



2020

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE MARYLAND TEACHERS & STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

**FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2020 AND 2019**

403(b), 457(b), 401(k), 401(a) Plans

A Pension Trust Fund of the State of Maryland

Lawrence Hogan, Jr. Governor
Boyd Rutherford, Lt. Governor
T. Eloise Foster, Chair, Board of Trustees
Ronda Butler Bell, Executive Director
Debra L. Roberts, Chief Financial Officer



Annual Comprehensive Financial Report

of the Maryland Teachers & State Employees Supplemental Retirement Plans

Pension Trust Fund of the State of Maryland

For the Fiscal Years Ended
December 31, 2020 and 2019

401(k), 457(b), 403(b) and 401(a) Plans

Prepared by:

Debra L. Roberts Ph.D. CPA, Chief Financial Officer
Thomas M. Brandt, Jr. Chairman Audit Committee
Nakeia Smith, Finance and Compliance Administrator

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MSRP

A photograph of a man and a woman sitting on a dark metal bench, viewed from behind. They are looking out over a city skyline with several tall buildings under a clear blue sky. The woman has long blonde hair and is wearing glasses. The man has short dark hair and is wearing a dark shirt. A bright blue rectangular box is overlaid on the right side of the image, containing the text 'INTRODUCTORY SECTION' in white capital letters.

INTRODUCTORY SECTION



MSRP

*Maryland
Teachers & State Employees
Supplemental Retirement Plans*

457(b) • 401(k) • 403(b) • Match

BOARD OF TRUSTEES

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*Executive Director
Secretary to the Board*

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*Deputy Director &
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Director of Operations & Technology

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Director of Member Services



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Or 1-800-735-2258

Fax: 410-659-0349

Visit the MSRP Board website at
<http://MSRP.maryland.gov>

Call About the Plans
or to Enroll
1-800-545-4730
or Enroll on-line at
www.MarylandDC.com

A letter from the Honorable T. Eloise Foster, Board Chair

On behalf of the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans (MSRP), I am pleased to present our Annual Comprehensive Financial Report for the year ended December 31, 2020. This is our tenth year using this expanded report format, and we believe it consistently produces quality information in a comprehensive manner that fosters and solidifies participants' confidence in the Plans.

2020 was a year of unprecedented challenge and change, due to the COVID-19 pandemic. However, despite all challenges encountered, MSRP was able to end calendar year 2020 on a positive note by demonstrating strong performance. As of December 31, 2020, net assets in the Plans were \$4.94 billion, representing a 13% increase from the \$4.39 billion in net assets managed as of December 31, 2019. The Plans' strong outcome is attributable to investment returns in U.S. and Non-U.S. equities and withdrawals in this large and mature program.

MSRP views calendar year 2020 as the year of "resilience in education." State offices were closed for the majority of the year, due to a mandatory telework policy, but the shutdown did not prevent our Member Services Team from meeting with State employees in a socially-distanced format. By utilizing videoconferencing technology, the team successfully carried out its mission to provide State employees with the best in financial and retirement education while operating remotely. Member Services went above and beyond in adapting to the imposing constraints of COVID-19, and successfully provided webinars to 13,970 employees during the year. The team also conducted MSRP's first Virtual Saving\$ Symposium, which was attended by over 2,700 employees.

As a direct result of the innovation displayed in 2020 by the Member Services Team, MSRP was awarded the 2021 *National Association of Government Defined Contribution Administrators Leadership Award in Technology and Interactive Multimedia*. The Plans also continue to provide participants with robust communication programs. Our first *MSRP Magazine* was published in June 2021, and is viewable here <https://www.marylanddc.com/rsc-web-preauth/resource-center>.

Finally, on March 2, 2021, MSRP received its tenth consecutive *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association for the Plans' Comprehensive Annual Financial Report for the year ended December 31, 2019. MSRP intends to continue to pursue this recognition each year, as it signifies the sound administration of the Plans. We also believe that this uninterrupted commitment to high quality, as well as clear and comprehensive annual financial reporting regarding the Plans, encourages State employees to prepare for their retirement by relying upon MSRP to provide them with vital information and support every step of the way.

Very truly yours,

T. Eloise Foster
Board Chair



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Maryland Teachers & State Employees
Supplemental Retirement Plans**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



Maryland Supplemental Retirement Plans

Resilience in Education

Meet MSRP's Member Services Education Team



Tonya Toler
Director of Member Services



Angela Anderson
Education Specialist



Anne O'Neill
Education Specialist



Jeannie Sutton
Education Specialist

Our Mission: To demonstrate our commitment to State employees by providing them with the best in financial and retirement education.

The year 2020 was an unexpected period of concern and uncertainty world-wide. The emergence of Covid-19 changed the face of business as we know it. Maryland Supplemental Retirement Plans (MSRP), Nationwide, Plan members and State employees faced many challenges as a result of the pandemic.

MSRP's Member Services Education (MSE) Team has proven that resilience is necessary in conquering challenges. Due to the spread of Covid-19 in March 2020, the MSE Team was forced to change the way they conducted financial education workshops. To continue the mission of educating employees, the MSE Team responded immediately by researching and testing various communication platforms that would allow them to offer virtual webinars in lieu of face-to-face workshops. In April 2020, the MSE Team began offering virtual webinars, providing 15-20 financial webinars each month on a broad spectrum of financial topics. The response has been remarkable. In addition to the monthly virtual webinars, the MSE

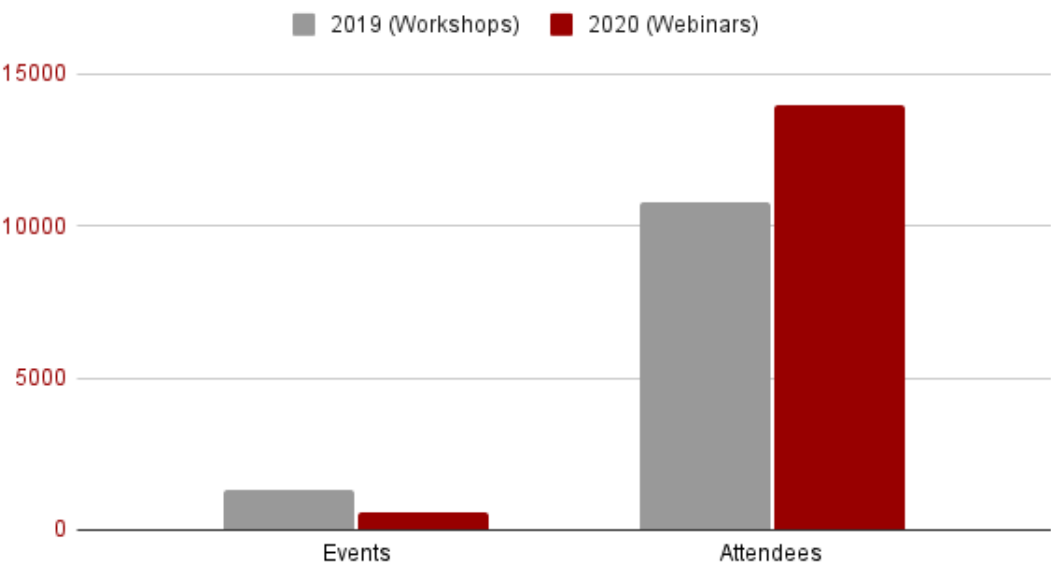


Team organized and hosted their first Virtual Saving\$ Symposium event in October 2020 during National Retirement Security Week. The Virtual Saving\$ Symposium replaced MSRP’s “live” Annual Saving\$ Expo which was held annually in Baltimore.

The 2020 Virtual Saving\$ Symposium was a week-long event which offered 20 different webinars, with more than 2,700 State employees in attendance. The 2020 Virtual Saving\$ Symposium attracted 5 times more attendees than at prior “live” Annual Saving\$ Expos. Also throughout the year, the MSE Team broadened their educational efforts by participating as guest speakers for New Employee Orientations, State-sponsored Pre-Retirement Seminars, and other various events.

Despite Covid-19 and the many challenges faced during 2020, the MSE Team successfully provided 562 virtual events with 13,970 in attendance, in contrast to 1,330 in-person events held with 10,805 in attendance in 2019.

Workshops/Webinar events





The resilience shown in MSE's efforts were heavily rewarded. The team was able to provide financial education to a broader and larger audience state-wide using newly learned technology, tools, and other resources that will enhance educational efforts going forward.

In addition to MSRP's educational webinars, the Plan's Third Party administrator, Nationwide, provides their website <https://www.marylanddc.com>. The website is user-friendly and complete with retirement and financial wellness information, webinars, resources, and planning tools.

During 2020, Nationwide developed the very first issue of the MSRP Magazine. Volume 1, Issue 1, of the [MSRP Magazine](#) was published in Spring of 2021 and distributed via email, hard copy, and was made available on Nationwide's website.

2020 Look-Back| Socially Distant, but not alone



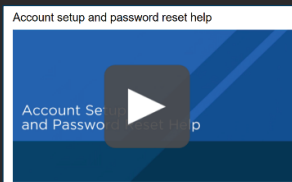
Hand Sanitizer



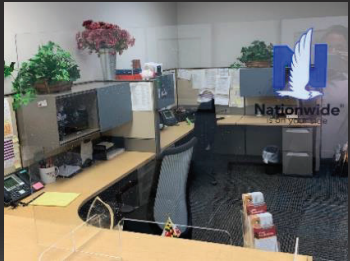
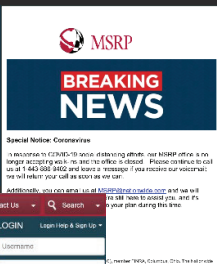
Masks



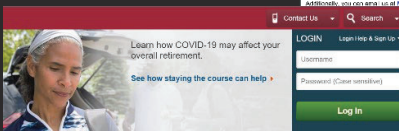
New Online Videos



Office Closure Signage



Sanitary Guards



Online Resource Center (Hub)



Sign up for live webinars

See our schedule and make plans to attend online

Virtual Events





MSRP



MSRP

*Maryland
Teachers & State Employees
Supplemental Retirement Plans*

457(b) • 401(k) • 403(b) • Match

BOARD OF TRUSTEES

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• • •

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November 8, 2021 Letter of Transmittal

Honorable Board Chair, Members of the Board of Trustees and Plan Participants:

It is our pleasure to present the 2020 Annual Comprehensive Financial Report ("ACFR") of the Maryland Teachers & State Employees Supplemental Retirement Plans (the "Plans"). The Plans consist of four separate defined contribution plans: the 457(b); 401(k); 403(b); and 401(a) Match Plan. Together, the Plans constitute fiduciary funds of the State of Maryland, administered by the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans (the "Board").

The Plans are authorized and established by legislation, as indicated in the notes to the basic financial statements. Summaries of Plan provisions are presented herein as well. The purpose of the Plans is to provide benefits for all State of Maryland employees who have elected to participate. Services provided by Board staff are performed to meet this objective.

Management assumes full responsibility for the completeness and reliability of the information contained in this ACFR, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable (rather than absolute) assurance that the financial statements are free of any material misstatement.

RSM-US LLP, a firm of licensed certified public accountants, has issued an unmodified (i.e., "clean") opinion on the Plans' financial statements for the calendar year ended December 31, 2020. The independent public accountants' report is located at the front of the Financial Section of this ACFR.

For financial reporting purposes, the Plans follow generally accepted accounting principles as set forth by the Government Accounting Standards Board. In addition to this letter of transmittal, additional narrative, overview, and analysis can be found in the Management's Discussion and Analysis in the Financial Section of the ACFR.

At the end of 2020 the Plans ended with \$4.94, (nearly \$5) billion in assets. This is an all-time high for the Plans. The increases were primarily attributable to strong investment performance, particularly in the U.S. and non-U.S. equity, with returns in these asset classes exceeding 22%. The Plan participation rate remained stable at 80.23% of eligible employees, with over 44.3% actively making contributions to the Plans.

Economic Outlook and Condition

The value of Plan assets increased by \$550.4 million, or 12.5%, from \$4.39 billion on December 31, 2019, to \$4.94 billion on December 31, 2020. Employee contributions into the Plans decreased by \$2.5 million, or 1%, to \$179.9 million for the year ended December 31, 2020, from \$182 million for the prior year. U.S. and international investment returns netted an overall increase of 15% for the year ended December 31, 2020, as compared to a 20% decrease during the 4th quarter of 2019.

A comparative analysis of rates of return of MSRP investments and their respective benchmarks is presented in the Investment Section of this ACFR, along with schedules of management fees and information relevant to evaluation of asset quality.

Revenues and Expenses – Board & Staff

The resources necessary to oversee and manage the Plans are funded by fees collected from MSRP participant accounts. The Board collects a share of participant fee which is a 0.0425% asset fee and a monthly \$0.50 per account fee charged to all accounts over \$500, *not including accounts in the 401(a) Match Plan*. MSRP maintains a reserve balance to accommodate fluctuations and timing differences between revenues and expenses. The Board's reserve balance at the end of December 31, 2020 was \$1,443,070.

Items of Note and Initiatives

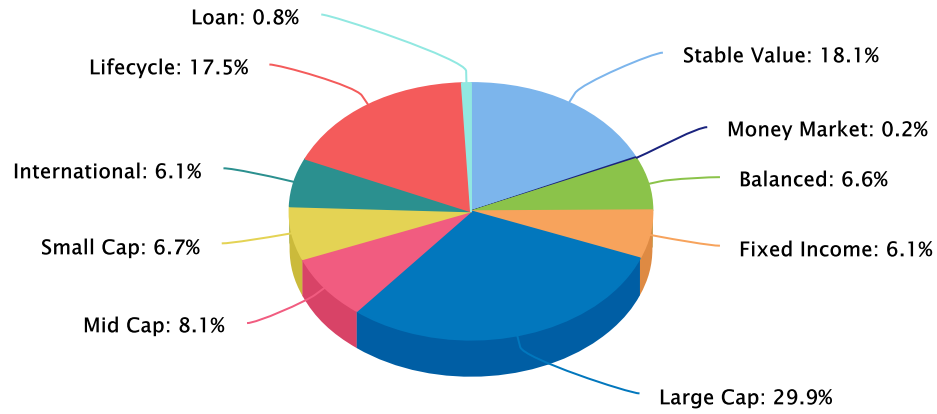
In 2020, the Board voted and approved the contract for independent audit services from RSM-US LLP. The contract term will cover calendar years 2020-2025 and includes agreed-upon procedures. Also, the Board approved a five-month asset fee holiday to reduce the MSRP cash reserve balance from \$1,443,070 to \$1,100,000; the per account fee will not be subject to the fee holiday which began March 2021 and ended in July 2021.

Investments

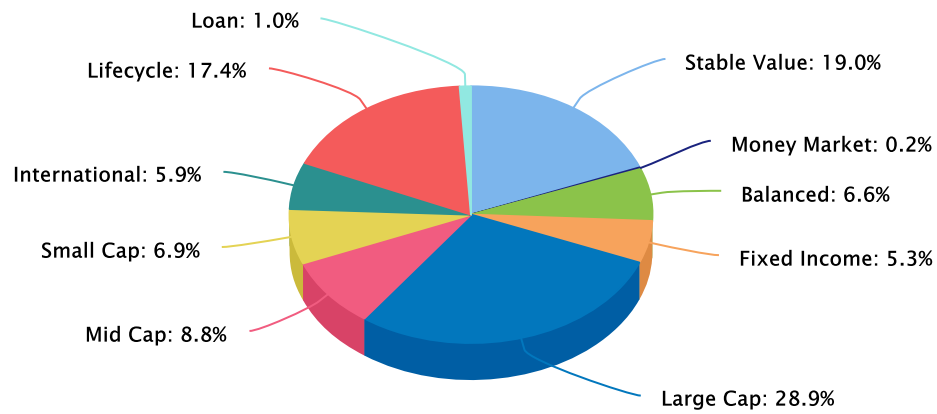
The Plans are long-term retirement savings vehicles and are intended as a source of retirement income for voluntary participants. A summary of the Statement of Investment Policy for the Plans is included in the Investment Section of this ACFR. The following charts set forth the asset allocation for the Plans as of December 31, 2020 and 2019, respectively. See the Investment Section of the ACFR for a more detailed analysis and additional information.

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Asset Allocation as of December 31, 2020



Asset Allocation as of December 31, 2019



Professional Services

The Board contracts for the services of various independent consulting, investment advisory, and financial professionals to assist it in carrying out its responsibility to manage the Plans. Nationwide Retirement Solutions performs plan administration and record keeping services. RSM-US LLP, an independent auditing firm, conducts annual audits of the Plans. Wells Fargo Bank, N.A. is the mutual fund custodian of record for the 403(b) Plan. The contract with Wells Fargo ended June 30, 2020, however, the Plans began transitioning to Nationwide Retirement Solutions for these services. The transition will be completed in August 2021. Galliard Capital Management performs investment advisory and management services for the investment contract pool. This contract is expected to end December 31, 2021. Segal Marco Advisors is the investment advisor and general pension consultant for the Plans.

The independent public accountant's report on the basic financial statements is included in the Financial Section of this ACFR. The Investment Advisor's Report prepared by Segal Marco Advisors is included in the Investment Section beginning on page 51.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MSRP for its Annual Comprehensive Financial Report (ACFR) for the calendar year ended December 31, 2019. This was the tenth consecutive year that MSRP has achieved this prestigious award. In order to be awarded a Certificate of Achievement, an agency must publish an easily-readable and efficiently-organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

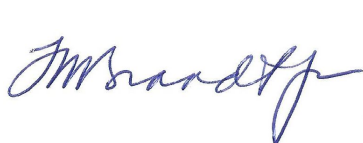
The Certificate of Achievement is valid for a period of one year. We believe that our 2020 ACFR continues to meet the Certificate of Achievement Program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

As a direct result of the innovation displayed in 2020 by the Member Services team in response to the COVID-19 pandemic, MSRP was awarded the 2021 *National Association of Government Defined Contribution Administrators Leadership Award in Technology and Interactive Multimedia*.

Acknowledgements

Preparation of this ACFR would not have been possible without the dedicated and efficient service of the entire MSRP staff and the Audit Committee Chair, Mr. Thomas M. Brandt Jr. We express our appreciation to all staff that assisted and contributed to the preparation of this ACFR. Credit must also be given to the Board for its unfailing support and high standards of professionalism in the management of the Plans.

Very truly yours,



Thomas M. Brandt, Jr.
Audit Committee Chairman



Ronda Butler Bell, MPA
Executive Director
Secretary to the Board of Trustees



Debra L. Roberts, Ph.D. CPA
Deputy Director
Chief Financial Officer

ABOUT THE BOARD

The Maryland Supplemental Retirement Plans are administered by a nine-member Board of Trustees whose members are appointed by the Governor of Maryland to staggered four-year terms. Of the nine members:

- Three members must be from any of the following units of State government:
 - the Department of Budget and Management;
 - the Department of Education;
 - the Comptroller of the Treasury;
 - the Office of the State Treasurer;
 - the State Retirement Agency; or
 - the Maryland Higher Education Commission;
- Three members must be eligible to participate in one or more of the Plans, at least one of whom is eligible to participate in the 403(b) plan; and
- Three members from the public who are not eligible to participate in the Plans, at least one of whom has experience with defined contribution and salary reduction plans.

MSRP Board of Trustees

as of Fiscal year ended December 31, 2020, and August 27, 2021



T. Eloise Foster, Chairperson
Former Secretary, Department of
Budget and Management
State Agency Member



Nancy K. Kopp
Treasurer
State Agency Member



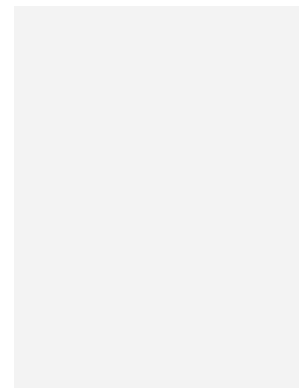
Johnathan R. West
Department of Budget and
Management
Eligible Member



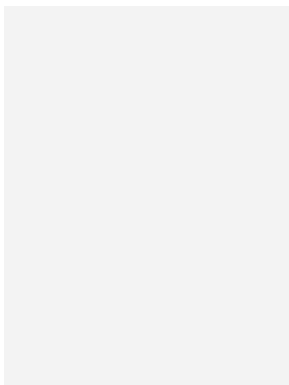
Thomas M. Brandt, Jr.
Public Member



Lynne M. Durbin, Esq.
Public Member



Vacant
State Agency Member



Vacant
Eligible Member



Thomas P. Hickey
Chief Procurement Officer
University System of Maryland
Eligible 403(b) Member



John D. Lewis
Public Member

MAJOR PROFESSIONAL SERVICE PROVIDERS

Plan Administration

NRS, a subsidiary of Nationwide Financial Services, Inc.

