

Spectrum of Investment Options with Asset Allocation Questionnaire

Investing doesn't have to be complicated.

As a participant in the Maryland Supplemental Retirement Plans (MSRP), you have a choice of investing approaches:

A Targeted Retirement Funds Approach

Skip the questionnaire and choose the fund targeted to your retirement or desired income date, and let a professional money manager do the rest.

and/or

B Traditional Approach

Choose and manage individual funds on your own by completing this questionnaire to help:

STEP 1 Identify your time horizon,

STEP 2 Measure your risk tolerance and

STEP 3 Direct you to a recommended asset allocation model.

These two investing approaches can be used independently or in concert with one another. Whichever choice you make, MSRP is proud to provide Maryland's State employees access to simple, cost-effective and professionally managed investment options for retirement planning.



And we're here to help you along your way!



Introduction

Now that you've enrolled in one or more of the MSRP plans, this booklet can help you choose your funds.



Investment option types

MSRP Investment Contract Pool seeks to deliver stable positive returns that, over time, may be higher than cash investments such as money market funds. MSRP Investment Contract Pool includes investment contracts that obligate the issuer of the contract to maintain principal value. Most investment contracts invest in high-quality fixed income investments (bonds) that are owned by the plan or trust.

Bond Funds invest in a selection of bonds. A bond is a loan by investors to a private company or the government, that pays regular interest income over a specified period of time. The borrower repays the principal (the amount borrowed) at the end of that period. The return of a bond fund is a blend of the interest earned by each of the bonds held by the fund and any gain (or loss) from selling bonds before they mature. Bond funds are subject to the same credit, inflation and interest rate risk as the underlying bonds.

Stock (Equity) Funds invest in a selection of stocks issued by several different companies. The return comes from dividends, if any, the appreciation in the value of the shares held, and gains (or losses) from the sale of the stocks by the fund.

- **Small-cap stocks** are issued by companies whose capitalization (the total value of the company's outstanding common stock shares) is less than \$1.6 billion.
- **Mid-cap stocks** are issued by companies whose capitalization is between \$1.6 billion and \$8.9 billion.
- **Large-cap stocks** are stocks of companies whose capitalization is more than \$8.9 billion.

Balanced Funds invest in a selection of both bonds and stocks. Stocks are shares of ownership in a company.

Finally, the mutual funds that are available for investment also have costs, which are disclosed in the fund prospectuses and deducted from investment returns. Some of the mutual funds, however, refund part of the costs back to the plans, according to negotiated agreements with the MSRP Mutual Fund Savings Plan. At the Board's discretion, the savings are reinvested in the applicable funds and then distributed to invested participants' accounts. Also, as a large State retirement savings plan, MSRP maintains far greater assets in a fund than the average investor. Our substantial assets allow us to take advantage of less-expensive share classes, which means your invested contributions can potentially compound more earnings. Some mutual funds may impose a short term trade fee. Additional information on mutual fund fees are contained in the prospectus for the particular mutual fund.

The available investment options, outlined herein, have been selected by the Board of Trustees with the assistance of its investment consultant/advisor, Mercer Investment Consulting, Inc. Plan administration, communication, enrollment services and record-keeping are performed by Nationwide Retirement Solutions, Inc. (NRS).

What are the costs to participants?

Maryland law requires that the participants in the supplemental retirement plans pay all costs associated with the plans. The Board of Trustees collects these costs by charging fees to participating employees per account and per asset value. The Board collects a monthly fee of 50 cents from each 457(b), 401(k) and 403(b) account over \$500. The annual asset fee is currently 0.19% of a participant's account value, paid monthly. Part of this fee, 0.05%, pays for services provided by the Board. The remainder, 0.14%, pays for services provided by Nationwide Retirement Solutions. MSRP fees are assessed monthly and reported on your quarterly account statement. The maximum asset fee in 2010 is \$2,000 per account per calendar year. Additional plan account fees may be assessed at the Board's discretion. Impacted participants will be notified of any changes in fees prior to assessment.



This booklet is divided into two investing style approaches, Targeted Retirement Funds and/or Traditional. These two approaches can be used independently or in concert with one another.

Option A: Targeted Retirement Funds

Targeted Retirement Funds are lifecycle funds — one-step portfolios where you select a target retirement date and the fund that matches the date is automatically adjusted over the years by a professional money manager.

Each Targeted Retirement Fund offers a professionally selected mix of diversified mutual fund investments and has a target retirement and/or income inception date in mind, and is rebalanced and adjusted over time to be more conservative through a retirement or income inception date.

This approach may appeal to:

These funds may appeal to investors who feel they do not have the time, knowledge or inclination to pick and choose a portfolio on their own. They prefer to have the selection and monitoring of their portfolio done for them.

