

Spectrum of investment options
with asset allocation questionnaire

Investing doesn't have to be complicated.



MSRP

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

Target Date Retirement Funds Approach



Choose the fund targeted to your retirement or desired income date, and let a professional money manager do the rest. Go ahead and complete the questionnaire, and get to know yourself a little better.

and/or

Traditional Approach



Choose and manage individual funds on your own by completing this questionnaire to help identify your time horizon, measure your risk tolerance and 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.



Introduction

This booklet can help you choose your funds in one or more of the MSRP plans: 457(b), Roth 457(b), 401(k), Roth 401(k), 403(b) and/or 401(a).

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 (also called equities) are shares of ownership in a company.

What are the costs to members?

Maryland law requires that the members 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 0.14% of a member's account value, paid monthly. Part of this fee, 0.05% pays for services provided by the Board. The remainder, 0.09% pays for services provided by Nationwide. MSRP fees are assessed monthly and reported on your quarterly account statement. The maximum asset fee this calendar year is \$2,000 per account. Additional Plan account fees may be assessed at the Board's discretion. Impacted members will be notified of any changes in fees prior to assessment.

The mutual funds that are available for investment also have fees, which are disclosed in the fund prospectuses and deducted from investment returns. Some of the mutual funds, however, refund part of the fees 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 members' 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.



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Join by phone 800-545-4730



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

Option A: Target Date Retirement Funds

Target Date 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 Target Date 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.

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

Option A 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.

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 have managers choose investments to attempt to achieve a goal, like outperforming an index or balancing risks with returns. Because of the management activity, these funds tend to have higher fees than passively managed funds. **Passive** funds normally carry lower than average fees and track the markets per their selected indices to create a diversified portfolio.

Target Date Retirement Funds are managed by T. Rowe Price and are composed of other T. Rowe Price mutual funds.

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.

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.

 **MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS**

SEND OR FAX COMPLETED FORM TO:
 Nationwide Retirement Solutions
 3330 McCormick Road
 Executive Plaza S, Suite 902
 Hunt Valley, MD 21031
 Phone: 800-545-4750
 Fax: 443-888-8922

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

PERSONAL INFORMATION (please print)

Name: _____ Male Female
 Address: _____
 City: _____ State: _____ Zip: _____
 Home Phone: _____ Work Phone: _____
 Email Address: _____
 Date of Birth: _____ / _____ / _____ Number of pay periods per year: _____
 Agency Code: _____ Payroll Type (circle answer): Regular University Contractual Other
 Payroll Center Name (circle answer): Central University Other

ENROLLMENT INSTRUCTIONS

I want to enroll in the MSRP Program today and begin contributing.
 \$25 per pay period
 \$ _____ per pay period

A one-time payroll deduction will be initiated into the T. Rowe Price Targeted Retirement Fund class(es) to the year in which your age is 18. I understand that deductions will begin on the first pay date 30 days from



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Option **A** Targeted Retirement Funds

Target Date Retirement Funds

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

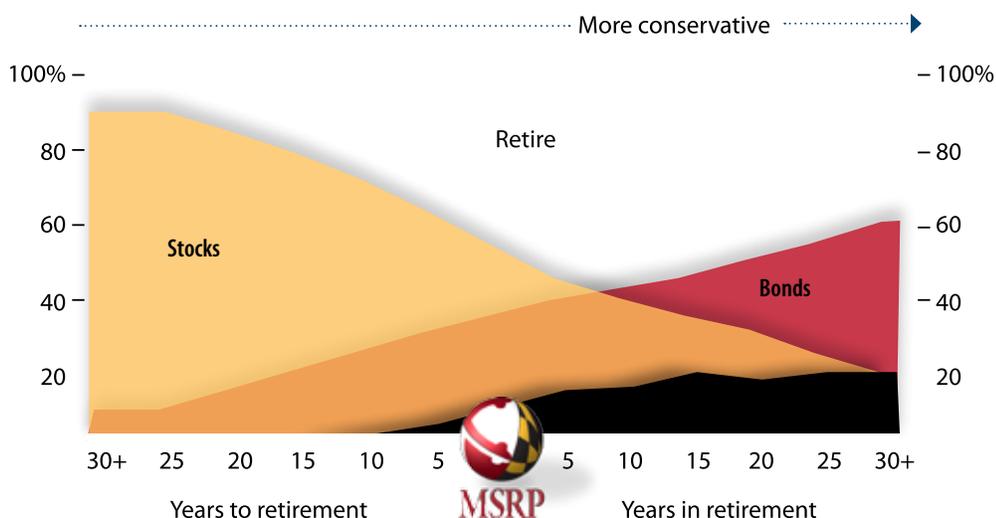
They have an asset allocation mix among stocks, bonds and short-term instruments that is more aggressive when you're younger and gets more conservative as you approach retirement or the year you plan to start taking withdrawals. Choose one fund with a target retirement date closest to when you want to 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 member fees.