Independent Investment Consultants

Segal Marco Advisors

Galliard Capital Management, Inc.

Independent Public Accountants

RSM-US LLP



MSRP



FINANCIAL SECTION

Independent Auditor's Report

Board of Trustees
Maryland Teachers & State Employees Supplemental Retirement Plans

Report on the Financial Statements

We have audited the accompanying statement of net position held in trust for deferred compensation benefits of the Maryland Teachers & State Employees Supplemental Retirement Plans (MSRP), a fiduciary fund of the State of Maryland, as of December 31, 2020, and the related statement of changes in net position held in trust for deferred compensation benefits for the year ended, and the related notes to the financial statements, which collectively comprise MSRP's basic financial statements as listed in the table of contents. We also have audited the statement of combining net position held in trust for deferred compensation benefits as of December 31, 2020, and the related statement of combining changes in net position held in trust for deferred compensation benefits for the year ended, as displayed in MSRP's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the statement of net position held in trust for deferred compensation benefits, as well as the statement of combining net position held in trust for deferred compensation benefits of the Maryland Teachers & State Employees Supplemental Retirement Plans, as of December 31, 2020, and the respective changes in financial position in the statement of changes in net position held in trust for deferred compensation benefits changes, as well as the statement of combining net position held in trust for deferred compensation benefits, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial position of MSRP and do not purport to, and do not, present the financial position of the State of Maryland as of December 31, 2020 and 2019, and the changes in financial position for the years then ended. Our opinion is not modified with respect to this matter.

Other Matters

The basic and combining financial statements of MSRP, as of and for the year ended December 31, 2019, were audited by other auditors, whose report dated June 17, 2020, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 24–27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise MSRP's basic financial statements. The *accompanying schedule of administrative expenses, introductory section, investment section, and statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *schedule of administrative expenses* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of administrative expenses* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, investment section, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Baltimore, Maryland
November 8, 2021

Management's Discussion and Analysis (Unaudited)

The Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans (MSRP) has prepared this narrative as an explanatory supplement to the audited financial statements of the Plans for fiscal years ended December 31, 2020 and 2019. The financial statements appear on page 26 of this report. This narrative should be read in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

The financial statements for MSRP are prepared in accordance with accounting principles generally accepted in the United States, as interpreted and applied for governmental defined contribution pension plans by the Governmental Accounting Standards Board (GASB). The statements consist of the Statements of Net Position and Statements of Changes in Net Position Held in a Trust for Deferred Compensation Benefits, together with related note disclosures (where necessary or appropriate), to explain a particular item or its context. Each Plan — the 457(b), 401(k), 403(b), and 401(a) Match Plan — has a separate, stand-alone financial statement. A combining statement of Net Position Held in Trust for Defined Contribution Benefits that consolidates the assets and transactions of all four Plans appears on page 30 of this report.

The Statement of Changes in Net Position is intended to show the major categories of additions to the Plans from participant contributions and investment earnings and deductions from the Plans for administrative expenses and distributions to participants.

The note disclosures are provided as an integral component of the financial statements to help explain, in narrative form, some of the more complex or less obvious elements of the statements. The notes provide additional information (e.g., significant accounting policies and types of investment risk) that is essential for a comprehensive understanding of the financial condition of the Plans and the results of their operations.

Financial Highlights – Consolidated

- Net position available for Plan benefits increased by \$550.4 million, or 12.5%, to \$4.94 billion at December 31, 2020, from \$4.39 billion at December 31, 2019. Net position available for Plan benefits increased by \$643.9 million, or 17.2%, to \$4.39 billion at December 31, 2019, from \$3.75 billion at December 31, 2018. Strong performance during the 4th quarter of 2020, attributable to U.S. and Non-U.S. equity investments, contributed to the increase in net position in 2020, whereas strong investment performance during the 4th quarter of 2019, primarily in these same asset classes, and a slight increase in participant contributions during that time period, contributed to the increase in net position in 2019. As a direct consequence of the COVID-19 economic impact, participant contributions decreased slightly from the prior year.
- Employee contributions into the Plans decreased by \$2.5 million, or 1%, to \$179.9 million for the year ended December 31, 2020, from \$182 million for the year ended December 31, 2019. Employee contributions into the Plans increased by \$18.37 million, or 11.20%, to \$182 million for the year ended December 31, 2019, from \$164. million for the year ended of December 31, 2018.
- Due to the suspension of the funding for the State Match program in 2010, employer contributions have been virtually eliminated as a source of contributions to the Plans for the majority of the State; however, certain non-elective employer contributions, or “matches,” are funded by State agencies and instrumentalities with, among other things, independent salary setting and budget authority, which direct such contributions to be made on behalf of such agencies’ personnel into the Plans (“special matches programs”).
- In calendar year 2020, participant distributions decreased by \$16.4 million to \$252.4 million, from \$268.9 million for the year ended December 31, 2019. At December 31, 2019, participant distributions increased by \$268.9 million from \$238.5 million at December 31, 2018. The notes to the financial statements can be found on pages 37 of this report. During the 2020 pandemic, participants eligible for retirement may have elected to defer retirement or reduce distributions resulting in an overall decrease in distributions during the year. Also, positive investment earnings may have contributed to a net reduction of distributions.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the combined financial statements for the Plans.

Supplemental Information

The report includes detailed statistical information on the Plans, the participants in the Plans, comparison schedules on the Plans, and information regarding administrative fees and expenses. This statistical information immediately follows the Investment Section of the report.

The chart located on the following page illustrates a summary of the changes in the four Plans from calendar year 2018 to calendar year 2020, with the most recent year presented on the left.

The grouped bar for each year reflects a balance of assets that is increased that year by contributions from participant payroll deductions and transfers into the Plans. The bar also shows the amounts (negative) paid out in distributions to participants and the amounts of outstanding loans (positive, to be paid back by participants). Finally, the bar indicates the net 12-month investment gain or loss for all Plans as of the respective year end.

Request for Information

Board of Trustees and senior management are fiduciaries of the Maryland Supplemental Retirement Plans and, as such, are charged with the responsibility of ensuring that the Plans' assets are used exclusively for the benefit of Plan participants and their beneficiaries. This financial report is designed to provide an overview of the Plans' finances and to demonstrate accountability for the resources entrusted to the Plans for the benefit of all the Plans' stakeholders. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Maryland Teachers & State Employees Supplemental Retirement Plans

Attn: Debra L. Roberts, Ph.D. CPA

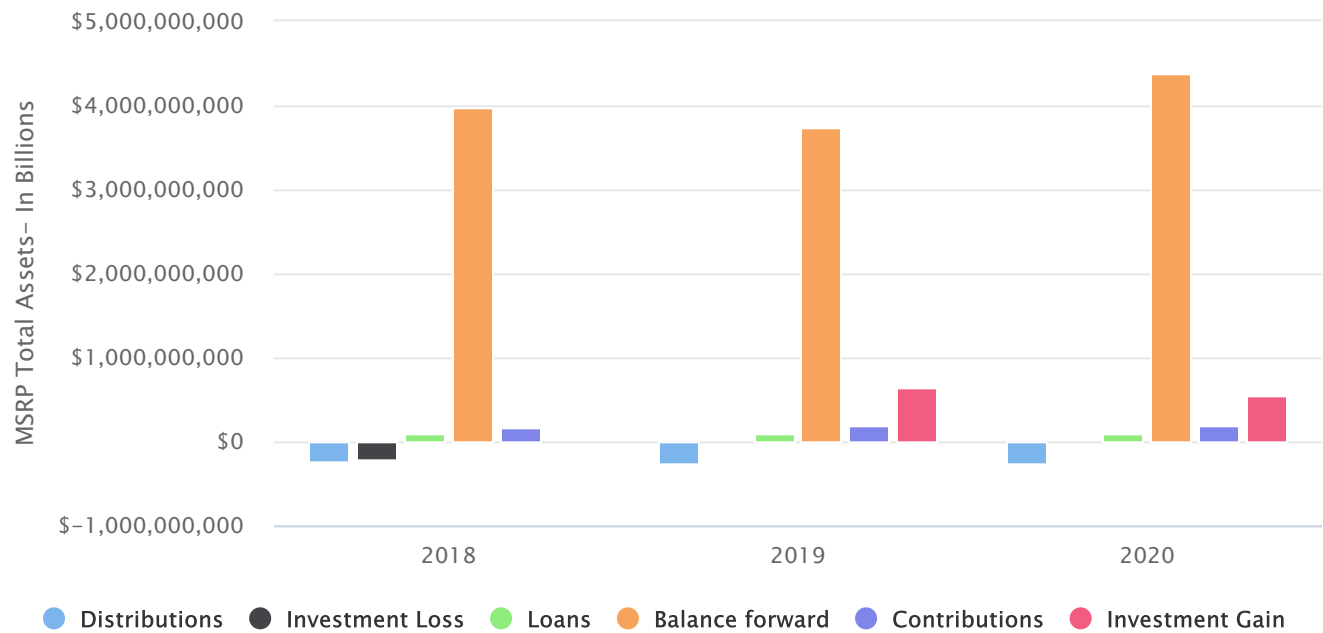
6 St Paul Street, Suite 200

Baltimore, Maryland 21202-1600

Condensed Summary Of Net Position Held In Trust For Deferred Compensation Benefits

	2020	2019	2018
Assets			
Investments	\$ 4,891,081,692	\$ 4,338,484,640	\$ 3,701,556,561
Total investments	4,891,081,692	4,338,484,640	3,701,556,561
Cash surrender value of life insurance contracts	2,928,485	2,720,028	2,926,123
Cash	1,443,070	938,851	427,462
Receivables:			
Loans receivable	39,645,289	42,154,112	40,863,029
Other receivable	5,256,224	5,646,047	298,507
Net Position Held In Trust For Deferred Compensation Benefits	\$ 4,940,354,760	\$ 4,389,943,680	\$ 3,746,071,682
	2020	2019	2018
Additions			
Employee contributions	\$ 179,872,866	\$ 182,405,999	\$ 164,038,436
Employer contributions	-	16,554	35,822
Participant Fees	2,035,000	2,029,000	1,290,459
Variable earnings reimbursements	1,990,832	2,666,215	3,057,487
Investment income:			
Variable earnings investment income (loss)	605,341,098	711,776,796	(165,557,554)
Other income	22,356,074	22,656,096	21,101,105
Total Additions	811,595,870	921,550,660	22,678,299
Deductions			
Distributions to participants	252,429,639	268,868,648	238,492,183
Participant Fees	7,242,787	7,285,227	4,973,906
MSRP Administrative Expenses	1,509,989	1,520,267	1,290,459
Life insurance premiums	2,375	3,520	5,350
Total Deductions	261,184,790	277,677,662	244,761,898
Net Increase (Decrease)	550,411,080	643,872,998	(222,083,599)
Net Assets Held In Trust For Deferred Compensation Benefits,			
Beginning Of Year	4,389,943,680	3,746,071,682	3,968,155,281
Net Position Held In Trust For Deferred Compensation Benefits, End Of Year	\$ 4,940,354,760	\$ 4,389,943,680	\$ 3,746,071,682

MSRP Assets, Loans, Contributions, Distributions, Investment Gains & Losses





MSRP



BASIC FINANCIAL STATEMENTS

Statements Of Net Position Held In Trust For Defined Contribution Benefits As of December 31, 2020 and 2019

	2020	2019
Assets		
Investments		
Investment Contract Pool	\$ 837,072,101	\$ 776,536,816
Mutual Funds:		
Equity Funds	2,452,839,534	2,217,790,352
Target Date funds	899,821,433	747,157,509
Fixed income funds	640,949,294	533,578,824
Annuities	60,399,330	63,421,140
Total Investments	4,891,081,692	4,338,484,640
Cash surrender value of life insurance contracts	2,928,485	2,720,028
Cash	1,443,070	938,851
Receivables:		
Loans receivable	39,645,289	42,154,112
Employee contributions	5,082,837	5,493,452
Other receivable	173,387	152,595
Net Position Held In Trust For Deferred Compensation Benefits	\$ 4,940,354,760	\$ 4,389,943,680

The accompanying notes are an integral part of the financial statements

Statements Of Combining Net Position
Held In Trust For Deferred Compensation Benefits
December 31, 2020

	Deferred Compensation 457 Plan	Savings and Investment Plans 401(k)	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Investments					
Investment Contract Pool	\$ 424,980,507	\$ 382,673,921	\$ 29,417,673	\$ -	\$ 837,072,101
Mutual Funds					
Equity Funds	1,012,046,644	1,214,058,117	143,962,765	82,772,008	2,452,839,534
Target Date Funds	343,584,137	515,571,286	27,934,965	12,731,045	899,821,433
Fixed Income Funds	270,895,748	321,503,125	27,214,351	21,336,070	640,949,294
Annuities	60,399,330	-	-	-	60,399,330
Total Investments	<u>2,111,906,366</u>	<u>2,433,806,449</u>	<u>228,529,754</u>	<u>116,839,123</u>	<u>4,891,081,692</u>
Cash surrender value of life insurance contracts	2,928,485	-	-	-	2,928,485
Cash	1,443,070	-	-	-	1,443,070
Receivables:					
Participant Loans receivable	20,755,487	18,394,861	-	494,941	39,645,289
Employee contributions	2,618,648	2,433,141	25	31,023	5,082,837
Other receivables	173,387	-	-	-	173,387
Net Position Held In Trust For Deferred Compensation Benefits	<u>\$ 2,139,825,443</u>	<u>\$ 2,454,634,451</u>	<u>\$ 228,529,779</u>	<u>\$ 117,365,087</u>	<u>\$ 4,940,354,760</u>

The accompanying notes are an integral part of the financial statements

Statements Of Combining Net Position
Held In Trust For Deferred Compensation Benefits
December 31, 2019

	Deferred Compensation 457 Plan	Savings and Investment Plans 401(k)	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Investments					
Investment Contract Pool	\$ 399,652,170	\$ 348,558,258	\$ 28,326,388	\$ -	\$ 776,536,816
Mutual Funds:					
Equity Funds	873,820,103	1,138,052,504	129,442,411	76,475,333	2,217,790,351
Target Date Funds	321,730,980	389,458,013	26,097,394	9,871,123	747,157,509
Fixed Income Funds	226,693,880	266,780,715	23,641,420	16,462,809	533,578,824
Annuities	63,421,140	-	-	-	63,421,140
Total Investments	<u>1,885,318,273</u>	<u>2,142,849,490</u>	<u>207,507,613</u>	<u>102,809,265</u>	<u>4,338,484,640</u>
Cash surrender value of life insurance contracts	2,720,028	-	-	-	2,720,028
Cash	938,851	-	-	-	938,851
Receivables:					
Participant Loans receivable	21,730,622	19,959,610	-	463,880	42,154,112
Employee contributions	2,719,843	2,722,034	-	51,575	5,493,452
Other receivables	152,595	-	-	-	152,595
Net Position Held In Trust For Deferred Compensation Benefits	<u>\$ 1,913,580,212</u>	<u>\$ 2,165,531,134</u>	<u>\$ 207,507,613</u>	<u>\$ 103,324,720</u>	<u>\$ 4,389,943,680</u>

The accompanying notes are an integral part of the financial statements

**Statements Of Changes In Net Position Held In Trust For Deferred Compensation Benefits
As of December 31, 2020 and 2019**

	2020	2019
Additions To Net Position Attributed To:		
Employee Contributions	\$ 179,872,866	\$ 182,405,999
Employer Contributions	-	16,554
Variable Earnings Reimbursements	1,990,832	2,666,215
Investment Income:		
Variable Earnings Investment Income	605,341,098	711,776,796
Interest Income	22,356,074	22,656,096
Participant Fees	2,035,000	2,029,000
Total Additions	811,595,870	921,550,660
Deductions From Net Position Attributed To:		
Distributions to participants	252,429,639	268,869,648
Participant Fees	7,242,787	7,285,227
MSRP Administrative Expenses	1,509,989	1,520,267
Life insurance premiums	2,375	3,520
Total Deductions	261,184,790	277,678,662
Net increase	550,411,080	643,871,998
Net Position Held In Trust For Deferred Compensation Benefits Beginning Of Year	4,389,943,680	3,746,071,682
Net Position Held In Trust For Deferred Compensation Benefits End Of Year	\$ 4,940,354,760	\$ 4,389,943,680

The accompanying notes are an integral part of the financial statements

Statements Of Combining Changes In Net Position Held In Trust for Deferred Compensation Benefits For The Year Ended December 31, 2020

	Deferred Compensation 457 Plan	Savings and Investment Plan 401(k) Plan	Match Plan and Trust 401(a) Plan	Total Sheltered Annuity Plan 403(b) Plan	Total
Additions:					
Employee contributions	\$ 85,881,059	\$ 89,231,666	\$ 33,118	\$ 4,727,023	\$ 179,872,866
Variable earnings reimbursements	873,126	933,594	112,313	71,799	1,990,832
Investment income:					
Variable earnings investment income	245,763,633	313,290,747	31,008,734	15,277,984	605,341,098
Interest income	12,560,644	9,022,068	631,486	141,876	22,356,074
Participant Fees	2,035,000				2,035,158
Total Additions	<u>347,113,462</u>	<u>412,478,075</u>	<u>31,785,651</u>	<u>20,218,682</u>	<u>811,595,870</u>
Deductions:					
Distributions to participants	116,134,374	119,796,109	10,461,641	6,037,515	252,429,639
Participant Fees	3,221,494	3,578,649	301,844	140,800	7,242,787
MSRP Administrative Expenses	1,509,989	-	-	-	1,509,989
Life insurance premiums	2,375	-	-	-	2,375
Total Deductions	<u>120,868,232</u>	<u>123,374,758</u>	<u>10,763,485</u>	<u>6,178,315</u>	<u>261,184,790</u>
Net increase	226,245,230	289,103,317	21,022,166	14,040,367	550,411,080
Net Position Held In Trust For Deferred					
Compensation Benefits, Beginning Of Year	<u>1,913,580,213</u>	<u>2,165,531,134</u>	<u>207,507,613</u>	<u>103,324,720</u>	<u>4,389,943,680</u>
Net Position Held In Trust For Deferred					
Compensation Benefits, End Of Year	<u>\$ 2,139,825,443</u>	<u>\$ 2,454,634,451</u>	<u>\$ 228,529,779</u>	<u>\$ 117,365,087</u>	<u>\$ 4,940,354,760</u>

The accompanying notes are an integral part of the financial statements

**Statements Of Combining Changes In Net Position Held In Trust For Deferred Compensation Benefits
For The Year Ended December 31, 2019**

	Deferred Compensation 457 Plan	Savings and Investment Plan 401(k) Plan	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Additions:					
Employee contributions	\$ 83,003,502	\$ 96,378,764	\$ -	\$ 3,023,733	\$ 182,405,999
Employer contributions	-	-	16,554	-	16,554
Participant Fees	2,029,000				2,029,000
Variable earnings reimbursements	1,158,842	1,308,936	126,702	71,735	2,666,215
Investment income:					
Variable earnings investment	288,178,173	364,875,896	38,673,762	20,048,965	711,776,796
Interest income	12,945,421	8,913,552	647,667	149,456	22,656,096
Total Additions	387,314,938	471,477,148	39,464,685	23,293,889	921,550,660
Deductions:					
Distributions to participants	118,685,821	129,392,771	9,935,402	10,855,654	268,869,648
Participant Fees	2,730,893	3,583,276	310,132	151,968	7,285,227
MSRP Administrative Fees	1,520,267	-	-	-	1,520,267
Life insurance premiums	3,520	-	-	-	3,520
Total Deductions	122,940,501	132,976,047	10,245,534	11,007,622	277,678,662
Net increase	264,374,437	338,501,101	29,219,151	12,286,267	643,871,998
Net Position Held In Trust For Deferred					
Compensation Benefits, Beginning Of Year	1,649,714,509	1,827,030,033	178,288,687	91,038,453	3,746,071,682
Net Position Held In Trust For Deferred					
Compensation Benefits, End of Year	\$ 1,913,580,212	\$ 2,165,531,134	\$ 207,507,838	\$ 103,324,720	\$ 4,389,943,680

The accompanying notes are an integral part of the financial statements



MSRP



NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Maryland Teachers & State Employees Supplemental Retirement Plans (“MSRP”) consist of the following four defined contribution plans that are generally available to all eligible employees and officials of the State of Maryland (the “State”): 1) the Deferred Compensation Plan under Internal Revenue Code (the “Code” or “IRC”) Section 457; 2) the Savings and Investment Plan under IRC Section 401(k); 3) the Match Plan under IRC Section 401(a); and 4) the Tax Sheltered Annuity Plan under IRC Section 403(b) (each a “Plan” and collectively, the “Plans”). MSRP had 62,385 participants as of December 31, 2020 and is a fiduciary fund of the State. MSRP operates pursuant to the provisions of Titles 32 and 35 of the State Personnel and Pensions Article of the Annotated Code of Maryland and is governed by a Board of Trustees (the “Board”).

