MUTUAL FUND SAVINGS PROGRAM

Helping to make the
Maryland Supplemental Retirement Plans
***affordable and more productive** for all State employees.*

The Board of Trustees for the Maryland Supplemental Retirement Plans, through successful negotiations, has developed an original and effective Mutual Fund Savings Program for their supplemental retirement plan participants. The program is designed to reimburse participants for part of the fund's annual operating expenses. This benefit of the Maryland Supplemental Retirement Plans is not typically offered by other retirement savings programs.

At the Board's direction, all available reimbursements—we call them **mutual fund savings**—are used to buy additional shares in the applicable funds upon receipt. These shares are then distributed proportionally to participants' accounts. In calendar year 2014, six mutual funds and all of the target date retirement funds in the MSRP returned over $1.9 million back to participant accounts. All other investment options in the MSRP are already in "institutional-priced" share classes which deliver the highest earnings per share available. Over $30 million have been returned to MSRP participants since 1995, when the Mutual Fund Savings Program began. MSRP participants can look for their reimbursements on the front page of their account statement under the heading "Mutual Fund Savings".

The Mutual Fund Savings Program is part of the continuous effort by the Board of Trustees to make the Maryland Supplemental Retirement Plans affordable and viable for all Maryland State Employees.

FREQUENTLY ASKED QUESTIONS

Who pays reimbursements?

Reimbursements are paid by the sponsors and distributors of the mutual funds used in this and similar programs -- T. Rowe Price, Fidelity, etc.

Why do they pay them?

Reimbursements are paid when a service provider, like Nationwide, performs administrative details that would otherwise be done by the fund sponsor. This normally includes, at a minimum, preparation of a statement, distribution of a prospectus, and general service to the investor.

Who gets them?

Mutual funds do not pay reimbursements to individual investors. They do pay reimbursements (or similar allowances) to Trustees, brokers and plan administrators. Those persons then decide whether to keep the reimbursements or distribute them.

Who gets reimbursements in the Maryland Plans for State employees?

You do. The Board restricts its administrator from retaining reimbursements from any fund, so that the administrator will have no incentive to favor one fund over another. When the Board began its reimbursement program, it decided that the refunds should be passed through directly to investors in the particular fund that pays the reimbursement. The calculation and distribution is done any time there are reimbursements available for distribution. The precise amount shows up on your statement under the heading "***Mutual Fund Savings***."

How much are they?

Reimbursements are a good example of how small percentages can add up to big dollars. Since 1995 over $30 million has been collected from mutual funds and redistributed to participants. The precise amount varies from fund-to-fund; there is no standard reimbursement amount, and the precise refund is negotiated by the Board and the mutual fund. A typical reimbursement may be between 10 and 20 basis points a year (0.1% to 0.2%). For example, if you have $50,000 in a mutual fund that pays a 10 basis point reimbursement, your savings would be about $50 a year. Not all funds pay reimbursements; if you want to know the reimbursement for a particular fund, please refer to the chart on the back of this publication.

How do reimbursements affect investment decisions?

Reimbursements are best viewed as part of your investment return/investment expense ratio. A participant in the MSRP gets an investment return, and pays his/her share of expenses necessary to earn that return. Reimbursements reduce those expenses. For some funds, reimbursements pay most of the administration expense for Nationwide and the Board; other options (ex.: American Funds, Vanguard Funds, Investment Contract Pool) do not pay reimbursements but have very low expense ratios. Standard financial planning advice looks at both elements—expected return and investment expense—in choosing one investment option over another. This is particularly true if you are estimating total expenses, or comparing expenses inside the plan to expenses for a different retirement option, such as an IRA account.

2015/03

MSRP Mutual Fund Savings & Expense Ratios

Operating Expenses as a Percentage of Average Net Assets (From Prospectus)
These are reduced by Mutual Fund Savings/Reimbursements to Participants (arranged by MSRP Board of Trustees)

Target Date Retirement Funds

Mutual Fund Name Asset Allocation	Ticker Symbol	Prospectus Date	Expense Ratio*	Mutual Fund Savings Agreement
T.Rowe Price Retirement Balanced Fund (12/29/2014)	TRRIX	10/01/2014	0.57%	0.15%
T.Rowe Price 2005 Retirement Fund	TRRFX		0.59%	
T.Rowe Price 2010 Retirement Fund	TRRAX		0.59%	
T.Rowe Price 2015 Retirement Fund	TRRGX		0.63%	
T.Rowe Price 2020 Retirement Fund	TRRBX		0.67%	
T.Rowe Price 2025 Retirement Fund	TRRHX		0.70%	
T.Rowe Price 2030 Retirement Fund	TRRCX		0.73%	
T.Rowe Price 2035 Retirement Fund	TRRJX		0.75%	
T.Rowe Price 2040 Retirement Fund	TRRDX		0.76%	
T.Rowe Price 2045 Retirement Fund	TRRKX		0.76%	
T.Rowe Price 2050 Retirement Fund	TRRMX		0.76%	
T.Rowe Price 2055 Retirement Fund	TRRNX		0.76%	
T.Rowe Price 2060 Retirement Fund	TRRLX		0.76%	

Traditional Spectrum of Investment Options

Mutual Fund Name Equities	Ticker Symbol	Prospectus Date	Expense Ratio*	Mutual Fund Savings Agreement
Fidelity Puritan Fund	FPURX	10/30/2014	0.56%	0.25%
American Century Equity Growth Fund – Inst'l Shares	AMEIX	11/01/2014	0.47%	0.05%
Parnassus Core Equity Fund – Inst'l Shares	PRILX	05/01/2015	0.67%	0.10%
Vanguard Institutional Index Fund – Inst'l Plus	VIIIX	04/28/2015	0.02%	none
Growth Fund of America – Class R6	RGAGX	11/01/2014	0.33%	none
Goldman Sachs Large Cap Value Fund – Inst'l Class	GSLIX	02/18/2015	0.76%	0.15%
Vanguard MidCap Index Fund – Inst'l Plus Shares	VMCPX	04/28/2015	0.06%	none
Janus Enterprise Fund – Class N Shares	JDMNX	01/28/2015	0.68%	none
Morgan Stanley Inst'l MidCap Growth Portfolio – Class I	MPEGX	02/03/2015	0.75%	none
T. Rowe Price Mid-Cap Value Fund	TRMCX	05/01/2015	0.80%	0.15%
Vanguard Small-Cap Index Fund – Inst'l Shares	VSCIX	04/28/2015	0.08%	none
T. Rowe Price Small Cap Stock Fund	OTCFX	05/01/2015	0.91%	0.15%
EuroPacific Growth Fund – Class R6	RERGX	06/01/2015	0.49%	none
Vanguard Total International Stock Index Fd – Inst'l Shares	VTSNX	02/26/2015	0.12%	none
Bonds				
PIMCO Total Return Fund – Institutional Class	PTTRX	10/14/2014	0.46%	none
Vanguard Total Bond Market Index Fund – Inst'l Shares	VBTIX	04/28/2015	0.06%	none
Money Market *[403(b) only]*				
Vanguard Prime Money Market Fund - Inst'l Class	VMRXX	12/19/2014	0.10%	none

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* Reported fund returns are net of these expenses, including investment advisory, shareholder servicing, custodial, accounting , legal, auditing, prospectus and shareholder reports, registration, proxy and annual meeting directors; and where applicable, 12(b)1 fees.