*Targeted Retirement Funds are managed by T. Rowe Price and are composed of other T. Rowe Price mutual funds.

Target Maturity Funds, also known as target date funds, are asset allocation funds that are based on a targeted date as to when an investor plans to begin to withdraw money. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. As a result, the funds become more conservative over time as you approach retirement. It's important to remember that no strategy can assure a profit or prevent a loss in a declining market. The principal value of the fund(s) is not guaranteed at any time, including at the target date.

There are many considerations when planning for retirement. Your retirement needs, expenses, sources of income, and available assets are some important factors for you to consider in addition to the Retirement Funds. Before investing in one of these funds, also be sure to weigh your objectives, time horizon, and risk tolerance. All funds are subject to market risk, including the possible loss of principal.

Option B: Traditional approaches for both active and passive investors

For Traditional Approach investors, the investment options are listed from most conservative to most aggressive and active/passive fund management.

Select and manage funds using this booklet including the Asset Allocation Questionnaire, provided by Ibbotson Associates, Inc. to help determine personal investor profiles and “asset allocation model.” It is recommended that investors complete this questionnaire prior to selecting funds. Risk-based asset allocation models seek to maximize potential total return based on levels of risk. This aids investment selection based on individual risk tolerance and time-horizon. The questionnaire can also be accessed online at MarylandDC.com by clicking on Investment Info, then Calculators, then Ibbotson Asset Allocation.

The funds in this booklet are divided into active and passive groupings. **Active** funds may appeal to investors who prefer to take an active role in their investment selection and enjoy picking and choosing individual funds and fund managers to create a diversified portfolio. **Passive** funds may appeal to investors who are looking for mutual funds that normally carry lower than average fees and track the markets per their selected indices to create a diversified portfolio.

The use of asset allocation does not guarantee returns or insulate you from potential losses. Asset allocation is a rational strategy for investment selection. Simply put, it is the process of diversifying your investment dollars across different asset classes. It helps you maximize your return potential while helping to reduce your risk.

If you choose option A, the Targeted retirement funds, you can enroll using the *EZ Enrollment Form*—just fill in your personal information, check a few boxes, sign and you're done!

MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

SEND OR FAX COMPLETED FORM TO
Nationwide Retirement Solutions
11350 McCormick Road
Executive Plaza 3, Suite 902
Hunt Valley, MD 21031
Phone: 800-545-4730
Fax: 443-886-9403

EZ Enrollment Form (457b Plan if under age 55, 401k Plan if 55 years or older)

PERSONAL INFORMATION (please print)

Name _____

Address _____

City _____ State _____ Zip _____

Home Phone _____ Work Phone _____

Email Address _____

Date of Birth _____

Agency Code: _____ Payroll Type (circle answer): Regular University Contractual Other

Payroll Center Name (circle answer): Central University Other

Male Female

ENROLLMENT INSTRUCTIONS

I want to enroll in the MSRP Program today and begin contributing:

\$25 per pay period

\$ _____ per pay period

I acknowledge that I have read the terms and conditions detailed below. I will be enrolled into the 457 plan unless I am currently 55 or older, in which case I will be enrolled in the 401(k) plan.

Signature _____ Date _____

Social Security Number _____

A pre-tax payroll deduction will be invested into the T. Rowe Price Targeted Retirement Fund closest to the year in which I turn age 65. I understand that deferrals will begin on the next pay date 30 days from the date my form is received by the Program, and that upon receipt of this form I will receive a Program welcome kit. Changes can...

Option A: Targeted Retirement Funds

Targeted Retirement Funds* offer the power of a diversified set of mutual funds in a single fund, with the added benefit of professional asset allocation.

They have an asset allocation mix among stocks, bonds and short-term instruments that is more aggressive when you're younger and gets more conservative as you prepare for and retire or take income. Choose one fund with a target retirement date closest to when you want to retire or take income or turn age 65, and the expert money managers do the rest.

Each of the T. Rowe Price Retirement Funds are part of the MSRP Mutual Fund Savings (reimbursement) program, which reduces participant fees.