The Deferred Compensation Plan (the “457 Plan”) was established by an executive order of the Governor of the State of Maryland on August 15, 1974. The 457 Plan operates pursuant to the provisions of Title 35 of the State Personnel & Pensions Article of the Annotated Code of Maryland and a Plan document adopted by the Board.

The Savings and Investment Plan (the “401(k) Plan”) was established by the State pursuant to statute effective on July 1, 1985, and is designed to be a tax-qualified 401(k) profit sharing plan.

The Match Plan and Trust (the “401(a) Match Plan”) was established July 1, 1999 by the State, pursuant to Title 32 of the State Personnel & Pensions Article of the Annotated Code of Maryland, and is designed to be a tax-qualified 401(a) defined contribution plan.

The Tax Sheltered Annuity Plan (the “403(b) Plan”) was established by the Board of Trustees pursuant to Title 35 of the State Personnel & Pensions Article of the Maryland Code.

Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and are prepared using accrual method of accounting, in accordance with accounting principles generally accepted in the United States for governments as prescribed by GASB.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

MSRP invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, there is a reasonable expectation that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the statements of net position held in trust for deferred compensation benefits.

Investments

The Investment Contract Pool (ICP) investment option – The ICP is shown in the statements under the category of investments, and is valued at contract value. The ICP is managed by Galliard Capital Management under a management agreement with the Board. Interest rates are reset monthly.

During 1997, a master trust (the “Master Trust”) was established to hold ICP/assets underlying this investment option. Under the Master Trust arrangement, assets of participants who participate in the 457 Plan, the 401(k) Plan, and/or the 401(a) Match Plan are combined and held in the Master Trust. Each Plan has an undivided but measurable interest in the assets held by the Master Trust. The practice is permitted by IRC Rev. Rul. 81-100 and Rev. Rul. 2011-1. Mutual fund assets held in the 403(b) Plan are held in a master custodial account as required by IRC 403(b)(7).

The ICP is valued at contract value, which represents contributions received plus interest earned to date, less applicable charges and amounts withdrawn.

1. Summary of Significant Accounting Policies (continued)

Mutual fund investment options — Mutual fund investments are presented at fair value based on net asset value, as reported by the investment carrier. All purchases and sales of investments are recorded on a trade-date basis.

Earnings are accrued to an individual participant's account based upon the investment performance of the specific options selected.

Annuity Reserves — Assets held for annuity payout reserves are valued at the actuarially determined present value of estimated future distributions.

Collective Investment Trust. A Collective Investment Trust (CIT) is an investment vehicle like a US mutual fund that is available to qualified retirement plans. CITs are institutional products sold only to plan sponsors and/or plan fiduciaries. CITs consist of assets of retirement, pension, profit sharing, stock bonus or other tax-qualified retirement accounts and governmental plans that are exempt from federal income tax. CITs are excluded from the definition of a registered security and an investment company. CITs are a legal trust administered by a bank or trust company that combines assets for multiple investors who meet specific requirements set forth in the fund's declaration of trust. By definition, a collective trust pools assets from corporate and governmental profit sharing, pension and stock bonus plans, and charitable and other tax-exempt trusts. On November 25, 2019, the Board approved the transition from passively managed mutual fund vehicles to the non-securities lending collective investment trust vehicles managed by State Street.

Participant Loans Receivable

Participants may borrow from their accrued benefit balance, in accordance with Plan provisions and applicable IRC regulations; however, loans are not available from the 401(a) Match Plan. The maximum amount a participant may borrow is equal to the lesser of: (a) 50% of the value of his or her account or (b) \$50,000. Interest on loans is determined by a reference rate set by the Board.

In accordance with IRC requirements, all loans must be repaid on a periodic basis, not less than quarterly, over a period not to exceed five years. Loans used to acquire, construct, reconstruct, or substantially rehabilitate a dwelling that is to be used as a principal residence may extend for a longer term.

The Plans general loan provisions for the 457(b) Plan, 403(b) Plan and 401(k) Plan allow participants to borrow up to 50% of the Plan account, but not more than \$50,000. Your principal and interest payments are returned to your account. General repayment terms have a maximum repayment of five years, except for loans used to purchase a primary residence. These loans have an extended repayment period up to 15 years. 401(a) Match Plan. The 401(a) Match Plan doesn't offer a loan provision.

Employee Contributions Receivable

"Employee contributions receivable" represents amounts withheld from employees' pay but not remitted to the investment carriers as of December 31. Contributions are credited to the applicable investment option upon receipt from the State. Employee contributions are fully vested at all times. The State does not make any contributions to the 457 Plan, 401(k) Plan, or 403(b) Plan, but the State *does* make certain matching contributions to a separate tax qualified 401(a) Match Plan, as previously noted.

Employees electing to contribute to the Plans have the following investment options:

- The investment contract pool (the "ICP"). The ICP is a book value/constant principal investment fund that periodically adjusts the rates paid to participants in order to account for the income, gains and losses of the portfolio. It is made up of the following collection of book value investments: 1) a money market fund; 2) STIFs and 3) separate account synthetic guaranteed investment contracts written by insurance companies and other financial institutions. This option is not available in the 403(b) Plan.
- Mutual funds. A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities.

1. Summary of Significant Accounting Policies (continued)

Employee Contributions

Eligible State employees may contribute to the 457 Plan, 401(k) Plan, or the 403(b) Plan through payroll deductions. Employee contributions are recognized as revenue in the period in which the contributions are withheld from the employees compensation. As required by the IRC, MSRP limits the amount of an individual's annual contributions to an amount not to exceed the lesser of \$19,500 and \$19,000 for the years ended December 31, 2020 and 2019, respectively, or 100% of their annual compensation, as defined by the IRC. Additional "catch-up" contributions are available for those age 50 and over across all Plans. In addition, participants who contribute to the 457 Plan may, under certain circumstances, contribute additional sums in the three years prior to retirement. The limits are subject to an annual cost of living adjustment. Amounts contributed by employees are deferred for Federal and State income tax purposes until benefits are paid to the employees. Contributions of \$3.7 million were made to the Roth accounts by approximately 12,211 participants in the 457 Plan and the 401(k) Plan during the year ended December 31, 2020. Contributions of \$5.9 million were made to the Roth accounts by approximately 5,543 participants in the 457 Plan and the 401(k) Plan during the year ended December 31, 2019. Employee contributions are recognized as reserves in the period in which the contributions are withheld from employees compensation.

Under Title 32 of the State Personnel & Pension Article, and to the extent funds are provided in the State budget, the State may contribute to each participant's 401(a) Match Plan account an amount equal to the participant's contributions to one of the Plans during the same plan year. The statutory maximum contribution is \$600 per participant for each State fiscal year. Contributions are credited to the investment option selected by the employee/Plan participant. For the period July 1, 2009 through the year ended December 31, 2020, the State has suspended the match contribution.

Investment Income

Net appreciation is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year. Other investment income is recognized when earned. Investment expenses consist of external expenses directly related to MSREP investment options.

Variable Earnings Investment Income

Variable earnings investment income represents amounts received from mutual fund investment providers for the benefit of the participants under expense reimbursement arrangements with MSRP. Amounts recorded are those reimbursements actually received during the year. These amounts are periodically redistributed on a pro-rata basis to current participants invested in the mutual fund that paid the reimbursement.

Cash Surrender Value of Life Insurance Contracts

Participants have made premium payments on life insurance contracts held in the 457 Plan through salary deferral. The cash surrender value of these contracts is based on reporting by the life insurance company. This option is no longer available to new participants, but participants with policies may continue to make contributions.

Deduction and Expenses

Benefit payments, including refunds, and distributions of employee contributions, are recognized when due and payable in accordance with IRC requirements. Internal administrative expenses are recognized when due and payments.

Distribution to Participants

Employees investing in the Plans may withdraw the value of their accounts, in accordance with IRC rules and the terms of the respective Plan. Distributions are generally available upon termination of employment or financial hardship. Additionally, employees are eligible to collect distributions from the 401(k) and 403(b) Plans upon reaching age 59 ½.

1. Summary of Significant Accounting Policies (continued)

Employees eligible to receive benefits may select various payout options, which include lump sum, periodic, or annuity payments. Purchased annuity payout options are offered by Nationwide Life Insurance Company and Metropolitan Life Insurance Company.

At retirement or termination of employment, employees investing in life insurance contracts (which are *closed* to additional participants) may continue to make premium payments directly to the insurance carrier, or they may receive the cash surrender value of the policies. At the time of death of an employee, the face value of the insurance contract is payable to the beneficiary.

Amounts in the participant's account are paid to the designated beneficiary at the employee's death.

Distributions to participants are recorded at the time withdrawals are made from participant accounts.

Reclassifications

Certain reclassifications were made to the comparative fiscal year 2019 amounts to conform to the fiscal year 2020 presentation in the basic financial statements.

Suspense

Employee contributions are recognized when such amounts are withheld from employees' pay. Contributions are credited by the applicable investment carriers upon receipt of a valid trade order. Contributions receivable represent amounts withheld but not remitted to the investment carriers at year-end. As such, some timing differences occur to specific accounts that are not yet recognized and are held in the suspense account. These immaterial balances are moved to participant accounts within a reasonable time frame.

Subsequent Events

In March 2020, our long-standing Executive Director passed away. The Board conducted an extensive national search and hired Mrs. Ronda Butler Bell, MPA, on January 4, 2021, as the Executive Director and Board Secretary of the Maryland Teachers & State Employees Supplemental Retirement Plans.

On October 27, 2021, the Board of Trustees approved and ratified its contract with a new stable value manager, T.Rowe Price Associates. T.Rowe will oversee the Investment Contract Pool Funds under the 401(k), 457(b), 401(a) Plans. This contract replaces Galliard Asset Management beginning January 3, 2022.

2. Investments

Part 1: 457 Plan

Investments held including a discontinued group annuity contract and annuity reserves held by Nationwide Life and Metropolitan Life, as of December 31, 2020 and 2019, were as follows:

	2020	2019
Fixed Investments - Investment Contract Pool	424,980,507	399,652,170
American Century Equity Growth Fund-Inst Class	-	66,621,424
American Funds-EuroPacific Growth Fund® -Class R6	77,799,295	79,937,580
American Funds-The Growth Fund of America® -Class R6	130,012,024	91,524,245
Delaware Value Fund - Institutional Class	89,159,637	83,351,866
Fidelity ® 500 Index Fund	254,356,296	228,527,077
Fidelity ® Puritan® Fund	144,726,440	129,736,382
Janus Henderson Enterprise Fund-N Shrs	34,777,788	35,275,773
Parnassus Core Equity Fund-Inst Shrs	19,807,195	18,947,361
T Rowe Price Institutional Small Cap Stock Fund, Inc.	82,364,449	77,976,137
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	36,922,815	38,540,465
T Rowe Price Retirement 2005 Fund	-	2,801,734
T Rowe Price Retirement 2010 Fund	-	10,105,424
T Rowe Price Retirement 2015 Fund	-	21,327,122
T Rowe Price Retirement 2020 Fund	-	45,627,056
T Rowe Price Retirement 2025 Fund	-	49,729,961
T Rowe Price Retirement 2030 Fund	-	52,562,768
T Rowe Price Retirement 2035 Fund	-	38,902,482
T Rowe Price Retirement 2040 Fund	-	35,737,969
T Rowe Price Retirement 2045 Fund	-	26,433,253
T Rowe Price Retirement 2050 Fund	-	21,898,664
T Rowe Price Retirement 2055 Fund	-	13,754,696
T Rowe Price Retirement 2060 Fund	-	2,849,851
T Rowe Price Retirement 2005 Trust B	3,050,859	-
T Rowe Price Retirement 2010 Trust B	11,052,385	-
T Rowe Price Retirement 2015 Trust B	21,902,260	-
T Rowe Price Retirement 2020 Trust B	46,457,687	-
T Rowe Price Retirement 2025 Trust B	53,852,018	-
T Rowe Price Retirement 2030 Trust B	60,833,007	-
T Rowe Price Retirement 2035 Trust B	46,661,872	-
T Rowe Price Retirement 2040 Trust B	43,758,456	-
T Rowe Price Retirement 2045 Trust B	33,301,775	-
T Rowe Price Retirement 2050 Trust B	28,318,228	-
T Rowe Price Retirement 2055 Trust B	18,543,440	-
T Rowe Price Retirement 2060 Trust B	4,170,376	-
T Rowe Price Retirement Balanced Fund	5,855,212	5,786,841
T Rowe Price Structured Research Trust C	75,816,235	-
TWC Core Fixed Income Fund - I Class	65,533,252	54,610,387
Vanguard ® Total Bond Market Index Fund-Inst Shrs	54,780,844	36,560,270
Vanguard ® Institutional Index Fund-Inst Plus Shrs	-	(27,612)
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	89,776,455	83,932,907
Vanguard ® Small Cap Index Fund-Inst Shrs	43,844,095	40,135,280
Vanguard ® Total International Stock Index Fund-Inst Shrs	49,078,186	29,049,989
Suspense	13,948	(34,389)
Total Mutual Funds	1,626,526,529	1,422,244,964
Discontinued investment options - Nationwide Fixed Annuities	51,242,485	53,291,344
Nationwide Life annuity payout reserves	6,158,326	6,817,640
Metropolitan Life annuity payout reserves	2,998,519	3,312,156
Total Annuities	60,399,330	63,421,140
Total Investments	\$ 2,111,906,366	\$ 1,885,318,273

2. Investments (continued)

Part 2: 401(k) Plan

Investments held as of December 31, 2020 and 2019, were as follows:

	2020	2019
	\$ 382,673,921	\$ 348,558,258
Fixed Investments - Investment Contract Pool		
American Funds-EuroPacific Growth Fund® -Class R6	103,912,259	99,728,687
American Century Equity Growth Fund-Inst Class	-	82,965,415
American Funds-The Growth Fund of America® -Class R6	181,800,629	130,121,088
Delaware Value Fund - Institutional Class	83,809,159	77,818,162
Fidelity ® 500 Index Fund	379,840,691	341,992,778
Fidelity ® Puritan® Fund	152,268,043	134,366,885
Janus Henderson Enterprise Fund-N Shrs	43,396,565	44,350,892
Parnassus Core Equity Fund-Inst Shrs	22,504,619	19,102,744
T Rowe Price Institutional Small Cap Stock Fund, Inc.	116,277,397	105,091,120
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	43,462,043	45,282,303
T Rowe Price Retirement 2005 Fund	-	2,961,082
T Rowe Price Retirement 2010 Fund	-	14,934,904
T Rowe Price Retirement 2015 Fund	-	39,988,015
T Rowe Price Retirement 2020 Fund	-	90,865,831
T Rowe Price Retirement 2025 Fund	-	85,412,219
T Rowe Price Retirement 2030 Fund	-	64,783,643
T Rowe Price Retirement 2035 Fund	-	36,806,289
T Rowe Price Retirement 2040 Fund	-	26,370,776
T Rowe Price Retirement 2045 Fund	-	12,841,544
T Rowe Price Retirement 2050 Fund	-	8,455,323
T Rowe Price Retirement 2055 Fund	-	4,534,438
T Rowe Price Retirement 2060 Fund	-	1,503,949
T Rowe Price Retirement 2005 Trust B	3,049,882	-
T Rowe Price Retirement 2010 Trust B	15,609,542	-
T Rowe Price Retirement 2015 Trust B	42,927,981	-
T Rowe Price Retirement 2020 Trust B	91,959,433	-
T Rowe Price Retirement 2025 Trust B	93,319,992	-
T Rowe Price Retirement 2030 Trust B	76,102,392	-
T Rowe Price Retirement 2035 Trust B	43,621,418	-
T Rowe Price Retirement 2040 Trust B	31,659,087	-
T Rowe Price Retirement 2045 Trust B	16,008,216	-
T Rowe Price Retirement 2050 Trust B	11,155,893	-
T Rowe Price Retirement 2055 Trust B	5,924,384	-
T Rowe Price Retirement 2060 Trust B	2,058,181	-
T Rowe Price Retirement Balanced Fund	7,786,894	7,660,401
T Rowe Price Structured Research Trust C	93,330,777	-
TWC Core Fixed Income Fund - I Class	92,710,012	79,117,928
Vanguard ® Total Bond Market Index Fund-Inst Shrs	68,738,176	45,635,501
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	115,303,513	104,832,021
Vanguard ® Small Cap Index Fund-Inst Shrs	61,489,029	55,070,399
Vanguard ® Total International Stock Index Fund-Inst Shrs	50,999,163	31,782,625
Suspense	107,158	(85,730)
Total Mutual Funds	2,051,132,528	1,794,291,232
Total Investments	\$ 2,433,806,449	\$ 2,142,849,490

2. Investments (continued)

Part 3: 401(a) Plan

Investments held as of December 31, 2020 and 2019, were as follows:

	2020	2019
Fixed Investments - Investment Contract Pool	29,417,673	28,326,388
American Funds-EuroPacific Growth Fund® -Class R6	\$ 7,896,501	\$ 7,881,574
American Century Equity Growth Fund-Inst Class		11,321,117
American Funds-The Growth Fund of America® -Class R6	17,113,870	12,579,874
Delaware Value Fund - Institutional Class	10,961,043	10,864,495
Fidelity ® 500 Index Fund	54,208,431	49,496,649
Fidelity ® Puritan® Fund	17,764,255	16,004,675
Janus Henderson Enterprise Fund-N Shrs	2,088,196	2,216,903
Parnassus Core Equity Fund-Inst Shrs	717,367	703,030
T Rowe Price Institutional Small Cap Stock Fund, Inc.	13,479,650	12,173,434
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	3,042,370	3,207,081
T Rowe Price Retirement 2005 Fund	-	109,739
T Rowe Price Retirement 2010 Fund	-	770,492
T Rowe Price Retirement 2015 Fund	-	2,427,546
T Rowe Price Retirement 2020 Fund	-	5,305,795
T Rowe Price Retirement 2025 Fund	-	5,154,781
T Rowe Price Retirement 2030 Fund	-	4,844,948
T Rowe Price Retirement 2035 Fund	-	3,327,173
T Rowe Price Retirement 2040 Fund	-	2,473,779
T Rowe Price Retirement 2045 Fund	-	1,109,093
T Rowe Price Retirement 2050 Fund	-	477,735
T Rowe Price Retirement 2055 Fund	-	78,075
T Rowe Price Retirement 2060 Fund	-	18,238
T Rowe Price Retirement 2005 Trust B	128,163	-
T Rowe Price Retirement 2010 Trust B	778,205	-
T Rowe Price Retirement 2015 Trust B	2,491,744	-
T Rowe Price Retirement 2020 Trust B	5,470,015	-
T Rowe Price Retirement 2025 Trust B	5,467,952	-
T Rowe Price Retirement 2030 Trust B	5,247,902	-
T Rowe Price Retirement 2035 Trust B	3,641,341	-
T Rowe Price Retirement 2040 Trust B	2,793,711	-
T Rowe Price Retirement 2045 Trust B	1,252,484	-
T Rowe Price Retirement 2050 Trust B	534,003	-
T Rowe Price Retirement 2055 Trust B	93,373	-
T Rowe Price Retirement 2060 Trust B	36,072	-
T Rowe Price Retirement Balanced Fund	328,416	349,107
T Rowe Price Structured Research Trust C	12,583,005	-
TWC Core Fixed Income Fund - I Class	5,983,758	5,200,138
Vanguard ® Total Bond Market Index Fund-Inst Shrs	3,137,922	2,087,500
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	13,960,287	12,857,615
Vanguard ® Small Cap Index Fund-Inst Shrs	4,810,561	4,429,147
Vanguard ® Total International Stock Index Fund-Inst Shrs	3,096,608	1,713,545
Suspense	4,876	(2,053)
Total Investments	\$ 228,529,754	\$ 207,507,613

