

Maryland State Teachers and State Employees Supplemental Retirement Plans Master Trust

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All information as of June 30, 2024

Category

Stable Value — The Investment Contract Pool (the “ICP”) of the Maryland Teachers & State Employees Supplemental Retirement Plans (the “MSRP”) is a stable value investment option offered under the Plan and is structured as a separately managed portfolio. The ICP is not a registered mutual fund, therefore there is no prospectus.

Management

T. Rowe Price Associates, Inc. (TRPA)

Objective

The purpose and objective of the ICP is to provide participants in the Maryland Teachers & State Employees Supplemental Retirement Plans (the “MSRP”) with an investment vehicle that, among other things:

- 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.

Approach

The ICP primarily invests in synthetic investment contracts (“SICs”). SICs are commonly referred to as wrap contracts or wraps. The ICP invests across a number of contracts with high quality contract issuers in order to help diversify the ICP’s credit risk with respect to any one counterparty. With respect to SICs, these wrap contracts are supported by underlying high-quality fixed income portfolios (such assets are commonly referred to as “wrapped assets”). The wrapped assets are generally managed to a target duration not more than 3.5 years with the objective of enhancing the ICP’s crediting rate. SICs provide a guarantee of principal and interest payment for routine participant transactions permitted under the MSRP regardless of the market value of the wrapped assets.

Reserve Segment (2.9% of ICP)

This segment is invested in an unwrapped short-term investment fund to help facilitate liquidity for routine participant transactions.

SIC Actively Managed Portfolio Segment (97.1% of ICP)

This segment is invested across five high quality SIC contracts and is intended to enhance the ICP’s crediting rate while remaining benefit responsive for routine participant transactions.

SIC Contract Issuers	% of ICP	Credit Quality Rating ¹
American General Life Insurance Company	20.3%	A2
Transamerica Life Insurance Company	20.3	A1
State Street Bank and Trust Company	19.0	Aa3
Metropolitan Tower Life Insurance Company	18.8	Aa3
The Prudential Insurance Company of America	18.7	Aa3

The above issuers represent 97.1% of the ICP as of June 30, 2024.

Total Return Performance²

Figures are Calculated in U.S. Dollars

	One Month	Two Months	Three Months	One Year	Since Inception ⁵ 1 January 2022
Investment Contract Pool (“ICP”)	0.27%	0.54%	0.80%	3.00%	2.43%
FTSE 3-Month Treasury Bill Index ³	0.45	0.92	1.37	5.64%	3.81
3-year Constant Maturity Treasury ⁴	0.38	0.77	1.18	4.61	3.95

Past performance is not a reliable indicator of future performance.

Sector Breakdown (%)	% of ICP	Credit Quality (%) ¹	% of ICP	ICP Characteristics	
Credits	38.1%	U.S. Government Agencies/Aaa	42.4%	Assets (Millions USD)	\$784.5
U.S. Treasuries	24.7	Aa	15.9	Average Crediting Rate (gross of trustee fees, net of 14.6 bps wrap fees)	3.29%
U.S. Agencies	2.1	A	20.2	Market-to-Book Ratio	94.46%
ABS	9.0	BBB or Lower	17.6	Duration	3.30 Years
CMBS	5.1	Reserves/Cash Equivalents	3.9	Yield	5.31%
Mortgage Back Securities (MBS)	17.1			Underlying Fixed Income Portfolios (% of ICP)	
Reserves/Cash Equivalents	3.9			T. Rowe Price	49.7%
				Payden	19.0
				Loomis	18.8
				Xponance	9.6

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¹Credit ratings for the securities held are provided by Moody's, Standard & Poor's and Fitch and are converted to the Moody's nomenclature. A rating of "AAA" represents the highest-rated securities, and a rating of "D" represents the lowest-rated securities. If the rating agencies differ, the highest rating is applied to the security. If a rating is not available, the security is classified as Not Rated (NR). T. Rowe Price uses the rating of the underlying investment vehicle to determine the creditworthiness of credit default swaps and sovereign securities. The portfolio is not rated by any agency. U.S. Government Agencies includes U.S. Treasury obligations as well as debentures, pass-throughs, CMOs, and project loans issued by Agencies of the U.S. Government.

²Performance is reported from the inception date of TRPA appointment as an investment manager of the Fund on January 01, 2022, and is gross of trustee fees, net of 14.6 bps wrap fees. Prior to January 01, 2022 the Fund was managed by other investment advisers not affiliated with TRPA. During the reported periods, other stable value portfolios may have performed better or worse than the Fund. Periods greater than one year are annualized.

³The FTSE 3-Month Treasury Bill Index provides a monthly return based on a rolling three-month average of U.S. Treasury bills.

⁴The 3-year Constant Maturity Treasury Index provides a monthly return based on a rolling three-year average of U.S. Treasury bills.

⁵"Since Inception" return is from inception of management by TRPA. Please contact the Plan for performance data relating to prior periods. The Fund is not insured by the FDIC or any other government agency. There is no assurance that the Fund will be able to maintain a stable net asset value of 1 USD a share and it is possible to lose money by investing in the Fund.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

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