Select the fund that best suits your target retirement date or when you will reach age 65 or decide to take income from the fund. *Note: Due to the design of Targeted Retirement Funds, investors selecting this approach normally designate 100% of their funds to one Targeted Retirement Fund (e.g. 100% in Retirement Fund 2010).*

Automatically adjusted over time

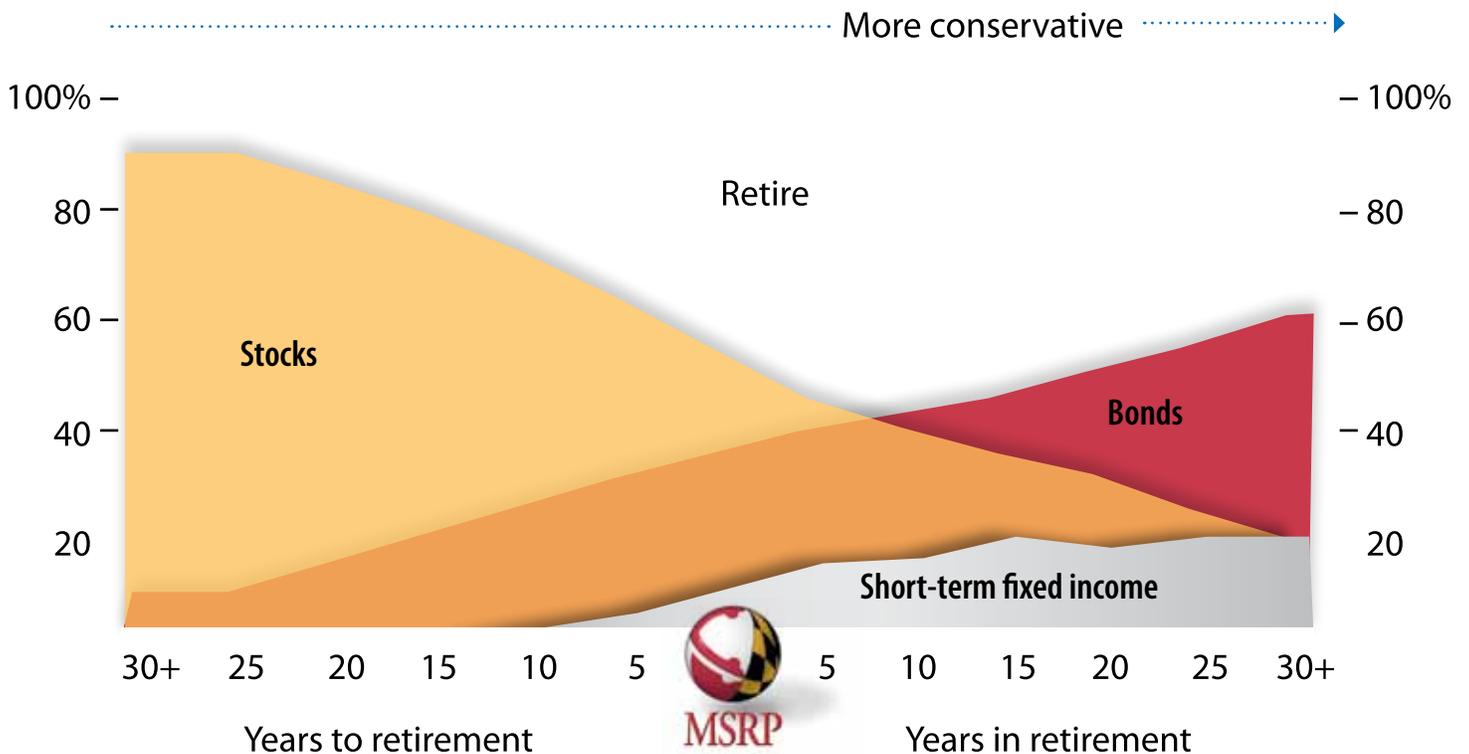
The Retirement Funds' allocations are actively managed for 30 years after their target retirement date. Retirement Funds geared toward a longer time horizon, such as 30 years or more, start out with a more aggressive risk/return potential (the potential to earn or lose money), which gradually becomes more conservative (less risky) over time.

The Targeted Retirement Funds are mutual funds and, as with any mutual fund, you should examine the prospectus as part of your investment decision. The prospectus will contain the most complete description of the strategies and risks associated with the funds. Fund prospectuses can be obtained by calling 800-545-4730. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information. Read the prospectuses carefully before investing.

*Targeted Retirement Funds are managed by T. Rowe Price and are composed of other T. Rowe Price mutual funds.

There is no guarantee that the investment objective of any fund will be achieved. The Targeted Retirement Funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, the Funds have partial exposure to the risks of many different areas of the market and you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

How your investment mix changes over time with Targeted Retirement Funds





NO **YES**

1. I consider myself a beginner investor.

2. I review my investments online or in the newspaper less than once a month.

3. I have not developed a long-term retirement investment strategy.

4. I am not interested in reading information about my account and investments.

5. I would prefer to choose an investment option that is already premixed and diversified.

6. I do not want to spend time learning about different investment opportunities.

7. I'm not confident in my ability to make investment choices.

If you have more *Yes* than *No* answers, the approach offered by Targeted Retirement Funds may be appropriate for you. If you have more *No* answers, it may be more appropriate if you select your own portfolio.