2. Investments (continued)

Part 4: 403(b) Plan

Investments held as of December 31, 2020 and 2019, were as follows:

	2020	2019
Great West Life Assurance Company	3,077,695	3,163,336
American Funds-EuroPacific Growth Fund® -Class R6	4,845,458	4,129,873
American Century Equity Growth Fund-Inst Class	-	4,579,203
American Funds-The Growth Fund of America® -Class R6	8,068,852	4,673,510
Delaware Value Fund - Institutional Class	7,753,796	7,317,027
Fidelity ® 500 Index Fund	22,584,939	20,122,396
Fidelity ® Puritan® Fund	12,371,905	9,747,323
Janus Henderson Enterprise Fund-N Shrs	2,589,513	4,365,356
Parnassus Core Equity Fund-Inst Shrs	1,314,878	1,191,575
T Rowe Price Institutional Small Cap Stock Fund, Inc.	3,782,804	3,550,299
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	2,081,230	2,502,336
T Rowe Price Retirement 2005 Fund	128,003	117,313
T Rowe Price Retirement 2010 Fund	961,366	864,178
T Rowe Price Retirement 2015 Fund	1,650,653	1,629,717
T Rowe Price Retirement 2020 Fund	3,636,442	2,335,817
T Rowe Price Retirement 2025 Fund	2,091,241	1,522,547
T Rowe Price Retirement 2030 Fund	1,292,082	980,537
T Rowe Price Retirement 2035 Fund	777,041	544,668
T Rowe Price Retirement 2040 Fund	654,780	1,025,134
T Rowe Price Retirement 2045 Fund	903,676	447,768
T Rowe Price Retirement 2050 Fund	581,523	257,929
T Rowe Price Retirement 2055 Fund	5,173	142
T Rowe Price Retirement 2060 Fund	49,067	145,372
T Rowe Price Retirement Balanced Fund	417,340	339,068
T Rowe Price U.S. Equity Research Fund - I Class	5,155,644	-
TWC Core Fixed Income Fund - I Class	4,053,973	3,449,062
Vanguard ® Total Bond Market Index Fund-Inst Shrs	4,492,852	2,927,356
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	10,190,939	9,038,799
Vanguard ® Small Cap Index Fund-Inst Shrs	3,383,195	3,091,160
Vanguard ® Total International Stock Index Fund-Inst Shrs	1,838,711	1,559,101
Vanguard ® Federal Money Market Fund-Investor Class	6,188,881	7,191,363
Suspense	(84,529)	-
Total Mutual Funds	\$ 116,839,123	\$ 102,809,265

2. Investments (continued)

Part 5: MSRP – All Plans Summary

Investments held including a discontinued group annuity contract and annuity reserves held by Nationwide Life and Metropolitan Life, as of December 31, 2020 and 2019, were as follows:

	2020	2019
	\$ 837,072,101	\$ 776,536,816
Fixed Investments - Investment Contract Pool		
Great West Life Assurance Company	3,077,695	3,163,336
American Century Equity Growth Fund-Inst Class	-	165,487,159
American Funds-EuroPacific Growth Fund® -Class R6	194,453,513	191,677,714
American Funds-The Growth Fund of America® -Class R6	336,995,375	238,898,717
Delaware Value Fund - Institutional Class	191,683,635	179,351,550
Fidelity ® 500 Index Fund	710,990,357	640,138,900
Fidelity ® Puritan® Fund	327,130,643	289,855,265
Janus Henderson Enterprise Fund-N Shrs	82,852,062	86,208,924
Parnassus Equity Income Fund-Inst Shrs	44,344,059	39,944,710
T Rowe Price Institutional Small Cap Stock Fund, Inc.	215,904,300	198,790,990
T Rowe Price Mid Cap Value Fund, Inc.- Retail Shrs	85,508,458	89,532,185
T Rowe Price Retirement 2005 Fund	128,003	5,989,868
T Rowe Price Retirement 2010 Fund	961,366	26,674,998
T Rowe Price Retirement 2015 Fund	1,650,653	65,372,400
T Rowe Price Retirement 2020 Fund	3,636,442	144,134,499
T Rowe Price Retirement 2025 Fund	2,091,241	141,819,508
T Rowe Price Retirement 2030 Fund	1,292,082	123,171,896
T Rowe Price Retirement 2035 Fund	777,041	79,580,612
T Rowe Price Retirement 2040 Fund	654,780	65,607,658
T Rowe Price Retirement 2045 Fund	903,676	40,831,658
T Rowe Price Retirement 2050 Fund	581,523	31,089,651
T Rowe Price Retirement 2055 Fund	5,173	18,367,351
T Rowe Price Retirement 2060 Fund	49,067	4,517,410
T Rowe Price Retirement 2005 Trust B	6,228,904	-
T Rowe Price Retirement 2010 Trust B	27,440,132	-
T Rowe Price Retirement 2015 Trust B	67,321,985	-
T Rowe Price Retirement 2020 Trust B	143,887,135	-
T Rowe Price Retirement 2025 Trust B	152,639,962	-
T Rowe Price Retirement 2030 Trust B	142,183,301	-
T Rowe Price Retirement 2035 Trust B	93,924,631	-
T Rowe Price Retirement 2040 Trust B	78,211,254	-
T Rowe Price Retirement 2045 Trust B	50,562,475	-
T Rowe Price Retirement 2050 Trust B	40,008,124	-
T Rowe Price Retirement 2055 Trust B	24,561,197	-
T Rowe Price Retirement 2060 Trust B	6,264,629	-
T Rowe Price Retirement Balanced Fund	14,387,862	14,135,417
T Rowe Price Structured Research Trust C	181,730,017	-
T Rowe Price U.S. Equity Research Fund - I Class	5,155,644	-
TWC Core Fixed Income Fund - I Class	168,280,995	142,377,515
Vanguard ® Total Bond Market Index Fund-Inst Shrs	131,149,794	87,210,627
Vanguard ® Institutional Index Fund-Inst Plus Shrs	-	(27,612)
Vanguard ® Mid Cap Index Fund-Inst Plus Shrs	229,231,194	210,661,342
Vanguard ® Small Cap Index Fund-Inst Shrs	113,526,880	102,725,986

2. Investments (continued)

	2020	2019
Vanguard ® Total International Stock Index Fund-Inst Shrs	105,012,668	64,105,260
Vanguard ® Federal Money Market Fund-Investor Class	6,188,881	7,191,363
Suspense	41,453	(122,172)
Total Mutual Funds	3,993,610,261	3,498,464,685
Nationwide Fixed Annuities	51,242,485	53,353,345
Nationwide Life annuity payout reserves	6,158,326	6,817,640
Metropolitan Life annuity payout reserves	2,998,519	3,312,156
Total Annuities	60,399,330	63,483,141
Total Investments	\$ 4,891,081,692	\$ 4,338,484,640

Investment Contract Pool

The purpose and objective of the ICP is to provide participants in the Plans with an investment vehicle that:

- emphasizes safety through preservation of principal and accrued income;
- provides benefit responsiveness for qualifying participant withdrawals at book value;
- credits a rate of interest that exhibits low volatility and tracks the general direction of interest rates;
- delivers as high a return as possible subject to these constraints;
- exceeds the returns on money market investments by 100 - 200 basis points per year over a full market cycle: and
- diversifies portfolio holdings by product, security, and issuer;

ICP interest income in the 457, 401(k) and 401(a) Match Plans is recorded based upon a blended rate of the contractual interest of all investment contracts in effect during the period. These amounts are credited to the participants' accounts prior to charges for administrative expenses charged by Nationwide Retirement Solutions, the Administrator of the Plans ("NRS"), and the Board. The blended gross interest rate was 2.30% as of December 31, 2020, and ranged from 2.23% to 2.36% during the year ended December 31, 2020. The blended gross interest rate was 2.10% as of December 31, 2019, and ranged from 1.97% to 2.20% during the year ended December 31, 2019. The contract value as of December 31, 2020 and 2019, was \$837,009,116 and \$776,472,936, respectively. The fair market value as of December 31, 2020 and 2019, was \$837,072,101 and \$776,536,816, respectively.

The Nationwide Life fixed annuities in the 457 Plan reflect investments made under a fixed group annuity contract with Nationwide Life. That contract has been closed to new contributions since January 1, 1987.

Interest income on investments in Nationwide Life fixed annuities and annuity payout reserves are recorded as earned on an accrual basis. Beginning in 1982, based upon the date of contribution, Nationwide Life initiated a plan for paying different rates to specific pools of money. The gross interest rate paid on fixed annuity contributions was 3.5% as of December 31, 2020 and 2019.

The 403(b) Plan includes a closed fixed earnings investment with the Great-West Fixed Investment Fund and is valued at contract value, which represents costs plus interest credited at guaranteed rates (subject to quarterly market adjustments, as reported by Great-West as of December 31). These amounts are credited to the participants' accounts prior to charges for administration expenses charged by NRS and the Board. The gross interest rate paid on contributions to this investment was 4.0% in both 2020 and 2019. This option is not open for new contributions or exchanges.

Mutual fund investment income consists of dividends earned and realized and unrealized gains and losses attributable to the underlying investments.

MSRP discloses investment risks below, in accordance with GASB Statement No. 40, which defines these risks as follows:

2. Investments (continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates adversely affect the fair value of the investments.

Average Maturities. The investments and weighted average maturities as of December 31, 2020 and 2019, were as follows:

	December 31, 2020	
	Valuation	Weighted Average Maturity
Investment Contract Pool	\$ 837,072,101	2.87 years
TCW Core Fixed Income Fund - I Class	\$ 168,280,995	5.39 years
Vanguard Federal Money Market Fund - Investor Class	\$ 6,188,881	0.1 years
Great-West Fixed Investment Fund	\$ 3,077,695	6.22 years

	December 31, 2019	
	Valuation	Weighted Average Maturity
Investment Contract Pool	\$ 776,536,816	3.0 years
TCW Core Fixed Income Fund - I Class	\$ 142,377,515	7.5 years
Vanguard Federal Money Market Fund - Investor Class	\$ 7,191,363	0.1 years
Great-West Fixed Investment Fund	\$ 3,163,336	5.53 Years

Note: The ICP is only available in the 457, 401(k) and 401(a) Match Plans. The Great-West Fixed Investment Fund and the Vanguard Prime Money Market Fund are only available in the 403(b) Plan.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to an investment in a single issuer.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either (a) the counterparty, or (b) the counterparty's trust department or agent but not in MSRP's name.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

2. Investments (continued)

Interest rate risk, credit risk and concentration of credit risk – since all investments are participant directed, all risks are at the participant level. Each participant has the ability to liquidate his/her positions on demand and has responsibility for managing his/her exposure to fair value loss. Participants have the option to change their investment options at any time and to any investment available to alter their interest rate risk.

The ICP had a reported credit rating of AA for the years ended December 31, 2020 and 2019. Mutual Funds are not rated.

Custodial credit risk for deposits – is the risk that, in the event of a bank failure, MSRP's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution; or (c) collateralized with securities held by the pledging financial institution's trust department or agent, but not in MSRP's name.

All deposits of MSRP, consisting of amounts held by the agency for an administrative expense, are held on behalf of MSRP by the State in accordance with the formal deposit policy for custodial credit risk of the State.

3. Investment Fair Value Measurements

Government Accounting Standards Board Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. GASB 72 established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

The three levels are defined as follows:

Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 – that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices for similar assets or liabilities in active markets).

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

MSRP categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2020 and 2019:

Bond and Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The table below summarizes MSRP bond and equity securities measured at fair value as of December 31, 2020, presented in the fair value hierarchy. Also shown are investments measured at the net asset value (NAV).

3. Investment Fair Value Measurements (continued)

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
As of December 31, 2020				
Investments by fair value level				
Bond and Equity Securities				
Large-Cap Stocks	\$ 1,284,013,426	\$ 1,284,013,426	\$ -	\$ -
Mid-Cap Stocks	397,591,714	397,591,714	-	-
Balanced	341,518,505	341,518,505	-	-
Small-Cap Stocks	329,431,180	329,431,180	-	-
Bonds	299,430,789	299,430,789	-	-
International Stocks	299,466,181	299,466,181	-	-
Target Date Retirement Funds	17,886,691	17,886,691	-	-
Total Investments by fair value level	\$ 2,969,338,486	\$ 2,969,338,486	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Investment Contract Pool (ICP)	\$ 837,072,101			
Annuities	60,399,330			
Money Markets	6,188,881			
Contracts (Certificate investments)	3,077,695			
Collective Investment Trust	1,014,963,746			
Suspense	\$ 41,453			
Total Investments measured at the net asset value	\$ 1,921,743,206			

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
As of December 31, 2019				
Investments by fair value level				
Bond and Equity Securities				
Large-Cap Stocks	\$ 1,263,793,424	\$ 1,263,793,424	\$ -	\$ -
Target Date Retirement Funds and Trusts	747,157,509	747,157,509	-	-
Mid-Cap Stocks	386,402,451	386,402,451	-	-
Balanced	303,990,682	303,990,682	-	-
Small-Cap Stocks	301,516,976	301,516,976	-	-
Bonds	229,588,142	229,588,142	-	-
International Stocks	256,782,973	256,782,973	-	-
Total Bond and Equity Securities	\$ 3,489,232,157	\$ 3,489,232,157	\$ -	\$ -
Investments measured at the net asset value (NAV)				
Investment Contract Pool (ICP)	\$ 776,536,816			
Annuities	63,421,140			
Money Markets	7,191,363			
Contracts (Certificate investments)	3,163,336			
Suspense	(60,171)			
Total Investments measured at the NAV	\$ 850,252,483			

4. Life Insurance

In the 457 Plan, the amount of life insurance in force with Unum Life was approximately \$6,067,657 and \$6,019,640 as of December 31, 2020 and 2019, respectively. Participants in the 457 Plan contributed \$2,375 and \$3,520 towards premiums for life insurance contracts offered by Unum Life during the years ended December 31, 2020 and 2019, respectively. At the time of retirement or termination of employment from the State, these participants have the option of continuing to make the life insurance premium payments or to receive the cash surrender value of the policy. This option is no longer available to new participants, and only participants with policies may continue to make contributions to this option.

5. Participant Fees- MSRP/NW

The Board has appointed NRS, as the administrator under an administrative services contract. NRS is a subsidiary of Nationwide Financial Services, Inc., the owner of Nationwide Life, and provider of certain 457 Plan fixed annuities that are no longer available to new participants or for exchanges from other plan investments.

The current contract between the Board and NRS, pursuant to which NRS provides administrative services to MSRP, became effective October 1, 2020. Under the agreement, NRS provides administrative services, such as account statements, financial statement monitoring, participant relations, and general management. NRS charged fees at an annual rate of 0.009% from January 1, 2020 until September 30, 2020, the date on which the prior agreement between the Board and NRS terminated and the current agreement became effective. Under the current agreement, NRS charges an annual rate of 0.0775%. This is the rate that was effective from October 1, 2020 through December 31, 2020. The fee is charged against the mutual fund, collective investment trust, ICP, and fixed annuity assets.

From January 1, 2020 until September 30, 2020, and during 2019, an additional charge of 0.05% was imposed by MSRP for its expenses (i.e., staff, auditor, consultants, education, and other administrative expenses). The Board reduced this fee to 0.0425% effective October 1, 2020, to coincide with the effective date of the new administrative services agreement with NRS and the reduced fee thereunder as described above. This was the rate that was in effect from October 1, 2020 through December 31, 2020. The Board fee is collected directly from participants' accounts.

During 2020 and 2019, an additional fee of \$0.50 per month was charged for each account with a balance greater than \$500 in the 457, 401(k), and 403(b) Plans. The fee will be used to stabilize revenue for Board operations. The annual cap on participant charges was \$2,000 for 2020 and 2019.

Participants choosing to exercise loan options are assessed an origination fee of \$50 and an annual loan maintenance fee of \$50. And, if repayments are not timely, a \$50 default fee will be assessed with a continued annual loan maintenance fee until all repayments are received.

6. Cash

The cash balance in the accompanying financial statements represents charges assessed by the Board from all Plans and held as pooled cash by the Maryland State Treasurer's Office in excess of expenses paid on behalf of the Board. Under State law, this amount does not revert to the general fund of the State of Maryland but constitutes a dedicated fund or reserve for use by the Plans, pursuant to the usual state appropriation process; classified as "State Appropriation" on the Net Position Held in Trust for Deferred Compensation Benefits report.

The cash balance was \$1,443,070 and \$938,751, at December 31, 2020 and 2019, respectively. In addition, the appropriate funds and cash reserves are carried on the 457 Plan Financial statements as a matter of historical practice, arising from the period prior to 1990 when the 457 Plan was the only Plan operated by the Board and all 457 Plan assets, including the cash reserves, were general non-trust funds of the State.

7. Tax Status

In the opinion of the State's legal counsel, the Plans are exempt from income taxes under the applicable section of the IRC and, therefore, the amounts contributed by the State on behalf of the employees participating in Plans are not subject to Federal income tax withholding nor are they subject to being included in taxable income until actually paid or otherwise made available to the participant, the participant's beneficiary, or the participant's estate.

8. Related Parties

Certain members of the Board are participants in one or more Plans in MSRP.

9. Implementation of New Accounting Principles

The Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 84, Fiduciary Activities, effective for the year ending December 31, 2020. MSRP adopted this standard effective January 1, 2020; however, it did not have a significant impact on MSRP's financial statements.



SUPPLEMENTAL INFORMATION

Schedule of Administrative Expenses (Unaudited)
For the Years Ended December 31, 2020 and 2019

	2020	2019
Plan Administrator		
Third party administrator fees	\$ 7,242,787	\$ 7,285,227
MSRP - Plan Sponsor		
Salaries, wages and fringe benefits	1,012,000	1,038,023
Contractual services	301,178	231,874
Fixed charges	173,289	170,768
Supplies and materials	-	16,237
Travel	13,531	22,558
Equipment and furnishings	9,991	11,808
Technical and special fees	-	-
Communications	-	28,999
Plan Sponsor Expenses	1,509,989	1,520,267
Plan Sponsor Total - Net	1,509,989	1,520,267
Total Administrative Expenses (Fees and Plan Administrator)	\$ 8,752,776	\$ 8,805,494

*See Note 5 for more information.

The image features a composite background. The top half shows the silhouettes of two people's heads and shoulders against a bright, hazy sky. The bottom half shows a dense urban skyline with various skyscrapers. A semi-transparent blue rectangle is positioned on the right side, overlapping both the silhouettes and the cityscape. The text 'INVESTMENT SECTION' is written in white, uppercase letters within this blue rectangle.

INVESTMENT SECTION

INVESTMENT ADVISORS' REPORT

For the year ended December 31, 2020

Prepared by Segal Marco Advisors

The report below discusses the overall performance of the Plans' investments for the year ended December 31, 2020, as well as the 2020 market environment.

Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World Equity	MSCI World ¹	13.96	15.90	15.90	10.54	12.19	9.87
U.S. Equity	Russell 3000	14.68	20.89	20.89	14.49	15.43	13.79
Non-U. S. Equity	MSCI EAFE ¹	16.05	7.82	7.82	4.28	7.45	5.51
Emerging Market Equity	MSCI EM ¹	19.70	18.31	18.31	6.17	12.81	3.63
U.S. Fixed Income	Bloomberg Barclays U.S. Aggregate	0.67	7.51	7.51	5.34	4.44	3.84
Non-U.S. Fixed Income	FTSE ² Non-U.S. WGBI (Unhedged)	4.82	10.78	10.78	4.63	5.17	1.88
Commodities	Bloomberg Commodity Index	10.19	-3.12	-3.12	-2.53	1.03	-6.50
Real Estate	NFI-ODCE ³	1.30	1.19	1.19	4.92	6.21	9.88
Private Equity	Thomson Reuters US Private Equity ⁴	3.09	3.09	5.10	12.2	12.0	13.6
Hedge Funds	HFRI Fund of Funds Composite	7.59	10.34	10.34	4.71	4.46	3.27

¹ Net Dividends Reinvested

² Formerly Citigroup Non-U.S. WGBI. Citigroup's fixed income indices were purchased by London Stock Exchange Group (LSEG) and were all rebranded to FTSE by July 31, 2018. FTSE Russell is a unit of LSEG's Information Services Division and a wholly owned subsidiary of LSEG.

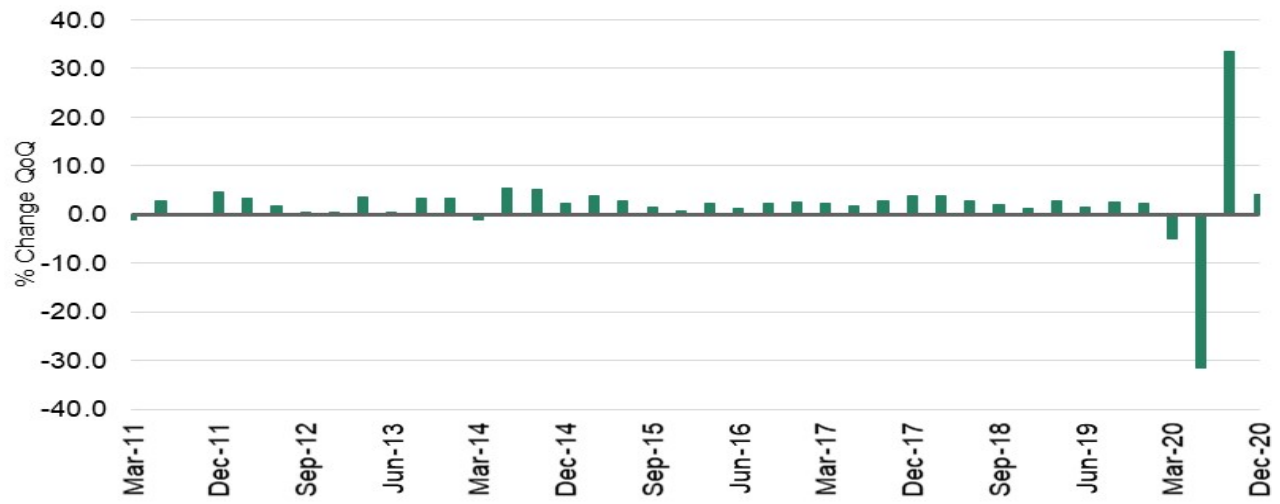
³ NCREIF Fund Index (NFI) – Open End Diversified Core Equity (ODCE)

⁴ Performance as of Q1 2020 because more recent performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

World equity markets rose in the fourth quarter of 2020. Approval and distribution of the new COVID vaccines led to anticipation of more global demand. U.S. equity was solidly positive. More stimulus and vaccine approvals and distribution all helped boost U.S. stocks. International equities also rose. Expectations for greater global growth in 2021 also led these stocks higher. Emerging market equity increased. U.S. dollar weakness was a benefit for Emerging Markets stocks in the quarter. U.S. fixed income eked out a gain. The Federal Reserve said it would keep rates low for the foreseeable future. Non-U.S. fixed income rose. A weak USD helped boost unhedged non-U.S. debt. Commodities posted a strong gain amid hopes that global demand would pick up as COVID vaccines are approved and distributed.

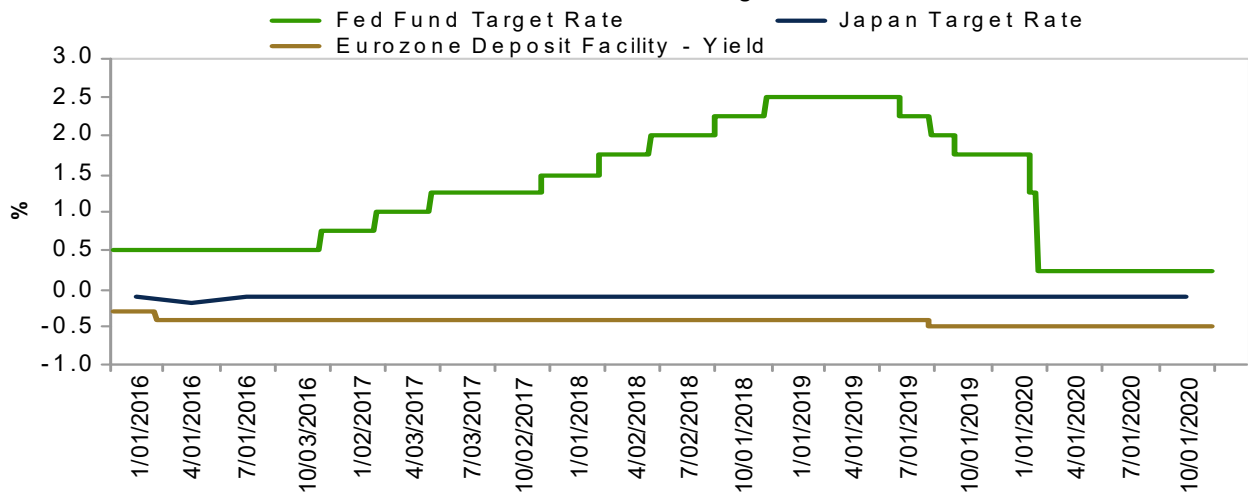
U.S. Real GDP Growth



Source: FactSet

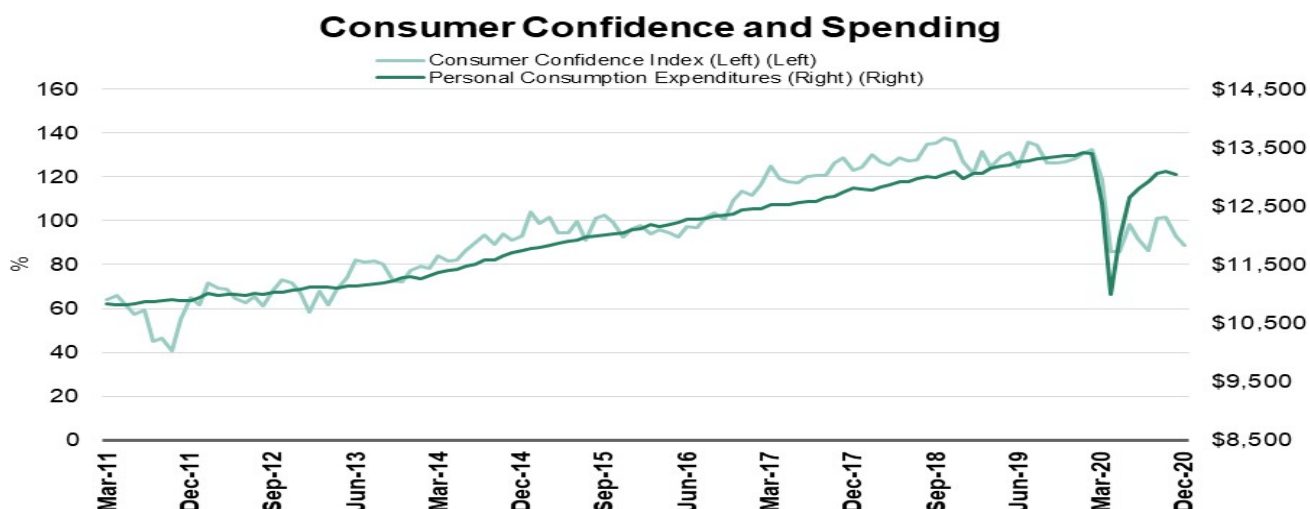
U.S. GDP growth rose 4% in the fourth quarter over the prior quarter, slowing from the third quarter's record jump as COVID cases began to rise again. YOY GDP is down -2.5%. Consumer spending fell as COVID-related closures and restrictions increased once again. However, non-residential fixed investment rose +13.8%, driven by firm spending on equipment. The aid of December's government stimulus, along with higher household savings and COVID vaccination programs, have some economists predicting continued recovery in 2021.

Central Bank Target Rates



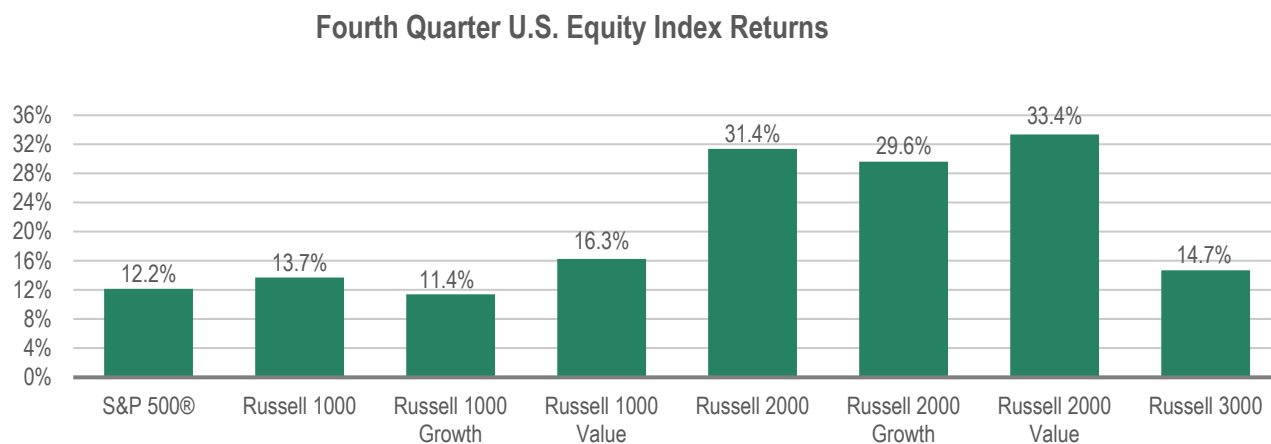
Source: FactSet

Central bank deposit rates remained negative in Japan and Europe. Despite rate cuts in 2020, the Fed continues to eschew negative rates. The U.S. policy rate hovers above those of the Eurozone and Japan, at 0-0.25%. Rates in the U.S. remain unchanged since the prior quarter as the pandemic persists.



Source: FactSet

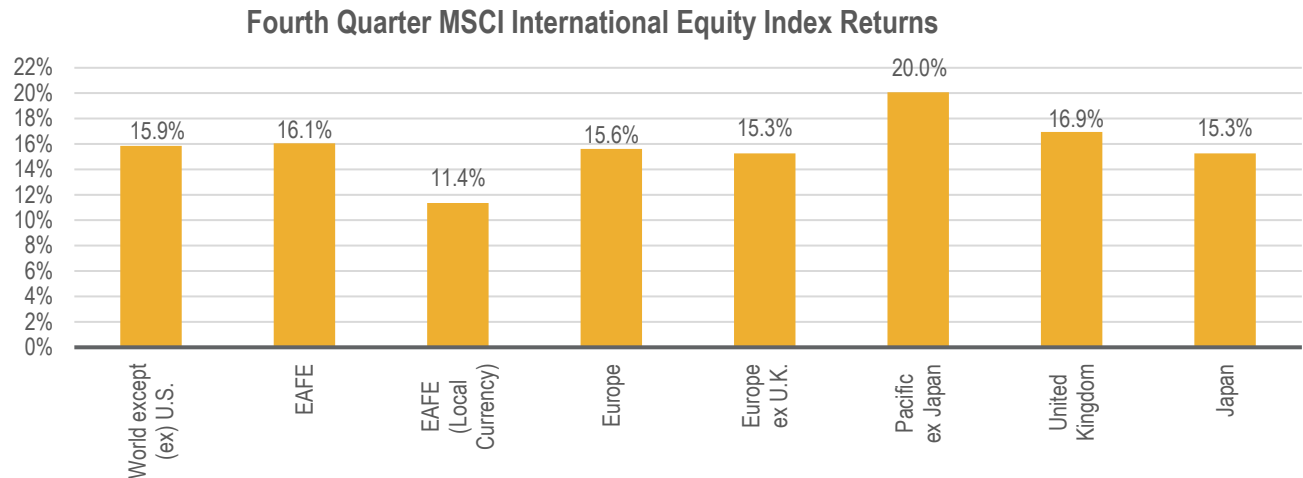
Sentiment declined in the fourth quarter of 2020, as some of the optimism surrounding the recovery from the pandemic dissipated. The Conference Board's Consumer Confidence Index fell from 101.3 at the end of September to 88.6 at the end of December. Personal consumption expenditures fell in November (most recent data available). Consumer confidence fell off some in the fourth quarter as COVID-related closures once again increased as the pandemic revived in the colder months.



Source: Investment Metrics, FactSet

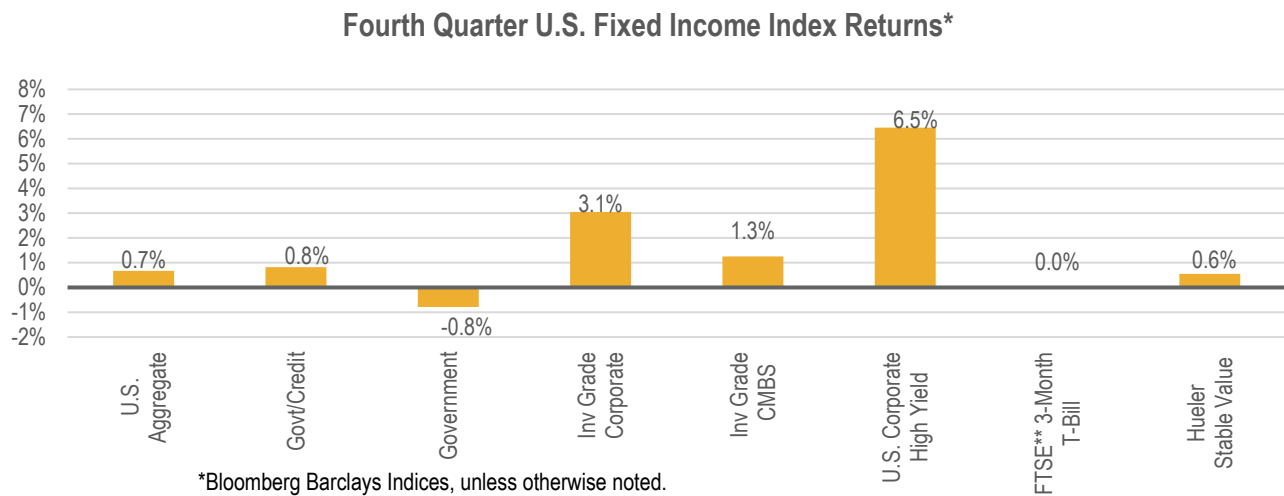
The FDA approval of the Pfizer and Moderna Covid-19 vaccines were positive developments for the U.S. markets, along with election results and news of further stimulus from Congress towards the end of the year. The Russell 1000 Value index (+16.3%) outperformed the Russell 1000 Growth index (+11.4%) in the fourth quarter, although for the full year Growth was up 38% versus 3% for Value. Small cap outperformed large cap during the fourth quarter, with the Russell 2000 index outperforming the Russell 1000 index by almost 18%, although for the full year returns were similar (21% for large cap vs. 20% for small cap). Every sector in the S&P 500 had positive returns. Despite being the worst performing sector for the full year, Energy (28%) was the top performer in the fourth quarter,

followed by Financials (23%). Real Estate was the worst performing sector for the quarter with returns of roughly 5%.



Source: Investment Metrics, FactSet

International developed markets returned 16% during the fourth quarter, outperforming U.S. markets by about 4%, but underperforming emerging markets by 4%. Pacific ex Japan was the leading contributor of the broader international developed markets index, owing to Australia's 23% return. That country has largely controlled Covid-19 cases since its pandemic peak in August. The UK and EU posted strong returns for the quarter, as their respective markets reacted positively to the announcement of a Brexit trade deal and several Covid-19 vaccine approvals. Value oriented sectors impacted most negatively by the Covid-19 pandemic saw the strongest returns in Q4. Energy was up 31% and Financials rose 25% (though both sectors still finished negative for the year). Healthcare and Consumer Staples lagged the benchmark most significantly, returning 4% and 7%, respectively for Q4.

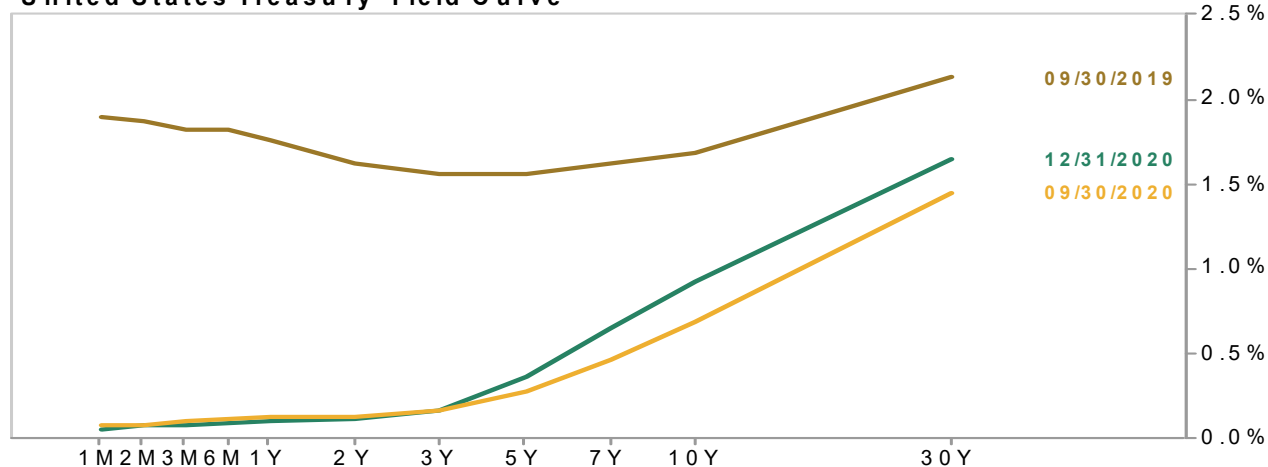


Source: Investment Metrics, Hueler Analytics

The U.S. Aggregate Index was positive in Q4 with all sectors but Government debt reporting positive returns. U.S. High Yield had the strongest sector performance of 6.45% followed by IG Corporate debt at 3.05%. FDA approval

of vaccines for COVID-19 signaled a possible upcoming economic recovery, boosting high yield and IG corporate debt in the quarter. Domestic fixed income spreads tightened across all sectors relative to the prior quarter, with U.S. High Yield showing the largest decrease.

