Exhibit A

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BOARD OF TRUSTEES FOR THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS MINUTES OF THE June 5, 2017 MEETING

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans convened at 9:35 a.m. on June 5, 2017, in Baltimore. A quorum was present.

Members Present
Ms. T. Eloise Foster
Mr. Thomas Brandt, Jr.
Ms. Lynne Durbin
Mr. John Lewis
Mr. Wilson Parran

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
Ms. Anna Marie Smith, Staff
Ms. Bernadette Benik, State Treasurer's Office (*representing Treasurer Kopp*)
Mr. Daniel Wrzesien, Nationwide
Mr. Jeffrey Francis, Nationwide
Ms. Wanda Poehler, Nationwide
Mr. Bob Hergenroeder, Nationwide
Mr. Peter Schmit, Galliard Capital Management
Ms. Taylor Benson, Galliard Capital Management
Ms. Vanessa Vargas, Segal Marco Advisors
Ms. Wendy Carter, Segal Marco Advisors
Ms. Kimberly Young, T. Rowe Price
Mr. Christopher Lehman, SB & Company
Mr. Graylin Smith, SB & Company (via phone)

I. Chairperson's Remarks

Upon motion duly made and seconded, the minutes of the Open Session of the Regular Meeting of the Board of Trustees (the "Board") held on March 27, 2017 (Exhibit A) were unanimously approved.

II. Employee Service Awards

Chairperson Foster noted that the Governor had designated May 10, 2017 as State Employees Appreciation and Recognition Day. Ms. Foster recognized Mr. Michael Halpin for 40 years of service to the State of Maryland. Board members joined Ms. Foster in expressing thanks and appreciation for Mr. Halpin's dedicated service.

III. Comprehensive Annual Financial Report

Ms. Roberts reported on the *Comprehensive Annual Financial Report (CAFR) for the Calendar Year Ended December 31, 2016* (Exhibit G-1). She noted that this was the first year that the CAFR had been provided to the Audit Committee, chaired by Mr. Thomas Brandt, which had provided comments and suggestions. Ms. Roberts then proceeded to review the CAFR and its component parts with the Board.

Mr. Christopher Lehman of SB & Company led the discussion of the presentation of the audit report (Exhibit G – *Presentation to those Charged with Governance*). He reviewed the scope of services with the Board. Mr. Lehman noted that the auditors intended to issue an unqualified opinion with respect to the financial statements. He explained that the auditors did not discover any material weaknesses or instances of fraud, and he confirmed that SB & Company had received the full cooperation of management and Nationwide during the audit. He noted no significant findings with respect to the agreed upon procedures.

Mr. Christopher Lehman then presented the remainder of the audit report, including the CAFR. Mr. Lehman described the risk-based audit approach; assessment of control environment; and summary of key accounts and audit results. Mr. Lehman noted that with respect to the agreed upon procedures that the scope of services was expanded this year to increase the testing of the allocation of earnings and administrative fees at the participant level. Mr. Lehman reviewed the implementation of new accounting policies, noting that there was one GASB announcement required to be incorporated into the Plan financial statements. He then reviewed the audit results with the Board. Mr. Lehman closed his report with the required communications to the Board on pages 14-17 of Exhibit G, noting that he did not have anything of a negative nature to bring to the Board's attention.

At Mr. Brandt's request, Mr. Lehman provided a summary of the agreed upon procedures and SB & Company's other relationships with the State. Mr. Lehman noted that SB & Company had performed a substantive test to confirm assets and distributions, examined internal controls, reviewed Nationwide's SOC-1 report, sampled participant accounts (800 active participants, with 200 from each Plan) and examined activity in each sampled account (e.g., enrollment, transactions, fees, fee holidays, and in-depth testing). Mr. Lehman explained that SB & Company performs state and local government audit work and is the primary auditor for the State of Maryland. He noted that SB & Company represents the State's pension plan, ERISA and non-ERISA plans, counties and the College Savings Plans of Maryland.

Ms. Roberts noted that she believed the CAFR continued to meet the standards of the Government Finance Officers Association, for which the agency had received a Certificate of Excellence in Financial Reporting Award for the past six years, and that the CAFR would be submitted for the award again this year, subject to approval by the Board.