About the Retirement Income Fund

This fund is intended for investors who seek income and relative stability from bonds, plus some capital appreciation potential from stocks. It is the most conservative of the Retirement Funds, investing in a diversified portfolio of about 60% bonds and 40% stocks. Like the other Retirement Funds, this fund will have exposure to risks of many areas of the market. Unlike other Retirement Funds, the Retirement Income Fund's investment allocation does not shift over time.

How to choose a Targeted Retirement Fund

It's easy: Once you decide that a Targeted Retirement Fund is right for you, choose the fund whose target date is closest to the year when you plan to retire or receive income. Or, you can choose a fund based on your appropriate risk tolerance.

The table at the right may help those who are planning to take income or retire at age 65.

If you were born...	This Retirement Fund may be right for you...	Ticker Symbol
In 1988 or after	T. Rowe Price Retirement 2055 Fund	TRRNK
1983 – 1987	T. Rowe Price Retirement 2050 Fund	TRRMX
1978 – 1982	T. Rowe Price Retirement 2045 Fund	TRRKX
1973 – 1977	T. Rowe Price Retirement 2040 Fund	TRRDX
1968 – 1972	T. Rowe Price Retirement 2035 Fund	TRRJX
1963 – 1967	T. Rowe Price Retirement 2030 Fund	TRRCX
1958 – 1962	T. Rowe Price Retirement 2025 Fund	TRRHX
1953 – 1957	T. Rowe Price Retirement 2020 Fund	TRRBX
1948 – 1952	T. Rowe Price Retirement 2015 Fund	TRRGX
1943 – 1947	T. Rowe Price Retirement 2010 Fund	TRRAX
1938 – 1942	T. Rowe Price Retirement 2005 Fund	TRRFK
In 1937 or before	T. Rowe Price Retirement Income Fund	TRRIX

MSRP Fund Profiles can be obtained in the *Investment Info* section of MarylandDC.com.

enroll online



marylandDC.com



800-545-4730

STEP 1 Consider your time horizon.

Your time horizon is the amount of time your money can stay invested before you need to withdraw it. It's an important factor in creating your investment strategy.

Check the box next to the answer that best matches your personal situation. There are no right or wrong answers. When you have answered both questions in Step 1, use the *Time Horizon Score* below to add up the point values for your answers.

1. Given your objectives, when will you begin withdrawing your money?

- Two years or less0 points
- Three to five years4 points
- Six to eight years7 points
- Nine to 11 years10 points
- 12 years or more12 points

2. Once you begin making withdrawals, how long will the money need to last?

- I need it all at once0 points
- One to five years2 points
- Six to 10 years4 points
- 11 to 19 years7 points
- 20 or more years10 points

Time Horizon Score

Question 1 points :

+ Question 2 points :

Your time horizon score* =

* If your time horizon score equals 0, this questionnaire should not be used for portfolio selection.
Source: Ibbotson Associates Inc. (2000).

STEP 2 Find your risk tolerance.

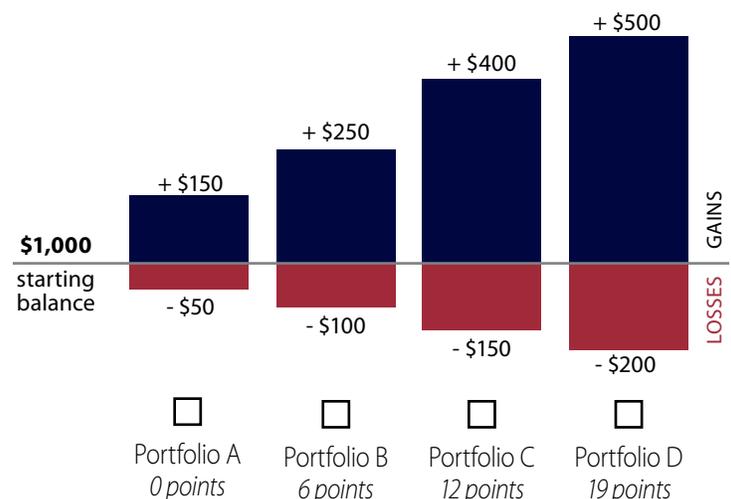
Your risk tolerance is a measure of your personal comfort with risk. That can change over time, so it's important to review your asset allocation strategy each year.

Check the box next to the answer that best matches your feelings about risk. Again, there are no right or wrong answers. When you have answered all the questions in Step 2, use the *Risk Tolerance Score* box at the end of this section to add up the point values for your answers.

1. Inflation causes prices to rise over time. Which is more important to you—losing value in the immediate* future or beating inflation?

