current Assets: $3.7 billion
- Total Participant Accounts: 66,773
- Enrollments: 1,047 (85% TDFs; 10% ProAccount; and 5% DIY)
- Managed Accounts $49.8 million (through July)
- Deferrals: $50.5 million
- Mutual Fund Savings: $1.0 million
- Rollovers-In: 155/$5.5 million
- Distributions: $39.1 million
- Rollovers-Out: 451/$23.9 million
- Loans: 693 active/$6.8 million
- Hardship/UE: 587

Mr. Wrzesien also highlighted the following achievements and initiatives for the second quarter of 2017:

- ABC investment relaunch results – 13 events with 680 attendees
- 2017 SAVING$ Expo – 95 1-on-1 appointments; 13 enrollments for $750/pay; 19 increases for $1,297.50/pay; 3 transfers for $30,040; 8 allocations/exchanges; 16 ProAccount applications for $446,041; and 36 account reviews
- Updating various sections of Administrator's Report to provide more meaningful data to Board members
- Reviewing death claim procedures to ensure more positive and efficient customer experience
- Updating system generated participant letters to include physical signature from Mr. Wrzesien

Mr. Wrzesien returned to key points in the Administrator's Report from the Executive Summary. He noted that, as compared with the second quarter of 2016 contributions/deferrals had increased, and that rollovers out and other withdrawals had also increased. He noted that total assets and contributions had both increased as compared to the second quarter of 2016 (increases of $352,178,009 and $2,796,061, respectively). Reviewing the allocation of assets and contributions, he noted that the allocation of assets for fixed income and cash had decreased for the quarter and year (-0.8% and -2.3%, respectively) and for the TDFs had increased for the quarter and year (0.5% and 2.1%, respectively).

Mr. Wrzesien reported mutual fund reimbursements ("MFRs") of $508,366 for the second quarter of 2017 and year-to-date MFRs of $1,038,790. In reviewing participant account activity, Mr. Wrzesien noted that there were an additional 280 accounts receiving deferrals as compared to the previous quarter. In addition, he reported year-to-date withdrawals of $108.6 million and year-to-date deferrals of $96 million, for a net decrease of $12,533,637 weighed down by the high rate of withdrawals in the first quarter of the year.

Mr. Wrzesien proceeded to the marketing updates, stating that the overall plan participation rate was 76.70% of eligible employees, with 44.01% actively deferring.

There was a discussion of the usefulness of the Match Plan participation rate information as the match was not currently funded and the underlying data was stale. The consensus of the Board was to remove this information from the Administrator's Report going forward.

Mr. Wrzesien next noted total new enrollments of 2,006 in the year to date and 4,426 increases during this time period. Mr. Wrzesien provided the loan and hardship analysis, noting an uptick in loans and a decrease in hardship/UE withdraws for foreclosure/eviction and utility disconnections, as compared to the previous two years.

Returning to the earlier report on rollovers out, the Board members requested additional information as to why participants were removing their funds from the Plans. It was noted that several of the top reasons for rollovers out of the Plans were duplicative. It was noted that Nationwide continued to investigate the reasons for rollovers and would update the Board as it obtained more information.

Mr. Wrzesien then returned to the marketing update, noting a Minority Business Enterprise (MBE) participation rate of 15% for the second quarter of 2017. He noted that the year-to-date MBE participation rate was 18%.

Mr. Wrzesien next reported that the Plans had received 75 requests for service credit withdrawals, , totaling $2.3 million, through June 30, 2017, as compared to 77, totaling $1.5 million, in the same period in 2016.

Mr. Wrzesien closed the Administrator's report with a briefing on the Nationwide Fixed Account option. He noted that there were 1,824 participants, totaling about $60 million of Plan assets in this investment option. He stated that Nationwide and was in the process of developing an educational piece on this investment option for the current participants invested in this option. He also noted that Nationwide would also review the life insurance option that remained in the Plans. It was noted that both of these were "frozen" investment options (not accepting new contributions).

IV. Investment Advisors' Reports:

A. Segal Marco Advisors ("Segal")

Ms. Vanessa Vargas presented the second quarter performance report (Exhibit C).

After providing a summary of the financial market conditions for the second quarter of 2017, Ms. Vargas highlighted the following:

- With respect to the actual returns of for the Active Core options, TCW Core Fixed Income underperformed its benchmark for the quarter +1.19% (benchmark: +1.45%) and year-to-date at +2.08% (benchmark +2.27%); Fidelity Puritan Fund outperformed its benchmark for the quarter and year-to-date periods at +3.08% and 8.69%, respectively (benchmark: +2.43% and +6.48%, respectively); Delaware Value Institutional underperformed for both periods at -0.30% and 2.84%, respectively (benchmark +1.34% and +4.66%, respectively); American Century Equity Growth (*on Watch List*) underperformed for both periods at 2.20% and 9.04%, respectively (benchmark: +3.09% and +9.34%, respectively); Parnassus Core Equity underperformed in both periods as +2.50% and 7.04% (benchmark: +3.09% and 9.34%, respectively); American Funds Growth Fund of America underperformed in both periods at +4.00% and 12.51%, respectively (benchmark: +4.67% and +13.99%, respectively); T. Rowe Price MidCap Value underperformed in both periods at -0.13% and +3.10%, respectively (benchmark: +1.37% and +5.18%, respectively); Janus Henderson Enterprise outperformed its benchmark in both periods at +6.45% and 14.09, respectively (benchmark: +4.21% and +11.40%, respectively); T. Rowe Price Institutional Small Cap Stock underperformed for the quarter and outperformed for the year-to-date period at 2.43% and 6.12%, respectively (benchmark: +2.46% and +4.99%, respectively); and American Funds EuroPacific Growth outperformed in both periods at +7.69% and 17.78%, respectively (benchmark: +5.99% and +14.45%, respectively).

- Returns for TDFs ranged from +2.00% Balanced Fund) to +4.80% (2060 Fund) for the quarter and +5.46% (Balanced Fund) to +12.03% (2060 Fund) for the year-to-date period; as compared to peers, most of the TDFs were in the top quartile, with the worst ranking for a TDF in the quarter being 38 (Balanced Fund).

Mr. DeMairo made a general comment on performance, noting that the Plans had three different types of programs: TDFs, passive and active and that it was important to determine if a particular active option was outperforming its benchmark, the key was to examine how the option performed as compared to its peers. He then noted that of the 9 Active Core options with a history, all but 1 was above median for the 5-year period. A question was presented as to whether the Board should be looking at quarterly numbers if long term performance was important. Mr. DeMairo noted that the quarterly presentation was a function of the industry but that decisions as to the investment options were made based on the long-term results.

Mr. DeMairo next noted that at the next meeting Segal would present the Board with a fee analysis review and provide a more in-depth response to the Board's questions regarding the fixed income enhancements to the TDFs, including a discussion of the broader market and what is in the fixed income portfolios. He noted that the fixed income enhancements presented by T. Rowe Price earlier in the meeting was not a decision that the Board was required to vote on, as T. Rowe Price had already made the decision and announced its intention to implement changes to the TDFs; however, he noted that if the Board had a philosophical problem with those enhancements following a further explanation and discussion, the Board had the option to consider replacing the TDFs. Ms. Durbin also requested information from Segal as to its views on Collective Investment Trusts and White Label Funds to be presented at a future meeting.

B. Galliard Capital Management ("Galliard")

Ms. Taylor Benson provided the second quarter performance report for the quarter ending June 30, 2017 (Exhibit D), during which the following was highlighted:

- Assets under management (AUM) were $764 million, a 3% decrease from the quarter ended March 31, 2017.
- No. of contract issuers: 5, with allocation of 20% to each manager
- Portfolio performance for the quarter and 1-year ended June 30, 2017 was +0.44% and 1.74% (net of fees), respectively.
- Duration was 2.97 years.
- Market-to-book ratio was 100.08%.
- Quality was Aa3/AA-
- The monthly declared rate (net of fees) was 1.81% (September 1.88%).

Ms. Benson then proceeded to review the underlying manager performance in the ICP for the quarter, noting that all of the managers other than TCW outperformed their respective benchmarks for the quarter (Galliard – +0.32%; JP Morgan – +0.24%; Earnest Partners – + 0.17%; Barings – +0.21%; TCW – - 0.11%). With respect to TCW, Ms. Benson noted that the underperformance was attributable to its defensive positioning, which complemented the other managers, and that all of the managers were performing in a manner that they were expected to perform over the longer time period.

V. Staff Reports

A. Finance

Ms. Debra Roberts reported on the Budget Accounting Reporting System (BARS), noting that the new system provided direct communication with Workday, was efficient, cost efficient, customizable and could be used to verify and validate the agency's budget. She then proceeded to the presentation of the agency's budget and expenditure report (Exhibit E) as of June 30, 2017. She noted revenues of $2,227,035, which were $380,133, or 20.58% more than budget. Ms. Roberts noted that expenditures were $1,783,072 are lower than budget with a variance of $13,974 or –0.79%. She explained each of the favorable and unfavorable variances for the expenditure lines. She noted a reserve balance of $795,640, as compared to a balance at June 30, 2016 was $351,774.

B. Field Services

Mr. Holcomb presented the field staff report (Exhibit F), which included a field activity recap from January 1 - June 30, 2017. He noted that the May 24, 2017 SAVING$ Expo had 456 registered attendees, compared with last year's attendance of 377 attendees. Mr. Holcomb reported that 95 employees were seen at the Expo for one-on-one appointments resulting in 13 new enrollments, 19 increases in contributions and 7 ProAccount enrollments.

VI. Board Secretary’s Report

Mr. Halpin stated that he had nothing to report that had not otherwise been covered earlier in the meeting.

VII. Board Counsel’s Report

Ms. Hjortsberg stated that she had nothing to report that had not otherwise been covered earlier in the meeting.

X. Adjournment

A motion to adjourn was entered at 11:45 am, seconded, and carried unanimously.