Upon motion duly made and seconded, (a) the CAFR as presented at the meeting was unanimously approved and (b) the submission of the CAFR to the GFOA for the Certificate of Excellence in Financial Reporting Award was unanimously approved.

IV. Administrator's Report & Marketing Plan Update

Mr. Dan Wrzesien presented the Administrator's Report for the first quarter of 2017 (Exhibit B). He introduced Mr. Jeffrey Francis, Regional Vice President, and Ms. Wanda Poehler and Mr. Bob Hergenroeder, both Nationwide Personal Retirement Consultants. Mr. Wrzesien then reviewed the Executive Summary and highlighted the following:

- Current Assets: $3.6 billion
- Total Participants: 66,515
- Enrollments: 856
- Deferrals: $51 million
- Mutual Fund Savings: $500,424
- Rollovers-In: 183/$7.2 million
- Distributions: $69.5 million
- Rollovers-Out: 438/$25.3 million
- Loans: 609 active/$6.4 million
- Hardship/UE: 518

Mr. Francis reported that the implementation of the Department of Labor (DOL) fiduciary rule was expected to be effective in June 2017, which may make it more difficult to roll funds into the Plans from ERISA plans; therefore, he noted that the Plans may see rollovers in decrease but he also noted that the Plans may also see rollovers out of the Plans decrease as well. He explained that the DOL fiduciary rule requires brokers to provide a side-by-side comparison of fees, which participants might not see today.

Mr. Wrzesien next highlighted the following achievements and initiatives for the first quarter of 2017:

- The payment process for monthly Wells Fargo banking invoices is working in good order, with invoices being mailed directly to Dave Myers, who works with the Accounting group to issue payment directly to Wells Fargo from Nationwide's account.
- The ProAccount service has been made available at all MSRP participant locations, with 437 participants enrolled (137 new in first quarter); the Plans also experienced almost 1,000 total new enrollments since the launch of ProAccount,

with 800 participants enrolling in the Target Date Funds (TDFs) and 134 choosing ProAccount, representing 90% of these new enrollments choosing some sort of "help" strategy.

- Nationwide is reviewing plan guidelines for the unforeseeable emergencies/financial hardships withdrawals process.
- Nationwide is reviewing death claim procedures.

Mr. Wrzesien highlighted the new enrollment emails, which consist of a series of six different enrollment emails for non-participants who have indicated that they are not yet ready to join the Plans on the Step-by-Step enrollment form. He showed the Board a video, introduced the Board to an app from the Savings Expo and noted that Team MSRP had held a record number of one-on-one appointments (95) at the expo.

Mr. Wrzesien next returned to key points in the Administrator's Report from the Executive Summary. He noted that, as compared with the first quarter of 2017 contributions/deferrals, rollovers in and other contributions had all increased. He also noted an increase in withdrawals but echoed Mr. Francis' expectation that the DOL fiduciary rule was likely to slow rollovers out of the Plans. Mr. Wrzesien noted mutual fund reimbursements of $530,424 for the first quarter of 2017, as compared to $525,675 for the first quarter of 2016.

In reviewing account activity, Mr. Wrzesien noted that there were 66,515 participant accounts at the end of the first quarter of 2017, as compared to 65,990 at the end of the first quarter of 2016. He attributed this increase to education of employees, especially in the millennium market, extended hours of customer service and improved technology, including the My Interactive Retirement Planner. For the comparison of distributions and contributions, Mr. Wrzesien noted distributions of $69.4 million in the first quarter of 2017 represented $11.7 million more than the first quarter of 2016. He noted contributions for the first quarter of 2017 of $51.2 million, as compared to $45.1 million in the first quarter of 2016. He also noted that the average payroll deduction for participants was up by approximately $20 per pay.