- I'm more concerned about losing value in the immediate* future than beating inflation.0 points
- I'm equally concerned about losing value in the immediate* future as I am about beating inflation8 points
- I'm more concerned about beating inflation than I am about losing value in the immediate* future16 points

2. The graph below shows the performance of four different hypothetical portfolios. Each bar gives a range of potential gains or losses at the end of one year for a portfolio with a \$1,000 starting balance. Check the box below the portfolio you feel most comfortable with.



Allocation Questionnaire



3. Which of the following statements best describes your attitude about investing for this account?

- "Preserving account value is critical, so I'm willing to accept lower, long-term* returns with conservative investments." 0 points
- "Some immediate loss in value is okay for a chance at higher, long-term* returns. However, I prefer that the majority of my investments be in lower-risk assets." 6 points
- "Higher, long-term* returns are important to me, so I'm willing to accept substantial declines in value in the immediate future." .. 12 points
- "Maximizing long-term* investment returns is my primary objective, and I am willing to accept large—and sometimes dramatic—short-term* declines in value to achieve this goal." 17 points

4. If you had invested in a diversified portfolio during a stock market downturn, when would you sell your riskier investments and invest in safer assets?

- At the first sign of a decline in value. 0 points
- After a large (more than 20%) and/or sustained (one year or more) decline in value..... 7 points
- I wouldn't sell any of my investments; I would continue to follow a consistent long-term* investment strategy. 15 points

* Ibbotson defines "immediate" or "short-term" as 0-5 years and "long-term" as 10-20 years.

5. Which of the following types of investments do you feel more comfortable with?

An investment that might return:

- 5% a year average over the long term, but has a 10% chance of losing value in a given year 0 points
- 9% a year average over the long term, but has a 15% chance of losing value in a given year 7 points
- 11% a year average over the long term, but has a 20% chance of losing value in a given year 13 points
- 14% a year average over the long term, but has a 25% chance of losing value in a given year 19 points

6. How long would you wait to change your investment if it suffered a big decline in value?

- One week..... 0 points
- One month 4 points
- One quarter..... 8 points
- I wouldn't sell any of my investments; if a fund declines in value, that by itself is not a good reason to sell the fund 14 points

Risk Tolerance Score

Question 1 points :	<input type="text"/>
Question 2 points :	<input type="text"/>
Question 3 points :	<input type="text"/>
Question 4 points :	<input type="text"/>
Question 5 points :	<input type="text"/>
+ Question 6 points :	<input type="text"/>
<hr/>	
Your risk tolerance score =	<input type="text"/>

Asset Allocation Questionnaire

STEP 3 Identify your Investor Profile.

Using the answers from Steps 1 and 2, you can identify your Investor Profile used to suggest how to spread your investments across different asset classes in a manner that matches your risk tolerance and time horizon.

Use the chart to the right to find where your Time Horizon Score from page 4 intersects with your Risk Tolerance Score from page 5. Then circle your code.

		Time horizon score				
		10+	8-9	5-7	3-4	0-2
Risk tolerance score	81-100	A	MA	M	MC	C
	61-80	MA	MA	M	MC	C
	39-60	M	M	M	MC	C
	17-38	MC	MC	MC	MC	C
	0-16	C	C	C	C	C

For example:

If your **time horizon score** is **8** and your **risk tolerance score** is **57** your **Portfolio Code** would be **M** Your **investor profile** would be **"Moderate."**



What are asset classes?

The three major investment types (stocks, bonds and short-term investments) have subcategories called asset classes. Investments in the same asset class tend to behave similarly in the market. So, while one class declines in value another may gain value.



Put a check mark next to your Investor Profile.

Conservative

C



▲ International Stock Funds	5%
▲ Small-Cap Stock Funds	0%
▲ Mid-Cap Stock Funds	5%
▲ Large-Cap Stock Funds	10%
▲ Bond Funds	40%
▲ Short-Term Investments	40%

Moderately Conservative

MC



▲ International Stock Funds	10%
▲ Small-Cap Stock Funds	0%
▲ Mid-Cap Stock Funds	10%
▲ Large-Cap Stock Funds	20%
▲ Bond Funds	35%
▲ Short-Term Investments	25%

Moderate

M



▲ International Stock Funds	15%
▲ Small-Cap Stock Funds	5%
▲ Mid-Cap Stock Funds	10%
▲ Large-Cap Stock Funds	30%
▲ Bond Funds	25%
▲ Short-Term Investments	15%

Moderately Aggressive

MA



▲ International Stock Funds	25%
▲ Small-Cap Stock Funds	5%
▲ Mid-Cap Stock Funds	15%
▲ Large-Cap Stock Funds	35%
▲ Bond Funds	15%
▲ Short-Term Investments	5%

Aggressive

A



▲ International Stock Funds	30%
▲ Small-Cap Stock Funds	10%
▲ Mid-Cap Stock Funds	15%
▲ Large-Cap Stock Funds	40%
▲ Bond Funds	5%
▲ Short-Term Investments	0%

*Asset allocation models provided by Ibbotson Associates Advisors, LLC, a leading financial consulting organization.