Note: Due to the design of Target Date Retirement Funds, investors selecting this approach normally designate 100% of their funds to one Target Date Retirement Fund (e.g. 100% in Retirement Fund 2010).

Target Date Retirement Funds are managed by T. Rowe Price and are composed of other T. Rowe Price mutual funds.

How your investment mix changes over time with Targeted Retirement Funds



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.

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.

There is no guarantee that the investment objective of any fund will be achieved. The Target Date 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.

The Target Date 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.



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Are Target Date Retirement Funds right for you?

- | | | | | | |
|--------------------------|--------------------------|---|--------------------------|--------------------------|--|
| NO | YES | | NO | YES | |
| <input type="checkbox"/> | <input type="checkbox"/> | 1. I consider myself a beginner investor. | <input type="checkbox"/> | <input type="checkbox"/> | 5. I would prefer to choose an investment option that is already premixed and diversified. |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. I review my investments online or in the newspaper less than once a month. | <input type="checkbox"/> | <input type="checkbox"/> | 6. I do not want to spend time learning about different investment opportunities. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. I have not developed a long-term retirement investment strategy. | <input type="checkbox"/> | <input type="checkbox"/> | 7. I'm not confident in my ability to make investment choices. |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. I am not interested in reading information about my account and investments. | | | |

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

How to choose a Target Date Retirement Fund

It's easy: Once you decide that a Target Date 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 1993 or after	T. Rowe Price Retirement 2060 Fund	TRRLX
1988–1992	T. Rowe Price Retirement 2055 Fund	TRRNX
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	TRRDY
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	TRRFY
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.

Option B Traditional approach

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 less 0 points
- Three to five years..... 4 points
- Six to eight years 7 points
- Nine to 11 years 10 points
- 12 years or more 12 points

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

- I need it all at once..... 0 points
- One to five years 2 points
- Six to 10 years..... 4 points
- 11 to 19 years 7 points
- 20 or more years 10 points

2 Find your risk tolerance.

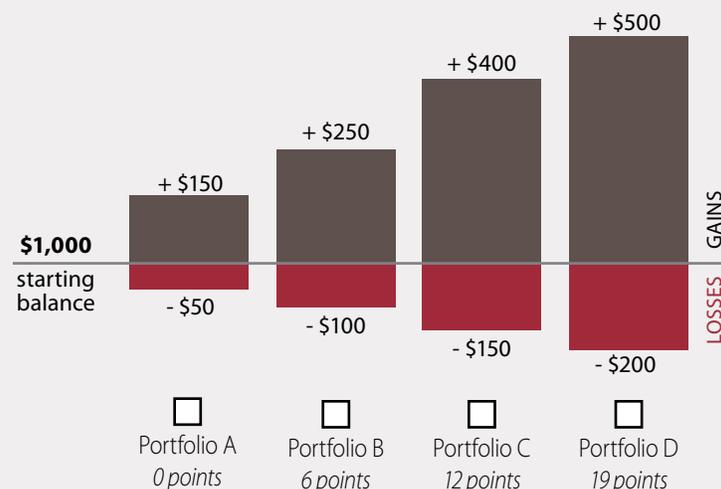
Your risk tolerance is a measure of your personal comfort with risk. That can change over time, so it's important to review your asset allocation strategy each year.

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 inflation 8 points
- I'm more concerned about beating inflation than I am about losing value in the immediate* future 16 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.



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).

Asset 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 :

Question 2 points :

Question 3 points :

Question 4 points :

Question 5 points :

+ Question 6 points :

Your risk tolerance score =

Option B Traditional approach

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 on the right to find where your *time horizon score* from page 5 intersects with your *risk tolerance score* from page 6. Then circle your code.

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, when one class declines in value another may gain value.

		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

Put a check mark next to your investor profile.

Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> 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.



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Join by phone 800-545-4730

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 lineup on the next two pages.



Active funds have managers choose investments to attempt to achieve a goal, like outperforming an index or balancing risks with returns. Because of the management activity, these funds tend to have higher costs than passively managed funds.



Passive funds 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 7, 8, 9 and 10 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) members.

REMINDER— TRADING POLICY: To protect the interests of all members, Nationwide has taken steps to limit excessive and other trading abuses by employing this policy for all accounts administered by Nationwide.

- If 6 or more trade events occur in one calendar quarter, we will notify you by U.S. Mail that the level of trading activity in your account has characteristics of market timing
- Once 11 trade events occur across 2 consecutive calendar quarters, we must require all trade requests for the remainder of the calendar year to be submitted in paper form via regular U.S. Mail
- Once 20 trade events are reached in a calendar year, we must require all trade requests for the remainder of the year to be submitted in paper form via regular U.S. Mail

We reserve the right to restrict trades made under any account, and may be required by a fund manager to take other actions.

Option **B** Traditional approach

Short-Term Investments

% ▲ Investment Contract Pool

Ticker: N/A **Category:** Stable Value (Available for 457(b), 401(k) and 401(a) plans only.)
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.