Mr. Wrzesien then proceeded to the marketing updates, stating that the overall plan participation rate was 76.41% of eligible employees, with 43.71% participants actively deferring (as compared to 43.66% in the first quarter of 2016). He noted 959 new enrollments, representing an increase of 227 over the same period in 2016, and he reported improved data year-on-year in each: contribution increases of 2,485 (+701); decrease activity of 758 (-51); and suspension activity of 71 (-165). He then presented the loan and hardship analysis, noting that there were 605 new general purpose loans and 4 primary resident loans in the first quarter of 2017, representing $6.3 million total loans initiated in the first quarter of 2017. There followed a discussion of the Board's decision to allow loans from the Plans. It was noted that if the ability of participants to take loans was removed, there would be an outcry from participants and that Board's view has historically been that this is the participants' money. Mr. Francis noted that if loan access is removed, plans generally experience a 15% drop in participation. It was noted that participants are only permitted one loan at a time and that if a loan is in default, the Plans work with those participants. Mr. Wrzesien stated that he would come back to the Board with information regarding the percentage of loans in default. With respect to hardships, he noted 518 approved hardships in the first quarter of 2017.

Mr. Wrzesien reported on the NRS Field Updates, noting that the group meeting numbers remained the same (50) but that the number of attendees increased from 433 to 596 (+163).

Mr. Wrzesien stated that in the first quarter of 2017 Nationwide had a Minority Business Enterprise participation rate of 21% on a 15% goal. He closed his report by noting that the Plans had experienced 41 more service-credit withdrawals in the first quarter of 2017 as compared to the first quarter of 2016.

V. Investment Advisors' Reports:

A. Segal Marco Advisors ("Segal")

Ms. Wendy Carter noted that a detailed fourth quarter performance report had been provided during the Investment Committee meeting immediately preceding the Board meeting. She and Ms. Vanessa Vargas provided brief, high level comments from the same report (Exhibit C) to the full Board, highlighting the following for the first quarter of 2017:

- The two largest Plans, the 401(k) and the 457 Plans had 48% and 44%, of the assets, respectively, with the remaining assets in the 403(b) and 401(a) Match Plan.
- The percentage holdings in the investment categories broke down as follows: Stable Value – 23%, Active – 35%, Passive – 24%, TDFs – 16%.
- The three largest holdings in the Plans are the investment contract pool (ICP) (21%); Vanguard Institutional Index (14%) and Fidelity Puritan (7%).
- Active core and passive core options represented 59% and 41%, respectively, of the total core options of the Plans.
- Active options – for the quarter, 6 of 10 outperformed their benchmarks, for the 1-year period, 5 of 10 outperformed, for the 5-year period, 8 of 9 outperformed, and for the 10-year period, 5 of 7 outperformed; as compared to peers, for the quarter, 6 of 10 were in the 1st and 2nd quartile, for the 1-year period, 7 of 10 were in the 1st and 2nd quartile, for the 5-year period, 8 of 9 were in the 1st and 2nd quartile, and for the 10-year period 7 of 7 were in the 1st and 2nd quartile.
- Passive options – all performed in line with their indices.
- With respect to the actual returns of for the active options, TCW Core Fixed Income outperformed its benchmark for the quarter +0.87% (benchmark: +0.82%) but underperformed in April at +0.62% (benchmark +0.77%); Fidelity Puritan Fund was +5.44% for the quarter and +1.4% through April (benchmark: +3.95% and +0.72%, respectively); Delaware Value Institutional (added in to line-up in December 2016) was +3.15 % for the quarter and -0.20% for April (benchmark +3.27% and -0.19, respectively); American Century Equity Growth was +6.69% for the quarter and +1.06 for April (benchmark: +6.07% and +1.03%, respectively); Parnassus Core Equity was +4.43% for the quarter and +0.88 for April (benchmark: +6.07% and +1.00%, respectively); American Funds Growth Fund of America was +8.18% for the quarter and +2.0% for April (benchmark: +8.91% and +2.3%, respectively); T. Rowe

Price MidCap Value was +3.23% for the quarter and -0.93% for April (benchmark: +3.76% and +0.20%, respectively); Janus Enterprise was +7.18% for the quarter and +1.7% for April (benchmark: +6.89% and +1.5%, respectively); T. Rowe Price Institutional Small Cap Stock was +3.61% for the quarter and 1.5% for April (benchmark: +2.47% and +1.1%, respectively); and American Funds EuroPacific Growth was +9.37% for the quarter and +8.04% for April (benchmark: +7.98% and +6.57%, respectively) and -0.5% for the year (benchmark: -5.3%).