Selecting funds

Now that you've determined your Investor Profile on the previous page, you're ready to begin choosing the funds to include in your MSRP account. On the following pages is a list of all the funds available through your Plan.

Using your Investor Profile from the previous page as a guide, select funds from each risk category shown in the pie chart and specify the percentage (____%) of your deferral to allocate to each fund.

For example, if you choose the Conservative Model, you would allocate:

- ___ 40% to Short-Term Investments
- ___ 40% to Bonds
- ___ 10% to Large-Cap Funds
- ___ 5% to Mid-Cap Funds, and
- ___ 5% to International Funds.

Ultimately, these percentages will be transferred to your *Participation Agreement* (enrollment form).

Additionally, investors may consider whether or not to choose actively- or passively-managed funds. Look for the *Active* and *Passive* icons below in the fund line-up on the next two pages.

 **Active** funds may appeal to investors who prefer to take an active role in their investment selection and enjoy picking and choosing individual funds and fund managers to create a diversified portfolio.

 **Passive** funds may appeal to investors who are looking for mutual funds that normally carry lower than average fees and track the markets per their selected indices to create a diversified portfolio.

Of course, investors can mix and match active and passive funds.

The asset categories are subject to change, and MSRP makes no representation or assurance that a fund's asset category will stay the same over time. You can view this information online at MarylandDC.com.

MSRP Fund Profiles can be obtained in the *Investment Info* section of MarylandDC.com.

About Ibbotson Associates, Inc.

The pie charts featured on pages 6, 8 and 9 reflect the asset allocation program developed by Ibbotson Associates, an industry authority on asset allocation.

This program uses a broad approach to diversify holdings across six general asset classes which include combinations of different types of stock investments, bonds and cash equivalents. It can help you determine and implement your personal investment strategy by selecting funds from the *Spectrum* that match your investment profile.

Neither MSRP nor its Board of Trustees endorses any particular asset allocation strategy and presents the models provided by Ibbotson Associates as one of many financial resources provided to MSRP Plan(s) participants.



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800-545-4730

Funds available in your Plan

Short-Term Investments

___% Investment Contract Pool

Ticker: N/A **Category:** Stable Value

A A portfolio of investment contracts placed with qualified fixed-income managers/underwriters and insurance companies. Some contracts have a fixed rate of interest for the length of the contract while others reset the rate of interest on a regular basis. The interest rate is based on earnings of the underlying investments at that time. Accounts are credited with a monthly blended rate. Available for 457(b), 401(k) and 401(a) plans only.

___% Vanguard Prime Money Market Fund Inst

Ticker: VMRXX **Category:** Money Market

A Seeks to provide current income, while maintaining a stable \$1 NAV and a very short average maturity. Invests in a combination of high-quality commercial paper, certificates of deposit, bankers' acceptances, and U.S. government securities. Portfolio managers seek to add value primarily by emphasizing specific issues and sectors that appear attractively priced based on historical yield-spread relationships. Average maturity typically ranges from 30–70 days. **Available only through the 403(b) plan.**

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although the money market seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the money market.

Bond Funds

___% PIMCO Total Return Inst

Ticker: PTTX **Category:** Intermediate Term Fixed

A Seeks maximum total return, income plus capital appreciation. The manager seeks to achieve this objective through investment in a portfolio of intermediate-term, investment grade fixed-income securities with an average duration of between three and six years.

___% Vanguard Total Bond Market Index Fund Signal Shares

Ticker: VBTSX **Category:** Intermediate-Term Bond (Effective April 20, 2011)

P Seeks to track the performance of a broad, market-weighted bond index. The fund employs a passive management, or indexing investment, approach designed to track the performance of the Barclays Capital U.S. Aggregate Float Adjusted Index. It invests by sampling the index and investing at least 80% of assets in bonds held in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index, ranging between 5 and 10 years.

Bond funds are subject to the same credit, inflation, and interest rate risk as the underlying bonds.

Balanced Funds

___% Fidelity Puritan Fund

Ticker: FPURX **Category:** Moderate Allocation

A Invests approximately 60% of assets in stocks and other equity securities and the remainder in bonds and other debt securities, including lower-quality debt securities, when its outlook is neutral. Invests at least 25% of total assets in fixed-income senior securities (including debt securities and preferred stock). Invests in domestic and foreign issuers.