United States Treasury Yield Curve

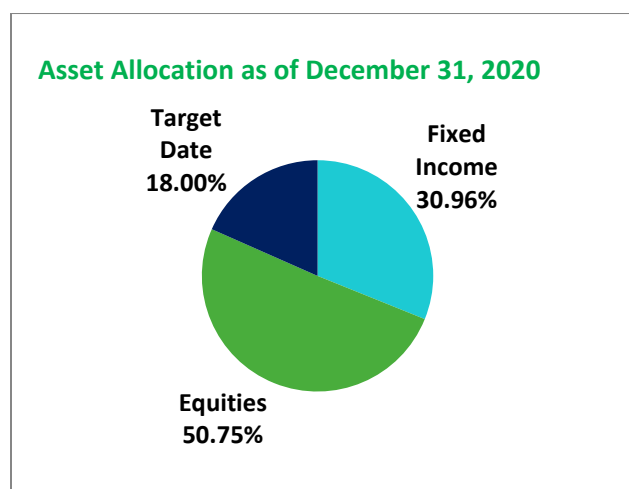


Yields rose over the tail end of the curve, while shorter-maturity yields were relatively unchanged. Shorter-maturity yields were flat or fell slightly, with no change to the 1- and 2-month Treasury over the prior quarter. The 3- and 6-month fell by 0.01% and 0.02%, respectively. The 1-year Treasury ended the quarter yielding 0.10%, representing a 2 basis point decrease over the prior quarter. Longer-maturity yields rose, with the 30-year yield ending the quarter at 1.65%, a 19 basis point increase over the prior quarter.

Plan Summary Report

For period ended December 31, 2020
Prepared by Segal Marco Advisors

Assets of the Maryland Teachers and State Employees Supplemental Retirement Plans (the Plans) totaled \$4.94 billion as of December 31, 2020. This reflected an increase of approximately \$550.9 million from the prior calendar year-end. During 2020, the Plans received \$232.6 million in contributions and paid \$298.3 million in distributions to participants, which accounted for a \$65.7 million decrease in Plan assets that was offset by investment earnings of \$623.9 million. In terms of the overall asset allocation, the assets were invested as follows: 50.75% in equities, 30.96% in fixed income, and 18.00% in target date.



The largest investment option was the Investment Contract Pool, which comprised 17.0% of Plan assets.

Top 5 Holdings for the Combined Plans	% of Total
Investment Contract Pool	17%
Fidelity 500 Index	14%
Fidelity Puritan	7%
American Funds Growth Fund	7%
Vanguard Mid Cap Index Institutional	5%
Subtotal	50%

Investment Categories	Market Value for the Combined Plans	% of Plan
Stable Value	\$ 897,246,640	18%
Active Core Options	\$ 1,834,038,710	37%
Passive Options	\$ 1,289,910,893	26%
Target Date Funds	\$ 860,352,637	17%
Loan	\$ 39,605,346	1%
Total Assets	\$ 4,921,154,225	100%

The 401(k) Plan comprised the largest portion of the Plans at 49.8%, with \$2.452 billion in assets as of December 31, 2020. As of year-end, participants' assets were invested 52.9% in equities, 28.4% in fixed income, and 18.7% in target date. The largest investment option was the Investment Contract Pool with 15.6% of participant assets.

The assets of the 457 Plan were valued at \$2.123 billion as of December 31, 2020, comprising 43.2% of the Plans. As of year-end, participants' assets were invested 46.3% in equities, 34.9% in fixed income, and 18.8% in target date. The largest investment option was the Investment Contract Pool with 20.0% of participant assets.

As of December 31, 2020, the 401(a) Plan was valued at \$228.5 million, which accounted for 4.6% of the Plans. Unlike the 457 and 401(k) Plans, the passively managed, Fidelity 500 Index Fund exceeded the popularity of the Investment Contract Pool with 23.7% of participant assets. As of year-end, participants' assets were invested 63.0% in equities, 24.6% in fixed income, and 12.4% in target date.

The 403(b) Plan comprised the smallest portion of the overall Plans, with \$117.0 million in assets, which accounted for 2.4% of the Plans. As of year-end, participants' assets were invested 62.9% in equities, 25.5% in fixed income, and 11.6% in target date. The largest investment option in the 403(b) Plan, by participant assets, was the Fidelity 500 Index Fund at 19.3%.

Objectives of the Plans

The Plans are long-term retirement savings vehicles and are intended as a source of retirement income for eligible participants. The investment options available from the Plans cover a broad range of investment risk and rewards appropriate for these kinds of retirement savings programs. Participants bear the risk and reap the rewards of investment returns that result from the investment options they select.

A Statement of Investment Policy has been adopted by the Plan's Board of Trustees and serves the following purposes:

- To ensure that a broad range of investment options are offered to Plan participants;
- To establish an investment program that will allow Plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances;
- To define the investment categories offered by the Plans;
- To establish investment objectives and guidelines for each investment category offered within the Plans;
- To establish benchmarks and performance standards for each investment category and to evaluate each option's performance against appropriate benchmarks and standards;
- To establish a procedure for reporting and monitoring of the various funds;
- To define the procedures for investment fund evaluation and formal fund review; and
- To set guidelines and procedures for withdrawal of an investment option which, in the Board's opinion, does not, or will not, fulfill the Plans' objectives for which it was selected and replace the option with an appropriate substitute.

The Investment Policy Statement is intended to be dynamic and should be reviewed periodically and revised when appropriate.

Investment Categories

The Plan has chosen to offer the following categories of investments:

- Money Market
- Fixed Investments
- Bonds
- Balanced
- Domestic Large Cap Equity
- Domestic Mid Cap Equity
- Domestic Small Cap Equity
- International Equity
- Lifecycle/Target Date

Within each category of investment, more than one investment option may be offered. For many of the categories, both actively managed and passively managed investment options are available. Additionally, there may be multiple styles (e.g., value, growth, blend) offered. Each investment option offered under the Plan shall:

- Operate in full accordance with its current published prospectus, "fact sheet," or investment guidelines; and

- Have its performance results measured against the applicable performance standards described in the Investment Policy Statement for that investment category.

If the Board determines an investment option no longer meets the performance criteria, it may replace that option with a suitable alternative pursuant to an investment option evaluation procedure outlined in the Investment Policy Statement. From time-to-time, investment options/categories may be added to the current core line-up.

Investment Option Analysis

Please refer to Exhibit A for more detailed results and mutual fund fees.

Stable Value/ Money Market

Investment Contract Pool (ICP): As the largest option in the Plans, this stable value option was valued at \$837.1 million as of December 31, 2020. This investment option is not available on the 403(b) Plan. Galliard commenced managing the ICP on February 1, 2014. The Q4 2020 return was 0.51%, which was in line with the Hueler return. The 2020 calendar year return was 2.2%.

Nationwide Fixed Annuity: This option is only included in the investment line-up of the 457 Plan. Additionally, this option is frozen and therefore no longer accepting contributions. As of December 31, 2020, the value of the option was \$51.2 million.

GW Daily Interest Guarantee, GW 36 Month CD, GW 60 Month CD, GW 84 Month CD: These frozen investment options were previously offered in the 403(b) Plan. As of December 31, 2020, the largest fund by participant assets was the 84-month CD, which was valued at \$1.9 million. The 36-month CD, 60-month CD, and the Daily Interest Guarantee were valued at approximately \$0.25 million, \$0.38 million, and \$0.17 million respectively.

Vanguard Federal Money Market: Another option only offered in the 403(b) Plan, this option had approximately \$6.2 million in assets as of December 31, 2020. Over the 1-year period, the Fund earned 45 basis points, which was higher than the Lipper U.S. Government Money Market Index. During the last 5 years, the Fund earned 1.10% on an average, annual basis, which was better than its benchmark.

Passive Options

Vanguard Total Bond Market Fund: This passively managed core bond underperformed its custom policy index for the quarter and for the 1-year period of 2020 by 4 basis points and 1 basis point, respectively. The bond fund slightly underperformed its custom policy index for the 3-, 5-, and 10-years periods ended December 31, 2020. Participant investments in this fund were valued at \$131.1 million as of December 31, 2020.

Fidelity 500 Index: This passively managed large cap blend fund replaced the Vanguard Institutional Index Fund in the second quarter of 2019. The fund performs in line with the S&P 500 Index. Participant investments in this fund were valued at \$710.9 million as of December 31, 2020.

Vanguard Mid Cap Index Institutional Plus: This passively managed mid cap blend equity fund performs in line with its custom policy index. Participant investments in this fund were valued at \$229.2 million as of December 31, 2020.

Vanguard Small Cap Index Institutional: This passively managed small cap blend equity fund produced results generally consistent with its custom policy index. For the trailing 10-year period, it underperformed the index by 16 basis points. Participant investments in this fund were valued at \$113.5 million as of December 31, 2020.

Vanguard Total International Stock Institutional: This passively managed international blend fund underperformed the quarter by 32 basis points. The fund slightly outperformed its custom policy index for the trailing 1-, 3- and 5-year periods ended December 31, 2020. Participant investments in this fund totaled \$105.0 million as of December 31, 2020.

Active Options

TCW Core Fixed Income Fund: As of December 31, 2020, participant assets invested in this fund were valued at \$168.3 million. This total includes assets of participants from each of the four Plans. For the year, the fund outperformed the Barclays Capital Aggregate Bond Index by 128 basis points and ranked above the median in its peer group. Over the trailing 3- and 5- year periods, the fund outperformed the index and ranked above the median in its peer group for the 3-year period and at the median for the 5-year period.

Fidelity Puritan Fund: As of December 31, 2020, \$327.1 million of participant assets were invested in this fund, one of the Plans' balanced options. For the year, the Fidelity Puritan Fund outperformed its blended benchmark and ranked in the top quartile of its peer group. The fund also ranked among the top quartile of the balanced mutual fund universe during the 3-, 5-, and 10-year periods.

Delaware Value Instl Fund: The Delaware Value Fund underperformed the Russell 1000 Value Index for the quarter and for the 1-year period ended December 31, 2020 and it ranked below the median of the large cap value mutual fund universe over the same time-periods. For the 3- and 5-year periods, it also underperformed its benchmark. As of December 31, 2020, participant assets invested in this fund were valued at \$191.7 million.

T. Rowe Price U.S. Equity Research: The T. Rowe Price U.S. Equity Research replaced the American Century Equity Growth in the first quarter of 2020. For the year ended December 31, 2020, the actively managed large cap blend fund outperformed the S&P 500 Index and ranked above the median in its peer group. The I-share Class (the mutual fund option offered in the 403 (b) Plan) outperformed its benchmark during the trailing 3- and 5-year periods, while the Class C Fund (the collective investment trust option offered in the 457, 401(a), and 401(k) plans) underperformed for the same time-periods. As of December 31, 2020, participant assets invested in this investment option were valued at \$181.7 million (Class C) and \$5.2 million (I-share Class).

Parnassus Equity Income Instl: The large cap blend equity, socially responsible option, outperformed the S&P 500 Index during 2020 and ranked above the median in its peer group. The fund also outperformed the market index during the trailing 3- and 5-year periods and ranked in the top quartile of its peer group for the same periods. As of December 31, 2020, participants' assets invested in this fund were valued at \$44.3 million.

American Funds Growth Fund of America: The Plans' actively managed large cap growth option outperformed the Russell 10000 Growth Index and ranked above the median of the large cap growth equity mutual fund universe for the quarter. For the trailing 1-, 3- and 5-year periods, the fund underperformed the index. It ranked above the median of its peer group for the trailing 1-year period, but below the median for the trailing 3- and 5- year periods. There were \$337.0 million in participant assets invested in this fund as of December 31, 2020.

T. Rowe Price Mid Cap Value: The Plans' actively managed mid cap value equity fund performed in line with the Russell Mid Cap Value Index but ranked below the median of the mid cap value equity mutual fund universe for the quarter. For the trailing 1-, 3-, and 5-year periods the fund outperformed the Index and ranked above the median in its peer group. As of December 31, 2020, participant assets invested in this fund were valued at \$85.5 million.

Janus Enterprise N: For the quarter, the fund outperformed the Russell Mid Cap Growth Index and ranked above the median of the mid cap growth mutual fund universe. The fund underperformed the Index for the trailing 1-, 3- and 5-year periods and ranked below the median of its peer group for the same periods. Participant assets invested in this fund were valued at \$82.9 million as of December 31, 2020.

T Rowe Price Small Cap Stock: The Plans' actively managed small cap blend equity fund outperformed the Russell 2000 Index and ranked in the top quartile of its peer group during the trailing 1-year period. The fund also

exceeded both comparative measures during the trailing 3-, 5- and 10- year periods. As of December 31, 2020, participant assets invested in this fund were valued at \$215.9 million.

American Funds EuroPacific Growth Fund: During the trailing 1-year period, the Plans’ actively managed international equity fund outperformed the MSCI ACWI ex-US Index and ranked in the top quartile of the international large cap equity mutual fund universe. The fund also outperformed the index for the trailing 3- and 5-year periods. For both the trailing 3- and 5-year periods, the fund ranked in the top quartile of its peer group. As of December 31, 2020, participant assets invested in the fund were valued at \$194.5 million.

T Rowe Price Retirement Trusts/Funds: The T. Rowe Price Retirement Trusts/Funds are the Plans’ target date options. T. Rowe Price Retirement Trust Class B was included in all plans except the 403(b) plan, which continues to hold the T. Rowe Price Retirement Funds mutual fund vehicles because collective investment trusts are not authorized assets in the 403(b) Plan. Participants assets invested in the twelve Class B target date funds were valued at \$833.3 million as of December 31, 2020. Participant assets invested in the T. Rowe Price Retirement Funds (403(b) plan only) were valued at \$12.7 million as of December 31, 2020. Assets investment the T. Rowe Price Retirement Balanced Fund, a mutual fund vehicle available in all four plans, totaled \$14.4 million.

These funds have varied asset allocations, based upon the projected retirement date of a participant, with more conservative allocations as the “targeted” retirement date approaches. For the year ended December 31, 2020, the most conservative fund (T. Rowe Price Retirement 2005) gained 11.43% (Class B), while the most aggressive fund (T. Rowe Price Retirement 2060), designed for participants approximately 40+ years from retirement, gained 18.60% (Class B). On an annualized 5-year basis, the funds designed for participants that are in or close to retirement (T. Rowe Price Retirement 2005 to 2010) produced returns ranging from approximately +7.94% to approximately +8.46%, whereas the fund designed for those younger employees (T. Rowe Price Retirement 2055) earned approximately +12.62% (Class B). The following table illustrates the broad asset allocation of each of the specific lifecycle funds for the period ending December 31, 2020.

T. Rowe Price Retirement Funds Class B
As of December 31, 2020

	<u>Domestic Fixed</u>	<u>Domestic Equity</u>	<u>Int'l Equity</u>	<u>Int'l Fixed</u>	<u>Other</u>
T Rowe Price Retirement 2005 Class B	43.0%	27.1%	12.0%	15.1%	2.9%
T Rowe Price Retirement 2010 Class B	39.2%	30.8%	13.4%	13.8%	2.9%
T Rowe Price Retirement 2015 Class B	35.2%	34.3%	14.7%	12.8%	2.9%
T Rowe Price Retirement 2020 Class B	27.7%	42.2%	17.3%	10.7%	6.7%
T Rowe Price Retirement 2025 Class B	20.0%	47.9%	20.1%	8.7%	7.1%
T Rowe Price Retirement 2030 Class B	14.1%	54.0%	22.4%	6.6%	5.5%
T Rowe Price Retirement 2035 Class B	9.5%	59.1%	24.1%	4.9%	3.7%
T Rowe Price Retirement 2040 Class B	6.1%	63.2%	26.0%	2.9%	2.5%
T Rowe Price Retirement 2045 Class B	3.6%	66.1%	27.1%	1.5%	2.3%
T Rowe Price Retirement 2050 Class B	3.5%	66.0%	27.5%	1.5%	1.9%
T Rowe Price Retirement 2055 Class B	3.4%	66.0%	27.5%	1.5%	2.0%
T Rowe Price Retirement 2060 Class B	3.6%	65.5%	27.6%	1.5%	1.8%

Source: T. Rowe Price

Investment Performance Report

October 1, 2020 to December 31, 2020

The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's units or shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted.

Performance data current to the most recent month-end may be obtained by visiting: MarylandDC.com. Please consider the fund's investment objectives, risks, and charges and expenses carefully before investing. The underlying fund prospectuses contain this and other information about the investment company. Prospectuses are available by calling 800-545-4730. Read carefully before investing.

Gross expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. For more information about gross expense ratios, read the fund's prospectus. The rates of return do not reflect a maximum

deduction of a 0.12% annual plan asset fee, which, if reflected, would reduce the performance shown. No account will be charged more than \$2,000 for the year. The rates for the Investment Contract Pool are after the deduction of any carrier charges. Please see other important disclosures at the end of this report.















Actively managed funds












Passively managed funds

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.











VRU	Investment Option	Morningstar Category	Ticker / CUSIP#	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Gross Expense Ratio
	Retirement Date Trusts									
715	 T. Rowe Price Retirement 2005 Fund T. Rowe Price Retirement 2005 Trust B	Target-Date 2000-2010	TRRFEX 87280L200	11.24% 11.49%	7.39% 7.59%	7.90% 8.04%	6.54% N/A	6.17% 7.06%	02/27/04 01/13/12	0.52% 0.40%
		Combined Index Portfolio 2005		12.01%	7.81%	7.84%	6.57%			
716	 T. Rowe Price Retirement 2010 Fund T. Rowe Price Retirement 2010 Trust B	Target-Date 2000-2010	TRRAX 87280M208	11.90% 12.10%	7.80% 7.98%	8.42% 8.54%	7.04% N/A	7.73% 7.70%	09/30/02 01/13/12	0.52% 0.40%
		Combined Index Portfolio 2010		12.58%	8.17%	8.35%	7.09%			
717	 T. Rowe Price Retirement 2015 Fund T. Rowe Price Retirement 2015 Trust B	Target-Date 2011-2015	TRRGX 87280N206	12.57% 12.91%	8.19% 8.42%	9.02% 9.20%	7.75% N/A	6.94% 8.62%	02/27/04 01/13/12	0.55% 0.40%
		Combined Index Portfolio 2015		13.06%	8.53%	9.02%	7.79%			
718	 T. Rowe Price Retirement 2020 Fund T. Rowe Price Retirement 2020 Trust B	Target-Date 2016-2020	TRRBX 87280V208	13.19% 13.45%	8.70% 8.90%	9.81% 9.99%	8.47% N/A	8.82% 9.52%	09/30/02 01/13/12	0.57% 0.40%
		Combined Index Portfolio 2020		13.49%	9.02%	9.86%	8.50%			
719	 T. Rowe Price Retirement 2025 Fund T. Rowe Price Retirement 2025 Trust B	Target-Date 2021-2025	TRRHX 87280U200	14.69% 14.85%	9.40% 9.60%	10.63% 10.81%	9.16% N/A	7.78% 10.40%	02/27/04 01/13/12	0.61% 0.40%
		Combined Index Portfolio 2025		14.64%	9.68%	10.70%	9.17%			
720	 T. Rowe Price Retirement 2030 Fund T. Rowe Price Retirement 2030 Trust B	Target-Date 2026-2030	PRILX 87280Y202	15.90% 16.13%	9.98% 10.23%	11.34% 11.56%	9.76% N/A	9.72% 11.17%	09/30/02 01/13/12	0.64% 0.40%
		Combined Index Portfolio 2030		15.63%	10.23%	11.45%	9.75%			
721	 T. Rowe Price Retirement 2035 Fund T. Rowe Price Retirement 2035 Trust B T.	Target-Date 2031-2035	TRRIX 87281G200	17.05% 17.32%	10.48% 10.75%	11.90% 12.16%	10.20% N/A	8.35% 11.76%	02/27/04 01/13/12	0.67% 0.40%
		Combined Index Portfolio 2035		16.50%	10.70%	12.07%	10.19%			
722	 T. Rowe Price Retirement 2040 Fund T. Rowe Price Retirement 2040 Trust B	Target-Date 2036-2040	TRRDY 87281H208	18.11% 18.35%	10.93% 11.24%	12.38% 12.65%	10.54% N/A	10.13% 12.19%	09/30/02 01/13/12	0.69% 0.40%
		Combined Index Portfolio 2040		17.24%	11.09%	12.57%	10.52%			
723	 T. Rowe Price Retirement 2045 Fund T. Rowe Price Retirement 2045 Trust B	Target-Date 2041-2045	PRILX 87281J204	18.65% 18.87%	11.20% 11.50%	12.63% 12.91%	10.67% N/A	8.78% 12.32%	05/31/05 01/13/12	0.71% 0.40%
		Combined Index Portfolio 2045		17.59%	11.30%	12.80%	10.63%			
728	 T. Rowe Price Retirement 2050 Fund T. Rowe Price Retirement 2050 Trust B	Target-Date 2046-2050	TRRMX 87281K201	18.68% 18.83%	11.19% 11.46%	12.62% 12.88%	10.67% N/A	7.94% 12.32%	12/29/06 01/13/12	0.71% 0.40%
		Combined Index Portfolio 2050		17.60%	11.30%	12.80%	10.63%			
729	 T. Rowe Price Retirement 2055 Fund T. Rowe Price Retirement 2055 Trust B	Target-Date 2051-2055	TRRNK 87281M207	18.55% 18.80%	11.15% 11.45%	12.59% 12.89%	10.66% N/A	7.92% 12.31%	12/29/06 01/13/12	0.71% 0.40%
		Combined Index Portfolio 2055		17.60%	11.30%	12.80%	10.63%			
1152	 T. Rowe Price Retirement 2060 Fund T. Rowe Price Retirement 2060 Trust B	Target-Date 2056-2060	TRRLX 87281N205	18.47% 18.75%	11.14% 11.46%	12.56% 12.88%	N/A N/A	9.58% 10.34%	06/23/14 01/05/15	0.71% 0.40%
		Combined Index Portfolio 2060		11.69%	7.71%	7.82%	6.26%			

Funds listed in Gray have been replaced by their corresponding Trust in 457(b), 401(k) and 401(a) plans. T. Rowe Price Retirement Funds remain in 403(b) plans.