% ▲ Vanguard Prime Money Market Fund Institutional Shares

Ticker: VMRXX **Category:** Money Market (Available only for the 403(b) plan.)
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.

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 Institutional Shares

Ticker: PTRRX **Category:** Intermediate Term Fixed
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 Institutional Shares

Ticker: VBTIX **Category:** Intermediate-Term Bond
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
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 Institutional Shares

Ticker: GSLIX **Category:** Large Value
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 Core Equity Fund Institutional Shares

Ticker: PRILX **Category:** Large Value
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.

% ▲ American Century Equity Growth Institutional Shares

Ticker: AMEIX **Category:** Large Blend
Seeks long-term capital growth and invests at least 80% of the fund's assets in equity securities. It invests primarily in large capitalization, publicly-traded U.S. companies. The fund considers large capitalization companies to be those with a market capitalization greater than \$2 billion.

% ▲ Growth Fund of America R6

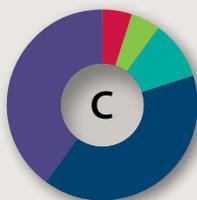
Ticker: RGAGX **Category:** Large Growth
Seeks to provide long-term growth of capital through a diversified portfolio of common & preferred stocks, convertibles, U.S. government securities, bonds and cash. Emphasizes companies that appear to offer long-term growth, and may invest in cyclical companies, 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 Institutional Index Fund IP

Ticker: VIXX **Category:** Large Blend
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.

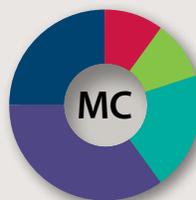
Pie charts from the investor questionnaire (pg 7) are reprinted here to help you select your funds.

▲ 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%



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



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

The Moderate Model seeks fluctuations to less than those of

Funds available in your plan

Mid-Cap Stock Funds

% ▲ T. Rowe Price Mid-Cap Value Fund

Ticker: TRMCX **Category:** Mid-Cap Value
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 Institutional Shares

Ticker: MPEGX **Category:** Mid-Cap Growth
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 Institutional Shares

Ticker: VMCIX **Category:** Mid-Cap Blend
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 Segal Rogercasey, unless otherwise noted.

Small-Cap Stock Funds

% ▲ T. Rowe Price Small-Cap Stock Fund

Ticker: OTCFX **Category:** Small-Cap Blend
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 Index Fund Institutional Shares

Ticker: VSCIX **Category:** Small-Cap
Seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The fund employs a passive management (or indexing) investment approach designed to track the performance of the MSCI US Small Cap 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
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 Institutional Shares

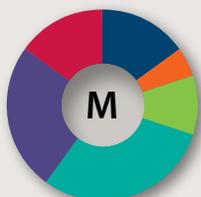
Ticker: VTSNX **Category:** Foreign Stock
Vanguard Total International Stock Index Fund is an open-end fund incorporated in the USA. The Fund's objective is to match the performance of the Total International Composite Index. The Fund invests in three Vanguard funds, the European Stock Index Fund, the 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 800-545-4730.

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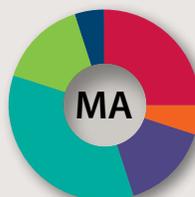
Pie charts from the investor questionnaire (pg 7) are reprinted here to help you select your funds.



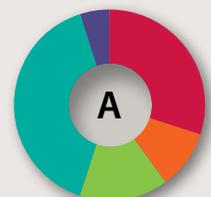
steady growth while limiting the overall stock market.



The Moderately Aggressive Model seeks capital appreciation where moderate fluctuations in portfolio value can be tolerated.



The Aggressive Model seeks to provide high growth of assets. Possible substantial fluctuations in value from year to year make this model unsuitable for those with a short-term investment horizon.



Contact information

Nationwide Customer Service Center

800-545-4730

- For account information
- To make investment option exchanges and allocation changes
- To change deferral amount
- To change address, name or beneficiary
- For payout calculations in the 457(b), 401(k) and 403(b) and 401(a) plans
- To apply for a Plan loan
- For financial hardship inquiries
- To join the 457(b), 401(k) and 403(b) plans
- To change your deferral amount
- For mutual fund prospectuses or annual reports
- For investment option booklets
- To arrange a meeting with a representative

Maryland/Nationwide Web Site

MarylandDC.com

For information about the 457(b), 401(k), 403(b), and 401(a) plans, to join, to change your contribution amount, to get 24-hour account information, to make investment option exchanges and allocation changes.

Maryland Supplemental Retirement Plans Board of Trustees and Staff

1-410-767-8740 or 800-543-5605

For educational seminars and consultations conducted by professionally qualified Board employees, and for general information about Maryland State sponsored retirement savings plans.

MSRP Web Site

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MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

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This document was created to help educate State employees about on the Maryland Supplemental Retirement Plans and is intended only to provide a general summary of the Plan and their features. In the event there are any inconsistencies between this document and the Plan Documents, the Plan Documents will govern.

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