Large-Cap Stock Funds

___% Goldman Sachs Large-Cap Value Inst

Ticker: GSLIX **Category:** Large Value

A Seeks long-term capital appreciation and normally invests at least 80% of total net assets in equity securities. It may invest up to 20% in fixed-income securities. The advisor attempts to invest primarily in the equities of companies whose intrinsic value is not reflected in the stock price.

___% Parnassus Equity Income Fund Inst

Ticker: PRILX **Category:** Large Value

A A diversified, fundamental, domestic, large-cap, core equity fund with a value bias. The Fund invests principally in undervalued equity securities of larger capitalization-companies. At least 75% of the Fund's total assets will normally be invested in equity securities that pay dividends. The remaining 25% may be invested in non-dividend-paying equity securities. The Fund also takes environmental, social and governance factors into account in making investment decisions.

___% Neuberger Berman Partners Fund Inst

Ticker: NBPIX **Category:** Large Blend

A Invests mainly in common stocks of mid- to large-capitalization companies. Management screens for a variety of characteristics in a company, including a strong market position relative to competitors, a high level of stock ownership among management, and a recent sharp decline in stock price that appears to be the result of a short-term market overreaction to negative news.

___% Growth Fund of America R6

Ticker: RGAGX **Category:** Large Growth

A Seeks to provide long-term growth of capital through a diversified portfolio of common & preferred stocks, convertibles, U.S. government securities, bonds and cash. Emphasizes companies that appear to offer long-term growth, and may invest in cyclical companies, turnarounds and value situations. May invest up to 15% of assets in securities of issuers domiciled outside the U.S. and not included in the S&P 500 and up to 10% of assets in debt securities rated below investment grade.

___% Vanguard Value Index Fund Inst

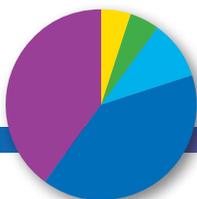
Ticker: VVIX **Category:** Large Value

P Seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks. The fund employs a passive management investment approach designed to track the performance of the MSCI US Prime Market Value index, a broadly diversified index of the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

___% Vanguard Institutional Index Fund IP

Ticker: VIMI **Category:** Large Blend

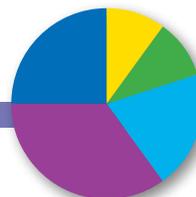
P Holds all 500 stocks that make up the Standard & Poor's 500 Index in proportion to their weighting in the index. Attempts to match the performance of the index, a widely recognized benchmark of U.S. stock market performance, and remains fully invested in stocks at all times. Passive management doesn't speculate on the direction of the index. Performance typically can be expected to fall short by a small percentage, representing operating costs.



The Conservative Model seeks investment stability and liquidity with the main objective of preserving capital. Fluctuations in the value of this are typically minor.

▲ International Stock Funds	5%
▲ Small-Cap Stock Funds	0%
▲ Mid-Cap Stock Funds	5%
▲ Large-Cap Stock Funds	10%
▲ Bond Funds	40%
▲ Short-Term Investments	40%

□ C



The Moderately Conservative Model seeks modest capital appreciation. While this range is still designed to preserve the investor's capital, fluctuations in value may occur from year to year.

▲ International Stock Funds	10%
▲ Small-Cap Stock Funds	0%
▲ Mid-Cap Stock Funds	10%
▲ Large-Cap Stock Funds	20%
▲ Bond Funds	35%
▲ Short-Term Investments	25%

□ MC

Mid-Cap Stock Funds

___% T. Rowe Price Mid-Cap Value Fund

▲ Ticker: TRMCX Category: Mid-Cap Value
A Invests in mid cap stocks that are potentially less volatile than a portfolio of small cap stocks. The fund focuses on established, mid-size companies with solid business fundamentals that have the potential to be future industry leaders.

___% Morgan Stanley Mid-Cap Growth Fund Inst

▲ Ticker: MPEGX Category: Mid-Cap Growth
A Seeks long-term capital growth. The fund primarily invests in growth-oriented securities of U.S. mid-cap companies. It may invest up to 25% of net assets in securities of foreign issuers, including issuers located in emerging market countries or developing countries. The securities in which the fund may invest may be denominated in U.S. dollars or in currencies other than U.S. dollars.

___% Vanguard Mid-Cap Index Fund Inst

▲ Ticker: VMCI9X Category: Mid-Cap Blend
P Seeks to match the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The fund employs a passive management approach designed to track the performance of the MSCI US Mid Cap 450 index, a broadly diversified index of the stocks of medium-sized U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Ticker symbols are provided to help you research mutual funds. Information related to pricing or performance of these funds published in publicly available media such as newspapers and websites may be different than performance data and pricing specific to MSRP. To find pricing or performance related information specific to your account visit the Investment Info tab at MarylandDC.com.

Asset class data provided by Mercer Investment Consulting, unless otherwise noted.