VRU	Investment Option	Morningstar Category	Ticker/ CUSIP	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Gross Expense Ratio	
	Short-Term Investments										
283	 Investment Contract Pool (Available for 457(b), 401(k) and 401(a) plans only.) Investment contracts with fixed-income managers/underwriters and insurance companies. Some have a fixed interest rate while others reset the interest rate 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.	Stable Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
		Jan '21	Dec '20								Nov '20
		1.87%	2.00%								2.02%
1340	 Vanguard Federal Money Market Inv (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. Average maturity typically ranges from 30–70 days. Current Yield: 0.01%	Money Market	VMRXX	0.45%	1.46%	1.10%	0.56%	4.04%	07/13/81	0.11%	
		INDEX Citigroup 3-month T-bill		0.58%	1.56%	1.16%	0.60%				
	Bonds			1	3	5	10				
1641	 TCW Core Fixed Income I ^(a) Invests primarily in debt securities, such as U.S. Government and corporate obligations, bonds, notes, debentures, mortgage-backed securities, assetbacked securities, and in U.S. dollar denominated foreign securities (government and corporate).	Intermediate-Term Bond	TGCFX	8.79%	5.79%	4.56%	4.08%	5.53%	02/26/93	0.51%	
		INTERMEDIATE TERM BOND INDEX Barclays Capital US Aggregate Bond		7.51%	5.34%	4.44%	3.84%				
786	 Vanguard Total Bond Market Index Inst 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.	Intermediate-Term Bond	VBPIX	7.74%	5.41%	4.47%	3.81%	5.23%	09/18/95	0.04%	
		INTERMEDIATE TERM BOND INDEX Barclays Capital Intermediate Government Bond		5.73%	4.10%	2.89%	2.46%				
	Balanced			1	3	5	10				
724	 T. Rowe Price Retirement Balanced Fund ^(a) Invests in a diversified portfolio of other T. Rowe Price stock and bond funds that represent various asset classes and sectors. The fund’s “neutral allocations,” which are what T. Rowe Price considers broadly appropriate for investors seeking a static asset allocation during their retirement years, are 40% stock funds and 60% bond funds.	Allocation - 30% - 50% Equity	TRRIX	11.43%	7.51%	7.86%	6.26%	6.62%	09/30/02	0.50%	
		COMBINED INDEX Portfolio Income									
199	 Fidelity Puritan Fund ^(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.	Allocation - 50% - 70% Equity	FPURX	20.56%	11.89%	11.81%	10.50%	11.02%	04/16/47	0.52%	
		BALANCED INDEX 60% S&P 500/40% Barclays Capital Aggregate Bond		14.73%	11.03%	11.11%	10.02%				
	Large-Cap Stocks			1	3	5	10				
856	 Parnassus Core Equity Fund Inst ^(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.	Large Blend	PRILX	21.47%	16.76%	15.51%	14.19%	11.64%	04/28/06	0.63%	
		LARGE CAP BLEND INDEX Standard & Poor’s 500 Index		18.40%	14.18%	15.22%	13.88%				
2078	 Fidelity 500 Index ^(a) Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States. Normally investing at least 80% of assets in common stocks included in the S&P 500 Index.	Large Blend	FXAIX	18.40%	14.17%	15.21%	13.87%	10.74%	02/17/88	0.02%	
		LARGE CAP BLEND INDEX Standard & Poor’s 500 Index		18.40%	14.18%	15.22%	13.88%				
1749	 T. Rowe Price U.S. Equity Research I Invests in stocks within each industry based on weightings similar to the S&P 500. A team of industry-focused T. Rowe Price equity analysts is directly responsible for selecting stocks for the fund.	Large Blend	PCCOX	19.94%	14.95%	15.71%	14.08%	9.71%	11/30/94	0.38%	
		LARGE CAP BLEND INDEX Standard & Poor’s 500 Index		18.40%	14.18%	15.22%	13.88%				

^(a) Part of the MSRP Mutual Fund Savings (reimbursement) Program.

VRU	Investment Option	Morningstar Category	Ticker/CUSIP	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Gross Expense Ratio
2518	 T. Rowe Price Structured Research Trust C The Trust seeks to outperform the Standard & Poor's 500 Index® (the "S&P 500 Index") through stock selection, while constraining deviations from the S&P 500 Index with respect to sectors, industries, and fundamental characteristics.	Large Blend	87280E206	20.65%	15.32%	16.02%	14.40%	10.65%	05/02/05	0.31%
		LARGE CAP BLEND INDEX Standard & Poor's 500 Index		18.40%	14.18%	15.22%	13.88%			
834	 American Funds Growth Fund of America R6 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.	Large Growth	RGAGX	38.28%	20.07%	18.97%	15.66%	14.41%	11/30/73	0.31%
		LARGE CAP GROWTH INDEX Russell 1000 Growth		38.49%	22.99%	21.00%	17.21%			
942	 Delaware Value Inst The Fund invests in large-capitalization companies, seeking consistent long-term performance. The Fund follows a traditional value-oriented investment philosophy using a research-intensive approach.	Large Value	DDVIX	0.15%	5.35%	8.81%	11.16%	7.72%	09/15/98	0.68%
		LARGE CAP VALUE INDEX CRSP US Large Value		2.26%	6.78%	10.77%	11.45%			
Mid-Cap Stocks				1	3	5	10			
899	 Vanguard Midcap Index Inst Plus Seeks to match the performance of the CRSP US Mid Cap 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.	Mid Cap Blend	VMCPX	18.27%	12.06%	13.30%	12.43%	12.61%	12/15/10	0.03%
		MID CAP BLEND INDEX S&P 400 Midcap Index		13.66%	8.45%	12.35%	11.51%			
1291	 Janus Enterprise Fund The fund pursues its investment objective by investing primarily in common stocks selected for their growth potential, and normally invests at least 50% of its equity assets in medium-sized companies. Medium-sized companies are those whose market capitalization falls within the range of companies in the Russell Midcap® Growth Index. It may also invest in foreign securities, which may include investments in emerging markets.	Mid Cap Growth	JDMNX	20.44%	17.39%	18.11%	15.02%	11.86%	09/01/92	0.66%
		MID CAP GROWTH INDEX Russell Midcap Growth		35.59%	20.50%	18.66%	15.04%			
802	 T. Rowe Price Midcap 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.	Mid Cap Value	TRMCX	9.88%	5.52%	10.28%	10.07%	10.98%	06/28/96	0.78%
		MID CAP VALUE INDEX Russell Midcap Value		4.96%	5.37%	9.73%	10.49%			
Small-Cap Stocks				1	3	5	10			
1533	 T. Rowe Price Inst Small Cap Stock Fund 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.	Small Cap Growth	OTCFX	25.00%	17.52%	17.40%	14.44%	11.23%	03/31/00	0.67%
		SMALL CAP GROWTH INDEX CRSP US Small Cap Growth		35.35%	19.22%	17.97%	13.61%			
891	 Vanguard Small Cap Index Fund Inst 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 CRSP US Small Cap Index.	Small Cap Blend	VSCIX	19.12%	11.23%	13.61%	12.02%	9.43%	07/07/97	0.04%
		SMALL CAP BLEND INDEX Russell 2000 Blend		19.96%	10.25%	13.26%	11.20%			
International Stocks				1	3	5	10			
835	 American Funds Euro Pacific Growth R6 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.	Foreign Large Growth	RERGX	25.27%	10.74%	12.47%	8.14%	11.30%	04/16/84	0.46%
		FOREIGN LARGE GROWTH FTSE Developed ex North America		10.07%	4.61%	7.99%	5.71%			
883	 Vanguard Total International Stock Index Inst Vanguard Total International Stock Index Fund seeks to track the investment performance of the FTSE Global All Cap ex US Index, an index designed to measure equity market performance in developed and emerging markets, excluding the United States. The fund invests substantially all of its assets in the common stocks included in its target index. The fund allocates its assets based on each region's weighting in the index.	Foreign Large Blend	VTSNX	11.28%	5.01%	9.11%	5.15%	5.83%	11/29/10	0.08%
		INTERNATIONAL INDEX FTSE Global All Cap ex US		11.54%	5.29%	9.39%	5.52%			

CUSIP/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 tab at MarylandDC.com.

Nationwide Fixed Account [457(b) plan only] Average Quarterly Annualized Crediting

This option is closed to deferrals and transfers from other investment options.

1st Qtr 21	4th Qtr 20	3rd Qtr 20	2nd Qtr 20
3.50%	3.50%	3.50%	3.50%

Note: The above yields were supplied by Nationwide. They are a weighted average of all money held in this investment option, which consists of seven separate pools. The yields do not reflect the deduction of the annual asset fee. The annual asset fee is 0.12%. No account will be charged more than \$2,000 in 2020. The actual yield credited to your account may be higher or lower than the yield reflected above. The Nationwide Fixed Group Annuity is issued by Nationwide Life Insurance Company, Columbus, OH. Contract #Life 2183. The 2020 minimum guaranteed yield is 3.50%. Guarantees and protections are subject to the claims paying ability of Nationwide Life Insurance Company.

Great West Certificates [403(b) plan only] Quarterly Effective Gross Annual Rates

This option is closed to deferrals and transfers from other investment options.

	1st Qtr 21	4th Qtr 20	3rd Qtr 20
Dig Fund	4.00%	4.00%	4.00%
36-Mo. Certificate	4.00%	4.00%	4.00%
60-Mo. Certificate	4.00%	4.00%	4.00%
84-Mo. Certificate	4.00%	4.00%	4.00%

Note: The rates do not reflect the deduction of the annual asset fee. The annual asset fee is 0.12%. No account will be charged more than \$2,000 for the year.

RISK DISCLOSURES

Money market funds: Investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

The money market current yield is the annualized historical yield for the 7-day period ending on the last day of the calendar quarter. Yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.

Retirement Date Trusts also known as target date options, are asset allocation trusts that are based on a targeted date as to when an investor plans to begin to withdraw money. These trusts use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. As a result, the trusts 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 trust(s) is not guaranteed at any time, including at the target date. There is no guarantee that Retirement Date trusts will provide enough income for retirement.

International/emerging markets funds: Investing internationally involves risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

Small company funds: Stocks of small or emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

Bond funds: Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund.

Some mutual funds may impose a short term trade fee. Please read the underlying prospectuses carefully.

IMPORTANT DISCLOSURES

Investment Contract Pool available for 457(b), 401(k) and 401(a) plans only.

Vanguard Federal Money Market Fund available for 403(b) plan only.

Investing involves market risk, including the possible loss of principal.

Inception Date is the date the underlying fund was established. Some mutual funds may impose a short term trade fee. Some funds may be subject to a trade restriction policy. Please read the underlying prospectus carefully.

Market indices have been provided for comparison purposes only; they are unmanaged and no fees and expenses have been reflected here. Individuals cannot invest directly in an index.

This document was created to help educate participants on the Maryland Supplemental Retirement Plan and is intended only to provide a general summary of the Plan and its features. In the event there are any inconsistencies between this document and the Plan Document, the Plan Document will govern.

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Contact us

Enrollment and Information Hotline

800-545-4730

For information about the match, to enroll in the 457(b), 401(k) and 403(b) plans, or to change your contribution amount

Nationwide Web Site MarylandDC.com

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

Nationwide Hunt Valley Office (443) 886-9402 or 800-966-6355

To enroll in 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, or to arrange a meeting with a representative

Nationwide Solution Center 800-545-4730

For account information, to make investment option exchanges and allocation changes, to change address, name or beneficiary, for payout calculations in the 457(b), 401(k) and 403(b) and 401(a) plans, and for financial hardship inquiries

Maryland Teachers & State Employees Supplemental Retirement Plans 410-767-8740 or 800-543-5605

For information about the Maryland Supplemental Retirement Plans, for booklets, to arrange educational seminars and for other general information

MSRP Web Site MSRP.maryland.gov

For the latest MSRP news, information available on the Board of Trustees and staff, newsletters, booklets, legislation updates, and more



**Enroll online
MarylandDC.com**

Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA. Nationwide is the administrator for MSRP. Nationwide Investment Services Corporation (member, FINRA), an affiliate of Nationwide, provides educational and enrollment services on behalf of MSRP. Financial & Realty Services, LLC may provide education and marketing support services on behalf of Nationwide. Its Retirement Consultants are registered representatives of FSC Securities Corporation (FSC), member FINRA, SIPC. FSC and Financial & Realty Services, LLC are not affiliated with MSRP, Nationwide or NISC.



Investment Contract Pool

Separate Account Report as of December 31, 2020

Objective

The MSRP Investment Contract Pool ("ICP") seeks to preserve principal value and provide a relatively stable rate of return comparable to intermediate fixed-income yields over two to five years.

Note: While this ICP Report is prepared on a quarterly basis, the monthly crediting rate is reported on the www.MarylandDC.com homepage.

Risks

This investment is not FDIC insured or guaranteed by the federal or state government. Like all investments the ICP has risks and may not meet its investment objectives, including the objective of a constant principal value. A detailed description of these risks is contained in the ICP overview document, available on the MSRP website, or on request. Investors should also note that the ICP is not a money market fund and has different risk characteristics than a money market fund.

Investment Overview

The ICP invests in a diversified portfolio of stable value contracts issued by insurance companies, banks, and other financial institutions, and a variety of fixed income instruments including U.S. Government and agency securities, mortgage-backed securities, asset-backed securities, and corporate bonds. Investors earn the average return received under all contracts in effect at any point in time. The ICP's return is affected by the general level of interest rates as well as by cash flows, including those from employer and employee contributions, withdrawals, and transfers into and out of the ICP. The average duration of the ICP's investments will be approximately two to four years. The average credit quality of the ICP's investments will generally be AA (or its equivalent)³, although individual securities or contracts purchased for the ICP may have a lower credit quality rating.

ICP Characteristics

Assets	\$837,009,116
Average Duration	2.87 years
Previous monthly crediting rate (annualized)	2.00%
Inception Date	1987
Manager ¹	Galliard Capital Management, Inc.

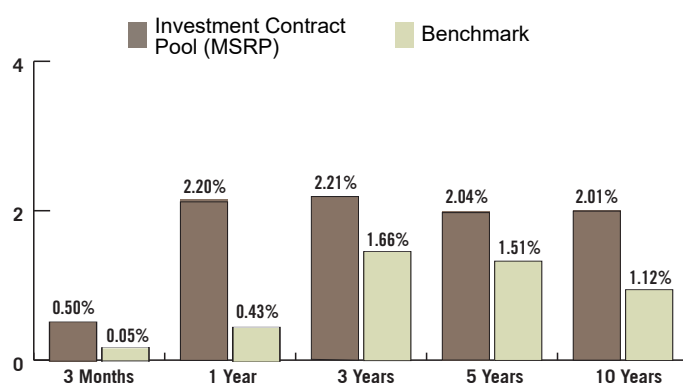
Sector Allocation of the Underlying Fixed Income Portfolios²

U.S. Treasury/Agency	24.4%
Other U.S. Government	11.7%
Corporate/Taxable Muni/ Not for Profit	33.8%
Mortgage Backed Securities (MBS)	18.1%
Asset Backed Securities (ABS)	9.2%
Guaranteed Investment Contracts (GICs)	0.0%
International Gov't/ Agency Securities	0.0%
Cash/Equivalents	2.9%

Credit Profile of the Underlying Fixed Income Portfolios^{2,3}

AAA	66.6%
AA	4.4%
A	12.2%
BBB	15.9%
<BBB	1.0%
NR/NA	0.0%

Performance⁴



¹ Prior to July 2006 ING Stable Value Product Group, a division of ING Life Insurance and Annuity Company provided management services. From July 2006 to January 2014 Deutsche Asset & Wealth Management provided management services.

² Allocations shown are not necessarily indicative of future allocations. Figures may not sum to 100% due to rounding.

³ As rated by Standard & Poor's or equivalent by any other rating services.

⁴ Performance shown is net of Investment Management fees. Past performance is not indicative of future results. Figures greater than one year are annualized. Performance is net of all fees and includes

all income, realized and unrealized capital gains and losses and all annual fund operating expenses. Returns may have been impacted by the effect of compounding and have been rounded to the nearest basis point. The returns herein are not necessarily indicative of the returns that may be achieved over the longer term. There is no assurance that comparable returns will be achieved in the future or that the ICP's investment objective will be achieved. The results portrayed reflect the reinvestment of dividends and other earnings. Benchmark is 3 Year Constant Maturity Treasury. Investors cannot invest in an index.



Investment Contract Pool

Separate Account Report as of December 31, 2020

Strategy Overview

Assets in the Investment Contract Pool are held in trust for the benefit of participants of the MSRP. Participant investments made in the ICP are credited with a daily blended interest rate. Periodically an anticipated monthly rate is declared, but not guaranteed. This quoted rate is net of all fees and expenses directly related to the ICP. This average annual expense fee will vary, but is approximately 0.32% (\$3.24 per \$1,000), annualized. This fee does not include the monthly account fee of fifty-cents or the monthly asset fee assessed on all participants by the Maryland Board of Trustees ("Board") and Nationwide Retirement Solutions, which will total 0.14%, annualized.

The ICP typically invests in the following investments:

(1) Short term cash investments for general account liquidity; (2) General Account Investment Contracts ("GICs" or "BICs"), which are issued by insurance companies or banks and maintain a constant principal valuation while earning interest; (3) Separate Account GICs, and (4) Synthetic GICs. Separate Account GICs and Synthetic GICs both allow for principal stability while earning interest. The key difference between GICs, and Synthetic GICs or Separate Account GICs, is that Synthetic GICs and Separate Account GICs have an associated fixed income portfolio managed by a fixed income advisor for the benefit of the ICP. The fixed income portfolio generates investment income to pay interest, and is combined with a benefit responsive investment contract issued by an insurance company, bank, or other high-quality financial institution, to help maintain the principal stability of the ICP.

ICP Investment Policy

The ICP is managed according to a detailed investment policy established by the Board, which is available upon request.

Further Information

For information about the Maryland Supplemental Retirement Plans, investment option booklets, and other general information or to arrange educational seminars, please go to the MSRP website at MSRP.maryland.gov. For additional information about the Plans, financial planning calculators, performance information, mutual fund prospectuses, Plan forms, and to enroll or access an account, please log on to the Nationwide Retirement Solutions MSRP participant website at www.MarylandDC.com.

You may also call the MSRP at 410-767-8740 / 1-800-543-5605 (office hours: Monday thru Friday, 8:30 a.m. to 5:00 p.m.) or e-mail us at Info.MSRP@maryland.gov. Or you may call the Nationwide Retirement Solutions Team MSRP Customer Service Center at 1-800-545-4730.

⁵ Ratings are Standard and Poor's Rating Service and Moody's Investor Services, respectively.