- Returns for TDFs ranged from +3.42% (2005 Fund) to +6.9% (2060 Fund) for the quarter and +0.88% (Balanced Fund) to +2.03% (2060 Fund) for April; as compared to peers, the TDFs were in the top quartile for the quarter and in April were in the top and second quartile.

Ms. Vargas noted that Segal recommended that American Century Equity Growth Fund remain on the Watch List. She explained that the fund had a very bad 2015 return (negative performance while market positive) but that Segal would continue to assess its performance under normal market circumstances.

B. Galliard Capital Management ("Galliard")

Ms. Taylor Benson introduced Mr. Peter Schmit, a member of Galliard's Fixed Income Management team and who sits on Galliard's external management committee. Ms. Benson then presented the first quarter performance report (Exhibit D), noting that a more detailed report had been provided to the Investment Committee at the meeting immediately preceding the Board meeting. She highlighted the following:

- Quarterly performance – +0.48 (gross) +0.42 (net) (benchmark: +0.38%); 1-year period +1.96% (gross), +1.71% (net) (benchmark: +1.67%)
- Assets under management (AUM) were $772 million.
- Duration was 3.04 years.
- Market-to-book ratio was 99.81.
- The monthly declared rate (net of fees) was 1.74%.

Mr. Schmit then reviewed the underlying manager performance in the ICP for the quarter, noting the following for the period ended March 31, 2017:

- Galliard – +0.24% above benchmark
- JP Morgan – +0.03% above benchmark
- Earnest Partners – + 0.04% above benchmark
- Barings (*f/k/a Babson*) – +0.04% above benchmark
- TCW – + 0.01% above benchmark

Ms. Benson noted the incremental fee reductions Galliard had negotiated with respect to the Earnest Partners management relations. She explained that the contract originally included a fee of 23 bps, which was reduced to 20 bps at the inception of Galliards contract with MSRP and which was most recently reduced to 15 bps.

VI. Staff Reports

A. Finance

Ms. Debra Roberts presented the agency budget and expenditure report (Exhibit E) for the 10 months ended April 30, 2017. She noted revenues of $1,816,382, which were $277,297, or 18.02%, more than budget. Ms. Roberts noted that expenditures were $1,430,795, which are lower than budget with a variance of $43,453 or 2.95%. She explained each of the favorable and unfavorable variances for the expenditure lines. She noted a reserve balance as of April 30, 2017 of $571,025. It was noted that the goal for the reserve balance was 25% of the agency's appropriation, which was set forth on the last slide of Exhibit E.

B. Field Services

Mr. Holcomb presented the field staff report (Exhibit F), which included a summary of the Team MSRP ABC Investment Approach and a list of the ABC Investment Approach events. Mr. Holcomb then introduced Ms. Anne O'Neill, Financial Field Representatives with MSRP. Ms. O'Neill gave the Board an overview on how MSRP Field Representatives present and explain the Supplemental Retirement Plans to attendees at workshops and during one-on-one meetings (Exhibit F-1).

VII. Board Secretary's Report

Mr. Michael Halpin noted that he had nothing new to report to the Board at this time.

VIII. Board Counsel's Report

Ms. Lara Hjortsberg provided an update with respect to amendments of the Maryland Open Meeting Act (OMA). She noted that an amendment to the OMA, effective July 1, 2017, requires that public bodies, such as the Board, designate at least one of its members to take the OMA training. She explained that this requirement was separate from the requirement that an employee or officer of the Board be designated to take the training, as the Board had done previously with Mr. Halpin. She further explained that this designation of a Board member must to occur in order for the Board to be able to meet in closed session on or after October 1, 2017, and that the Board should be prepared at its August meeting designate at least one of its members to take the training. She noted that if the designated member was not in attendance at a meeting at which a closed session was to take place, the OMA, as amended, included certain procedures to be followed. She also noted that the designated Board member did not need to take the required OMA training prior to October 1, that designation was sufficient for purposes of meeting the October 1 deadline, and that the training was available online.

IX. Adjournment

A motion to adjourn was entered at 11:50 a.m., seconded, and carried unanimously.