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Small-Cap Stock Funds

___% T. Rowe Price Small-Cap Stock Fund

▲ Ticker: OTCFX Category: Small-Cap Blend
A Ordinarily invests at least 65% of total assets in stocks and equity-related securities of small companies. A small company is defined as having market capitalization that falls within the range of companies in the Russell 2000 Index, a widely used benchmark for small-cap stock performance. Stock selection may reflect either a growth or value approach.

___% Vanguard Small-Cap Value Index Fund Inst

▲ Ticker: VSIIX Category: Small-Cap Value
P Seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks. The fund employs a passive management (or indexing) investment approach designed to track the performance of the MSCI US Small Cap Value Index.

___% Vanguard Small-Cap Growth Index Fund Inst

▲ Ticker: VSGIX Category: Small-Cap Growth
P Seeks to track the performance of a benchmark index that measures the investment return of small-capitalization growth stocks. The fund employs a passive management (or indexing) investment approach designed to track the performance of the MSCI US Small Cap Growth Index.

Small company funds involve increased risk and volatility.

Some mutual funds may impose a short term trade fee. Please read the underlying prospectuses carefully. Some funds may be subject to a trade restriction policy. Please review the prospectus carefully. Investing involves market risk including possible loss of principal, and there is no guarantee that investment objectives will be achieved.

International Stock Funds

___% EuroPacific Growth Fund R6

▲ Ticker: RERGX Category: Foreign Stock
A Invests in strong, growing companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations. Invests primarily in common and preferred stocks, convertibles, American Depositary Receipts, European Depositary Receipts, bonds and cash. All holdings are non-U.S. except a nominal portion that, for liquidity purposes, may be held in U.S. dollars and/or equivalents. Normally, at least 80% of assets must be invested in securities of issuers domiciled in Europe or the Pacific Basin.

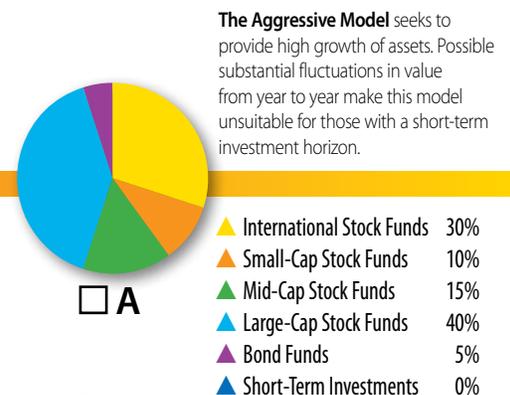
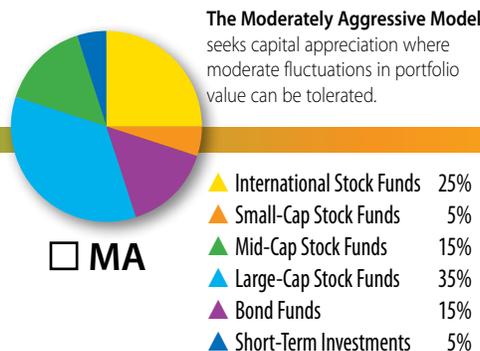
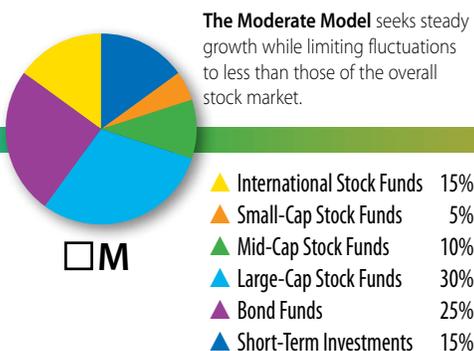
___% Vanguard Total International Stock Index Inv

▲ Ticker: VTSNX Category: Foreign Stock
P Vanguard Total International Stock Index Fund is an open-end fund incorporated in the USA. The Fund's objective is to match the performance of the Total International Composite Index. The Fund invests in three Vanguard funds, the European Stock Index Fund, the Pacific Stock Index Fund, and the Emerging Markets Stock Index Fund.

International investing involves additional risks, including: currency fluctuations, political instability and foreign regulations.

Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The prospectus contains this and other important information about the investment company. Prospectuses are available by calling 1-800-545-4730.

The pie charts from the investor questionnaire (pg 6) are reprinted here to help you select your funds.



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Contact information

Nationwide Retirement Solutions Customer Service Center

1-800-545-4730

- For account information
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- To change address, name or beneficiary
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- To apply for a plan loan
- For financial hardship inquiries
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- To change your deferral amount
- For mutual fund prospectuses or annual reports
- For investment option booklets
- To arrange a meeting with a representative

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For information about the 457(b), 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.

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