⁶ Allocations shown are not necessarily indicative of future allocations. Figures may not sum to 100% due to rounding.

⁷ Fixed income portfolios managed by these advisors are associated with Separate Account GICs and Wrapper contracts issued to the ICP.

ICP Investments ^{5,6}

Short Term Investment Funds (STIF)	S&P	Moody's	% of Portfolio
STIF	AAA	Aaa	1.8%
General Account GIC	S&P	Moody's	% of Portfolio
-	-	-	-
Synthetic GICs / Wrappers and Separate Account Issuers	S&P	Moody's	% of Portfolio
American General Life Ins. Co.	A+	A2	20.0%
Massachusetts Mutual Life Ins. Co.	AA+	Aa3	19.6%
Metropolitan Life Insurance Co.	AA-	Aa3	19.7%
Prudential Insurance Co. of America	AA-	Aa3	20.0%
Transamerica Life Ins. Co.*	A+	A1	18.9%

Fixed Income Portfolios ^{6,7}

Dodge & Cox	19.3%
Earnest Partners	19.2%
IR+M	18.8%
Galliard Capital Management, Inc.	20.9%
TCW	20.0%

The MSRP Investment Contract Pool is not a mutual fund, therefore there is no prospectus. It is a separate managed account, which may utilize collective investment trusts as part of its investment strategy. Unit price, yield, and return may vary.

The comments, opinions and estimates contained herein are based on or derived from publicly available information from sources that we believe to be reliable. We do not guarantee their accuracy. This material is for informational purposes only and sets forth our views as of this date. The underlying assumptions and these views are subject to change without notice.

* Effective October 1, 2020, Transamerica Premier Life Ins. Co. merged into Transamerica Life Ins. Co.

NOT FDIC INSURED | MAY LOSE VALUE
NO BANK GUARANTEE | NOT A DEPOSIT
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY



STATISTICAL SECTION

2020 Plan Statistics

2020 Totals For All Plans

Average Combined Plan Assets by Participant	71,515
TOTAL Participants	63,753
TOTAL Deferring Participants	32,641
Average Roth Assets by Participant	12,211
Participants in Multiple Plans	7,147
Total Roth Accounts	6,795
TOTAL Participants with Systematic Payouts	5,421
Participants with Multiplan Deferrals	2,955
Average Annual Deferrals per Participant	2,087

457(b) Deferred Compensation Plan

	2020	2019	2018
Participants	36,147	35,557	34,857
Deferring Participants	21,129	20,907	21,271
Systematic Payouts	3,090	3,269	3,342
Loans	2,496	2,257	2,610
Annuitants	1	1	1
Net New Enrollments	(66)	1,363	712

401(k) Savings & Investment Plan

	2020	2019	2018
Participants	32,111	32,548	32,611
Deferring Participants	16,626	17,230	17,832
Systematic Payouts	3,363	3,132	3,461
Number of Loans	2,131	2,117	2,632
Annuitants	-	-	3
Net New Enrollments	(438)	(50)	(64)

403(b) Tax Deferred Annuity Plan

	2020	2019	2018
Participants	775	784	782
Deferring Participants	324	339	346
Systematic Payouts	134	141	155
Number of Loans	29	29	32
Annuitants	1	-	-
Net New Enrollments	(7)	4	4

401(a) Match Plan

	2020	2019	2018
Participants	26,973	28,755	29,397

Ten Year History Of Administrative Charges And Expenditures

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Plan Charges	\$ 1,924,298	\$ 2,518,517	\$ 1,290,459	\$ 2,084,562	\$ 1,580,828	\$ 1,693,232	\$ 1,889,868	\$ 1,353,339	\$ 1,649,707	\$ 1,640,000
Technical & Special fees	-	-	6,813	-	-	2,427	5,945	889	25	943
Benefits	1,221,029	1,466,342	1,239,426	1,236,248	1,252,561	1,179,268	1,093,162	1,131,212	1,035,850	1,070,891
Contractual Services**	301,178	231,874	197,903	373,298	279,367	298,242	241,535	285,473	214,478	235,772
Fixed Charges**	163,361	170,768	168,675	152,415	248,648	298,486	138,699	134,222	129,760	127,935
Supplies and Materials	31,164	16,237	18,075	6,249	10,404	8,794	12,142	4,500	4,769	3,830
Equipment/Furnishings	9,991	11,808	1,339	15,545	10,986	78	354	15,883	22,442	45,205
Communications	5,379	28,999	18,874	39,751	19,279	16,823	26,243	9,433	25,549	18,797
Travel	-	22,558	25,102	22,483	20,659	19,823	20,513	16,257	18,966	15,523
Expenditures										
Salaries, Wages and Fringe										
Total Expenditures	<u>1,732,102</u>	<u>1,948,586</u>	<u>1,676,207</u>	<u>1,845,989</u>	<u>1,841,904</u>	<u>1,823,941</u>	<u>1,538,593</u>	<u>1,597,869</u>	<u>1,451,839</u>	<u>1,518,896</u>
Plan Charges Less Expenditures	192,196	569,931	(385,748)	238,573	(261,076)	(130,709)	351,275	(244,530)	197,868	121,104
Beginning Reserve							-	-	-	-
Calculated Reserve Balance	<u>\$ 405,986</u>	<u>\$ 418,608</u>	<u>\$ 418,608</u>	<u>\$ 448,833</u>	<u>\$ 210,260</u>	<u>\$ 471,336</u>	<u>\$ 602,045</u>	<u>\$ 250,770</u>	<u>\$ 495,300</u>	<u>\$ 297,432</u>

(In Thousands)

457(b) PLAN SUMMARY

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Additions: Contributions	8,558,881	83,004	74,579	72,953	66,817	66,812	60,837	58,119	64,510	65,686
Additions: Investment Return	-	301,124	(56,222)	210,383	104,550	8,959	94,215	204,663	118,410	(3,379)
Loan Amount	2,139,825	21,731	20,922	19,733	18,772	18,077	17,466	14,822	13,556	12,749
Mutual Fund Reimbursements	85,881	1,159	1,338	888	893	937	-	-	-	-
Participant Accounts	36	36	38	34	33	32	30	30	29	30
Deferring Participants	21	21	21	19	19	18	17	16	17	17
Number of Loans	2	2	3	2	2	2	2	2	2	2
Total Net Position	-	1,913,580	1,649,715	1,741,463	1,572,024	1,498,891	1,524,446	1,465,381	1,211,930	1,211,930
Plan Administration Fees*	(2,696)	(2,731)	(3,048)	(2,203)	(1,942)	(1,942)	(2,041)	(2,570)	(1,314)	(1,314)
Withdrawals	(20,755)	(121,417)	(108,390)	(112,576)	(96,552)	(99,281)	(94,809)	(90,899)	(93,842)	(93,842)

401(k) PLAN SUMMARY

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investment Return	-	373,789	(76,379)	257,286	124,407	4,757	106,157	238,849	129,978	(11,369)
Contributions	-	96,379	87,096	91,833	85,852	94,255	89,860	82,602	92,031	90,335
Loan Amount	2,454,634	19,960	19,528	19,841	19,231	19,071	18,897	17,676	15,469	14,383
Mutual Fund Reimbursements	89,232	1,309	1,469	1,054	1,030	1,062	972	830	681	618
Participant Accounts	32	33	33	32	33	34	34	34	35	35
Deferring Participants	17	17	18	18	18	19	20	20	21	22
Number of Loans	2	2	3	2	3	3	3	3	3	3
Total Net Position	-	2,165,531	1,827,030	1,931,514	1,698,085	1,585,700	1,588,574	1,485,299	1,243,907	1,098,306
Plan Administration Fees*	-	3,583	(2,842)	(2,927)	(2,349)	(2,331)	(2,513)	(1,821)	(2,599)	(2,461)
Withdrawals	(18,395)	(129,393)	(113,828)	(113,817)	(96,555)	(99,555)	(91,202)	(79,069)	(76,111)	(75,309)

401(b) PLAN SUMMARY

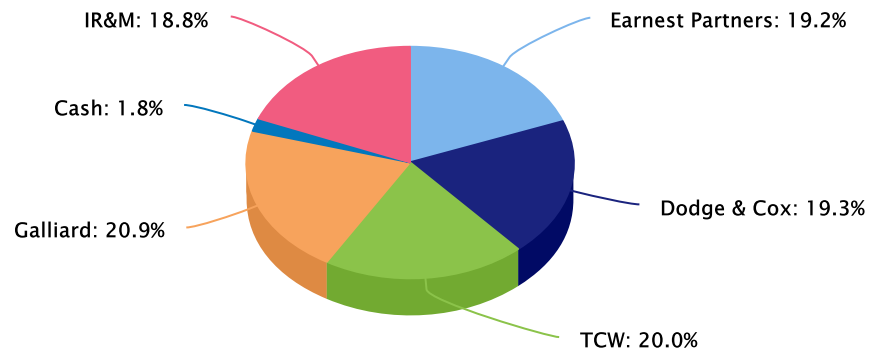
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investment Return	-	20,198	(4,284)	14,660	7,100	(77)	6,888	15,142	8,446	(4,483)
Contributions	-	3,024	2,363	2,535	2,664	2,656	2,761	2,538	2,961	2,883
Loan Amount	117,365	464	413	369	363	344	365	414	338	370
Mutual Fund Reimbursements	4,727	72	91	54	56	79	61	53	44	43
Participant Accounts	1	1	1	1	1	1	1	1	1	1
Deferring Participants	-	-	-	-	-	-	-	-	-	-
Number of Loans	-	-	-	-	-	-	-	-	-	-
Total Net Position	-	103,325	91,038	99,330	88,029	82,506	86,497	82,945	70,886	64,383
Plan Administration Fees*	-	(152)	(128)	(143)	(116)	(118)	(131)	(97)	(141)	(138)
Withdrawals	(495)	(10,856)	(6,334)	6,104	(4,181)	(6,452)	(6,027)	(5,577)	(4,807)	(4,473)

401(a) PLAN SUMMARY

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investment Return	-	39,321	(7,568)	27,750	14,140	567	13,953	31,449	16,897	(1,495)
Mutual Fund Reimbursements	-	127	159	107	117	128	116	104	88	86
Contributions	-	17	36	-	16	10	28	40	495	400
Participant Accounts	27	29	29	31	32	34	35	37	38	40
Deferring Participants	-	-	-	-	-	-	-	-	-	-
Total Net Position	10,763	207,508	178,289	195,848	176,934	171,152	180,097	173,707	149,528	139,053
Plan Administration Fees*	(112)	(310)	(246)	(265)	(8,280)	(219)	(247)	(172)	(279)	(276)
Withdrawals	-	(9,935)	(9,940)	(9,219)	(8,280)	(9,303)	(7,461)	(7,240)	(6,726)	(7,188)

* Includes any additional special fee

Stable Value Manager Diversification



IRS contribution limits

Understanding IRS contribution limits is important, especially when your goal is to contribute the maximum to your account. Even if you can't do the max, consider increasing your contribution a little each year to potentially move closer to your retirement goals.

2021 deferral limits¹

Standard deferral
\$19,500
Age 50+ catch-up
\$6,500
Special 457(b) catch-up
up to \$39,000

2020 deferral limits¹

Standard deferral
\$19,500
Age 50+ catch-up
\$6,500
Special 457(b) catch-up
up to \$39,000

The Age 50+ Catch-up provision allows people over age 50 to contribute more to their deferred comp account.

The Special 457(b) Catch-up Provision is part of the Section 457(b) of the Internal Revenue Code, and was amended by the Pension Protection Act of 2006. Participants who have not contributed the maximum limit under IRS law in previous years may contribute an amount less than or equal to the maximum limit (essentially, up to double the maximum) in the three years prior to the individual's normal retirement age.

How much should I contribute?

If your goal is to contribute the standard maximum deferral amount each year, you would need to contribute:

Pay frequency	
Weekly (52 pays)	
Bi-weekly (26 pays)	
Semi-monthly (24 pays)	
Monthly (12 pays)	

Maximum deferral contribution examples

IRA

2020 and 2021 IRA Traditional/Roth contribution limits²

Standard deferral
\$6,000
Age 50+ catch-up
\$7,000

How much should I contribute?

If your goal is to contribute the standard maximum deferral amount each year, you would need to contribute:

Pay frequency	Contribution
Weekly (52 pays)	\$115
Bi-weekly (26 pays)	\$231
Semi-monthly (24 pays)	\$250
Monthly (12 pays)	\$500

Maximum deferral contribution examples



Roth 457(b) and Roth 401(k) highlights

If you are or become a participant in the MSRP 457(b) and/or 401(k) Plan and you are actively employed by the state of Maryland, you may choose to make designated Roth 457(b) and/or 401(k) contributions.

- You may make Roth 457(b) and/or 401(k) contributions regardless of your income.
- Contributions are made through payroll deductions just like your other MSRP account(s), except your Roth contributions are deducted “after-tax”.
- You may divide your 457(b) and/or 401(k) Plan contributions between Traditional and Roth accounts.
- You may select different investment allocations for pre-tax and Roth balances in your plan.
- Whether you make pre-tax or Roth contributions, the total amount you may contribute to either the 457(b) or 401(k) plan is \$17,500 in 2014 (\$23,000 if you are at least age 50).
- You cannot recharacterize Roth contributions after the contribution is made. Designating a contribution to the 457(b) or 401(k) plan as a Roth contribution is irrevocable.
- Because your Roth 457(b) and/or 401(k) contribution is taxed differently, your Roth 457(b) and/or 401(k) contributions and any earnings are accounted for separately.
- Any matching employer contributions are always made on a pre-tax basis, regardless of whether you are contributing on a pre-tax or after-tax basis.
- Similar to traditional pre-tax 401(k) plan accounts, payout from a Roth 401(k) account may begin at 59½ or after retirement, whichever comes first. The difference is that no federal or Maryland income taxes are due on the earnings if 1) the Roth account was established more than five years ago (five-year period begins Jan. 1 of the year you first make a Roth 401(k) contribution into the plan) and 2) you are age 59½, or become disabled, or die.
- Similar to traditional pre-tax 457(b) plan accounts, payout from a Roth 457(b) account may begin after separation from State service, regardless of age. The difference is that no federal or Maryland income taxes are due on the earnings if 1) the Roth account was established more than five years ago (five-year period begins Jan. 1 of the year you first make a Roth contribution into the plan) and 2) you are age 59½ and have separated from service, or become disabled, or die.
- Required minimum distributions (RMD) begin at age 70½.

Note: Roth conversions

A Roth conversion feature will be added in the future so that any eligible distribution from the tax-deferred portion of the 401(k) plan may be converted to the Roth 401(k) at the participant's direction. Likewise, any eligible distribution from the tax-deferred portion of the 457(b) plan may be converted to the Roth 457(b). As with a distribution to the participant, the conversion amounts become taxable in the year converted.

Tax-deferred eligible distributions

A payout from a 457(b) plan is an eligible distribution after the participant separates from State service, becomes disabled, or dies.

A payout from a 401(k) plan is an eligible distribution after the participant attains age 59½, or separates from service at age 55 or more, or becomes disabled, or dies.

Roth qualified distributions

Generally, a Roth account distribution is a qualified distribution if: 1) the Roth account has been in existence for a five-year period (five-year period begins Jan. 1 of the year a participant first makes a Roth contribution into the plan), and 2) a participant is age 59½, or has died or become disabled under IRC Section 72(m)(7). Distributions made prior to these requirements being met are non-qualified distributions, and earnings may be taxable.

Should you elect to establish a designated Roth account, the account will not be subject to federal or Maryland income taxes.

Other qualified retirement plans can differ, including fees and when you can access funds. Assets rolled over from another qualified plan may be subject to both surrender charges from the original plan and a 10% penalty tax if withdrawn before age 59½.

Investing involves market risk including possible loss of principal.



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Glossary

Rates of Returns

Rates of Returns. The rates of returns are the net of the fund's annual operating expenses before the deduction of plan administration asset fees.

Betas

Five-Year Beta. The beta coefficient is a statistical measure of a stock's relative volatility (or risk). For comparative purposes, the fund's betas are measured relative to the S&P 500 Index, a measure of broad market activity. The Standard & Poor's 500 Index ("S&P 500") has a beta coefficient of 1.00. A stock with a higher beta is more volatile than the S&P 500. A stock with a lower beta is less volatile than the S&P 500.

Indices

91-Day Treasury Bill. A negotiable debt obligation issued by the U.S. Government and backed by its full faith and credit, having a maturity of three months. These are exempt from state and local taxes.

Standard & Poor's 500 Index ("S&P 500"). The S&P 500 is a broad-based measurement of stock market conditions; 70% of U.S. equity is tracked by this index, which consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index, with each stock's weight proportionate to its market value.

50% S&P/50% Lehman Brothers Aggregate Bond Index. This is the 50% S&P 500 and 50% Lehman Brothers Aggregate Bond Index. The Lehman Brothers Aggregate Bond Index is a mix of government, corporate, mortgage-backed, asset-backed, and Yankee bonds.

60% S&P/40% Lehman Brothers Aggregate Bond Index. This is the 60% S&P 500 and 40% Lehman Brothers Aggregate Bond Index.

S&P BARRA Growth Index and S&P BARRA Value Index. These indices take the stocks in the S&P 500 and portion them into equal halves based on their price-to-book ratios.

Lehman Brothers Intermediate Government Bond Index. Includes Government Index Issues with a time to maturity between 1 and 10 years.

Morgan Stanley Capital International Europe, Australia, and the Far East ("MSCI EAFE") Index. The MSCI EAFE Index is an international equity index. It consists of 1,030 securities from the following 20 countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, the Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

Russell 2000 Index. This index is a small-capitalization index that consists of the 2,000 smallest stocks in the Russell 3000 Index, representing 10% of the total U.S. equity market.

Glossary (continued)

Medians

Fixed Income - Short Term Median. This universe includes funds defined by Morningstar as Short-Term Bond funds; these funds have an average duration of more than one but less than 3.5 years, or an average effective maturity of more than one but less than four years.

Foreign Equity Non-U.S. Median. This universe includes funds defined by Morningstar as Foreign Stock funds which have no more than 10% of stocks invested in the United States. The median return represents the midpoint of this universe.

Large Cap Blend Median. This universe includes funds defined by Morningstar as Large Blend funds; these funds invest in a combination of Large Cap Growth and Large Cap Value stocks. The return represents the midpoint of this universe. Market caps greater than \$10 billion are considered large cap.

Managed Balanced Median. This universe includes funds defined by Morningstar as Balanced, which includes funds with stock holdings of greater than 20% but less than 70% of the portfolio. The return represents the midpoint of this universe.

Mid Cap Growth Median. This universe includes funds defined by Morningstar as Mid-Cap Growth funds; these funds primarily invest in stocks of mid-sized companies which are growing at faster than average rates. The return represents the midpoint of this universe. Market caps greater than or equal to \$2 billion but less than or equal to \$10 billion are considered mid-cap funds.

Small Cap Core Median. This universe includes funds defined by Morningstar as Small Blend funds; these funds invest in a combination of Small-Cap Growth and Small-Cap Value stocks. The return represents the midpoint of this universe. All funds with market caps less than \$2 billion are considered small-cap funds.

Participant Data Definitions

Participants. Those who have an account value (including those who are receiving systematic withdrawals and those who have recently enrolled in the Plans) and are awaiting their first deferral.

Deferring Participants. Those participating employees who made a contribution to the Plans by payroll deduction at the end of the reporting period.

Net New Enrollments. The net change of State employee participants from year to year. New enrollments and restarted contributors are reduced by retirement and transfer withdrawals, death claims, and other full distributions.

Annuitants. Participants who are receiving withdrawals from purchased annuity contracts.

Systematic Payouts. These occur when participants receive withdrawals from the Plans with remaining balances invested in the Plans.

Average Deferrals Per Participant. Calculated by dividing the dollar value of "TOTAL Deferrals" in all Plans combined by the number of "TOTAL Deferring Participants" at year-end.

Average Combined Plan Assets by Participants. Calculated by dividing the dollar value of Plan Assets in all Plans by the number of "TOTAL Participants" in all plans.